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Sinfo

VLADA REPUBLIKE SLOVENIJE

Slovenia gets
new centre-left government

Marijana Bednaš
(IMAD): Slovenia will be
confronted with both stabilizing
growth and inflation

**With their project on
vaccine production,**
the Ljubljana students even
beat Harvard

QUOTES OF THE FORTNIGHT



Borut Pahor /Prime Minister/: New measures to help business

Portorož, 20 November - This government will take measures to alleviate the impact of the financial crisis, but it will shun blanket measures in favour of targeted incentives to help healthy companies. The government will not interfere with individual corporate decisions, but it takes a strong government to create appropriate conditions. Slovenia is a part of the developed world. It cannot provide very original responses to the challenges, but I think it is dangerous if it only waited for recipes offered by other countries. The government will not put out fires in individual companies but instead help healthy companies, especially exporters, with development incentives. The government will help struggling businesses, but "nobody should expect we will throw money into a bottomless bag. Slovenia must also be open to foreign investment. On the other hand, it is important that key financial institutions such as the bank NLB and insurer Zavarovalnica Triglav remain in domestic ownership. The state would tighten its belt, but not in technology spending. Incentives would be made available for companies hiring new workers. Workers who are laid off will be retrained for better-paid jobs. This is no time for passive social policy, we need to think about how to create more.



Mitja Petkovšek / Slovenian gymnast /: I'm really happy

Ljubljana, 19 November - Wow, I really didn't know that I was the first gymnast ever to score the perfect 1,000 points in World Cup rankings of the International Federation of Gymnastics (FIG). I'm really happy and proud to achieve something like that. This is crazy, crazy. I top the rankings on the parallel bars with 1,016.34 points, while another Slovenian, Aljaz Pegan, is leading the rankings on the horizontal bar after the end of the world cup season with 714.12. I'm very happy that I have managed to stay in the first place in FIG rankings for more than two years. It is not easy to be on the top all the time.



Goran Forbici / Centre for Information Service, Co-operation and Development of NGOs (CNVOS): NGOs welcome government pledges regarding civil society

Ljubljana, 14 November - We are pleased that the coalition has committed itself to assuring participation of the public during its term, that it even wants to adopt a law on this, and support and promote the development of the NGO sector in general. By adapting the tax and finance legislation and boosting the number of employees in the sector the government would in a way realise the proposals that 207 NGOs addressed to the Prime Minister Borut Pahor and coalition partners a few weeks ago. We furthermore welcome Pahor's announcement that he will immediately start a dialogue with NGOs. Coalition promises should be seen as "an excellent opportunity to start lasting dialogue between the government and non-governmental organisations.



Jože Trontelj /SAZU president/: Academy of arts and sciences marks 70th anniversary

Ljubljana, 12 November - During and after World War II, SAZU remained creative, in spite of strong influence from the political authorities. Today, the SAZU is a lively, vital institution, full of plans. The academy is not burdened with short-term and private interests and should take part in decision-making processes, SAZU is not Slovenia's first academy. Its first predecessor, Academia operosorum, was established as early as 1693. Academia operosorum was not only the first Slovenian but also the first Slavic academy. However, the first academy only existed for 30 years. In 1779, Academia operosorum "rediviva" was established, which was similarly short-lived. For over a hundred years, Slovenians did not have an academy of arts and sciences, until SAZU was founded on 12 November 1938.



Anže Logar

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GORIŠKA BRDA

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THE NEW TERM OF OFFICE IS BEGINNING

The new term of office for the new government is beginning. The National Assembly has confirmed the cabinet, and the new government started to operate at the end of the November. Due to the threatening economic crisis, the new premier Borut Pahor gave up the traditional 100 days of tranquillity, but the opposition will, just as it has with every government so far, enable the quarter of the starting truce. About the plans of the new premier and his team of ministers, we report in Sinfo and will, of course, in the following issues.

Recently Maribor, the second biggest city in Slovenia, was chosen for the European cultural capital of 2012. This is an important project that will bring Slovenia closer to the numerous European fans of culture, and give us a new opportunity to prove ourselves. As expected, also in this issue, we could not avoid the already heard questions on the reasonableness of such projects and the high costs that will be passed on the taxpayers. Although Slovenia has managed to convert each such international challenge into success, the Slovenians remain modest. Voltaire wrote that it is not enough to be modest, since you also need a reason to be modest. But there is no reason to be modest in culture. Especially in a community that strives for a sense of community, but at the same time wishes to preserve cultural diversity. Slovenia's cooperation in the framework of the European cultural capitals project is the best assurance that the term 'united in diversity' continues to exist, although the document where these words are written in a preamble is history by now...

Government Communication Office: www.ukom.gov.si
Government Institutions: www.gov.si
Slovenian Tourist Board: www.slovenia.info
Slovenian Chamber of Commerce and Industry: www.gzs.si
Slovenian Chamber of Craft: www.ozs.si
Public Agency of the RS for Entrepreneurship and Foreign Investments: www.japti.si
Ljubljana Stock Exchange: www.ljse.si
Statistical Office of the Republic of Slovenia: www.stat.si
State Portal of the Republic of Slovenia: <http://e-uprava.gov.si>
Slovenian Presidency of the EU 2008: www.eu2008.si

MONTHLYREPORT

Text: DANILA GOLOB, Photo: STA

SLOVENIAN AND SERBIAN INTERIOR MINISTERS PRAISE COOPERATION

Outgoing interior Minister Dragutin Mate met his Serbian counterpart Ivica Dačić in Ljubljana on 15 October, prior to a regional ministerial conference on illegal migration, organised crime, corruption and terrorism. On their first official meeting, the ministers praised cooperation in the areas of internal affairs and police.

The two ministers highlighted the cooperation of Slovenian and Serbian police forces in education and training, and in fighting human and drug trafficking, where they carried out several major operations together. Mate moreover pointed to the fight against terrorism and extremism as an area where cooperation could be strengthened. The pair also discussed liberalisation of the visa regime between the EU and Serbia. During the Slovenian EU presidency, the EU opened a dialogue with Serbia in this regard. The European Commission will present a report on Serbia's progress in November. Mate therefore offered to help Serbia in entering the visa-free EU regime next year and highlighted Slovenia's support for the country's EU accession. Dačić assured his counterpart that Serbia would be ready for such a regime by 2009 and expressed hope that the Serbian parliament would, in spite of certain deadlocks, pass all the necessary laws for the country's EU accession.

RUPEL: EU SHOULD BE MORE AMBITIOUS IN RUSSIA-GEORGIA CONFLICT

Outgoing foreign Minister Dimitrij Rupel commented late on 15 October on talks about the Russian-Georgian conflict held in Geneva, saying that they showed that a solution is still distant. He believes the group examining the causes of the conflict could go one step further and propose a solution.

Speaking to the press after a dinner of EU foreign ministers in Brussels, Rupel said that the talks held earlier in the day had »practically failed because of language problems«. Further talks have been postponed until 18 November. Summing up the view of the majority of his colleagues, Rupel said it was nevertheless positive that the different sides even came together in Geneva.

»The atmosphere, however, showed that we are still far from finding a solution.« Rupel sees the Georgia-Russia issue as »a big story, which very much concerns the EU, and the EU has a historic opportunity to help these two countries, which cannot find their way towards a solution alone«.

He suggested that the group tasked with examining the conflict, which had been proposed by the German, Belgian and Dutch ministers, also put forward a solution, which could then be debated by ministers at regular monthly meetings. Rupel believes that the EU should be »slightly more ambitious«.

»I feel that the EU is divided into friends of Georgia and friends of Russia, as if we could only be friends with one or the other side. I believe we can be the friends of both countries,« Rupel stressed, offering Serbia and Kosovo as an example.

SE EUROPE MINISTERS AGREE TO BOOST COOPERATION IN FIGHTING CRIME

On 16 October, participants of the regional ministerial conference on illegal migration, organised crime, corruption and terrorism reached a consensus at Brdo pri Kranju on ways to fight organised crime and corruption which will enhance police cooperation among South Eastern European countries, said outgoing interior

Minister Dragutin Mate.

According to Mate, who hosted the 8th regional ministerial conference, the ministers discussed joint projects and made conclusions which will be very helpful in fighting all forms of organised crime.

He pointed to the exchange of good practices in fight against terrorism in South Eastern Europe, which Slovenia initiated during its presidency, as one of such projects. A group of experts will visit the Western Balkan countries and present their recommendations for the fight against terrorism at the political and operational levels as part of the project, he explained.

To strengthen cooperation, a unified standard in fighting terrorism should be introduced in the region, explained Mate, adding that nine out of 16 EU recommendations will be implemented in the Balkans as well. At the conference, organised in cooperation with the Austrian Interior Ministry, Slovenia also proposed signing a statement on cooperation among countries of the so-called Brdo Process. Mate praised the cooperation so far, pointing to 62 kilos of explosives that these countries had seized together, and went on to say that their future joint projects will make it even more successful. The minister also said that the project for assessing the danger of organised crime in the South Eastern European region, initiated at last year's conference, was already underway and that the initial results were expected in March.

The assessment was needed in order to get a clear picture of the situation, he explained, adding that part of the profits from organised crime was being used to finance terrorist acts. Therefore, the matter should be tackled seriously and systematically, Mate pointed out.

He moreover highlighted the Ilcus project, which is to enhance police cooperation, the exchange of information and transfer of EU security standards to the South Eastern European region. Thus, these countries will be connected to Europol, Interpol and other such agencies, Mate said.

RUPEL AND MILIBAND DISCUSS BILATERAL AND GLOBAL ISSUES



British Foreign Secretary David Miliband (left) holds talks with Foreign Minister Dimitrij Rupel.

On 21 October, outgoing foreign Minister Dimitrij Rupel met his British counterpart David Miliband, who was visiting Slovenia as part of a state visit by Queen Elizabeth II. The pair discussed bilateral cooperation, EU-Russia relations, the Western Balkans and the fate of the Lisbon Treaty.

Rupel is reported to have pointed out that relations between Slovenia and Great Britain were excellent. Economic cooperation is good, and Britain is among the top ten Slovenian economic partners, he said.

The number of British tourists in Slovenia is increasing, and cooperation in all other areas is also very lively, Rupel stated, adding that the visit of Queen Elizabeth II will additionally boost relations between the two countries.

Touching on the future of the EU, Rupel expressed concern

regarding enforcement of the Lisbon Treaty, which is closely linked to the enlargement process. He reiterated that Slovenia supported the enlargement, especially to the Western Balkans countries.

Regarding EU-Russia relations, Rupel highlighted Slovenia's support for EU negotiations with Russia regarding a new agreement on cooperation with Russia, which is an EU strategic partner and as such could significantly contribute to stability in Europe. On 23 October at a forum of the Institute for Strategic Studies in Ljubljana, Foreign Minister David Miliband discussed the role of the EU in the world and Slovenia's role within the EU, saying that Slovenia had much to offer the Union.

JUSTICE MINISTER HAILS EU AGREEMENT ON CHILD SUPPORT



Justice Minister Lovro Šturm (left) talks to Portuguese counterpart Rui Pereira at a meeting of EU justice ministers.

Outgoing Justice Minister Lovro Šturm expressed pleasure on 24 October that the EU justice ministers had managed to wrap up an agreement simplifying procedures regulating child support obligations for parents living in different EU countries.

Commenting on the agreement, which makes the enforcement of judgments by a court in another Member State directly executable, Šturm said that this was »one of the most important instruments in the EU«.

»It will bring legal security and secure the recovery of child support. The procedure in cross-border cases will be much simpler, cheaper and quicker,« explained Šturm.

A major share of the progress towards the agreement was made during Slovenia's EU presidency earlier this year, said Šturm, who also noted that Slovenia had received praise for this from both French Justice Minister Rachida Dati, representing the EU presiding state, and Justice Commissioner Jacques Barrot. »The livelihood of a number of people, notably children, in the Union depends on the payment of child support. Today's agreement therefore marks an essential step toward protecting them,« said Barrot.

ETHIOPIAN AND UKRAINIAN WIN LJUBLJANA MARATHON

Thousands of runners gathered for the start of the 13th Ljubljana Marathon on 26 October. Ethiopian runner Amare Mulu won the men's competition with a time of 2 hours, 14 minutes and 55 seconds, and Ukrainian Tatyana Mesenceva took the women's title with 2 hours, 37 minutes and 13 seconds. The winner in the men's competition edged out Ibrahim Limo of Kenya by only 14 seconds. Another Kenyan, Peter Kwalia, was third, over one minute behind. Mulu, however, missed by over two minutes the EUR 20,000 prize for a new competition record, which is still held by last year's winner, Ukrainian Olexandr Sytkoski (2:12.49).



The start of the 13th Ljubljana Marathon.

Among the women, Russian runner Nadezhda Trilinskaya was second (2:37.26) and Ethiopian Gebre Zebenay third (2:57.17).

TÜRK DISCUSSES BILATERAL RELATIONS WITH CHINESE PRESIDENT, PM

President Danilo Türk started his official visit to Beijing on 24 October by meeting his counterpart Hu Jintao and Prime Minister Wen Jiabao. Their talks focused on economic and political as well as cultural relations between the two countries.

Türk stressed in talks with both officials that political relations between Slovenia and China need a stronger basis in the form of cooperation at all levels. Touching on economic cooperation, Türk stressed the importance of several existing institutions tasked with boosting trade, including the commission for trade and economic cooperation with China and the China office of the Slovenian Public Agency for Entrepreneurship and Foreign Investments. The president emphasised the importance of Slovenia's Port of Koper for Chinese trade, but noted that Chinese exporters should become better acquainted with Slovenia, according to the press release. Türk also discussed cultural cooperation with Hu and Wen. He expressed his support for the learning of Slovene in China, while the Chinese side expressed interest in supporting the teaching of Chinese in Slovenia.

Türk congratulated Hu and Wen in their separate meetings on China's successful organisation of the Olympics and Paralympics. The Chinese leaders in return thanked Türk for Slovenia's support of the victims of the devastating earthquakes which hit China earlier this year, claiming the lives of some 70,000 people and leaving millions in need of help. Türk noted that Ljubljana and Chengdu, the capital of the worst-hit Sichuan region, were twin cities. He pointed out that relations between the countries were



Slovenian President Danilo Türk (left) shaking hands with his Chinese counterpart Hu Jintao (right).

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traditionally good, and therefore it was natural that Slovenia had provided support. »Both talks showed that during its EU presidency Slovenia strengthened its position as an interesting partner for China,« Türk said after his meetings with Hu and Wen.

Türk also attended the opening of the 7th Asia-Europe Summit (ASEM) and addressed a plenary meeting on international economic and financial relations.

BARCELONA CHOSEN SEAT OF MED CLUB, SLOVENIA PLEASED

The foreign ministers of the EU and countries with a Mediterranean littoral reached an agreement late on 3 November in Marseilles to seat the secretariat of the Union for the Mediterranean in Barcelona. Slovenia, which endorsed Barcelona's bid, is pleased with the decision.

»I think that this is a good decision, since Barcelona is physically, culturally and politically closer to us than the other candidates,« told Slovenian outgoing Foreign Minister Dimitrij Rupel. He pointed out that Barcelona also had an advantage because the cooperation between the EU and the south Mediterranean started there. »I personally feel that this is the right decision,« he added. Morocco, France, Malta and Belgium were reportedly also vying for the seat of the secretariat. The ministers spent their working dinner and morning session discussing cooperation with the Arab League. Well-placed sources said they agreed that the Arab League could become a member of the club. Earlier in the day, Rupel commented that he saw no reason for the Arab League not to be given the opportunity to cooperate fully at the meetings of the Union for the Mediterranean.

The Arab League had previously taken part at meetings of the Mediterranean Partnership, the predecessor to the Union for the Mediterranean, but was unable to become a full member due to opposition from Israel.

SLOVENIA'S TRACK & FIELD STAR ALENKA BIKAR RETIRES

One of Slovenia's most successful female track athletes, Alenka Bikar, officially ended her successful career on 5 November. The 34-year-old athlete is best known for gaining second place at the 2000 European Athletics Indoor Championship in Ghent, Belgium, in the 200-metre event.

Bikar bid farewell at a ceremony in Ljubljana, which was also attended by her former team mate Brigita Bukovec, thanking her parents for all the good in her life and her coaches Luka Drašler and Jure Kastelic for developing her talent.

»I was very lucky to have Bukovec already achieving great results at the beginning of my career. I think I haven't told her how much her friendship on and off the track meant to me,« said Bikar.

Bikar, who made 50 appearances for the Slovenian track and field team, was chosen Slovenia's best athlete by the country's sports journalists in 2001 and is the holder of Slovenia's 200-metre indoor national best (23.16 s) and outdoor 300-metre record (37.48 s).

Her career highlights also include 5th place in the 200-metres at the 2001 World Championships in Edmonton and 13th place in the 1996 Olympics in Atlanta in the same event.

Bikar put her career on hold in 2006 after she got pregnant and gave birth to a baby girl. She said then that she planned to continue with her career and take part in the 2008 Beijing Olympics.

»I made a lot of appearances this year, but this wasn't enough for the Olympics, and I had plenty of time in August and September



Slovenian track and field athlete Alenka Bikar at a press conference on her retirement.

to think about the future. The decision to retire was a tough one, as running became an inseparable part of my life,« she said at the retirement ceremony.

FM HANDS GOVT DOCUMENT ON MINORITY'S PROBLEMS TO ITALIAN AMBASSADOR

On 5 November, outgoing Foreign Minister Dimitrij Rupel presented a document to the Italian Ambassador to Slovenia, Alessandro Pietromarchi, in which the government calls upon the Italian side to reconsider budget cuts which would affect the activities of the Slovenian minority in Italy.

In the document, the government presented its view on the planned funding cuts for minority institutions envisaged in the Italian budget, according to the Foreign Ministry. The cuts would force numerous minority organisations and associations to close down and would drastically affect the Slovenian media and education system. The Slovenian government expects Italy to respect the 2001 Minority Protection Act, under which the minority should get as much as EUR 5.347m in 2009 and 2010. The budget bill drafted by the Silvio Berlusconi government envisages EUR 4.25m for 2009, EUR 4.05m for 2010 and EUR 3.12m for 2011.

The document, which the government adopted last week, also touches upon Italian school reform, stressing that it expects the current situation to remain in the bilingual school model in the provinces of Trieste and Gorizia and the Slavia Veneta region.

The Slovenian government also expressed its concern with the delayed implementation of the Minority Protection Act and condemned the measures to »čerase the Slovenian presence« in the province of Udine.

FINANCIAL CRISIS DOMINATES KACZYNSKI LJUBLJANA TALKS

Outgoing Prime Minister Janez Janša and visiting Polish President Lech Kaczyński have called for a quick and coordinated international response to the ongoing global financial turmoil. The pair met in Ljubljana on 6 November, a day before they were to join other EU leaders for a special summit discussing the crisis. The Slovenian prime minister and the Polish president also discussed bilateral relations, which they established as well developed and problem-free.

Janša also thanked Kaczyński for Poland's support of Slovenia during its stint at the helm of the EU in the first half of this year



Polish President Lech Kaczyński (left) meeting Slovenian Prime Minister Janez Janša during his visit to Slovenia

and briefed him on Slovenia's experience in introducing the euro. At a press conference following talks with his Slovenian counterpart Danilo Türk, Kaczyński voiced his opposition to Polish government plans to introduce the European single currency by 2012, saying that the euro would essentially increase the cost of living.

The Polish president also met parliamentary speaker Pavel Gantar, who told him that euro-zone membership had been one of the reasons that Slovenia had not felt the impact of the current crisis as much as other countries.

