

# Sinfo 04

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The latest from Slovenia

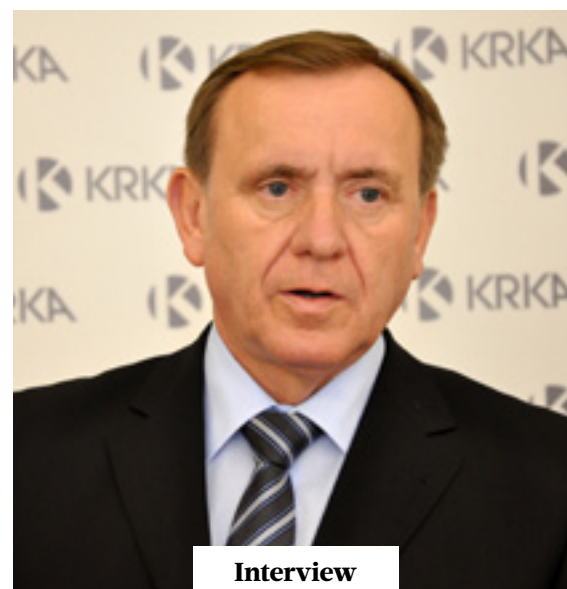
## GOVERNMENT MEASURES – ECONOMIC GROWTH PACKAGES



- INTERVIEW: **Jože Colarič** • ART & CULTURE: **Nobel Prize winners visit Maribor**
- OUR EXCELLENCE: **Elan** • SPORTS: **Entire Slovenia is proud of Anže Kopitar**
- PEOPLE: **Matevž Lenarčič** • SLOVENIAN DELIGHTS: **Wine – orange is the new colour**



**In focus**



**Interview**



**People**



**Green corner**



contents



**Society**



**Sports**



**Art & culture**



**Heritage**

## contents

5

### In focus

Government measures – economic growth packages

12

### Interview

Jože Colarič

16

### Business

18

### Regional development

Ljubljana Urban Region – engine of the Slovenian economy

22

### A letter

Derya Kanbay, Assoc. Prof. Dr. Milan Jazbec

24

### Art & culture

European Capital of Culture  
Nobel Prize winners visit Maribor

30

### Our excellence

Elan receives Most innovative brand 2012 award

32

### Green corner

BeeZee EcoKid

34

### People

Matevž Lenarčič

38

### Sports

Entire Slovenia is proud of Anže Kopitar

41

### Society

Social entrepreneurship – part of the economic development model

44

### Slovenian delights

Wine – orange is the new colour

48

### Heritage

Wild flowers of Bohinj

#### SINFO – SLOVENIAN INFORMATION

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## editorial



Vesna Žarkovič, Editor

### Under the sign of economic growth packages

One hundred days of office are behind Prime Minister Janša's Government. In this period, the government has managed to bring in its revised budget proposal, various cost-saving measures and a package of measures aimed at enhancing economic competitiveness. "If it is possible to speak of success achieved during the past one hundred days, this most surely applies to a shift in the way of thinking and to a realisation that in order to successfully exit the crisis, it is necessary to actually do something," said Prime Minister Janša when asked about the most important achievement of the present government so far. In his words, this is precisely what made it possible for the government, when dealing with the key projects of the past three months, to earn its support from social partners, i.e. employers and trade unions respectively. Very soon, new steps are to follow in the form of key structural reforms such as labour market reform, health reform, pension reform and education system reform, which are crucial for the revival of Slovenia's development potentials.

Jože Colarič, president of the Krka management board and our interview guest today, claims that for many years, the business environment in Slovenia has not been so favourable for investment as it is now. As a result of the legislative changes, the people at Krka feel morally bound to invest more. Thus in the first three months of this year, they have earmarked EUR 24.2 million for investments; they are preparing documentation for the new EUR 200 million pharmaceutical factory Notol 2; in the summer, they are about to launch the construction of a new EUR 70 million plant at Krško; and construction works are being stepped up in Moscow, where experimental production is about to start by the end of next year. The value of this investment is EUR 135 million.