The parliamentary press service meanwhile quoted Kaczyński as saying that he had somewhat changed his negative opinion about the introduction of the euro on account of the ongoing crisis and the troubles Polish exporters have had with the strong zloty. Kaczyński and Gantar agreed that membership of the EU had spared their countries' economies from stronger effects of the crisis. They, too, assessed bilateral relations as good.

MINORITY UNION SAYS POSITION OF SLOVENIANS IN AUSTRIA GOOD

A delegation of the Federal Union of European Nationalities (FUEN) became acquainted in Klagenfurt on 8 November with the position of the Slovenian minority in the Austrian province of Carinthia, assessing it as good but also pointing to non-implementation of the rulings on bilingual signs.

During its three-day visit, the FUEN delegation, which represents 84 national minorities in 32 European countries, met both representatives of the Slovenian minority and representatives of the Austrian authorities.

While assessing that there is a »strong will for life« within the minority, the FUEN also found that there were certain difficulties, primarily in the implementation of principles of the rule of law and bilingual education.

The delegation first met Carinthian Governor Gerhard Dörfler, who pointed to measures aimed at improving the infrastructure in the south of the province, which was welcomed by the FUEN. The favourable economic situation is preventing members of the minority from emigrating, said FUEN president Hans Heinrich Hansen, who is however saddened by Dörfler obviously having no understanding of the special rights and needs of the minority.

Hansen asked: »Where are the principles of the rule of law if 17 rulings of the Austrian Constitutional Court regarding bilingual signs have never been implemented?« The FUEN did not want to take a concrete position on the issue, while pointing out that »there are clear legal decisions that have to be realised«.

The delegation also met representatives of local schools and visited a private bilingual kindergarten, in principle assessing positively that bilingual education is being implemented in the first four elementary school grades. The FUEN meanwhile pointed out that the members of the Slovenian minority do not

know who truly represents them. In addition to the National Council of Carinthian Slovenians (NSKS) and the Association of Slovenian Organisations (ZSO), the Association of Carinthian Slovenians (SKS) has been fighting for the right of representation since 2003.

ŽIGA TURK APPOINTED SECRETARY GENERAL OF EU REFLECTION GROUP

Slovenia's Žiga Turk will be the secretary-general of the EU reflection group, which will try to find answers to the bloc's future challenges, the French presidency of the EU and prime minister's office said on 14 November.

The chair of the European Council, French President Nicolas Sarkozy, informed Slovenian Prime Minister Janez Jansa that the chair of the group, former Spanish prime minister Felipe Gonzales, confirmed the appointment of Turk, development minister in the outgoing government, as the secretary general.

Turk will lead the team responsible for supporting the group's work. »The secretary general of the reflection group will play a key role in coordinating the group's work,« diplomatic sources in Brussels say. He will be a link between the members, prepare the meetings and also be responsible for presenting their outcomes. Turk, born in 1962, was appointed development minister in March 2007, when he was the chair of telco Telekom Slovenije as well as a professor of construction informatics at the Faculty of Civil and Geodetic Engineering at the University of Ljubljana. In April 2007 he was appointed Mr. Lisbon, the national coordinator for the implementation of the Lisbon Strategy, and in August the same year as the top negotiator in Slovenia's talks to join the Organisation for Economic Co-operation and Development (OECD). He has taken part in the drafting of the National Research and Development Programme 2006-2010 and was a member of the tax reform task force at the Committee for Reforms that drew up a framework of economic reforms measures. The idea for the reflection group came from Sarkozy in 2007, who suggested that the group tackled the question of Europe's frontiers, however, now it will focus on key strategic questions for the period between 2020 and 2030. Former Latvian president Vaira Vike-Freiberga and ex-boss of Finnish corporation Nokia Jorma Ollila will be its vice-presidents.

SLOVENIA JOINS SOLDIER PROTECTION INITIATIVE WITH EUR 500,000

Slovenia has joined the initiative for better protection of soldiers by developing new technologies, outgoing Defence Minister Karl Erjavec said on the margins of the EU defence ministers' meeting in Brussels on 10 November. He explained that Slovenia would contribute EUR 500,000 to the EUR 15m project.

The programme binds 11 states in an initiative to provide higher security for soldiers by using nanotechnologies, Erjavec explained, focusing on strengthening the EU's defence capabilities, one of five priorities of the French EU presidency.

Erjavec said that the participants of the meeting discussed the restructuring of the European Defence Agency, naval control and citizen evacuation in case of natural disasters that call for quick response. The ministers also talked about the international space surveillance system project that could help locate military units accurately. Eight states also signed the initiative for establishing an European Air Transport Fleet, but Slovenia did not join, as it is solving the problem through the C-17 initiative.

In June, Erjavec signed an agreement on joint purchase and

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ownership by 15 states of three C-17 air-lifters, affording these countries their own strategic military air transport and strengthening their international role. The amount of time each country can use these planes is set out in contracts.

The meeting was also focused on all current EU military operations, some of them discussed at the joint meeting with foreign ministers. Erjavec highlighted the mission in Chad, where there are 3,500 soldiers, 14 of them from Slovenia with another at the headquarters in Paris.

»Slovenians are very successful at doing their job,« the minister pointed out. The mission in Chad will reform into a UN mission with 6,000 soldiers as of 15 March 2009. It is not yet clear whether the Slovenian military will continue cooperation in the reformed mission. »It depends on the new government,« Erjavec said.

Erjavec also expressed concern about the situation in Afghanistan, which was one of the topics of the joint meeting of foreign and defence ministers, also attended by NATO Secretary General Jaap de Hoop Scheffer. »Things are not good - on Sunday another bomb went off, and two Spanish soldiers were killed in an area where there are Slovenian soldiers,« explained Erjavec.

»The situation is heating up, and it will be necessary to think carefully about how to respond to these dangers,« he pointed out, noting that the future strengthening of the Slovenian presence in Afghanistan was a question for the new government and the new defence minister.

SLOVENIA AND EUROPEAN COMMISSION SIGN FLOOD AID AGREEMENT



Local Government and Regional Policy Minister Ivan Žagar (left) and European Regional Policy Commissioner Danuta Hübner.

On 11 November, outgoing Regional Policy Minister Ivan Žagar and European Regional Policy Commissioner Danuta Hübner signed an agreement which secures Slovenia EUR 8.25m in aid from the EU Solidarity Fund. The country asked for help in the aftermath of the devastating floods in September 2007.

Hübner said the funds were an expression of the EU's solidarity with Slovenia and the areas most affected by the floods. She said Brussels would provide an additional EUR 185m for Slovenia for flood prevention projects within the framework of the cohesion policy.

The floods of 18 September, which claimed six lives, caused heavy damage to private buildings, public infrastructure, the economy and the country's cultural heritage. Overall damage has been estimated at around EUR 230m.

EU members are entitled to aid from the Solidarity Fund if the damage exceeds 0.6% of their gross national income, or around

EUR 164m in the case of Slovenia.

Slovenia submitted a request for funds in November 2007 and the Council of the EU approved the request at the end of May.

SLOVENIA AND AUSTRIA TO EXCHANGE CLASSIFIED INFORMATION

On 12 November, Slovenia and Austria signed an agreement regulating the exchange and mutual protection of classified information. The agreement was signed by the director of the Government Office for the Protection of Classified Information, Milan Tarman, and Austrian Ambassador Valentin Inzko, the office said in a press release.

According to Tarman, the agreement provides an adequate basis for the tasks of state bodies whose work involves the exchange of classified information.

»There is already a great need for the exchange of classified information related to the protection of vital infrastructure,« Tarman wrote.

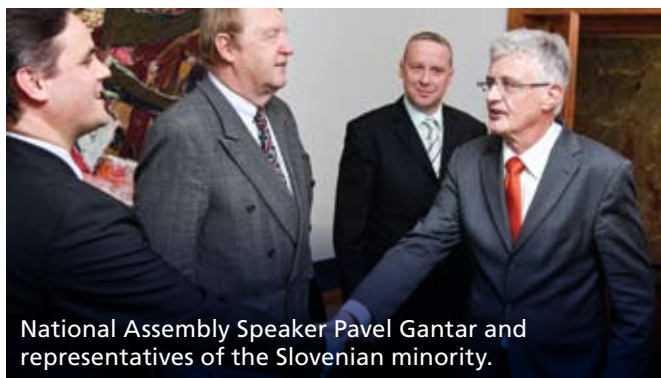
»In the future we expect this area to expand to fuel supply - oil and gas pipelines, telecommunication links in international transport, electricity supply, transport across Slovenia and Austria, transport services in international road, rail and air transport, nuclear safety, health - communicable diseases, etc.,« he added.

PARLIAMENT SPEAKER MEETS MINORITY OFFICIALS FROM AUSTRIA

On 13 November, National Assembly Speaker Pavel Gantar and representatives of the Slovenian minority in the Austrian province of Carinthia agreed that cooperation between Slovenia and Austria had strengthened the position of the minority and that conflicts could be solved with positive projects in economic, cultural and other areas.

Gantar welcomed the increased interest in learning Slovene among the Carinthian population and pointed out that graduates of bilingual schools were in high demand among employers. According to him, the Slovenian minority should assert its rights through positive policies and make its presence visible in the province.

Bernard Sadovnik, the president of the Association of Carinthian Slovenians (SKS), highlighted that most Carinthians had no



National Assembly Speaker Pavel Gantar and representatives of the Slovenian minority.

problems with the Slovenian minority or bilingual city limits and that a positive relation should be built on those grounds. Nationalist pressures cannot be responded to in the same negative way, he pointed out.

The current political situation in Austria and Carinthia is favourable for solving the issue of bilingual signs, he said and expressed hope that these would become a self-evident feature of the province in the future.



Slovenia will be confronted with both stabilizing growth and inflation

The consequences of the financial crises that broke out in August last year in the USA, and which started to deepen due to the integration of the world financial system, are felt directly and indirectly, by a growing number of states. The exposure of the banking systems in individual states depends on how much they are dependant on international financial flows, since individual banks have many investments in foreign countries, or they depend on foreign financing. In Slovenia, the consequences of the financial crises are indirectly shown in the financial and in real sectors of the economy.

Slovene finance, in particular the banks, is exposed to the influence of movements on the international money markets, above all through the movement of interest rates and flows on the bank-to-bank market, and less through financial instruments. On the balance sheets of financial institutions the latter have a relatively small share. For now, the consequences of the international financial crisis are shown in the Slovene financial system mainly through increased interest rates, harder accessibility of foreign loans, and maturity of consistency of bank investments and financing sources deterioration. Following the break out of the crisis in August 2007, the banks started to increase the scope of short-term borrowing abroad in this restrictive situation on the inter-bank market. This year, in a period of eight months, they accrued foreign debts amounting to some 2 billion EUR, or for a fifth more than in the same period last year; but due to the strained conditions in financing, they have mainly access to short-term sources. These sources have in an eight month period made up as much as 56% of the entire net bank borrowing, while in the same period last year, this share was only 15%. This structure of financing sources following maturity is not consistent with investments where, taking into account demand, long-term loans still prevail. This also means greater liquidity risk in the banks' operations.

Along with harder access to refinancing on the foreign markets, the banks are becoming, much more than in previous years, dependent on the savings of their local customers. Their scope and maturity are less favourable, than with foreign sources, so the banks are adjusting their interest policy, and they are also forced to select lending activities and shorten the maturity of loans. Fierce borrowing conditions therefore influence both the availability of loans in the domestic banks, and also the financing of domestic economic activity. This year, the flows of borrowing by inhabitants and companies from banks are, following a few years of growth, decreasing; consequently, the growth in bank loans is being stabilized. The growth of bank lending to the non-banking sectors decreased in August for the seventh month in a row. With 24-percentage growth it was at its lowest point after May 2006;

despite being still almost 1.5 times above the EMU average, which was at 9.5%. Within the non-banking sector, stabilization was more intense regarding the growth of loans to companies, and a bit less so regarding the growth of private loans. Due to the reduction in the scope of sources necessary for financing current and investment activity, more and more companies, in particular small and medium sized, are faced with liquidity problems; the reduction or postponing of investment plans is also expected. Companies and non-monetary financial institutions in the period of eight months this year took the one fifth less credits that in the comparable period last year - to a great extent because of less take-over activity - but the stabilization is also noticeable in borrowing for current assets, which can be connected mainly with a slow-down in the growth of production activity in companies. The infra-annual growth of private loans has decreased to 20% in August (in the 2005-2007 period the average was at 26%). The main source of growth remains housing loans, which are gradually falling but not as fast as consumer loans, which are at half of the comparable period last year.

Even more than difficult access to sources of financing, which will influence companies' operations and consumption and also borrowing for housing, the decrease in foreign demand will affect the real sector, due to the faster reduction in economic growth in the most important trade partners. This will influence the slow-down in export growth, particularly next year; the signs of a slow-down are already indicated by current data on the trading of goods and on the growth of export orders. Following the high, 6.8 per cent economic growth in 2007, which is this year gradually levelling off, (the autumn forecast for economic growth by IMAD for 2008 is 4.8%), will in the next year lead to a considerable slow-down. In the autumn forecast we were preparing in September this year, we predicted 3.1 per cent economic growth. We are anticipating a significant reduction in the investment growth which in the light of the high levels in the past years and the strengthening of loan conditions was anticipated. Export growth, due to worsening conditions in the international environment, continue to decline. The slow-down in economic growth will influence the labour market where on average we do not anticipate an increase in the number of working population in 2009. In some processing activities, construction, agriculture and mining, employment will decrease, but in services it will keep increasing, but not as fast as this year. Also, the levels of unemployment as presented in the opinion polls and registered unemployment will remain the same as in 2008. Due to the great uncertainty regarding the magnitude and depth of the financial crisis which started to deteriorate precisely during the autumn forecast, we have pointed out the risk of even faster cooling in the international environment, which has actually occurred in the last weeks. Therefore, the latest forecasts of international monetary institutions published in the last weeks (European Commission, International Monetary Fund) point to the very real possibility of a recession in the American economy, and stagnation in Europe in the next year, which will also influence conditions in Slovenia, and thus the economic growth can be also lower than forecast in the autumn. At the same time, due to falling raw material prices on the world market, and the steadying of global economic activity, inflation pressures are also reducing, which has enabled central banks to lower key interest rates. This offers more possibilities for encouraging economic activity; the key interest rate of the ECB is 3.25%, and it was 4.25% only in the middle of October. In doing so, it is of key importance to renew or increase the trust on the financial market, so that the accepted decisions will actually influence the revival of inter-bank borrowing. Also, the governments in the numerous European countries are joining the efforts of central banks to meet the financial crisis; they are trying to mitigate the consequences of the crisis mainly through the measures to revive the financial markets, while to some of the most exposed, the IMF has approved loans in the past weeks. Slovenia has responded to the financial crisis with the adoption of measures directed at increasing trust in Slovenian financial institutions, and with the commitment to act in a coordinated manner in the EU framework.



The National Assembly endorsed the ministerial line-up proposed by Prime Minister Borut Pahor in a 56:30 vote on 21 November. The 18-member cabinet, which includes five women, was sworn in. In a conciliatory speech to parliament, Pahor said that this would formally be a coalition government, but it would in fact be »a government of all people«. »The government understands that this time of uncertainty requires consensus.«

He also thanked the previous cabinet, led by Janez Janša, for the work it had done in the past four years, saying this allowed Slovenia to »head into the future better prepared than we would be if the government had not taken certain strategic measures«.

In a gesture to his predecessor, Pahor commended Janša for his handling of the transitional period between the election and the full-fledged appointment of the new cabinet, as Pahor was consulted on the measures to counter the impact of the financial crisis and on foreign policy.

Pahor formally took over from Janša after parliamentary proceedings were completed. Janša said he was leaving behind »a solid basis«, while Pahor thanked a government that »carried a heavy burden, including the challenge of presiding over the EU«.

»We will be glad if after the end of this term we have achieved results that are comparable to what has been achieved in the past four years,« Pahor said, adding that the new government was »taking responsibility for an economy that is in good shape«.

Janša has already accepted Pahor's invitation for a meeting where Janša would decide on whether his party would join a bipartisan partnership for development, a forum conceived by the outgoing prime minister four years ago that the new prime minister plans to continue. The heads of the coalition partners Zares, the Pensioners' Party (DeSUS) and the Liberal Democrats (LDS), who will also take up cabinet posts, said they were ready

to roll up their sleeves when they formally take over. Slovenia got its ninth government since independence.

GOVT NAMES CRISIS TASK FORCE

The new Slovenian government formed a special group on 22 November to craft and coordinate measures in response to the financial turmoil. It tasked all government departments and services to put forward measures they deem necessary to prevent a crisis, Prime Minister Borut Pahor told the press after the maiden session of his cabinet.

The coordinating team will be headed by Development Minister Mitja Gaspari, and will also comprise Economy Minister Matej Lahovnik, Finance Minister Franc Križanič, Labour, Family and Social Affairs Minister Ivan Svetlik and Minister of Higher Education, Science and Technology Gregor Golobič.

The cabinet was initially briefed on the impact of the global financial crisis on Slovenia, whereupon it ordered all the ministries and services to draw up as soon as possible measures to address the consequences of the turmoil and prevent its further impact. Pahor announced the government would be meeting representatives of employers, trade unions, senior citizens, young generations and the Agriculture Chamber, to learn about their expectations of the government in a time of economic uncertainty.

The government would then pore over the proposals and »we'll see which measures are compatible and which are not«, as Pahor put it. The government will engage in a dialogue with these partners for as long as »we do not have a grounded reason to believe the time of economic uncertainty is over«.

At the same time there will be intensive discussions with the heads of opposition and coalition parties to agree the form of the bi-partisan partnership which Pahor announced when he presented his cabinet to parliament.

Source: STA

New government team

as presented at hearings of candidates for ministers

FOREIGN MINISTER SAMUEL ŽBOGAR: Modern, Innovative and Ethical Foreign Policy



He promises a modern, innovative and ethical foreign policy and foreign ministry that will be able to tackle contemporary challenges. Žbogar's priorities would be to continue excellent relations with neighbouring countries. This includes the resolution of outstanding issues with Croatia and the protection of the interests of the minorities in Italy and Austria. In

relations with Croatia, Žbogar said he first wanted to create trust with »silent diplomacy«. He said Slovenia was interested in Croatia joining the EU and NATO quickly and would not hamper this process. However, it would protect its interests. He expects the joint commission of law experts to draw up recommendations on third-party resolution of the border dispute in the first half of next year. Yet the ministry would also study options for bilateral resolution based on the »ex aequo et bono« principle. More broadly, Žbogar said Slovenia would be »ambitious and confident« in international organisations such as the United Nations, the OECD and the Council of Europe. It would also vie for a non-permanent seat on the UN Security Council in the 2012-2013 period. Žbogar stressed the importance of relations with the United States - he just finished serving a four-year term as ambassador to the US - as well as Russia and emerging countries such as China, India and Brazil. The new US administration of President Barack Obama will open new avenues of partnership with the EU, in particular in the resolution of global problems, while Slovenia will strive to strengthen this partnership with its recommendations. Having excellent relations with Russia, Slovenia can on the other hand help »define a new period between Russia and the EU ... while remaining committed to its principles of democracy, human rights and non-interference in the internal matters of countries,« he said.