It is encouraging to note that Russian companies are seeking investment opportunities in Slovenia, particularly in transport infrastructure. The largest Russian investment in Slovenia, worth one billion euros, is the South Stream gas pipeline. Works on this project are expected to start by the end of this year.

In this number you will also find an article on the company Elan, which has been given this year's Most Innovative Brand 2012 award in the category of sports equipment. The award is conferred every year by the German organisation Plus X Award. Elan thus ranks alongside other important companies which were awarded prizes in other categories, such as Adidas, Porsche, AEG, Blackberry, Buderus, LG, Opel and Sony, and goes down in history as one of the most innovative Slovenian companies ever.

Entire Slovenia is proud of hockey player Anže Kopitar. Kopitar's LA Kings delivered the Stanley Cup home for the first time in team history. Kopitar is currently Slovenia's brightest star and is making sports history for the country. His numerous successes have triggered real euphoria and many people stayed awake for many nights to watch him excel at his work.

"Slovenia has a future as an ecologically advanced boutique country, based on small entrepreneurs and tradesmen. We can only compete in terms of quality and knowledge – never with quantity," points out Bianca Žvorc Morris, creative director and owner of BeeZee Designs, the company that brought BeeZee EcoKid – a fashion brand for environment-friendly clothes, jewellery, toys and home decorations for adults as well as children – to Slovenia.

In January, Matevž Lenarčič, pilot, biologist, photographer and alpinist, set out in a Pipistrel Virus SW 914 aircraft on a 100,000 km multi-stage tour around the world. After some three months, he arrived back in his homeland, richer for a wealth of new experiences, which he summarised in the following words: "Absolute laws become relative. Life values become clearer. We are not aware enough that we live only in a tiny part of the universe, which is also our only possible solution. If we destroy it, we have nowhere to go."



Anže Logar, Director of the Government Communication Office

## OUCH, OUCH... AN AUSTERITY PACKAGE

The austerity package has come into force. For the first time in the history of the state, the government together with the trade unions reached an agreement on the basis of which public servants' salaries and the benefits of certain rights stemming from their employment relationship and in the areas of social care are to be reduced. At the last minute, after long and tough negotiations led by the Minister of Work, Family and Social Affairs Andrej Vizjak, the negotiators managed to reach an agreement on urgent belt tightening, and the constant threat of referendum stopped.

The success of the negotiators and the understanding of all the main participants did not remain unnoticed. The economy warmly welcomed the agreement reached. After nine months of political backlash – the disintegration of the former government coalition, a motion of no confidence passed, early elections followed by a relatively long time to form the new government – this is the first sign of the fully functioning government. Putting forward measures for balancing public finances is a precondition for other measures that should bring the country back to the path of growth and development. Certain measures adopted in the first three months have already put the government on this path. A change in tax laws will send out a signal to investors that it pays to invest in Slovenia. The changes in the Corporate Income Tax Act resulted in the increased tax relief for expenditure on research and development to 100 %, and relief for investment to 40 % without limiting the cost of

investment. In addition, the corporate tax rate was reduced from 20 to 18 %; this will gradually be reduced to 15 % in 2015.

This change will be followed by a package of measures to encourage economic growth. It is based on the package of measures to improve the business environment, the financial incentives to enhance economic growth, to implement the action plan for small and medium-sized enterprises, to reinforce the public administration and the judicial system and to eliminate administrative barriers. The first proposals of the law will be prepared in June, while the second part of the package will be prepared by autumn. That means that Slovenia will enter 2013 less burdened, more competitive and more economically attractive to foreign investments. When the first results come up, the most vehement opponents of austerity measures will likely recognise that this is the only possible and right course of action, although austerity is painful in the early stage.

## Statements made by businessmen in connection with the government's cost-saving measures published in the business daily Finance on 11 May



**Egon Zakrajšek,**  
economist at the  
U.S. Federal Reserve  
(American central bank)

Slovenia has taken a step in the right direction by reaching an agreement on cost-saving measures. This government is not losing ground. It is aware of the real situation and all the moves thus far were steps in the right direction. It is important that this will to solve the difficulties does not stop. It is important that the entire government focuses on saving and that it does not lose its impetus.