ENVIRONMENT MINISTER KARL ERJAVEC: Climate change and environmental protection - the biggest challenges

New environment minister Karl Erjavec emphasised the implementation of EU directives and a balance between environmental protection and economic growth as one of the main challenges of his term. He pointed to climate change and environmental protection as the biggest challenges in his portfolio. »Our goal must be cutting energy consumption, increasing the

number of renewable energy sources and the use of wood in construction and as biomass.« As the environment minister, Erjavec plans to establish dialogue between the ministry and civil initiatives and environmental NGOs. He also emphasised the promotion of healthy and clean environment. Building catchments to help prevent flooding and to store water for agricultural use will also be a priority. »Slovenia still does not have a plan for reducing solid particles in the air, primarily in the areas where they exceed the limits several times a year,« said Erjavec, adding that measures in this respect would include the use of natural gas, promotion of public transport and limitations of cargo transport.



HEALTH MINISTER BORUT MIKLAVČIČ: Considering the available funding, the Slovenian health care system is functioning well



However, the gap between people's needs and the system's capacity is widening, he said. Miklavčič highlighted the need for new and modern legislation, the preservation of solidarity in health contributions, and the curbing of costs, drug prices and the absenteeism rate. He also emphasised cooperation with the tax administration in collecting unpaid

contributions. The coalition's goal is to increase the share of GDP spent on health care to 9%, Miklavčič said, adding that »the sooner we get out of the financial crisis, the sooner we can reach it (the goal).« Slovenian health care needs better management and supervision, Miklavčič believes. One of the solutions would be joint control of the Health Insurance Institute (ZZZS) and commercial insurers over sick leave. He announced the completion of the new emergency unit at the Ljubljana central hospital, adding that he did not want its construction to last 10 years like the building of the new Oncology Institute did. Touching on the lack of doctors, he said Slovenia did not have a standard setting the number of doctors it needs; given good organisation the health care system could overcome many problems. According to him, it will be very hard to completely do away with long waiting lines, however the time required to get an appointment can be cut. Miklavčič also wants to develop e-solutions in health care, from a central register of all insured persons, to e-medical record and e-exchange of data, which would also contribute to cost cutting. He also noted that the law on granting licences for public health care services to private practitioners should be changed.

HIGHER EDUCATION MINISTER GREGOR GOLOBIČ: I am foremost a politician and not an expert and I have more questions than answers«



To be able to find the answers, one must first know their own limitations, Golobič, the leader of the coalition Zares party, pointed out, as his expertise has been challenged during the presentation. A minister as a political figure does not deal with pedagogical or scientific work of experts, but makes sure that public interest is promoted in these areas, the candidate highlighted, adding that as minister, he would

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gladly engage in dialogue with the public. Golobič reiterated the commitment from the coalition agreement that the state share of investment in science, research and development would increase »by at least 0.1 to 0.3 percentage points of GDP with regard to the outgoings in 2008«. The medium-term goal of the government is to allocate 1% of GDP of the public and 3% of GDP of the joint (public and private) funds to science and technology in the financial year 2012. Golobič highlighted that his priorities would be to ensure the autonomy of public agencies, set up an independent agency for quality in higher education, define priorities in research and promote science. Asked about the autonomy of institutions, Golobič said that the new government was looking to change the existing system, according to which the government as the founder had a majority in their governing boards.

AGRICULTURE MINISTER MILAN POGAČNIK: I would like to emphasise the importance of integration of the agricultural sector, including agriculture organisations and experts



I would also like to highlight stable production of as cheap and safe food as possible and preservation of cultivated land in rural areas. Also among the priorities of his term are the protection of agricultural areas against pollution and excessive use, increasing competitiveness and profit in agriculture and introduction of environmental protection principles.

He said he would endeavour for timely payment of subsidies to farmers, stricter supervision over the use of pesticides, promotion of the role of agriculture in Slovenian society, equality of all links in the food production chain, and implementation of already adopted strategic documents and tasks. Pogačnik also touched on questions related to the Common Agricultural Policy (CAP), self-sustainability, GMOs, generic promotion of agricultural products, demographic situation in rural areas, supplementary activities on farms and the work of public institutions in the field of agriculture. He said that regarding CAP Slovenia needs to support standpoints that benefit Slovenian farmers and should at the same time prepare a development strategy as an answer to challenges such as changing prices, drawing of EU funds and increase of competitiveness. Touching on GMOs, he said that their production could not be banned, however a good system of co-existence of all plants can be established, which would prevent negative impact on the rest of the flora and fauna. Pogačnik furthermore believes that farming should above all be oriented towards production of food and not plants for biofuels. »This is a very extensive area, which provides for 90,000 families who depend on farming in Slovenia,« Pogačnik said about his ministry.

TRANSPORT MINISTER PATRICK VLAČIČ: Investment in infrastructure is crucial for Slovenia's development in a time of crisis

Commenting on road transport, Vlačič said that state roads had been neglected compared to motorways, which is why he would increase funding for state road projects in the coming term. He highlighted the need for a national programme for state road development. Vlačič said that an ideal motorway tolling system would be based on the »user pays« principle, while ensuring that traffic flows smoothly and providing the financial coverage for the national motorway construction plan. Vlačič criticised the toll sticker system as not being financially viable.

The price of vignettes may be favourable, which is good for safety and ensures smooth traffic flows, but too little money is collected, he said. »The national motorway company, DARS, will have to take out loans in 2009 to pay off other loans,« he added. Vlačič pointed to two options: either to stick to current road sticker system and forfeit EU funding or amend the system and get less money. He is also sceptical about the possibility for a speedy introduction of satellite tolling in Slovenia. This will be possible only after it becomes a trans-European project, he said.



The candidate for transport minister moreover said that Slovenia's rail network was in need of modernisation and major investment, especially with the backing of the EU. He said one of his goals would be to shift more of the road traffic onto railways. Vlačič said that he would strive to ensure that the bulk of cohesion funds drawn by Slovenia would be used in transport, especially in railway development. Projects must start being drawn up as soon as possible.

PUBLIC ADMINISTRATION MINISTER IRMA PAVLINIČ KREBS: I will continue pursuing aims such as open and transparent public administration, cutting red tape and boosting e-administration



She explained that the aim of the incoming government was to create an institutional environment and public administration that will reflect in a more effective state, open government, stronger civil society and self-limiting and responsive politics. The cabinet thus intends to include experts, the general public and NGOs in the drafting of regulations, and the legislative process would include impact analysis. Pavlinič Krebs said she was unable to comment on the new public wage system introduced by the outgoing minister, since there was still no report on its implementation and it would be irresponsible to base one's comments on newspaper articles. When she receives the report she will examine the situation in individual sectors and the system itself and then continue the dialogue, also with trade unions, to discuss further steps. She also announced changes to the election legislation which would include abolition of electoral districts, while preserving eight units, as this would give the voters more influence on who gets elected to parliament. Pavlinič Krebs also announced changes to the civil servants law, since in her opinion politics has too much influence on appointing civil servants under the current legislation.

JUSTICE MINISTER ALEŠ ZALAR: I promise to make the effort for the judges to end their ongoing strike by the end of the year

Zalar said he was in favour of changes to criminal proceedings and enhancing the role of the Judicial Council in the appointment of heads of courts. He also advocates the introduction of obligatory practical training for judge and prosecutor candidates and performance-based funding of courts. He favours a reform that would disburden the Constitutional Court. Referring to »certain cracks« in the new penal code, Zalar said an assessment would have to be made whether these needed an immediate correction or whether it would be better to wait for case law to reveal other

errors. He announced that he would appoint an advisory committee for penal law which will pore over the penal code. The legislation was overhauled by the outgoing government despite strong protests from the ranks of law experts. The nominee said that he would upgrade the Lukenda project launched by the outgoing government to speed up elimination of court backlogs and that the ministry would encourage alternative resolution of disputes, including through mediation. Certain powers, such as probate cases in which the parties are concordant, should be transferred to notaries, while Zalar will wait for the constitutional ruling regarding the changes to lawyer fees.



MINISTER WITHOUT PORTFOLIO FOR DEVELOPMENT AND EU AFFAIRS MITJA GASPARI: My main tasks in the upcoming term will be boosting of Slovenia's development, coordination of EU affairs and the drawing of EU funds



In development, the aim will be sustainable economic growth accompanied by environment-friendly conduct and preservation of social cohesion, he said. According to Gaspari, this will require comprehensive planning of Slovenia's development based on the development strategy adopted in 2005, which envisages financing from EU cohesion

funds. It also calls for coordination of ministries' work on laws and documents required for the strategy's implementation, Gaspari said. The structure of drawing of EU funds will be upgraded, including by posting the staff responsible for this to three other ministries. Gaspari believes this will reduce the role of the Government Office for Local Government and Regional Policy and speed up the process of acquiring EU money. Several MPs were concerned that a reform of the system could make the drawing of EU funds more complicated and time consuming. Gaspari however assured them that the system would be transformed only if that does not delay the procedures and if there are enough arguments supporting the change. In EU affairs there would be better coordination at home and transformation of Slovenia into a player co-shaping the bloc's policies. This would be achieved by placing greater emphasis on EU affairs, which would be put on the top of the agenda of the cabinet's sessions. He believes that EU issues should be debated at open session of the National Assembly and parliamentary bodies. »This way people will see that the EU also brings benefits and not only obligations.« Listing the challenges ahead of Slovenia and the EU, such as competition of developing economies, pressure on energy prices, climate change and financial crisis, Gaspari said that the bloc and Slovenia would need to adjust their development policies. One of Slovenia's aims is also to try to get among ten most competitive EU countries, he said and added that the state-owned export bank SID was an important financial lever here, which however needed to be recapitalised and linked up with other such institutions. Gaspari believes that Slovenia could reach the average eurozone GDP in the following six to seven years.

INTERIOR MINISTER KATARINA KRESAL: The priorities are fight against white-collar crime and independent

The president of the Liberal Democrats (LDS) also announced she would immediately tackle the issue of the erased - about 18,000 people from the former Yugoslavia who were crossed out of the permanent residency register after failing to apply for Slovenian citizenship. Kresal believes that the issue should be concluded during the term of the new government, announcing that the permanent residence status of the erased would be reinstated.



Among the goals related to the fight against white-collar crime, Kresal emphasised a specialisation of prosecution authorities, adding that an elaborate examination of the possibilities for introducing financial police would also be conducted. Kresal also announced the establishment of a body independent from the executive authority which will supervise the work of the police. She said she would also examine certain provisions of the acts on the police and national border control. According to her, an analysis will be carried out a year after the amendments of the road traffic safety act have been in force and possible changes will be proposed. Kresal is also to examine the possibility of establishing a public agency for road traffic safety. She said she would make efforts for increasing the physical presence of the police and boosting their cooperation with local communities, adding that she would also propose amendments to the private security act and the act on detective activities.

ECONOMY MINISTER MATEJ LAHOVNIK: The key problem of Slovenia's economy is the burden put on labour costs by contributions



»We will not achieve anything by merely cutting taxes,« said Lahovnik, who instead suggests boosting the economy by reducing social security contributions. Cutting the contribution rate by 5 percentage points would save employers around EUR 650m. »If the budget really is balanced, I don't see why we could not do this,« he said. He warned that export

orders had fallen to levels last seen in 1997, which means Slovenia is entering recession. This is the biggest threat to companies that are considered the flagships of Slovenia's development. The ministerial candidate said Slovenia was entering the recession with increased labour costs, including due to the 2008 public sector wage reform. He said any measures in this respect were subject to dialogue with social partners. Lahovnik, who already served a short stint as economy minister in the run-up to the 2004 election, also sees the promotion of free markets and competition as a key priority. He highlighted the need to boost innovation, invest in science and technology in closer cooperation with the economy, cut red tape, and create a favourable business and tax environment. Lahovnik feels legislative changes are unavoidable in this field.

The candidate would also strive for stability in power supply, saying a second reactor of the Krsko nuclear power plant and an expansion of the Sostanj Thermal Power Plant were necessary. As regards the state's withdrawal from the economy, Lahovnik said that the country's biggest bank NLB should remain state-owned. Given the current circumstances, he also does not see a reason for the state to revive procedures for the privatisation of Telekom Slovenije. Turning to tourism, Lahovnik stressed the need to focus on sustainable tourism. He wants to boost know-how and quality, and provide more funds for public tourist infrastructure.

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LABOUR, FAMILY AND SOCIAL AFFAIRS MINISTER IVAN SVETLIK: Our main role is maintaining a dynamic balance between the social, economic and market dimensions and care for social reproduction



Among his priorities, Svetlik stressed the increase of employment, which is already above European average, but lower than the EU objectives. He believes Slovenia has to increase activity of senior citizens especially, as it stands very low. He also sees the need for at least a partial regulation of the currently unregulated kinds of work like student work, while

the quality of work will also need a lot of attention. Svetlik thinks employment flexibility is high in Slovenia, though there is still some space for higher possibilities of firing and employing new people, but then the level of social security has to be retained. He sees an answer in increasing social security benefits and investment into lifelong education. He also said that despite the relatively good social transfer system, that a reassessment of the mechanisms of minimal social security of the population in the view of the changes in the economy. According to Svetlik, the system of assuring the social minimum is complicated and allows abuse, and thus needs more control through a suitable information system and a unified record of all transfers. The candidate establishes that the pension system reform does not assure social reproduction in the long run. The ministry will thus have to adjust the lowest pensions in short-term and take extensive measures in the field as part of a long-term strategy. Svetlik thinks more stress should be laid on the active aging policies, but also by including forms of work that do not contribute to the pension funds into the regulated system and stimulate personal pension planning. He said the ministry will also review the possibilities of getting additional money for pensions through changes of the tax-system. He announced the forming of a workgroup for adapting the pension system, as he believes the current system is working and needs no radical changes, but requires adaptations and improvements so it can hold higher burdens. Svetlik also said he would focus on the youth, which holds the higher burden of employment flexibility. Beside all special programmes and stimulations, he would also like to regulate student work and make it count in the years of service. The candidate also stressed the ministry's priorities to assure equality of the sexes, care for the disabled, control of the realisation of labour legislation, decrease moonlighting and intensify inspections. He assured that he will solve most of the issues in dialogue with social partners and announced a thorough and constant social and intergenerational dialogue.

DEFENCE MINISTER LJUBICA JELUŠIČ: A revision will be necessary in the Patria defence deal if unacceptable doings are proven

Jelušič pointed out that the 8x8 armoured personnel carriers are something Slovenia »need to get« eventually and that she will wait for the results of the investigation into the Patria deal to keep the integrity of the system. The candidate also promised to strive to avoid the lives of Slovenian soldiers being endangered because of their unsuitable equipment. Jelušič said in her presentation that she will strive for gradual changes and mentioned structural reform of the Slovenian army and expansion of the protection, rescue and help system. She announced a rationalisation of the Defence Ministry's administration, while she would also lower the military budget to 1.5% of the GDP, as she believes Slovenia's

military spending per capita is large. The candidate sees the basis of the defence policy strategy in the acceptability of the national security system to all citizens. She pointed out that she will try to find a balance between national defence and international expectations. She will also try to increase patriotism, voluntarism and solidarity, and she mentioned the importance of firefighters for the protection, rescue and relief system. When asked by deputy Robert Hrovat of the opposition Slovenian Democrats (SDS) on the issue of a higher firefighter school, she answered it is a good project and that it could start operating in 2010. The candidate stressed she has been in favour of Slovenian membership in NATO since the country was a candidate and that she believes it is politically right that Slovenia is in the organisation, while Slovenia can also serve as an example for candidate countries. In the relationship with the US, Jelusic announced she will try to keep a tight relationship with the US also where its armies are situated. She also thinks Slovenia can be grateful to the US as many Slovenian military officers have been educated or trained there.



CULTURE MINISTER MAJDA ŠIRCA RAVNIKAR: I announce changes in cinematography, publishing and the media



The intellectual work of people working in culture was not recognised enough in Slovenia and that it was increasingly subject to the market. »It will be necessary to introduce mechanisms enabling safe creativity.« Širca Ravnikar said she would work for better status of culture and arts. Apart from EUR 18m in budgetary funds for this area, other sources will need to

be looked for at times of crisis, she said, referring to EU funds. Širca Ravnikar's priorities in the media policy will be changing the media act, the law governing the public broadcaster RTV Slovenija and the status of the Slovenian Press Agency (STA). She will also advocate journalist autonomy and removing politics from the media. She deems changes to the public broadcaster act necessary in order to put it in the service of the public, rather than political power. She said the changes would need a broad consensus, and would be subject to public debate. The media act will have to be amended in the part on the right to reply and correction, the ministerial candidate said, noting the current solution was too constricting on the media. She also called for a fairer distribution of money from the media fund and regulation of the status of freelance journalists, as well as for protecting the journalists who are victims of a shift in editorial policy. The STA's status will have to be regulated, Širca said, while it would be experts who would answer how exactly. The news wire should also be »optimised and made more development-oriented«. Speaking about film, Širca Ravnikar said the national Film Fund was in »ruin«, pledging to work for »bigger, more stable and continuous production, free from biased decisions, which will require a new law«. She also promised to do what she can to abolish tax on books, or else returning the taxes collected from books to the authors and publishers. The nominee also discussed digitalisation of archival material and archives, which she said lacked space. She said that she would support activities that would make the arts more accessible, including amateur artists and cultural associations. In the five-hour debate following the nominee's introduction, deputies asked many questions and voiced many reservations. The nominee declined to specify planned changes to the media legislation, saying these were up to experts and the civil society.

FINANCE MINISTER FRANČ KRIŽANIČ: I announce a »developmental turnaround« and spending on infrastructure as the main measures to counter the financial and economic crisis



If spending plunges as a result of the crisis, the government would accelerate investment in infrastructure projects such as new motorways, the modernisation of the rail network and new energy facilities that the outgoing government has already started. But if the crisis is not deep and long, the main measure would be to launch a »developmental

turnaround«, not by creating a national champion but through targeted incentives for institutes and development centres at major Slovenian corporations, Križanič said in his presentation. Križanič also announced a redistribution of budget spending. Rapid growth coupled with unchanged tax rates allowed for high revenue growth, which has created the opportunity to tweak budget spending without endangering the standard in other, non-essential areas. The incoming minister is convinced the crisis can be overcome quickly: amendments to the public finances act which provide EUR 12bn in bank guarantees will prevent a contraction of lending while the budget will be supplemented so as to prevent shrinking order books from increasing unemployment and reducing living standards. Other financial policy goals include the introduction of weekly toll stickers (only six-month and annual vignettes are currently available). However, Križanič said the vignette system had undermined the funding of motorway construction so additional financing would have to be found. Tax measures would include increasing the general income tax relief to the level of the minimum wage, the reintroduction of the popular tax break for first-time home-buyers and bringing back relief for reinvestment of profit. All these measures would be coupled with better oversight of the financial sector, which would be brought under the roof of a single institution supervised by the central bank. This would improve oversight in particular of financial holding, Križanič said. The state intends to offload stakes it still holds in private companies, but it would remain a shareholder in infrastructure and financial companies. As for EU funds, Križanič forecasts a more efficient spending of EU money, which would also be the task of a special task force that the ministry will establish. Expecting a coordinated EU action to boost spending, Križanič also hopes for significant EU funding on the trans-European rail, road and telecoms infrastructure, as well as in energy projects.

EDUCATION AND SPORT MINISTER IGOR LUKŠIČ: I believe in public education



He does not oppose private schools, but he said he was »personally disinclined« to promote new schools with public funds. Presenting his vision for the management of this key portfolio, Lukšič said schools should be ideologically neutral. He said he would strive for the maximum inclusion of children in kindergartens

and schools. He said some things had been accomplished by the outgoing government, but the long-term goal is to have free-of-charge kindergartens. Some subjects in primary schools would be merged and »experimentation« with end-year tests in primary and secondary schools would

be restricted. To unburden teachers, Luksic proposes the reactivation of retired teachers, who would teach just a couple of hours each week.