**Sašo Polanec,**  
economist:

The adoption of the revised budget gives a positive signal to foreign investors that Slovenia has taken concrete steps toward its finances and is in a position to adopt cost-saving measures.



**Branko Kastelic,**  
Imos

It is essential that the government be aware of the situation and that it has adopted measures for faster economic growth. It is expected that the adoption of measures will continue because there is no way forward without growth.



**Boštjan Gorjup,**  
director of finances, BSH  
Hišni aparati

The financial consolidation of public finances is certainly an important signal to all companies that a stable framework for the operation of our companies may be expected and a signal to our owners that it is worth investing in this environment in the future. Not considering the tax on labour, I believe that the environment in Slovenia is stimulating enough for making investments. In any case, improvements both in the taxation of highly qualified work and in spatial management will have to be brought about.

**Arjen van Dijkhuizen,**  
an economist at ABN Amro:

The Slovenian government's ambitions to reduce the deficit are a positive signal to foreign investors; therefore, I welcome the government's aim to reduce the deficit below 3 % of GDP for this year. Slovenia must also take urgent steps towards financial consolidation in the future and the agreement between the government and trade unions is a good sign. The credit assessment of Slovenia is currently better than that of Spain, Italy, Portugal and Greece.

**Matej Kovač,**  
IUS Software:

The adoption of the budget ended uncertainties and complications with regard to the procurement procedure from a period of temporary financing. The state must operate normally while spending less money. This will have a favourable impact on our clients from private sector entities that partially or mostly deal with the state or with operations dependent on its procurement procedures.

## Government measures – economic growth packages

### THE GOVERNMENT'S 100 DAYS: Saving and reorganisation of public administration

**Prime Minister Janez Janša's Government, taking office as the tenth Slovenian government, hit the 100-day mark on 20 May. In this period, the Government has managed to bring in its revised budget proposal and various cost-saving measures.**



An extraordinary session of the National Assembly dedicated to the 2012 supplementary budget and the omnibus bill on the balancing of public finances.

'Speaking of success achieved during the past one hundred days, this most definitely applies to a shift in thinking and to the awareness that in order to successfully exit the crisis, it is necessary to actually take some steps,' Prime Minister Janša said when asked about the most important achievement of the present government so far.

In his words, this is precisely what has made it possible for the Government to obtain the support from social partners, both employers and trade unions, when dealing with two key projects of the past three months – the adoption of the revised budget and the package of cost-saving measures.

New steps will follow very soon, taking the form of key

structural reforms, such as labour market reform, health reform, pension reform and education system reform, which are crucial to give Slovenia's development potentials new impetus.

It is the Government's responsibility that these key projects be carefully prepared and carried out in cooperation with social partners, deputies

and civil society. The Prime Minister's words in the Parliament are most probably not far from the truth when referring to the development in these first hundred days – when the Government negotiated and harmonised their positions – as good training for what is to follow in the next 1360 days of its term of office.



Trade unions leader Branimir Štrukelj (left), Labour Minister Andrej Vizjak (centre) and Justice and Public Administration Minister Senko Pličanič (right) shake hands.

#### FIVE MEASURES TO INCREASE COMPETITIVENESS

The first package of measures to boost economic growth includes measures to eliminate administrative barriers, tackle Slovenia's 'late payment culture', improve the so-called insolvency law, attract investments, ease the credit crunch, improve the governance of state-owned assets and amend the Small Business Act.

With a view to increasing competitiveness and kick-starting economic growth, the Government has decreased corporate income tax, which will gradually be reduced from the current 20 to 15 percent by 2015, and increased tax reliefs for the investments of companies and entrepreneurs. It has also amended the legislation on takeovers, thus increasing the threshold to 33 percent of the voting shares in the offeree company.

In boosting growth, the Government relies on the assistance of economic diplomacy. It is aware that Slovenia needs to increase exports and foreign investments. With this objective in mind, it monitors the work and success achieved by economic attachés in this area.