MINISTER WITHOUT PORTFOLIO IN CHARGE OF LOCAL GOVERNMENT AND REGIONAL POLICY ZLATA PLOŠTAJNER: Slovenia should be divided into provinces, which would make it easier to decentralise the country



However, the number of provinces and their funding should be determined in a dialogue between experts and politicians. Provinces were one of the main projects of the outgoing government, but the plan collapsed due to the opposition of parties which now make up the ruling coalition. In particular, the parties were claiming

the number of provinces (14) was too high and their funding unsuitable. According to Ploštajner, provinces should have own funding so they can direct their development. However, there should also be a mechanism that ensures richer provinces share their wealth with less developed parts of the country. Some of the committee members are mayors and even the opposition acknowledged that Ploštajner was the right person for the job. But they did grill her on whether the government would only work with big communities since it used the term »inefficient municipalities« in the coalition accord. She said all communities would be treated equally. As for the funding of municipalities, Ploštajner said less developed municipalities should catch up, but she is not inclined to solutions where »the developed would stand still so that the less developed could catch up.«

THE MINISTER WITHOUT PORTFOLIO FOR SLOVENIANS ABROAD BOŠTJAN ŽEKŠ: Unified cultural space is not something directed against neighbouring nations but a strategy of coexistence and cooperation



He also emphasised cooperation with highly educated Slovenians from abroad and more support to those teaching and learning Slovenian; Slovenia should support the learning of Slovenian to the generations born abroad. Žekš will also strive for better access to media in areas where the Slovenian minority lives. He wishes that the Slovenian media would report more on

ethnic Slovenians living abroad. He is strongly against Slovenian minority organisations becoming uniform. »Slovenians in neighbouring countries should organise themselves as they wish, while we need to treat them equally, with regard to the size of their organisation.« Žekš, who is a non-partisan candidate and says he perceives himself as politically neutral, believes that all key decisions should be made in agreement between the coalition and opposition. The Office for Slovenians Abroad would closely collaborate with the foreign, culture, education and higher education ministries. In principle he agrees with the proposal that Slovenians living abroad would have a representative in the National Assembly. His first step as minister would be to visit the Slovenian minority in Italy next week. Commenting on the decision of the Italian MPs to cut the funding for the Slovenian minority, Žekš said that the argument that this was the result of the financial crisis did not stand.

INTERVIEW

Text: VESNA ŽARKOVIČ, Photo: Primož Lavre



With their project on vaccine production, the Ljubljana students even beat Harvard

A team of students at the University in Ljubljana has won first place at an international competition of research projects (iGEM) on synthetic biology at the University of Massachusetts Institute of Technology (MIT) in the overall ranking. They also won first place and a gold medal in the areas of health and medicine. They presented the preparation of a new line of vaccines against a bacterium causing stomach and small intestine cancer which threatens 500 Slovenians per year.

PROFESSOR JERALA (HEAD OF THE BIOTECHNOLOGY LABORATORY AT THE NATIONAL INSTITUTE OF CHEMISTRY, AND LEADER OF THE WINNING TEAM), WHAT IN YOUR OPINION IS THE

MOST IMPORTANT MESSAGE OF THIS SUCCESS?

Mainly, this is evidence that Slovenia, with good ideas and knowledge, can compete equally with the best in the world. Also, the other teams are wondering how we managed to achieve the excellent placing for the third time in a row. We have received a lot of praise from all sides. The others also had very motivated students and capable mentors, but we convinced the judges with the results, and they said that the decision was not hard to achieve at all. During the project making, very good relations were established between the students and mentors. Just as in previous competitions, this time we started a project that has the possibility of application in practice. We are discussing here a theme that is close to our everyday research work. Very briefly: we have modified an important compound of the pathogen bacterium in such a manner that we transferred a part from other

bacterium and made it invisible to the immune system. Here lies the novelty of our project; we showed that the concept works, but it is too early to say whether it will be possible to actually use the vaccine.

AMONG THE 84 TEAMS PARTICIPATING IN THE COMPETITION, THE MAJORITY WERE FROM THE USA, 21 FROM EUROPE, WHILE THERE WERE ALSO TEAMS FROM CANADA, ASIA, AUSTRALIA AND LATIN AMERICA. SIX TEAMS MADE IT TO THE FINALS; AFTER THE FINAL APPEARANCE, THE JUDGES, FROM UNIVERSITIES AND BIOTECHNOLOGICAL AND PHARMACEUTICAL COMPANIES, CHOSE

THE BEST PROJECTS. CAN YOU TELL ME MORE ABOUT THE PROJECT?

The Ljubljana students at the National Institute of Chemistry with the help of staff at the Biotechnical Faculty, the Institute of Microbiology, and the Institute of Oncology of the Faculty of Medicine of Ljubljana University started a project with which we can show the actual formation of antibodies against a vaccine in an organism and bacteria detection. Much testing is of course still necessary before we can rely on the therapeutic use of the vaccine. We can say that the results of the project are an excellent starting point for further development. Next year, we will know whether the substance is appropriate or not; clinical testing will follow, and we are also discussing possible licensing. We have prepared three different types of implementation that could be used as the vaccine.

WAS THE COMPETITION HARD?

The judges, from renowned world universities, biotechnical and pharmaceutical companies, had 84 teams from which to choose six



The Slovenian team at MIT. From the left: Roman Jerala, Jan Lonžarič, Nina Pirher, Ana Lasič, Katja Kolar, Eva Čeh, Anže Smole, Vid Kočar, Simon Horvat; in front: Jerneja Mori and Karolina Ivičak.

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finalists. So the Slovenian team of biochemistry, biotechnology, microbiology and medicine students in the finals beat Freiburg, who came second and American Caltech; and the team from Harvard was also among the finalists. If we judge from the point of view of university status, the competition was really hard, since the teams from eight of the ten best universities in the world participated. In the last few years, the majority of innovations in the area of synthesis biology came from this competition. Our team has already filed two patent forms for vaccine preparation. Moreover, the Slovenian team already won the big prize two years ago while last year it was first in the area of medicine. Altogether, the Slovenian team of all the teams has had the biggest successes, since in three performances so far we have always made it to the finals.

ON WHAT BASIS DO THE JUDGES MAKE THEIR DECISION?

They closely examine the students, examining their understanding of the project and checking whether they conducted all the experiments themselves. At the competition, each team has 20 minutes to present their work, and then questions from the jury follow. We are also the only team to have been in the finals three times in a row; no other team has reached finals twice. The students made the experimental part of the projects themselves, with considerable support from the mentors. The competition was really hard and I did not anticipate repeating the success of previous years. The judges said that they were pretty unanimous in judging our team the winners.

AND HOW MUCH HARD WORK IS HIDDEN BEHIND YOUR PROJECT?

Plenty. It's a result of months of hard work and compromises by the students and the mentors who are, unfortunately, not additionally paid. We are very pleased that the judges noted this. Our strong devotion to the work certainly contributed a lot to the success.

The competition is also used to test new ideas that deviate from usual approaches, and our main purpose was to offer motivated and talented students work experience on a real research project. In doing so, the students get familiar with research at a high scientific level, and also with experimental methods, and can compete with the best in the world; on the other hand, they learn how to work under tremendous time pressure and realize that such a project demands a team effort.

YOU APPLIED TO THE COMPETITION VERY LATE SINCE, YOU DID NOT KNOW WHETHER YOU WOULD BE ABLE TO RAISE BACKING FOR PARTICIPATION. YOUR BUDGET AMOUNTS TO ONE THIRD OF THE BUDGET OF THE TEAM FROM HEIDELBERG.

That's true. For the winning project we spent a large amount of the money of our laboratory. I am certain that the subject of the research in the project presents an important direction in our future development. I decided to participate only after

receiving confirmation from the Ad-Futura fund, which has helped us also before, to publish again a tender for support of such competitions which ensured a start with almost a third of the budget. Additionally, the University of Ljubljana and the Slovenian Research Agency (ARRS) helped - together they contributed almost half the amount. We are trying to cover the difference through business sponsors, but with great difficulty. The entire project costs were around 25,000 euros.

ARE YOU SATISFIED WITH COVERAGE OF THE SUCCESS OF YOUR PROJECT?

I am and, on the other hand, I'm not. I realised that comparable sporting success receives much more coverage in the media. I do hope that our success will help in such a way that discussions on science will be among the important topics of social development. We want more support from business for such projects, so that future teams will more easily raise money for the implementation.

WHAT ABOUT THE DIFFERENCES BETWEEN THE BEST FOREIGN UNIVERSITIES AND OURS?

Despite our high achievements we lag behind in comparison to the USA, where prestigious universities work as a magnet for high technology companies. Many companies were founded as spin-offs - seceded companies - founded by teachers from universities who invited investors. We lag behind regarding regulation, since establishing spin-offs is not regulated and even less encouraged, and the number of the investors is small. To raise the number and use of patents we still have a lot of work ahead of us - with covering the expenses of patent applications, which is already enabled by European regulations, or with connections with other universities and organizations that will enable connections with companies and the commercialization of patents. We did not receive any payment for our work; foreign universities pay their students. Otherwise, the knowledge of our graduate study students is comparable, but at post-graduate there is a significant difference. In comparison, intellectual life at the best universities in the USA is far more developed; the student there are working more on more cutting edge research, the professors are frequently visitors, and each day can choose from 4-5 classes on the latest discoveries. We are also faced with the problem of the location of faculties and institutes, which are widely scattered; we do not have a united campus, where the common exchange of opinions would blossom, as it does at universities of comparable size in the USA. There they say that that would be more than pleased to enrol our students, since they have a good knowledge basis. I also see that our students are far more passive, and they do not actively participate in classes; in the USA, students ask more questions, are more doubtful about the conclusions and, in general, more engaged; but of course, the working conditions are better if we compare the use of the funds per researcher or student. Our higher education and also science research system should give more support to the formation of bigger teams, so that more people would be engaged on one project. If the students had achieved such results in a very short period, then what could be done by a group of qualified researchers?

BUSINESS EXECS SEEKING PARTNERSHIP IN MONTENEGRO

A 25-member business delegation wrapped up a three-day visit to Montenegro on 10 October focusing on possibilities for investment partnerships in energy, urban development and construction, according to the Chamber of Commerce and Industry (GZS).

Headed by GZS president Zdenko Pavček, the delegation attended a meeting hosted by the Slovenian Business Club in Montenegro, where Montenegrin Finance Minister Igor Lukšič briefed them on the economic situation in the country. The highlight of the visit was a business conference at the Montenegrin Chamber of Commerce, which was attended by some 40 Montenegrin business executives interested in doing business with their Slovenian counterparts.

Minister for Economic Development Branimir Gvozdenovič called on Slovenian investors to invest in Montenegro. He said that the business environment in the country has been improving and that foreign direct investment is on the increase, while legislation conforms to EU standards.

GZS president Zdenko Pavček voiced his expectation at the conference that "business executives will find new opportunities for cooperation in direct communication on the basis of relevant information on economic trends in both countries."

Apart from financial, retail and tourism industries, Slovenian investors are interested in energy and infrastructure, two areas that were targeted during the latest visit.

NKBM SELLS ONLY HALF OF RIGHTS ISSUE

NKBM, Slovenia's no. 2 bank, managed to sell less than half the shares in a EUR 111m rights issue that ended on 8 October. Most of the new stock, offered at EUR 19.5 per share, was bought by existing shareholders, primarily the government and two state-owned funds.

On 14 October, NKBM chief executive Matjaž Kovačič said that the EUR 53m which the bank got in fresh capital, a figure "more than satisfactory considering the present conditions on financial markets", would be used to boost capital adequacy and further organic growth.

Existing shareholders bought EUR 35m-worth of new stock. Slovenian companies and individuals bought EUR 4.5m in new stock and foreign and domestic institutional investors EUR 13.5m-worth, according to NKBM board member Manja Skerinišak.

The new foreign investors include seven funds, which together paid about a tenth of the total sum.

After the completed rights issue the bank ownership structure remains roughly the same. Only the state and its two funds, KAD and SOD, paid up the entire amount they were entitled to and retain their combined stake at 51%. Small shareholders have 24%.

The bank actually had to reject about half of the state money in order to prevent it from increasing its stake again, less than a year after the bank was privatised, according to Kovačič.

Kovačič said the bank was not mulling over another round of recapitalisation, as it does not need more money for current business, but it could opt for that move in the future.

The Finance Ministry expressed satisfaction over the outcome of the capital increase. "We welcome the decision of the investors to demonstrate trust by buying new shares and that EUR 53m have been paid in, which represents more safety for savers and enables the bank's development on the Slovenian market."

EU COORDINATOR REPORTS PROGRESS ON CROSS-BORDER RAIL LINK

The coordinators of priority projects envisaged as part of the Trans-European Transport Network presented their annual reports in Brussels on 14 October. Laurens Jan Brinkhorst, responsible for the railway axis that crosses Slovenia, said that the period since July 2007 has seen tangible progress in the cross-border part between Slovenia and Italy.

Brinkhorst, reporting on the Lyon-Trieste-Divača/Koper-Divača-Ljubljana-Budapest-Ukrainian border railway axis, or priority project No. 6, told Transport Commissioner Antonio Tajani that the Slovenian and Italian governments have formed a special intergovernmental commission for the project.

The commission has already confirmed a possible course this year for a new link between Trieste and Divača, ending years of different studies on the best possible solution. It has moreover confirmed the links between Koper and Divača, and Trieste and Koper.

This means that a key condition has been met for the use of EU funds, for continuing with projections and building the track, which should be ready by 2015.

Brinkhorst also mentioned the progress made by Slovenia in modernising the Koper-Divača link and efforts to upgrade the entire railway infrastructure.

In November of last year, the European Commission allocated EUR 50.7m for the Trieste-Divača link between Italy and Slovenia.

KRKA BEST RANKED SLOVENIAN COMPANY IN R&D INVESTMENT

Novo Mesto-based drug maker Krka ranked highest among five Slovenian companies in the 2007 EU Industrial R&D Investment Scoreboard, released by the European Commission in early October.

Krka spent EUR 59m on research and development in 2007 and thus ranked 237th among the 1,000 companies included in the study. Its investments were up 12.2% compared to the year before.

Among the five Slovenian companies on the list were also the ACH conglomerate, with EUR 4.6m, Sava conglomerate with EUR 3.6m, Intereuropa logistics group with EUR 0.9m and home appliance maker Gorenje with EUR 0.2m. The R&D investment of the pharmaceutical company Lek meanwhile topped EUR 69m, according to the company, but Lek was treated as a subsidiary of the Swiss pharma company Novartis.

The EU Industrial R&D Investment Scoreboard is published annually as part of the Commission's industrial research investment monitoring activity.

RETAILER TUŠ EXPANDING IN BALKANS

Tuš Holding, the group around the third biggest Slovenian grocer, has invested more than EUR 60 million this year in expanding its retail network in the markets of Bosnia-Herzegovina, Serbia and Macedonia.

The group opened eight new supermarkets in those countries this year, most recently in Sarajevo on 17 October, in an investment worth EUR 11m, the company announced.

The company employs more than 600 people in its shops in the three Balkan countries and is planning to open two further supermarkets in Bosnia-Herzegovina by the end of October, to be followed by a further three in that country and two in Serbia by



Retailer Tuš expanding to the markets of former Yugoslavia.

the end of the year. The Slovenian retail industry invests heavily in the markets of the former Yugoslavia.

LEADING WINE PRODUCER REPORTS RECORD HARVEST

Slovenia's biggest vineyard owner, Koper-based Vinakoper, has reported a record harvest of 5,700 tonnes of grapes this year. The company expects to produce four million litres of the 2008 vintage.

Vinakoper picked the bulk of the crop, 4,900 tonnes, at its own vineyards, spreading over 570 hectares, while 120 cooperatives brought in an additional 800 tonnes.

The good weather conditions made it possible for the harvest to be completed in just over a month.

"The development of all phenophases was ideal; although extended due to low temperatures, the blooming period did not affect the quality much...and the ripening just before the harvest was ideal," Vinakoper said in a press release.

The company's head oenologist, Iztok Klenar, says that the 2008 vintage will be remembered not only for the abundant crop but also for the excellent acid-sugar balance, phenol maturity and rich aromatic components.



Environment and Spatial Planning Minister Janez Podobnik.

MINISTER PODOBNIK: EU CLIMATE PACKAGE COULD IMPACT ECONOMY

Attending a meeting of EU environment ministers on the energy-climate package in Luxembourg on 20 October, Slovenia's Janez Podobnik highlighted the impact that the package could have on the economy.

The real economy is starting to feel the impact of the financial crisis, and soon it will have to deal with obligations stemming from the climate package, however the countries remain committed to the EU's environmental goals, Podobnik noted.

Podobnik said that Slovenia supported the "architecture and basic elements of the package", however the competitiveness of Slovenian and European industry needs to be preserved and predictability and reliability need to be assured. In his opinion, an international agreement is by far the best solution in the emissions trading scheme. He added that the block lacked agreement in some areas. One of the main problematic issues is the emissions trade scheme and the sectors that could suffer most damage from it. Another point where the EU has failed to reach a consensus is auctions. Selling emissions at auctions should become a rule and not an exception, Podobnik asserted.

INNOVATION FORUM KICKS OFF

The third annual Slovenian Forum of Innovation started on 21 October with a presentation of the best innovations of this year. Economy Minister Andrej Vizjak said in his keynote address that the forum was an excellent opportunity for presenting and exchanging ideas, opinions, information and knowledge. The country encourages innovation, and the government has passed a number of measures to boost it. However, the climate in companies is very important for bringing out innovation, he said, adding that companies should listen to good ideas and also reward them.

Peter Ješovnik, director of the Public Agency for Entrepreneurship and Foreign Investment (JAPTI), believes that the two-day event raises awareness about innovation and enterprises, and deepens the culture of innovation in Slovenia.

"I see the challenge of the Slovenian economy transforming ideas into innovative solutions in developing specific products with high added value," Ješovnik said. Innovative companies with a high growth potential - usually in industries with high added value - contribute the most to growth and employment.

The forum presents the ten most innovative companies, the 30 best innovations and five innovations by students and young researchers. The awards commission received 177 applications, 103 of them completed, 55 in the prototype phase and 19 as drafts. The ten most innovative companies will present 18 innovations.

The forum also featured a round-table discussion on the development directions of Slovenia, at which Development Minister Žiga Turk presented the final results of ten development groups of the Competitiveness Council, the government advisory body that he chairs.

INSTRUMENTATION TECHNOLOGIES FASTEST GROWING SLOVENIAN COMPANY

The high-tech company Instrumentation Technologies is the winner of the 2008 Golden Gazelle award for the fastest-growing company in Slovenia. The award was conferred on the Solkan-based firm in Ljubljana on 22 October by Economy Minister Andrej Vizjak.

Instrumentation Technologies, which specialises in particle accelerator instruments, has 42 full-time employees, among them acclaimed experts from Slovenia and abroad, and is run by Rok Uršič.

The company's uniqueness lies in its focus on the most demanding world markets, with its partners including world-acclaimed science and research labs in China, the US and Australia.

The European Organization for Nuclear Research (CERN), best known for the Large Hadron Collider, the world's largest particle accelerator, is also among its customers.

Instrumentation Technologies's sales of its Libera electron beam positioning processor make it a leader in the market for particle accelerator instruments. The company had already won a Silver Gazelle in 2007.

Monting SK, a maker of machines for manufacturing rock and glass wool, received the runner-up award this year, conferred by French Ambassador Chantal de Bourmont. The Bronze Gazelle went to the Mimovrste online store.

GEOPLIN SIGNS DEAL WITH EUROPEAN GAS COMPANIES

On 22 October, Slovenian natural gas distributor Geoplin signed a memorandum of cooperation in Bucharest, Romania, with eight European companies managing pipelines.

With the memorandum, pipeline operators from Slovenia, Poland, Czech Republic, Slovakia, Austria, Italy and Greece want to further improve the supply of gas and thus contribute to the development of a single EU natural gas market.

The memorandum envisages cooperation in the areas of transparency and accessibility of information, planning cross-border connections, harmonisation of standards, and business processes at points between two pipeline operators.

Slovenia, Poland, Czech Republic, Slovakia, Austria, Italy and Greece are part of the Regional Gas Initiative, region south-southeast, within the framework of the European Energy Regulators Group.

NUMBER OF TOURISTS VISITING SLOVENIA UP 3% IN Q3

The number of tourists in Slovenia in the first nine months of the year has grown by 3% compared to the same period last year. According to the national Statistics Office, 2.2m tourists visited the country in this period.

The number of visitors from abroad has increased by 2% to 1.5m, while the number of Slovenian tourists has grown by 6% to 767,851. The number of overnight stays has meanwhile risen by 2% to 6.9m. Foreign guests made for some 59% of these.

Broken down by country of origin, the largest number of overnight stays was generated by Italians (17%), followed by Germans (13%), Austrians (12%), and Croatians and British, both with 6%.

The number of people touring Slovenia in September has meanwhile fallen by 5% to 252,126 in comparison with September 2007. The biggest drop was observed in the number of tourists from abroad, which was down by 7% to 178,733. The number of Slovenians getting to know their country meanwhile rose by 3% to 73,393. The number of overnight stays in September dropped by 4% year-on-year to 727,696.

FUEL RETAILER REPORTS 21% RISE IN GROSS PROFIT

Energy group Petrol issued a statement on 24 October saying that its gross profit for the first three quarters of 2008 has risen by over 21% to EUR 209m. Revenues at Slovenia's biggest fuel retailer increased by 48% to EUR 2.2bn.

Volume-based sales of fuel increased by 24% to 1.8m tonnes in

the first nine months of the year. The group's operating profit surged 26% to EUR 56.8m.

Alongside fuel sales, Petrol also reported a strong rise in sales in its grocery division, with revenues up 45% to EUR 276m.

The group operates 310 petrol stations in Slovenia and 107 petrol stations in the former Yugoslav republics. Shares of the group outperformed the market on 24 October, falling 2.1% to EUR 365.62 on a day when the benchmark index was down nearly 4%.



SLOVENIA 15TH MOST COMPETITIVE COUNTRY IN THE EU, SAYS REPORT

Slovenia is the 15th most competitive economy in the European Union as measured by the EU's Lisbon criteria, according to a report released by the World Economic Forum (WEF).

Sweden, Denmark and Finland top the list, while Slovenia is ranked in the company of such countries as Cyprus and Portugal ahead of it and the Czech Republic and Spain behind.

The WEF assessed the countries' performance according to eight dimensions measured by the Lisbon Strategy.

These include an information society for all, developing a European area for innovation and R&D, liberalisation, network industries, efficient and integrated financial services, improving the enterprise environment, increasing social inclusion and enhancing sustainable development.

AGRICULTURE MINISTER SAYS MANY CAP ISSUES REMAIN OPEN

Agriculture Minister Iztok Jarc said in Luxembourg on 28 October on the margins of an EU agriculture ministerial meeting that the French EU presidency was harmonising different positions of the EU Member States on the review of the Common Agricultural Policy (CAP), but that many issues still remain open. The French presidency wants to reach an agreement on the CAP review, also called the Health Check, by year's end, Jarc explained. The review is aimed at introducing certain changes in the system, and therefore the Member States want to negotiate the best possible position.

According to Jarc, the new Member States, including Slovenia, presented a special declaration at the meeting in which they asked that a different approach to funding new challenges in agriculture be used in the new Member States. The minister added that the open issues in the negotiations include modulations, milk and state interventions.

Jarc believes that it is "not wise" that modulations - transfers of funds from the first pillar of direct payments to the second pillar of rural development measures - are applied to new EU members, because there are neither expert nor political reasons to do so.

Regarding milk, the minister said that the majority of countries could support a 1% increase in milk quotas at the annual level by 2015, when they will be completely abolished. Jarc sees a problem in interventions in the milk and cereal industries. There have

been no intervention purchases in Slovenia so far, but the state is nevertheless making efforts for the EU to keep this instrument. According to Jarc, interventions in case of great surpluses in neighbouring countries, for example in Hungary and Austria, as well as in Germany, would also stabilise the situation in Slovenia.

DEVELOPMENT MINISTER SAYS RECESSION A MOTIVE FOR REFORM

"Reform must continue - not despite but because of the recession. Recession is a good motive for reform," asserted Development Minister Žiga Turk after the Lisbon Council meeting in Brussels on 29 October. He pointed out that fiscal policies in Slovenia were better than ever and that the country can afford reform.

Turk believes that the European Commission will send the message on 29 October that structural reform should continue, as its president, Jose Manuel Barroso, and the Commissioner for Economic and Monetary Affairs, Joaquin Almunia, have called a press conference on measures for the EU's economic activity and a summit on international financial system reform.

"The engine of the economic development car" seems to have come to a halt, Turk observed and went on to say that the EU members and institutions seem to be the only ones able to get it going again, but they will have to fight the temptation to sit behind the wheel afterwards.

The reforms include the labour market, where it is good to have flexibility in a time of crisis, he said, explaining that companies will not simply start firing their employees just because of flexibility. He also stressed investments in human resources, research and development.

In view of the financial crisis, some of the participants of the Lisbon Council also insisted that if so much taxpayer money is used for curing the financial system, banks and other institutions have a "social obligation to start doing their job", he explained.

However, views on this issue differ, Turk said. Some believe political pressure could make banks start doing their job, while the financial system wants interest rates to fall even lower. According to Turk, what is important is a balance between regulation and information.

Turk also mentioned that Slovenia had recently sent a new national reform programme to Brussels, claiming it is "a bit modernised and significantly more green", while still being based on investment in human resources.

FINAL PART OF THE NE MOTORWAY OPEN



Transport Minister Radovan Žerjav spoke at the opening of the last section of the motorway through the Pomurje region.

On 30 October, the national motorway company DARS opened the last 26 kilometres of motorway in northeastern Slovenia between Lenart and Vučja vas. This finishes the 80-kilometre section through the Pomurje (NE) region and completes the motorway link between Hungary and Italy.

Transport Minister Radovan Žerjav said in his opening speech that this was a historic day and one of the most important days for the region in the last 100 years. He thanked everybody who helped in the construction and the locals who suffered due to heavy lorry traffic on the old road.

The cost of the Lenart-Vučja vas section is estimated at EUR 316m. The entire NE motorway cost EUR 823m, while DARS will receive EUR 41.6m for the Beltinci-Lendava motorway project from the European Commission's Cohesion Fund.

Besides the motorway exit at Lenart, which is already open, the motorway includes exits at Senarska, Cerkenjak and Sveti Jurij ob Scavnici, five viaducts, 12 bridges, 14 underpasses and 58 passages, and 89 roads with a joint length of almost 40 kilometres had to be moved.

The Spodnja Senarska-Cogetinci section also includes a 600-metre-long tunnel at Cenkova and a toll station between Cogetinci and Vučja vas. A maintenance station is planned at the entrance at Sveti Jurij.

BUSINESS DELEGATION VISITS UKRAINE TO BOOST COOPERATION

A business delegation from Slovenia has returned from a visit in Ukraine. The goal of the visit on 31 October was to deepen existing and create new business relations between the two countries, especially new cooperation for the Slovenian export-import sector.

The visit, which resulted in a cooperation agreement between the Slovenian Chamber of Commerce and Industry (GZS) and the Ukrainian Union of Industrialists and Businessmen, was organised by Public Agency for Entrepreneurship and Foreign Investments (JAPTI) and the GZS.

Among other things, the delegation took part in a bilateral business conference and visited InvestUkraine, the Ukrainian Centre for Foreign Investment Promotion, a cooperation partner of JAPTI.

Representatives of the Slovenian Economy Ministry offered the Ukrainian side their assistance in its EU integration process in the form of advice regarding technical legislation.

EU PROJECTS 4.4% GROWTH, 6.2% INFLATION FOR SLOVENIA IN 2008

The European Commission has upgraded its economic outlook for Slovenia for this year in its autumn economic forecast, while increasing the projected inflation rate. According to the document released on 3 November, Slovenian economic growth is to stand at 4.4% and inflation at 6.2% this year.

Growth is expected to drop to 2.9% in 2009, which is 0.9 percentage points down from the spring forecast, and increase again to 3.7% in 2010. According to the document, inflation in 2009 and 2010 will be 3.7% and 3.1% respectively.

According to the forecast, gross fixed capital formation remained buoyant, recording an increase of 12.6% at the annual level. The construction sector expanded strongly, especially in non-housing construction, reflecting ongoing motorway investment.

Private consumption growth meanwhile slowed in 2008 because of high inflation, and export growth also decreased considerably.

SE EUROPE JOINING FORCES IN THE FACE OF CRISIS

On 3 November in Macedonia, heads of chambers of commerce from former Yugoslav republics and other SE countries, including Slovenia, discussed the potential impact of the financial crisis on the real sector in the region, concluding that they would step up cooperation.

The officials decided to enhance the exchange of information on labour force projections and join forces to create business opportunities, according to the Slovenian Chamber of Commerce and Industry (GZS).

GZS president Zdenko Pavček led the panel on the transfer of experience EU members had gained during their accession process and first years of membership.

While Pavček highlighted inefficiency in the phasing of EU funds as a problem, the participants of the debate urged cooperation between governments and chambers of commerce. They agreed to foster forms of cooperation that would contribute to boosting trade.

The forum, entitled "Faster Towards the EU", was hosted by the Macedonian Chamber of Commerce. It was attended by representatives from Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Greece, Macedonia, Montenegro, Romania, Slovenia and Serbia.

LAŠKO AND AFFILIATE SELLING NEARLY HALF OF MERCATOR

Beverage group Pivovarna Laško and investment firm Infond Holding, an owner of Pivovarna Laško, will put up 48% of retailer Mercator for sale in an international call for bids, the companies announced on 4 November.

Pivovarna Laško chairman Boško Šrot said that the call would be published within a week, while the criteria will be based on a balance between price and the expansion of Laško's sales abroad. The latter suggests that Laško is looking for a retailer who could help it break into new markets. "We want the buyer of Mercator to open new doors for us," added Šrot.

The international call for bids is expected to run until March next year. Šrot said the decision for this kind of sale was made in an effort to obtain the best terms for the sale.

EUR 40M AVAILABLE FOR CROSS-BORDER PROJECTS WITH ITALY

The Government Office for Local Government and Regional Policy held a presentation in Nova Gorica on 5 November in a bid to encourage partners from Slovenia and Italy to apply for a total of EUR 40m available in the first call for strategic cross-border projects.

The EU earmarked some EUR 137m in funds for cross-border cooperation between Slovenia and Italy in 2007-2013. Nearly 30% of the sum will be distributed in the first call for applications, which is open until 1 December.

Applications can be made for projects valued at more than EUR 1m that can last as long as two or three years, the head of the regional branch of the government office, Tatjana Renner said. She added that the projects must be relevant to the cross-border area and should also make an important contribution to the EU strategy. Renner expects applications for 30 to 40 projects. She highlighted transport, language, ports, organic farm products, tourism and efforts to boost the competitive edge of businesses

as some of the themes of interest to partners on both sides of the border willing to cooperate.

Renner and her Italian counterparts presented the call for applications to some 170 prospective partners. A change compared to the previous calls is that only one contract with the managing entity and a single budget is now required for the project to be endorsed.

Laura Comelli of Friuli-Venezia Giulia explained that the call for project applications opened up new content in cross-border cooperation, while Veneto representative Luca Rossetti pointed to simplified procedures, which he sees as a boost to cooperation, coupled with the expansion of areas eligible for funds in Slovenia and Italy.

As part of the Interreg scheme of cross-border cooperation in 2004-2006, 31 projects were implemented in Slovenia, drawing an estimated EUR 4.4m in funds, which Renner said was 96% of the money available.

GORENJE SEES NET PROFIT INCREASE 14% IN FIRST NINE MONTHS



The group around home appliance maker Gorenje posted EUR 992m in consolidated sales revenues in the first nine months of 2008, 4.5% more than in the same period last year. Net profit increased 14% year-on-year to EUR 15.4m, Gorenje announced on 5 November.

Profit before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 69m, 12% more than in the same period last year. Profit before income tax, depreciation and amortisation (EBIT) increased 15.7% to EUR 26m.

"Gorenje was not spared by the ongoing global financial crisis and recession, but the management is making efforts to mitigate its impact," the company said, adding, however, that its presence on many markets cushioned the risk. Given the current results and projections, the management decided not to revise the targets for revenues and net profit for the end of the year. The figures for the first three quarters include EUR 34m of revenues posted in the third quarter by Dutch high-end home appliance maker ATAG Europe, which Gorenje acquired in June.

PANEL: RUSSIA OFFERS MANY OPPORTUNITIES FOR SLOVENIAN BUSINESSES

On 5 November, participants of a panel discussing Russia as a development opportunity for Slovenian businesses agreed that there were many opportunities for further economic cooperation, which should encourage Slovenia's investment in the Russian market.

Russian Ambassador to Slovenia Mikhail Vanin labelled economic cooperation between Slovenia and Russia as good, as exports from Slovenia to Russia have been increasing along with Slovenia's investments in the Russian market. There are many more

opportunities for Slovenian businesses in the Russian market, he added at the panel in Ljubljana, which was hosted by logistics group Intereuropa and the Chamber of Commerce and Industry (GZS).

The head of the business diplomacy department at the Foreign Ministry, Robert Kokalj, said that Slovenia would keep maintaining long-term cooperation with Russia in numerous fields, the most important being international security, energy, trade and investment, migration and climate change.

The representative of the Public Agency for Entrepreneurship and Foreign Investments (JAPTI) in the Russian city of Kazan, Vidko Filipič, added that many Slovenian executives were familiar with the potential of the Russian market and that they cooperate well with Russia.

He believes that the ongoing financial crisis will make other companies want to enter the Russian market.

According to Mojca Kopše of the Centre for International Cooperation and Development, Russia is interesting to foreign investors because of its large and fast-growing market, cheap and highly-qualified labour force, resources, political and macroeconomic stability and favourable tax policy. She did not wish to project economic trends in the country in the next period, saying that a decisive factor will be global prices of oil and other energy products, as well as demand for energy.

That the Russian market represents a good opportunity for the development of the Slovenian economy was confirmed by the director of the civil engineering company Riko, Janez Škrabec, and Intereuropa CEO Andrej Lovšin. Lovšin sees Russia as a developmental opportunity for Intereuropa. The Russian market is Intereuropa's springboard for the rest of the world, he noted, adding that the company was in the midst of completing the biggest Slovenian investment in Russia - the construction of a EUR 140m logistics hub near Moscow.

According to the Centre for International Cooperation and Development, trade between Slovenia and Russia has been increasing since 2000, standing last year at EUR 1.2m. Exports from Slovenia grew by 15.8% to EUR 691.5 in 2007, while imports from Russia increased by 38.8% to EUR 490m.

HARDWARE RETAILER OPENS NEW CENTRE IN MARIBOR



Merkur opened its largest sales centre in Slovenia

On 6 November, hardware retailer Merkur opened a major shopping centre in Maribor, its largest to date. Interior and exterior sales and warehouse areas stretch over 23,500 square metres. The investment is worth EUR 21m, the company said.

The new centre introduces a new feature in Merkur's retail network, a department specialising in decorative home accessories. According to the company, the new centre was opened 15 years after the company's first sales centre in this area was launched in Hoče.

Merkur decided to build the centre because of the growing number of customers and their needs. It expects more than 200,000

customers in the new centre by the end of the year. The centre itself covers more than 18,200 square metres and is divided into two departments: MerkurDom, which offers home improvement, leisure time and gardening products, and MerkurMojster, offering products for handymen and craftsmen.

The centre has more than 380 parking spaces and will employ 120 workers, 30 of which will be newly employed. The others will be reassigned from two Merkur stores in Maribor that were closed in October. The opening of the new centre in Maribor follows the company's strategic plans in pursuing further growth. The plan for this year envisages a doubling of sales revenues from five years ago.

The company plans to open a number of Merkur and Big Bang consumer electronic centres within the next five years in Slovenia, Croatia, Bosnia and Herzegovina and also in Macedonia. By increasing its presence in SE Europe, Merkur plans to generate nearly half of its revenues outside of Slovenia by 2013.

AWARDS CONFERRED ON BEST FOREIGN INVESTORS

As part of a two-day international investment conference, on 6 November awards were conferred in Portorož on foreign investors that significantly contributed to Slovenia's economic development last year. The awards went to foreign investors in BSH Hišni aparati, Carrera Optyl and GKN Driveline Slovenija.

German BSH Bosch and Siemens Home Appliances Group invested in home appliances maker BSH Hišni aparati in 1993, while GKN Italia bought into the automotive components maker GKN Driveline Slovenija in 2003.

SAFILO (Società Azionaria Fabbrica Italiana Lavorazione Occhi meanwhile invested in spectacles maker Carrera Optyl in 1996.

The awards were conferred for the third time by the Public Agency for Entrepreneurship and Foreign Investments (JAPTI) and The Slovenia Times, the organisers of the conference said.

The Investment Conference 2008 focuses on investment opportunities in the energy sector in the Western Balkans. On the first day, the participants debated the shortage of energy and energy conditions in the region.

MEP Romana Jordan Cizelj said at the opening of the conference that one of the main challenges in the Western Balkans was a reliable energy supply, which she sees as an investment opportunity.

Chairman of the energy group Petrol Marko Kryžanowski meanwhile said that low energy prices, a result of subsidies in the sector, resulted in low use of renewables, which in turn caused pollution exceeding EU standards.

KRKA ACQUIRES SMALL AUSTRIAN GENERICS SUPPLIER

Drug maker Krka announced on 7 November that it had acquired 100% of Vienna-based Alternova Arzneimittel, a supplier of generic pharmaceuticals, in an all-cash transaction worth EUR 1.3 million.

"The transaction represents the continuation of our development strategy, which also includes acquisitions that we started to implement a year ago," Krka chief executive Jože Colarič said in a written statement. Colarič says the acquisition represents "a highly effective route for direct entry into the Austrian market", where Krka has so far been present through partners, including Alternova. Alternova's medical representatives, management and infrastructure "complement Krka's broad product portfolio and new product pipeline".

MERCATOR REPORTS NET PROFIT UP 1%

Mercator, Slovenia's number 1 retailer, posted a net profit of EUR 36.4m for the first nine months of 2008, up 1% year-on-year. Group net sales rose 13% to EUR 2bn, the company said on 11 November. Sales were up 5% in Slovenia, but net profit dropped 2.5%. Mercator cited lower household consumption as purchasing power deteriorated, whilst margins shrank in response to growing consumer prices. Net sales on foreign markets meanwhile soared 34% to EUR 667m. Even though high inflation and the global financial crisis had an impact on the bottom line, Mercator says these were offset by intensive marketing and the launch of several new stores.

The company expects a challenging last quarter in all markets, as the economic slowdown undermines household spending, and financing as well as operating expenses are projected to rise.

The group boasted gross operating cash flow before rent of EUR 140m, up 15%, which Mercator says shows the group's substantial ability to secure funding, which is crucial for investment and development plans in the face of the financial crisis.

Despite the tougher lending conditions, Mercator says its operations have not been affected, while cooperation with banks is normal.

However, the altered market conditions and availability of long-term funding will be taken into account in planning for 2009.