After the fiscal treaty on reducing the excessive state borrowing abroad was signed by 25 EU Member States, Slovenia also started its discussion on how to enforce the fiscal rule for the sustainability of public finances. In mid May, the Government adopted a draft proposal for the Fiscal Rule Act, though this has not yet been harmonised by all deputy groups and, prior to its being finalised, the National Assembly will first have to adopt a constitutional amendment.

Despite tightening the belt, the Government expressed its willingness to provide a state guarantee for the TEŠ 6 project, though subject to certain conditions. It has indicated that this year's EU financial perspective will not include the project for the construction of the second track of the Divača – Koper railway, since the project would not be sufficiently prepared; consequently, the funds will most likely be re-allocated. The Government announced that budgetary resources will not be used for the purposes of saving the construction company Primorje or for urgent recapitalisation of NLB; it also annulled the help which was promised to Tosama d.d. by the previous government.

#### THE AMENDMENT TO THE COMPANIES ACT

will take into consideration a number of comments and requirements made by the Chamber of Craft and Small Business of Slovenia. Among these, Minister Radovan Žerjav mentioned the limitation of operation of sole proprietors and companies that do not hold an open bank account, the



Radovan Žerjav, Economic Development and Technology Minister

shortening of the time limit for the deletion of a sole proprietor from the register, the transfer of the company of a sole proprietor and a number of other administrative barriers.

After the National Assembly decided a month ago that the draft amendment to the insolvency law, prepared by the previous government, was not suitable for further consideration, the Government will now prepare its own proposal. According to Minister Žerjav, it will take into account some of the previous government's solutions, inter alia a substantial reduction of the length of procedures and the elimination of provisions allowing individuals to delay and abuse the procedure. The Government will focus on the rescuing of the healthy parts of insolvent enterprises that meet the conditions for existence and growth.

#### THE AMENDMENT TO THE LEGISLATION GOVERNING THE MANAGEMENT OF TANGIBLE ASSETS

will eliminate the barriers against non-flexibilities of sales of building land in industrial and craft zones that are owned by municipalities. These now have to sell land to buyers with



The austerity budget, which cuts spending for 2012 by EUR 1.1bn to EUR 9bn over original plans, is the first step to recovery, which must be followed by measures to restart the economy, Prime Minister Janez Janša told parliament as it began debating austerity measures.

the highest bid price only and have no instrument to seriously hinder speculative purchases. Minister Žerjav has pointed out that the Government wishes 'to enable the municipalities to offer this land at a significantly lower price', and expressed his belief that in this way the environment would be created that 'will allow investments that we aim to attract to integrate into the space'.

**THE AMENDMENT TO THE AGRICULTURAL LAND ACT**

The municipalities will have the right of pre-emptive purchase of agricultural land which will be part of areas that are or will become part of industrial zones. By amending another two laws – the Construction

Act and the Location of Spatial Arrangements Act – the Government would like to create a conducive environment for investors, which would accelerate and simplify the procedure for obtain building permits, Minister Žerjav notes.

He also announced the amendment to the Late Payment Prevention Act, which will tackle the 'late payment culture' by introducing a new instrument – enforcement draft – for insurance of payments by the debtor. 'In this way, the creditor will claim his debt bypassing the justice system,' the Minister explained. The mandatory offset remains, while the maximum time limits for payment will be deleted from the law and left to be agreed upon by the parties.

The proposal of the amendment to the Act Governing the Guarantees of the Republic of Slovenia for Financing Company Investments is the first under the package of measures that the Government is sending to the National Assembly for debate. The proposal was presented by the Minister of Finance, Janez Šušteršič, who said that the Government would also enable the provision of guarantees for the working capital fund.

**THE PACKAGE OF MEASURES ALSO INCLUDES AMENDMENTS IN THE AREA REGULATING THE MANAGEMENT OF STATE ASSETS.**

All current managers of state-owned assets – AUKN, Kad, Sod and DSU – will be

merged into one institution, within which several funds will be organised to deal with individual state investments, Minister Žerjav announced.