SLOVENIA PRESENTED IN LONDON AS DIVERSE AND UNSPOILT DESTINATION

The 29th World Travel Market, running in London between 10 November and 13 November, presents Slovenia as a destination with diverse and unspoiled natural attractions for tourists who cherish the countryside and a clean environment, asserted Slovenian Tourist Board (STO) director Dimitrij Piciga at a press conference on 11 November.

According to Piciga, Slovenia is implementing sustainable tourism, a form of tourism committed to making a low impact on the natural environment while helping to generate income and employment for locals.

Slovenian tourism promotes the development of new products and strives for quality of service, including by reaching to far-off markets, head of the Tourism Directorate at the Economy Ministry Marjan Hribar pointed out.

The highlight of the conference was a presentation of the beauty of the Julian Alps and the valley of the Soča River, which provided the scenery for one of most dramatic scenes in the film *The Chronicles of Narnia: Prince Caspian*.

Business partners and journalists will have the opportunity to enjoy Slovenian cuisine and wines at the Slovenian stand presenting the new country brand built around the slogan "I feel Slovenia" and Slovenian tourist destinations.

The Slovenian stand was nominated for the Best Stand for Doing Business Award at the market, where over 200 countries are represented and about 48,000 visitors are expected.

SLOVENIA AND RUSSIA AGREE ON 2009 HAULIER PERMITS

A mixed Slovenian-Russian commission for international road transport signed a protocol on 11 November that sets the number of haulier permits for 2009. Bilateral transit transport will have 10,000 permits for lorries without environmental

restrictions and 4,500 for environment-friendly lorries.

Bogdan Potokar from the Transport Ministry said that 4,000 permits will be issued for "euro 3" category vehicles and 500 for "euro 4" or higher. The number of permits for the biggest polluters without environmental restrictions has decreased by 2,000, while the overall number of permits has increased due to the growth of trade between the countries, Potokar said, adding that the Russians were mainly interested in transit transport. The number of permits for transport of goods into third countries for 2009 was also increased, from 1,800 to 2,500.

Slovenia exchanges permits with Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Iran, Macedonia, Moldova, Romania, Russia, Switzerland, Ukraine and Turkey. With some other countries such as the Baltic states, Slovenia exchanges permits for transport into third countries, Potokar explained.

He pointed out that all the permits only account for 1.5% of the transit through Slovenia, as 64,000 permits are being exchanged annually, while the 5th route through the border crossing Dolga Vas (NE) alone sees 5,000 lorries daily. This means that 125,000 lorries a month pass through.

Potokar also stressed that transit and bilateral traffic in the EU had been liberalised. He thinks that the European Commission should provide measures to reduce transit on the roads within the EU or that Slovenia should increase road fees to the level in Austria, for example.

The mixed commission also discussed the number of permits for tourist transport, where 25 bilateral permits will be issued for 2009 and 25 permits will be issued for transport from and to third countries, Potokar said. The commission also came to the conclusion that the current agreement on road transport of goods and passengers between the two countries needs to be reformed, especially in passenger transport. Potokar indicated that Slovenia would prepare a proposal and forward it to Russia.

KRKA REMAINS ON TRACK, Q3 PROFIT UP 13%



Novo Mesto-based drug maker Krka posted net sales of EUR 687.9m for the first nine months of 2008, up 21% year-on-year. Net profit increased 13% to EUR 111.2m, Krka said on 13 November, labelling the results as good. In the present conditions the company's performance is stable, emphasised Krka chief executive Jože Colarič, saying that the targets were being met in accordance with the strategy and the annual plan.

The order book has not shrunk and orders are not expected to drop until the end of this year or next year, according to Colarič.

For next year Krka is expected to post sales of EUR 1.062bn, 11% above the 2008 year-end target, while profit is projected to reach EUR 161m.

OUR EXCELLENCE

Text: ANJA LORENZETTI, Photo: Dnevnik archives

The best among the fast-growing companies (from the left): silver gazelle to Montig SK (Slivester Knez), golden gazelle to Instrumentation Technologies (Rok Uršič), and bronze gazelle to Mimovrste (Jugoslav Petković).



Slovenian gazelles are conquering the heights of the global economy

Gazelles are dynamic, fast-growing companies which are developing with lightning speed, are intensely employing, and are always a step ahead of the competition, Birch explained.

The renowned American researcher David Birch, while researching how new working positions are created in the USA, came to some interesting findings which present the actual state of the world economy. In his studies, he analyzed the life cycle of companies, and on the basis of these data he divided them into three categories: mice, elephants and gazelles, and has found that as much as two thirds of global employment is being contributed by companies which have fewer than twenty employees - up to 85 per cent of new jobs and economic growth are contributed by five per cent of the fastest-growing American companies. These findings have changed the attitude towards small and fast growing companies with high growth potential in the world, and the goal of dynamic companies is not only to survive, but to succeed. In the great majority of cases, these are small, family run companies which build with a great will to make sacrifices, and choose their first employees with caution until they start to grow with the speed of lightning. Then, two things are especially important: to ensure the means for the lightning growth, and to find the right people for the tasks in the company with the same speed. These two tasks are a great challenge to companies.

The capability of the economy to grow and to employ is strongly dependent upon the capability of the economy to create gazelles, is convinced Branko Pavlin, president of the management board of Časopisna družba Dnevnik, d.d.

Today, Časopisna hiša Dnevnik takes credit for further development and media recognisability of the Gazelle project; the history of this project reaches back to 1991, when Gospodarski vestnik magazine analyzed dynamic Slovenian companies for the first time, and two years later, they prepared a chart of the 500 biggest and most dynamic Slovenian private companies, which all together were employing more than six thousand people. Regarding the exceptional development and interest in the Slovenian

economy, GV started to publish a special edition of the magazine dedicated to entrepreneurship in which dynamic business individuals and their business practice was presented in 1996. The Gazelle project was becoming more and more interesting, and with its appearance on the media market, the editorial board of the magazine managed to overcome the closeness and distrust of the gazelles. The year 2001 was a turning point, since for the first time there were events on the regional and national level, and also the selection of gold, silver and bronze gazelles. By 2003, the project had already achieved a break-through into the wider Slovenian public, and in 2004, it gained an international dimension, since Slovenian fast growing companies cooperated in the selection of the European Business Awards and had a chance to be placed among the 500 fastest growing companies in the Europe. Časopisna družba Dnevnik took the project under its wing at the end of 2005, and this year's selection of Gazelles was the third in the organization of the company Dnevnik.

THERE IS A GAZELLE IN YOU TOO!

Tjaši Artnik Knibbe, the president of the organizing committee of the Gazelle project is certain that there is a gazelle in all of us, although the Gazelles in the business world are small and medium-sized companies with great growth potential that are an important factor in economic growth, and are the main culprits for new working positions, technology development and innovativeness.

»The gazelles are namely successful cooperation between individuals - individuals that were firstly children, then teenagers with their dreams and ideas that they started to realize through their first employment, or through the admirable and brave act of establishing their own company«, explains to influence the growth, success and wideness of the business world; individuals, companies and the environment.«

Branko Pavlin, president of the management board of Dnevnik, is pleased that, due to their own above-average entrepreneurship, lightning growth, admirable dynamics and sustainable development gazelles can be placed next to the most excellent athletes. »The project is becoming more and more fruitful and



The recipient of the bronze gazelle 2008 is the Mimovrste company. The small statue went to the director of the company, Jugoslav Petković.

mature with the years,« says the pleased Pavlin, adding that at Dnevnik they know how the success of a certain economy is connected with the general guidelines of the state, and therefore they closely cooperate with the Ministry of the Economy, which is also a project partner. The appearance in the media is also important to companies, therefore at Dnevnik they pay a lot of the attention to them through print and also electronic editions, on the net and through other communication activity as a whole and throughout the year, which actively contributes to their reputation, recognisability and further growth.

HIGHER, FASTER, STRONGER!

Pavlin is proud that Dnevnik in such an integrated manner fulfils its mission of the development and improvement of the quality of society. »We are trying to contribute to a better future for the Slovenian economy in an integrated manner, and in the framework of social responsibility, the gazelles are given a chance to become a social movement that will be a founder of the dynamic growth notion. A social movement that will in its eagerness, jump even higher, develop even faster and inspire even stronger.«

»To be the best in the world in your market niche feels good, and if you receive prestige recognition at home, even more.« Rok Uršič, Instrumentation Technologies, golden gazelle 2008.

In the same way as in all the years before, the Slovenian gazelle brings a lot of the new, but preserves all the best. The competition is conducted in such a manner that at the pre-selections that take place throughout Slovenia, and based on economic indicators, profit reports and editorial interviews, they select the finalists that compete at the solemn finale selection in Ljubljana. This year the golden gazelle 2008 was awarded to the Instrumentation Technologies company - which last year won a silver gazelle 2007 - by the minister of the economy, Andrej Vizjak. The director of the company, Rok Uršič, stressed the meaning of the award for all the employees, because he is of the opinion that



The silver gazelle 2008 was awarded by the French ambassador Mrs Chantal de Bourmont to the director of the Monting SK company, Silvester Knez.

in these times of crisis in which the global financial system finds itself, a kind of distrust reigns, and therefore »events like the gazelle project are an opportunity for business individuals to evaluate themselves, and at the same time also the opportunity for the decisions. Uršič has continued to hold the belief that each of us, in life and in business, needs small everyday victories that lead us to progress. He is convinced that with the gazelle project a positive relation towards entrepreneurship is created, which means added value for both participants and the media. »With such an excellent project we all gain,« he also said, and concluded with the thought «that this is our common victory!«

The internationality of the project was spiced up by the French Ambassador to the Republic of Slovenia, Chantal de Bourmont, who awarded the silver gazelle to the Monting SK company. The director Silvester Knez accepted this award with pleasure at the fact that his company was noticeable after all. With this, all the



Andrej Vizjak awarded the golden gazelle 2008 to Rok Uršič. Instrumentation Technologies has become the best among fast-growing companies.

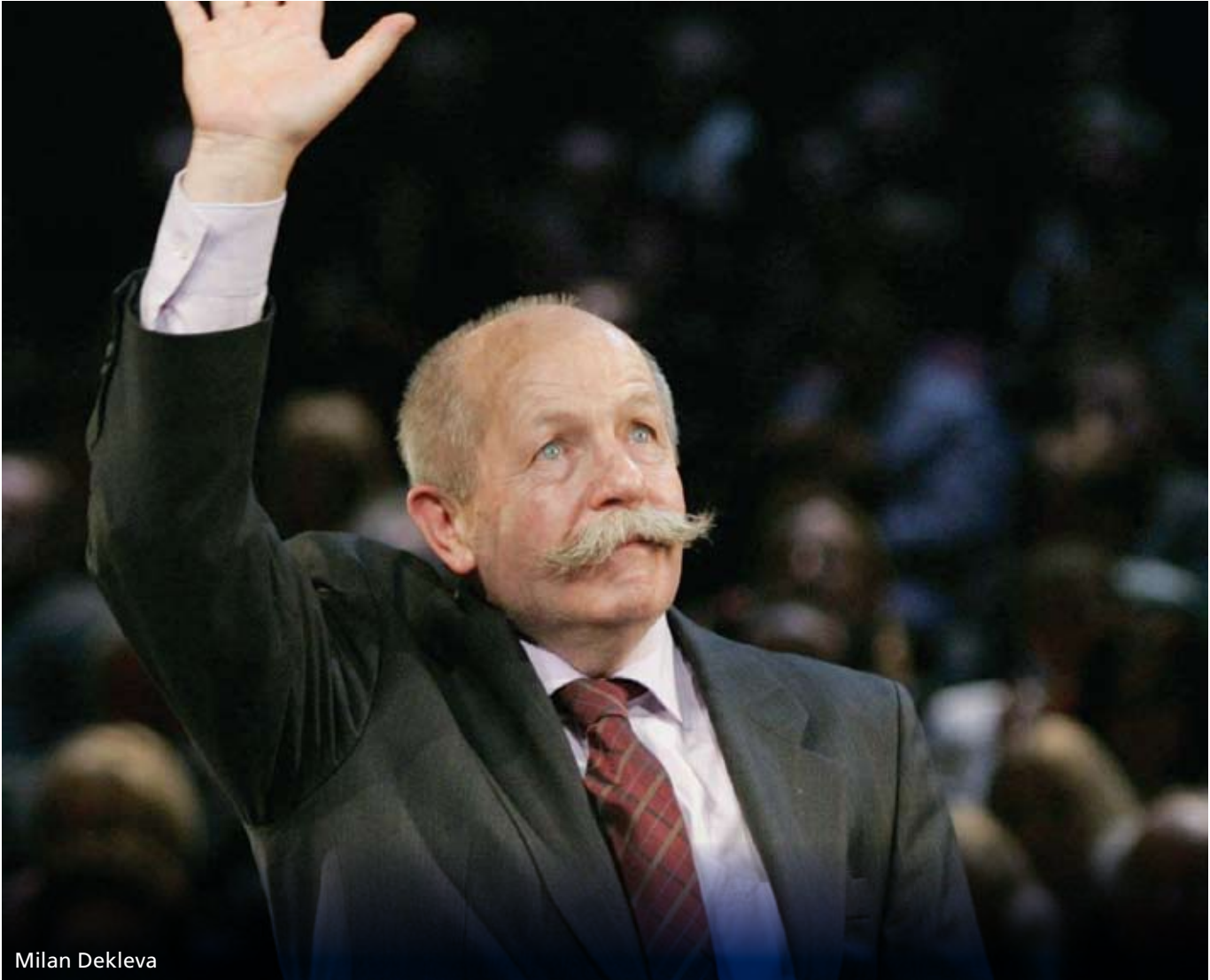
effort and energy are repaid, »This award confirms that we are working well, that we are on the right track, and that our development vision is correct.« He summarized his thoughts saying that the value of the small statue is even bigger, taking into consideration the competition, which was really exceptional in this competition.

The director of the Dnevnik, awarded the bronze gazelle 2008 to Mimovrste from Gorenjska, which is involved in internet sales. The director, Jugoslav Petković expressed satisfaction and surprise with a smile on his face, since they were not anticipating an award this year. He also, like all the other prize-winners, is convinced that the companies will be now even more recognizable, the employment interest will increase, which facilitates the recruitment of new, qualified staff, but the greater recognisability and media exposure also increases the number of sponsorship applications with which the companies are regularly faced.

»This recognition is mainly a confirmation of the successful work of all the employees so far performed and, certainly, motivation for the future«, is convinced Tomaž Žvapelj, director-general of the Elektronček group, which received a golden gazelle in 2007.

To conclude, let me summarise the opinion of the members of the Gazelle Council, Dr Peter Kraljič, honourably retired director of McKinsey & Company, Inc who says that gazelles, not only in the Slovenia, are »the group of prospective and fast growing small companies that are carriers of future economic growth, added value and jobs. Therefore, it is of the utmost importance that their competitiveness and growth are supported with the corresponding conditions and environment - for example with the labour market, capital market, effective legislation and an entrepreneurship-friendly climate.«

Text: JOŽE OSTERMAN, Photo: STA



Milan Dekleva

PAHOR AND DEKLEVA IN FRANKFURT, THE NAPOLI AWARD TO PAHOR

At the book fair in Frankfurt which is acknowledged as the most important event of its kind in world publishing, the Slovenes were trying as ambitiously as possible to present themselves among the 7448 exhibitors from 100 countries. The stand of the Slovene publishers, measuring 100 m² was designed with taste, and attracted a lot of attention from numerous visitors. The honoured guests of the stand were the Prešeren literature award winners, prolific poet, writer and essay writer Milan Dekleva, and the Slovenian writer from Trieste, Boris Pahor who is receiving more and more attention. While Pahor, who is well known abroad, was talking about his experience of receiving his translated works abroad, Milan Dekleva (almost unknown outside Slovenia) and the German writer and photographer Michael Rutschky were recollecting the revolutionary year 1968, in which they both actively participated.

Precisely at the end of writing, we received the news that, in Naples, Boris Pahor had received the eminent Italian literary award Premio Napoli, which is awarded to the best foreign novel in Italy, namely for his work *Nekropola* (Necropolis).

SLOVENIAN LITERATURE AND FOREIGN PARTS

At the international publishing house of Peter Lang, the first overall history of the Slovenes in the English language entitled 'The Land Between' has been published. For several years, 9 authors have been working on the volume; the project manager was Dr Oto Luthar. The book has more than 500 pages, covering the period from prehistory to 2004, when Slovenia became a European Union Member. Luthar is certain that an important historical gap is being filled with the book, since all central and east European nations have significant books in foreign languages which clear up many misunderstandings that often persist among foreign history experts. Beside Luthar, the authors are Igor Grdina, Marjeta Šašel, Marjeta Kos, Petra Svobljšek, Peter Kos, Dušan Kos, Peter Štih, Alja Brglez, and Martin Pogačar.

On the other hand, the German Wunderhorn publishing house in Berlin, which publishes bilingual poetry, has issued a book entitled *Geburt eines Engels* (The Birth of an Angel) in which so far untranslated poems by Veno Taufer, Milan Dekleva, Barbara Korun, Aleš Šteger, Lucija Stupica in Esad Babačić are published. The anthology was prepared on the basis of a workshop

attended by German and Slovenian poets and by the principle »poets translating poets«; on the German side, the translators were Marion Paschmann, Hans Thill, Michael Buselmeier, Steffen Jacobs and Raul Schrott. The anthology and the entire project was financed by the federal state of Rhineland Pfalz, and the poems also had »a live« performance in Literarhaus in Berlin and Tübingen.

This year for the first time, the Spanish Embassy in Ljubljana will award a special prize for the best translation of literary works from Spanish into Slovene. The award winners will be selected by a jury led by the writer Drago Jeseničar, and the prize will be awarded at a special ceremony in the National and University Library, probably in January next year. Otherwise, the award will be biennial, and in the opinion of the Spanish ambassador, is the result of the great interest of the Slovenians in Spanish.

IEDC - BLED SCHOOL OF MANAGEMENT OPENED NEW CENTRE FOR INNOVATIVE LEARNING



IEDC-Bled School of Management

IEDC-Bled School of Management has more than 20 year tradition of organizing seminars for managers from all over the world. Always one step ahead, IEDC opened doors to its' third building, named Center for Innovative Learning, which will be used for innovative programs for managers and leaders. The construction of the new Centre costs 3,3 million and the funds were collected through IEDC's own funds, used for covering the loan provided by Slovenian bank NLB, and with the help of IEDC's founders and partners who supported the investment.

IEDC has made an important contribution in using art in leadership development, as Prof. Danica Purg, President of IEDC-Bled School of Management, said: »Art is shocking, provoking and inspiring. It develops our communication capabilities and flexibility in reactions, and encourages us to reflect and consider, what is at work, which is becoming daily routine instead of creative activity, very important".

To the existing IEDC's four lecture and ten seminar rooms, Centre for Innovating Learning adds a big classroom, accepting 170 participants, smaller classrooms for 35 participants and 10 seminar rooms used for work in smaller teams. The school is becoming well recognized in the world for its innovative approach to management and leadership development and has been systematically integrating learning from other professions, such as art, philosophy, science and sport, drawing parallels

around them and making people reflect.

Wonderful architecture of the new Centre was created by Vojteh Ravnikar and Tanja Košuta, whereas paintings in the building, nice park and the view on the lake Bled represent a creative environment for creative leadership.

Already in 2003, the Financial Times wrote about IEDC as one of the most beautiful schools in the world or »one of the three really modern grounds of management.«

The new Centre for Innovative Learning was opened on the occasion of Presidents' forum, where Dr. Danilo Türk, President of the Republic of Slovenia, addressed the participants with the speech on innovations.