The Ministry of Economic Development and Technology is preparing some public tenders which will financially support the promising projects of enterprises both for investments and in the area of the strengthening of human resources and improving energy efficiency. A call for tenders for the promotion of the investments will be dedicated exclusively to technological equipment, pointed out Mr Žerjav, adding that buildings, offices and everything which is not directly connected with the work post will not be eligible for funds.



Janez Šušteršič, Minister of Finance

**Janez Šušteršič, the Minister of Finance,**

notes that the Government has tackled changes to the financial and tax systems, the economy and public finances. He adds that they will set up a state assets holding company for the management of state assets, which will be in compliance with the OECD principles. The European Banking Authority (EBA) required that NLB raise EUR 320 million to recapitalise – the amount necessary for the national banks to solve past issues and to increase loans to businesses. The recapitalisation of NLB should start by the autumn. The EBA requires that NLB, along with other banks, increase their capital by 30 June.

**APOLOGY:**  
On this page of the previous issue of Sinfo, an error was made in the spelling of the name of the Director-General of the United Nations Office in Vienna, Yury Fedotov, for which we apologise.  
Editorial Office



The Government is particularly eager to boost the construction sector; consequently the calls for tenders for energy efficiency will be funded by European funds that will be re-allocated from those programmes which the Government is confident can no longer be carried out. There will also be some calls for tenders in the area of education and science.

**THE COST-SAVING PACKAGE WILL AFFECT THE MAJORITY OF THE POPULATION.**

The 'super law' will affect 39 sector-specific acts. The cuts in some areas are significantly less deep than was predicted, but will nevertheless strongly affect various groups. The majority of measures entered into force on 1 June.

The largest part of the miti-

gated austerity package was intended for the complete elimination of wage disparities, this amounting to EUR 35 million. The basic wages of public employees and officials (including deputies, ministers, state secretaries, judges and state prosecutors) decreased linearly by 8% as of 1 June. Before the end of 2013, negotiations must take place on the mitigation of measures regarding wages and the elimination of irregularities in the wage system. Most of the measures regarding family policy are to be temporary but applicable until and including the year following that in which economic growth exceeds 2.5% of gross domestic product.

**A REVENUE LEVEL**

The new law includes a provision regarding the in-

crease of the general rate of VAT – should the deficit in 2013 not fall below 3%, VAT in 2014 will be increased to the extent that the exceeded deficit is eliminated, but not by more than three percentage points. A fourth income tax bracket is being introduced for 2013 and 2014, amounting to 50% if the net annual tax base exceeds EUR 69,313. The taxation on real estate worth over EUR one million has been increased to half a percent, while the taxation on real estate worth over EUR two million and not used for commercial or public purposes has been increased to one percent during the crisis. At the revenue level, taxation imposed on profits from building land sales will take effect after grassland and similar surfaces of lower val-

ue are turned into building plots. This measure was not limited by the Government by law to the period of crisis. Tax on profit due to changes made to intended land use will be paid by the seller of land that has been turned into a building plot after being sold and has as such been entered into the real-estate register. In this way, the Government would like to take advantage from profitable sales. The tax rate will depend on the period of the change in the intended purpose of use: for less than one year it will amount to 25%, after a year it will decrease to 15% for ten years, and in subsequent years, after a further three to ten years, the rate will drop to 5%.



Bled Strategic Forum

2-3 September 2012, Bled, Slovenia

**EUROPE AND THE RESHAPED GLOBAL ORDER**

The past three years have witnessed the beginnings of a fundamental change in Europe and its standing in the world. Europe's attractiveness as a global role model for supranational cooperation and regional integration has suffered from the economic crisis and attempts to find solutions to its ongoing financial and political woes. Under the title 'Europe and the Reshaped Global Order', Bled Strategic Forum 2012 will examine the EU's situation in the new strategic landscape, its partnerships with emerging economies, the question of how Asia and Europe can respond to future crises, and Europe's challenges in the Mediterranean and the Balkans.