ZAGREB'S MUSEUM MIMARA HOSTING SLOVENIAN PAINTERS

At the end of October Zagreb's Mimara museum, which is renowned for an excellent collection of the old masters, opened a group exhibition of five known Slovenian painters - Emerik Bernard, Herman Gvardjančič, Jožef Muhovič, Franca Novinc and Branko Suhy. The director of the museum Tugomir Lukšič stressed at the opening that the five Slovenian men had established themselves at the end of the 1970's, and had in the world galleries spread a new expressionism and a new subjectivity, since art critics marked their opus as »a new picture, trans -avant -garde and post-modern«. The exhibition was opened under the patronage of the Croatian and Slovenian presidents, Stjepan Mesić and Dr Danilo Türk.

TWO AWARDS FOR SLOVENIANS AT THEATRE FESTIVAL

At the famous Sarajevo theatre festival of small and experimental stage, the Drama of the Slovene National Theatre Maribor performed Tennessee Williams 'Streetcar Named Desire' directed by Damir Zlatac Frey, which was staged in National Theatre Sarajevo, and the Slovenian Youth Theatre from Ljubljana produced 'Pika' (Pippi) directed by Veno Taufer. The latter received the silver laurel garland for the best children's performance of the festival. The performance of Pippi - based on the cult book by Astrid Lindgren - which was edited by Anđej Rozman-Roza, had its première almost exactly 10 years ago, when Janja Janzelj performed in the of Pippi, and back then became a true theatre discovery.



Veno Taufer

At the 16th international theatre festival of classics in Serbian Vršac, the winning performance was by the Belgrade theatre Atelje 212 (Studio 212) of 'Travelling Theatre Šopalović' written by Ljubomir Simonović, and directed by a Slovenian theatre director of the younger generation, Toni Janežič. The performance also received awards for best female and male actor; it was a perfect success. The direction of Toni Janežič, with its rawness and reality, divided the audience, and was also a great deal after the festival.

THIS YEAR'S BORŠTNIK GATHERING AWARDS ALEKSANDER VALIČ

The most respectable Slovenian festival, Borštnik's Gathering, started in the large hall of Slovene National Theatre Maribor with the address of the president of the republic, Dr Danilo Türk, who underlined the exceptional meaning of theatre in Slovenian national history. At the same time, Türk pointed out the necessity that theatre, to a larger extent than in the past, when it became the house of fun and laughter, dedicate its attention also to »pleasing citizens who come to the theatre for new knowledge and out of a need for catharsis.

This year, in the competition, the festival presented 11 performances from six theatre companies, and the selector Barbara Orel added additional five performances in the accompanying programme. Again, the majority of the performances came from Drama from Ljubljana; on the other hand, Slovene National Theatre Maribor which did not participate in the competition last year, presented two performances, and all the other theatres one. Such a selection thus enabled familiarization with all the productions of professional theatres in Slovenia.

The Borštnik Ring, the greatest Slovenian award for achievements in acting, went this year to acting legend, Aleksander Valič, and the award for best performance went to the Slovene National Theatre Drama in Ljubljana for 'Katica iz Heilbronna ali preizkus z ognjem' (Katy from Heilbronn or a Test with the Fire) by the French director Francois-Michel Presenti. In the winning performance of 43. BS, Veronika Drolcin and Marko Mandič were awarded. The other three from five equal acting awards went to Janko Petrovec for his role in Samomorilec (Suicide) by the Slovenian Permanent Theatre Trieste, Jernej Šugman for Tit Andronik performed by Drama in Ljubljana., and Tadej Toš for the Rhinoceros performed by Drama of the Slovene National Theatre Maribor.

The award for young actress went to Arna Hadžialjević for the role of Margerita in the performance of 'Osvajalec' (Conqueror) performed by Ljubljana's Drama. Three equal awards for other achievements were received by creators of the performance 'Raztrganci/Učenci in učitelji' (Tattereddemalions/Pupils and Teachers) - Leo Kulaš for costumes in the winning performance 'Katica iz Heilbronna ali preizkus z ognjem' (Katy from Heilbronn, or Ordeal by Fire), and Mitja Vrhovnik Smrekar for the music in 'Mlado meso' (Young Meat) performed by Slovenian Youth Theatre.



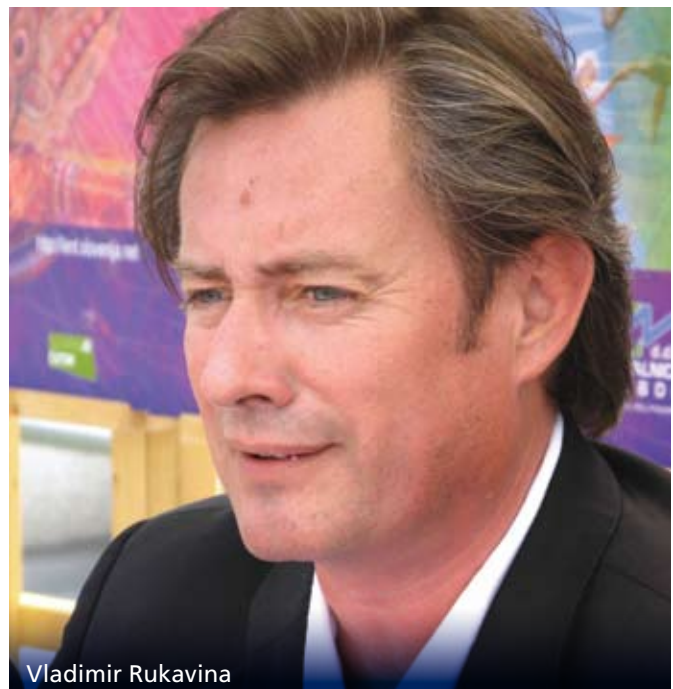
Aleksander Valič

The award of Dominik Smole for translation and dramaturgy was received by Primož Vitez for the translation of Rhinoceros by Ionescu. The jury decided that the award for theatre innovations and aesthetic break-through should go to Janez Janša for the concept and direction of the performance 'Slovensko narodno gledališče' (Slovene National Theatre) performed by the institute Maske Ljubljana.

The jury, led by Blaž Lukan, awarded all the prizes and accepted all of its decisions unanimously.

MARIBOR ON A GOOD TRACK

The Maribor deputy major Andrej Verlič and director of Maribor National Home and a head of the temporary secretariat of the project »European capital of Culture,« Vladimir Rukavina, returned optimistic from Brussels. They presented the Maribor project of the European cultural capital in 2011 to the European Commission, and they are certain that the candidacy of our second biggest city will be accepted, since the presentation was extremely well received.



Vladimir Rukavina

»There were no critiques,« said the Maribor deputy mayor about the submission of the programme; the exhaustive programme and its vast dispersal, which was subjected to criticism at the first presentations were not discussed anymore. Rukavina added that due to the fact that Maribor will become a cultural capital in three years time, at events like the lent festival and some other entertainment, there will be 900,000 more people than usual, and there should be 700,000 overnight stays - altogether 3.5 million visitors to the cultural events. He also stressed that the attention of the organizers should now be on the assuring the cooperation of the most well-known artists performing on Maribor sites. The European Commission could not give an appraisal of the candidacy, since the report will be published and also submitted to the European Parliament. But the candidacy will be decided by the cultural ministers of the EU during the French Presidency to the EU.



Lojze Kovačič's Memorial Book.

TO THE MEMORY OF LOJZE KOVAČIČ

In the opinion of many literary critics the best Slovenian prose writer, Lojze Kovačič (1928-2004) would be celebrating his eightieth birthday. On this occasion, the National and University Library have opened a special exhibition, and the publishing house Študentska založba have presented a book by Mateja Komelj Snój entitled 'Fragmenti o prišleku-Spominska knjiga Lojzeta Kovačiča' (»Fragments on the Newcomer - Lojze Kovačič's Memorial Book«) With the word newcomer the author marked the special position of this interesting writer who came to Slovenia at age ten from Basle and only then became familiar with the Slovenian language. On this, his friend Ciril Zlobec commented:

»The language and art were the true fatherland of the writer, in which he could realize himself; he did not really care about anything else,« and recalled some memories of Kovačič and his absolutely indifferent posture to society and authority, against which he built a special human and artistic autonomy, also respected by his rivals and opponents.



Trubar's Revelation

TRUBAR'S JUBILEE YEAR MET WITH A WIDE RESPONSE

The celebration of the quincenary of the birth of Primož Trubar, the founder of Slovenian literature (the author of 22 books in Slovene and two German) and the beginner of the national awakening, and written communication between Slovenians in their own language, is coming to an end. This jubilee was characterized by numerous events at home and broad: celebrations, exhibitions and study meetings.

An important person in such events is Dr Mihael Glavan, long-standing head of the manuscript department of the National and University Library in Ljubljana (NUK) and one of the best experts on Trubar's work and life.

This year, the NUK acquired the book 'Novega testamta poslednji del' (The Last Part of a New Testimony), a rare copy of Trubar's work which has the most enriched content. We acquired it in March from a private owner in Jerusalem. In May, Dr Glavan organized a rich exhibition of Slovenian and Croatian protestant books. It was only recently discovered this was a donation of the city Basel by Baron Ungnad, Trubar's co-worker.

The most important projects by Dr Glavan this year are the publishing of two books on Trubar. The first, 'Trubarjev album' (Trubar's Album) is documentary monograph on his life, work and meaning in Slovenia and Europe. The second, which was presented at the end of the October, is 'Trubarjevo razodetje' (Trubar's Revelation) which contains a selection of his culturally and historically most interesting texts with translation and commentary. Through the texts we grow familiar with Trubar as a witness of contemporary events in Europe and Slovenia. One should add that the language he used is really hard to comprehend, with difficult syntax of the renaissance. Therefore, the texts were translated into modern Slovene, which does not in any way impoverish the richness of Trubar's messages.

The essence of this year's professional assessments and opinions of Trubar can be summarized in the statement that he is gaining recognition in the very same area he always was striving for: to connect all Slovenians through their language; to give them literacy, schools and spiritual revival. He wanted to lead his nation into Europe and the world, especially culturally and spiritually. As the first Slovenian intellectual, he discovered the meaning and value of knowledge as the only power that will preserve the Slovenian nation in history.



Bogdan Kladnik, photographer and monograph writer

INCREDIBLE SUCCESS OF THE SELF- TAUGHT PHOTOGRAPHER - A MAN WHO IS IN LOVE IN THE MYSTERIES OF NATURE - CAN KARATE ALSO BE POETRY?

Questions are being asked about how it is possible that the work of a self-taught photographer became interesting for distinguished magazines, that a big German company regularly orders his picture calendars, and also why, at an international speleology festival, the cavers appraised that he gave them a true lecture from natural science photography.

The answers are given by Bogdan Kladnik from Tacen in Ljubljana. Despite the fact that he never took any kind of the photography course, he has with his inherent gift for something mysterious and for perception and discovering the unusual, and also with his persistence, became a top photographer. But different from others. He gave up medical studies, because since his childhood, he has been so attracted to nature, so that later on as a young man and all-round athlete he decided to investigate its undiscovered mysteries, descent into dells and caves, and search for the waterfalls inside with a distinct passion.

Thus, he has become with a camera in his hands also a writer of poetry in nature that others might not feel. Not only that - he also already published 46 books, mainly monographs; sometimes in a year he wrote 15 at once.

SURPRISINGLY FAST ASCENT

Firstly, he was working mainly for himself, but when at certain time it was proven that his shots were a subject of interest to numerous newspapers at home and abroad, he took flight. This started appearing in 1989, when one of his photographs from his journey from Crete to the Norwegian strawberry fields was published on the front page of the Stern magazine. Later on, his photographs and articles were successively published in Bell Europa, Tutto Turismo, National Geography Adventure, Adria, Proteus and Gea magazines. Then, things really started to move: his photographic achievements have decorated at least 100 different post cards and ennobled more than 120 calendars. The biggest client for Kladnik's calendars, with beautiful photographs of Slovene waters, has become a German company the water pump manufacturer KSB - since every year it buys as many as 15,000, which are later distributed among its business partners around the world.

A BOOK »THE MYSTERIOUS NATURE OF YUGOSLAVIA« HOWEVER, IT WAS TOO LATE FOR IT

Photography monographs on Slovene natural and cultural heritage have been prepared together with his wife Lidija in their publishing house Zaklad (»Treasure«) since 1991. His father, a famous, but unfortunately already deceased doctor of nuclear physics, Rudi, suggested the name as an abbreviation for the words Založba (»publishing house«) and Kladnik; at the same time he lent the enthusiastic couple 3000 German marks as

start-up money. »The first book we intended to publish in this publishing house should have had the title The Mysterious Nature of Yugoslavia, but it was already too late, since the state started to fall apart. Therefore, only the Karst world of Slovenia and Croatia remained,« he says. Despite that, in the opinion of many photographers and geographers, the book became one of the two which best treats such topics in the world. The work was presented at several speleology festivals.

GRAND PRIX FOR BOGDAN'S MULTIVISION

Kladnik has also prepared some multi-vision works, and has lectured in Slovenia, Belgium, Italy, Germany; Austria and France, where he often was a juror at caving festivals. At one of them, he participated in the only competition in his life. That was in 1993 in France, at a world festival of multi-visions with a mountaineering topic, where he reached first and second places with his works *Večni krog o svetovnih vodah* (»A constant cycle on the world waters«) and *Terra Mystica*; he also won the Gran Prix of the city of Briançon.

»I FLEW IN EVERYTHING THAT FLIES«

Bogdan Kladnik is not only an exceptional photographer and writer of the monographs, but also an all-round athlete. Sometimes, he tackles almost incredible ventures. Already at age 17, he had cycled over at what at that time was still a common state, as the first Yugoslavian. Then, he was a mountaineer for many years; he also climbed abroad and spent time with speleologist, with whom he descended in many caves. Actually, since he was a child he has been doing almost all sports; he was also a skiing instructor. As he says himself, he has also flew in everything that flies. Occasionally, he also uses sea kayaks. With his family and two huskies he runs to the mountain of Šmartna Gora, where they live, almost every day. With his wife and two sons he travels a lot abroad. A few years ago with his colleagues he was advancing in the polar world of Greenland, trying to reach the North Pole, but they did not have enough money. »Instead, I've enjoyed canyoning (researching narrow passages in nature and waterfalls) already for 20 years.

GORGE MIRUŠA IN KOSOVO AS A BEAUTIFUL FAIRY TALE

Therefore, already in his student years, the poor information on gorge Miruša in Kosovo alarmed him. He decided to advance into it no matter what, so he set out on a journey to Prizren in 1984 with a group of three boys and two girls with a boat and ropes to find out more about this gorge. At first, nobody knew anything about it. Later on, the locals offered them more information. First of all, they saw a small river, captured between inclined limy strata, then they advanced into the underground caves; they saw small lakes inside them and as many as 16 waterfalls! »A true fairy tale! All my loves: water, caves and a search for long-lost trails gathered together!«

ADVANCING INTO THE UNKNOWN RIVERBEDS OF MLINARICA

One of Bogdan's later goals were the riverbeds of Mlinarica in Trenta, which were for a long time known among speleologists as one of the biggest riddles. »Only the entrance and exit were

known; what is hidden in between due to curved and overhanging rock walls nobody knew,« he says. Therefore, in 1989 he entered this dark environment with his colleagues, using a rope. At first, they were surprised to discover that the water is falling into the river beds from a 50-meter waterfall. Due to insufficient equipment they did not dare to go farther back, but they did return better equipped in a few weeks and found another three waterfalls, and a month later, the fifth one, 25 meters high, which they believed was a beautiful peace of work. »The next area with a wonderfully shaped and smooth river beds in the form of a double S, we had named with my colleague Igor Krevlj, who was expecting a baby in the familiar manner - the water beds of expectation.« Otherwise, today they are equipped for descents, but they are still known as a challenge, as one of the hardest, but also the most beautiful and the most glorious gorge descents. All this under the condition that cavers do not come across rises water level, which Bogdan experienced the hard way when he was with his colleague returning to Mlinarica in 1990, when they barely escaped with extreme effort. The same year, he confronted great difficulties also in a gorge in Ribnica between Uskovic and Pokljuka, when they discovered, among other things, that exploring narrow gorges by boat is not reasonable.

THE ONLY TWO SLOVENES BESIDES THE POET SIMON GREGORČIČ THAT HAVE THEIR OWN WATERFALL

»Since, on my return from Mlinarica, my first son Pan was born, I named the most beautiful waterfall inside it after him - Pan's Waterfall. Naming the newly discovered waterfalls is the finder's right. But Pan later on, when his brother was born, did not agree with that, and demanded that the waterfall should be named Pan-Žan's waterfall, at least until I find another one for Žan. And indeed, a year later I discovered as beautiful and approximately the same waterfall under Mt Krn in Goriško, and named it Žan's Waterfall. Therefore my sons, besides the poet Simon Gregorčič, are the only two Slovenes who have their own waterfall,« says Bogdan with a proud smile on his face.

WORK WITH AN ENGLISH WOMAN WHO DEDICATED TWO ALBUMS TO THE FOREIGN STATE

One of the Bogdan's last successes might be a wonderful book entitled *Preprosto Slovenija* (»Simply Slovenia«). This is a collection of the most beautiful photos of Slovenia, with a text and songs by Shirly Roden - English woman who has dedicated two of her albums to the foreign state which is extremely unusual deed. He knew already that she was singing about Cerknica Lake, but when he saw her concert in Log under Mangart, they quickly arranged to cooperate together.

THE LATEST ARTIST'S CREATIONS - WITH A KARATE MASTER

This universal man found another passion a few months ago: a sport, which will surprisingly, also be a nature and poetry of his photographic art, and also almost a personal confession for him. »Lately, as well as all the things I do, I started practising karate. That is in Serbia, with my teacher Milan -okić, with whom we are also writing a book on karate.« Judging by Bogdan's first photos intended for it, the book might be the peak of his endeavour.

CULTURAL TRAILS

Text: ANJA HREŠČAK

Culinary masters are designers too

During the Month of Design, from 23 October to 23 November, there is a variety of events where culinary masters who create food, and fashion designers, music makers and industrial designers present their work

Also this year, designers have come into their own; between the 23 October and 23 November the Zavod Big («Institution« Big) has again prepared a series of events under the title Month of Design. The main topic of this year's Month of the Design is experience.

Although the main purpose of the Month of the Design is, as presented by the organizers, Zavod Big, the competitiveness of entrepreneurship and society. »The Month of the Design establishes the transfer of knowledge between branches, between more or less developed economies, and it also stresses the economic and cultural advantages of design. It critically evaluates the relevant achievements, problematises the effectiveness of Slovene design, points out the challenges of the future, sets guidelines, launches innovations, accelerates dialogue, and builds an area for new reflections. Each year, it brings together people from product development, technologies and marketing; business people, scientists, designers, marketers, and other reflecting people connected through their passion to make the world a better place,« Zavod Big are convinced

In the framework of the Month of the Design, every year individuals are awarded and given exposure, companies and organizations which have contributed to raising the quality and promoting the quality of Slovene design. Also, this year they were awarded and presented to the public under the name »the Stars«. Thus, on the opening day, Zavod Big awarded the following awards; to the designer Ernest Bevc for the Europlus tool cart; for best interior of the year, Rok Benda, Primož Hočevar, Mitja Zorc for designing the interior of the Business School Murska Sobota, The Success Story was Pipistrel, and in the name of the company the award was accepted by Ivo Boscarol, president of the company; the Perspective award went to Miha Črtalič, Jaka Verbič, Rok Triller, PROSTOROŽ, Neli Štrukelj and Jure Purgaj, and the Timeless award went to the architect Marijan Gnamuš.

The latter prize has been awarded by Zavod Big since 2004, in a

collection called »Timeless Slovene Design« intended to present the most notable products of people who established design practises at home and abroad; in the past years the designs included the Cocta bottle, designed by Sergej Pavlin in 1953, the Rex chair which was invented by Marko Turk in 1963, the k-67 little house newsstand which was introduced to the market by Saša J. Maehtig in 1966, the Gondola rest chairs designed by Oskar Kogoj in 1969, the Eta telephone from 1978/79 invented by Davorin Savnik, the ATX 50 motor bike designed by Igor Rosa in 1983, and a set of the universal electrical hand tools invented from 1960-1970 by Albert Kastelec.

Otherwise, the organizers have this year prepared a set of exhibitions and events suitable for both the professional and general public. One such event is Eat Drink Design, which took place for the first time this year. At the event which took place on the first day of the Month of the Design, a special attention was given to those who design food and for food. Top culinary masters, wine producers and barman presented themselves, and showed trends in the modern kitchen and drinks service. The world of gastronomy is giving more and more attention to the design of taste, and is elevating this to an art. Numerous heads of restaurants and drinks producers have already oriented towards design.

Another such exhibition in the Month of the Design was the Design Bazaar, which takes place all the time, namely between the 23 and 24 October at Ljubljana castle. This involves an interactive site for the presentation of the actual design potential of the region, as described by the organizers. At the Bazaar, makers, companies and institutions in the field design, fashion design and architecture present themselves with quality design projects. Some 30 exhibitors will be presenting.

Also fashion enthusiasts will to come into their own, because the organizers prepared a set of fashion shows at Ljubljana castle, named Fashion 4, which is a kind of stage intended for new collections, talents and provocative approaches to presentation. The Music Design of this year's Month of Design is presented through musical experiments. Between 23 October and 23 November, more than 30 events will take place as a part of Design in the City all over Ljubljana. They will reveal the variety of the design offer and launch innovations.

Also this year, the organizers prepared a Catalogue for the Month of Design as the official publication of the event, which was presented at the opening at Ljubljana castle. »It has announced, presented and saved the entire content of the Month of the Design and has reached beyond the limitations of the imagination, into the vision and concepts of the future,« they described it at Zavod Big. The Catalogue therefore contains key information about happenings in industrial design, interior design and fashion design in Slovenia and abroad to a wide circle of professional and interested people. Inside, the annual award winners, and also lectures at the design conferences, creators of innovative design concepts, active industrial designers, architects and fashion designers are brought together.

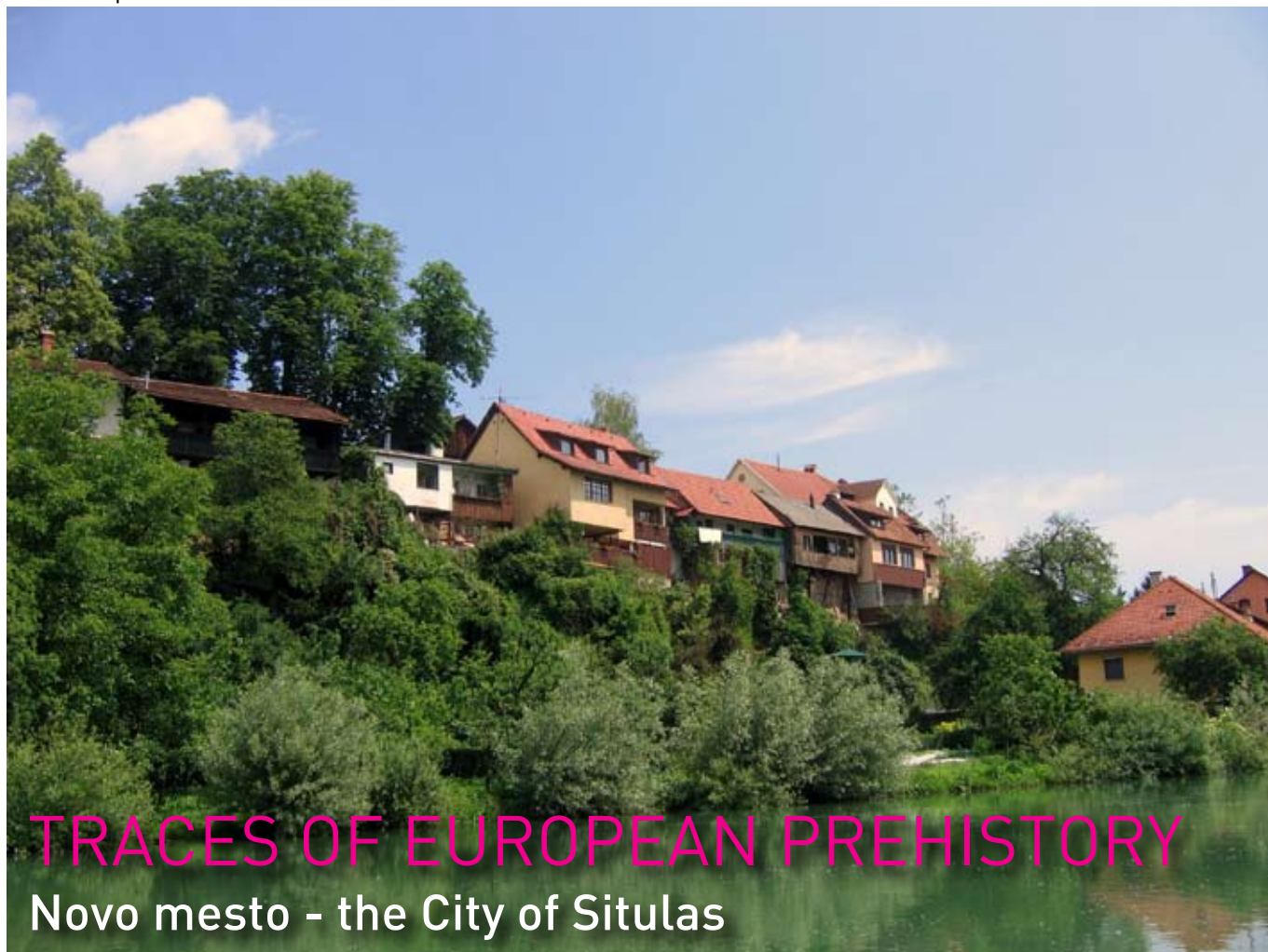


Photo: Matevž Paternoster



Photo: Miran Kambič

Text and photo: JOŽE PREŠEREN



TRACES OF EUROPEAN PREHISTORY

Novo mesto - the City of Situlas

Many consider the Krka River Valley one of the most beautiful among the Slovene river valleys. Some are particularly fond of the headwaters, while others would praise other parts, perhaps the mouth, where the Krka River flows into the Sava River at the town of Brežice. The softness of the hills, the green river banks, the picturesque rapids in the upper part of the river and natural dams are key features of this landscape. A few of the once numerous mills and sawmills still remain along the banks, as well as the castles, forming a beautiful image of the landscape as it once was.

The town of Novo mesto, also called the capital of the Dolenjska region, is the administrative, cultural, business and ecclesiastic centre of this region. The city was founded on the banks of one of the river's meanders in 1365 and named Rudolfsverd, after its founder the Austrian Duke Rudolf IV, while the inhabitants had always called the city Novo mesto ('the new town'). The town prides itself on having one of the oldest high schools, which a number of notable Slovenes attended, while other distinguished persons, born or living here, left their mark on the history of the place: writer Janez Trdina, painter Božidar Jakac, composer Marjan Kozina, ballet masters Pino and Pia Mlakar and the celebrated Olympic gold medallist Leon Štukelj.

In this town of 22,000 inhabitants the youngest Slovene diocese was established a few years ago, a new Slovene university is laying its foundations, and a number of successful and respected Slovene companies have their registered offices here, among them

the pharmaceutical company Krka, the vehicle manufacturing company Revoz, the caravan and motor-home manufacturer Adria-mobil and others.

WHERE DO THE SITULAS COME FROM?

In the last few years archaeologists from Novo mesto have continued to amaze with new discoveries, surprising archaeological finds, which have sparked domestic and foreign interest. European experts were most interested in the numerous sites bearing finds from the Early Iron Age (from the 8th to 4th century BC). The majority of finds were unearthed on the so called 'Kapiteljske njive' fields, which is the largest and richest and prehistoric burial site in Central Europe. Abundant grave sites prove that Novo mesto was once the centre of the region, ruled by the Dukes of Hallstat.

In June 2008 the Slovene President, Dr. Danilo Türk, opened a permanent exhibition at the Dolenjska Museum in the 'Križatija' building, the oldest building in Novo mesto. Titled the 'Archaeological Image of the Dolenjska Region' the exhibition was prepared after the extremely successful exhibition on the Early Iron Age in the Dolenjska region was opened in 1997. Due to the abundance of material and the fact that a new venue was impossible to provide, a renovation of the present museum halls was funded by the Novo mesto municipality and some Slovene companies. The new permanent exhibition thus became one of the central tourist sites of Novo mesto, which is becoming known as 'the City of Situlas'.

NATURAL TRAILS

What is a 'situla', one should ask. The situla is a metal vessel, often with a lid, developed in Iron Age in the south-east Alps. Due to the fact that these vessels were ornamented, one can speak of Situla Art, developed as part of the Etruscan Art with Oriental and Greek narrative elements. Images are embossed on the surface and lid, and similar images have been found on belt buckles, helmets and earrings. The majority of images on situlas discovered in Slovenia represent a procession of horses, riders and carriages, as well as feasts, sacrifices and duellings. Images depict people from various classes of society. Situlas were used as urns, and the art waned with the decline of Hallstatt culture. At present there are more than 70 situla artworks in Slovenia, most of them found in the Dolenjska region. The most famous among them is the 'Vaška situla' from the end of the 6th or the beginning of the 5th century BC, named after the village Vače, where it was found.

FRUITS OF HALF A CENTURY OF WORK

With the new permanent exhibition at the Dolenjska Museum, Novo mesto and Slovenia alike have acquired the most complete overview of archaeological finds from the Early Stone Age to the Early Middle Ages, giving the city a first-class cultural and tourist attraction. The exhibition celebrates more than fifty years of work by the archaeological institutions from Dolenjska and other Slovene regions, most of all the Dolenjska Museum and the Institute for the Protection of Cultural Heritage of Slovenia in Novo mesto. The exhibition displays almost 1900 artefacts, which represents less than one tenth of all the collected material. The exhibition is arranged chronologically, displaying human

presence in the Dolenjska region through time. Three exhibition rooms are dedicated to the Early Iron Age, but the most important is the one showing the burial of dukes, and artefacts of broader European importance. Situlas take the central role, displayed in burial units. Also on display are two Greek helmets, the only ones found in Slovenia so far, as well as a rich glass necklace.

The Late Iron Age is represented in one room, representing the time of the Celts. The exhibits prove that Novo mesto in those times was one of the most important places in Europe. The next two rooms allow us to walk through the Roman era in the Dolenjska region and finally get acquainted with the settlements of the Slavs.

The Dolenjska Museum in Novo mesto first opened its doors in 1953 and ever since then the museum workers have conscientiously collected everything connected with the history of Novo mesto and the whole Dolenjska region. The late archaeologist Tone Knez laid the foundations of the collection, and his work is continued today by the archaeologist Borut Križ. One can say that the Dolenjska Museum, and especially its archaeological collection, are today without comparison in the European cities. The city of Novo mesto is proud to present some of the most important artefacts of the European archaeological heritage.

Besides the museum and the Dolenjska Gallery, a visitor to Novo mesto should also visit other local sites, such as the cathedral with the famous altar painting by Tintoretto, the Franciscan monastery with the church, and an extraordinary library, the Božidar Jakac Gallery, the photo gallery and many others. Visitors to Novo mesto are especially fond of the raft ride down the Krka River.



Text: MIŠA ČERMAK, Photo: Iztok Dimc

Dobrovo Castle from the seventeenth century is not the only one telling a story about Goriška Brda. There are two more in Viplože. The more important one originates from the eleventh century.



Goriška Brda

Goriška Brda are sunny slopes covered with grape vine trellises and small villages on top of hills that spring wraps in a veil of white cherry blossom and fills with the scent of spring grasses. It is a place where summer and autumn are generous with figs, apricots, grapes, and wine. Where the sea kisses the land, and the faraway colourful horizon of light sparkles in the sea's reflection, there the wind makes its way through valleys. This magical place is the hometown of the poet Alojz Gradnik and numerous extraordinary winemakers. It is a cradle of simple and hospitable people wearing smiles on their lips and love in their hearts, for themselves and for others. The beauty of the country hiding traces of the past is often compared to Provence and Tuscany, but it outdoes both landscapes due to the soul branded by beautiful nature, endless peace and a wealth of tastes. Centuries of hard life, a reminder of time, remain only a memory.

»When I was working in Germany as an architect, I realised that I came from a very beautiful country,« says Izidor Simčič, a man who, like so many others, sought his bread abroad. He had discovered cultural heritage and began renovating, more precisely he started reconstructing old city centres. »If not for me, Šmartno would not exist anymore.« Because of his love for tradition and immense interest in history, he is a rich source of knowledge and information about his beloved Goriška Brda.

CENTURIES-OLD TRADITION

The geographical position of Goriška Brda which lies between the Soča and the Idrija rivers indicates a specific character of the landscape and people. The landscape is marked by flysch hills. The part opening towards the Friuli lowlands fell into the hands of Italy after the Second World War. It is only rarely covered with snow, since Brda is protected by the hills of Korada and Sabotin, and the vineyards on the terraced hills which are so typical of this soft landscape are exposed to sunrays the whole day long. Contact with the Mediterranean, alpine and continental climates attracts many cyclists and travellers enjoying colours, picturesque and sometimes also squally weather scenes, as well as unusual and beautiful light. Serried villages on hills and narrow streams between them, blooming terraces between grape vine trellises on vast vineyards, with vivid colours in spring when cherries blossom, and radiant colours in autumn when the nature is preparing for its winter sleep, inspire artists and people longing for rest.

Goriška Brda faced turbulent centuries, leaving visible traces, and awoke only the best in the local people. Their lives were not luxurious, easy and comfortable: they were marked by kolonat, a kind of feudal order (slavery transformed into serfdom), which was preserved in some places until a few years after the Second World War. »In the 20th century, under the Austro-Hungarian Empire, Goriška Brda was the southern part, during the Italian occupation,



Goriška Brda, a wonderful and inspiring region in every season and weather.

it was the western part, and before joining the EU, Brda was the eastern part of the country. Austria and Italy both tried to destroy all expectations and create new ones which is too bad.«

Goriška Brda is what its people are. Very hard living conditions contributed to the existence of the kolonat, a kind of serfdom, as Izidor Simčič calls it. »From the political point of view, my ancestors belonged to Austria, and from the economic point of view, to Italy. When Franz Josef abolished serfdom this did not apply to the Goriška region, and that is why it was preserved.« Coloni lived on the land of their landlords with whom they concluded one-year agreements. They lived only on waste, since they had to give fruit and wine to their landlords. After the First World War, the situation got even worse, since they were attached to Austria through the sale of rootstocks, snowdrops and fruit. Fascism suppressed people, and those who declared themselves Austrians had to emigrate; but later, socialism finally brought a certain prosperity and economic power. The coloni became independent and began selling their fruit, olive oil and other produce to Gorizia, Ljubljana, Trieste and other cities - already before the Second World War, they were famous for their hand-peeled and dried plums, which they exported even to America. They have been doing even better since Slovenia became independent. The development of the country and its brave people is obvious.

TRADITION CREATES THE FUTURE

In the houses where the coloni used to live, there are very competent entrepreneurs who will not let tradition die out. Even more, tradition forms the basis on which they build tourism.

The cuisine of Goriška Brda is very well-known and worth every attention. It is as simple as the people are, but delicious and also inventive and creative, due to hard times in past centuries. The dishes are influenced by other cuisines, especially Mediterranean, Italian and Friulian. The tradition of food preparation in hot coal under a tin lid (today's modern expression would be 'under peka') or kettles is still alive, even though now most of the dishes are prepared

carefully and in a modern way. Women from Goriška Brda have always known how to prepare large amounts of vegetables that are even today an obligatory and a delicious part of a meal, especially if they are seasoned with home-made olive oil. Olive oil is returning to Goriška Brda, giving the dishes a unique taste. Goriška Brda is known for sweet chestnut and chestnut dishes, smoked ham, dried salamis and dishes made of intestines wrapped in caul fat, as well as polenta which is preferred to bread and fritalja (egg omelette with finely cut herbs).

It is also renowned for very sweet, but delicious fruit spoiled from the sun. Nowadays people still drive around Slovenia and sell cherries, peaches, apricots and pears, figs and grapes, but there is nothing better than stopping at farmers' houses and eating fruit to one's heart's content - they really do not exaggerate with the prices!

Winemakers from Goriška Brda, who as a rule have university degrees, are known for their exquisite and selected wines. A vine was brought to Goriška Brda by the Romans. The largest cooperative wine cellar in Slovenia is in Dobrovo, and private winemakers (today there are approximately 1800 hectares of vineyards) are asserting themselves in the world with specialties new to the world's wine market. Indigenous and old sorts, for example Rebula, can express their true character only through new ways of production (with minimal burdening of the vines and modern vinification). Grape-harvesting is the main event in Goriška Brda. Every year, this event attracts to the peaceful valley numerous grape pickers, and in November when St Martin's Day comes knocking on the door a crowd of admirers of a dark red wine who want to pay respect to the new harvest and winemakers.

ARCHITECTURAL PEARLS

The entire region of Goriška Brda is worth seeing by bicycle (a car is also appropriate) or on foot, since in this way you can really become one with the landscape and people. You absolutely must visit the village of Medana, which is famous for the poet Alojz Gradnik, the



Whether pumpkins or smoked ham, it's always with great wine served with a smile and kindness.

Days of Poetry and Wine, and the Belica Wine and Tourism, where you can get to know people from Goriška Brda in the best light. A very special architectural pearl is medieval Šmartno, a small serried village on top of a hill, from where you have a view of the whole of Goriška Brda. Another, better alternative is to visit the nearby 23-meter-high tower above Gorjače which offers the diverse beauty of the landscape. At the church of St. Martin you can rest your eyes on the paintings of Tone Kralj. A walk through the narrow streets between houses with balconies called ganjk and kitchens built as extensions called žbatafur or spahnjenica is certainly an unforgettable experience, especially if you visit a typical Brda house and get to know the way of life in previous centuries. The entire village is protected as a cultural monument. It is full of life, especially during the cherry festival, when there are several brass bands playing on the main square and at St Martin's Day when everyone can taste exquisite Brdo wines and culinary delights - frtalja, polenta, home-made sausages etc.

Dobrovo Castle (Dobrovo is the administrative centre of Goriška Brda) is worth seeing. It was built around 1600, but has preserved its original outward form. Unfortunately, there are only rare fragments bearing witness to its rich interior. It is unnecessary to explain what treasures the owners left to their posterity, but two graves of the Colloredo counts are still preserved. The museum collection is very valuable and rich. At the castle, there is a permanent exhibition of Mušič's works. The most charming among temporary exhibitions were the exhibition of wonderful lace underwear of grandmothers from Brdo and the wine shop and bar with wines produced by Brdo winemakers.

Each village and each inhabitant is a world of its own. They are always happy to see curious and nice visitors, since they mean recognition and progress to the local people who survived storms and built a wonderful future based on the past. Why should we not explore it?



The birth place of the Slovenian poet Alojz Gradnik in Medana, a village you have to visit.

Photo: Iztok Dimc



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