[www.bledstrategicforum.org](http://www.bledstrategicforum.org)

Photos: 1. Turkish Foreign Minister Davutoglu, 2009. 2. Canadian Defence Minister MacKay, 2010. 3. Chinese Vice Foreign Minister Fu, 2011. 4. Brazilian Foreign Minister Patriota, 2010. 5. Opening of the Forum, 2011. 6. Former U.S. Secretary of State, General Colin L. Powell, 2010. 7. Participants of the Night Owl Session: The Power of Innovation, 2011. 8. Indian Minister of State for External Affairs Kaur, 2010. 9. Bled – location of the Bled Strategic Forum. Foto: Bobo, I. Skok, STA

# JOŽE COLARIČ:

**FOR MANY YEARS, THE BUSINESS ENVIRONMENT IN SLOVENIA HAS NOT BEEN AS CONDUCTIVE TO INVESTMENT AS IS CURRENTLY THE CASE**



As a result of the legislative changes made, we feel morally bound to increase investment, says Jože Colarič, president of the Krka management board. EUR 24.2 million has been earmarked for this purpose for the first three months of this year; the preparation of documentation for the new EUR 200 million pharma-

ceutical factory, Notol 2, is currently underway; the construction of a new EUR 70 million plant will begin at Krško this summer; construction works have been stepped up in Moscow, where experimental production is due to start by the end of next year. The investment is worth EUR 135 million.

**Recent changes to economic measures have given you an additional moral impetus to increase investment. What are these investments about?**

In the first place, the investments planned were intended to step up and modernise existing production and R&D capacities and infrastructure. Krka's largest ever investment – the construction of Notol 2 – a new plant for the production of solid form medicinal products – is in its initial phase. The target capacity of the EUR 200 million production facility will be 4.5 billion end products per year, accounting for almost a half of current production capacities.

Investment in the Krka subsidiary, Farma GRS d.o.o., which was established together with its partners in a project aimed at strengthening the pharmaceutical industry, is also underway. At Ločna, new R&D and production capacities will be put in place. The value of the overall project is EUR 45 million, and has been partly financed through the European Regional Development Fund (approx. EUR 10 million). The main aim of the newly founded company is to put infrastructure in place that facilitates the development of new products and technologies in the areas of pharmaceutical chemistry and technology.

**In summer, you are launching the construction of a chemical production facility in Krško.**

Yes, this is Krka's strategic location and is aimed at expanding its own production of active ingredients in Slovenia. We are planning to build a pro-

duction facility with relevant infrastructure. Not only will the Krško Sinteza 1 plant serve for the production of pharmaceutically active ingredients and provide for maximum production flexibility, but will also allow us to produce advanced ingredients and intermediary substances in large series under controlled conditions, in accordance with the European directive on the registration, evaluation and authorisation of chemical substances (REACH). For this type of production, relevant infrastructure will be put in place, including the energy supply required for all newly built facilities.

A number of minor-scale projects have either been completed or are still ongoing, all of which contribute to increasing our production capacities. Accordingly, through reorganisation of the premises in one of our facilities, we have created the conditions required for the production of semi-finished products and the packaging of veterinary tablets. This investment has cost us EUR 1.4 million. In addition, we envisage a gradual rise in the production of ampoules to 130 million per year.

Abroad, we are currently involved in the construction of a new production-distribution centre, Krka Rus 2, in Russia. The estimated value of the investment is EUR 135 million. The plant's capacity, consolidating Krka's status as a domestic pharmaceutical producer, will be 1.8 billion tablets and capsules per year. Construction is expected to be completed in 2013.

**You have pointed out that the investment situation in Slovenia is appropriate, naturally, for those who have money, and that it has not been so investment-friendly for years...**

For a long time, the business environment in Slovenia was not as conducive to investment as it is now. The fact that – at present and in general – investment activities are not booming means we can get good prices from building contractors and equipment suppliers. In the current climate, contractors are just happy to get work, particularly if they are paid for it. Krka has a reputation for paying on time. An additional incentive for companies to invest has been provided by certain tax legislation amendments which abolish the upper limit for the use of investment expenditure as a relief in relation to tax on profits. In the first three months of this year, Krka Group earmarked EUR 24.2 million for investment. An upturn in the investment dynamic is expected in the coming months.

**Some Slovenian companies complain that the credit crunch prevents them from developing further.**

The credit crunch has been most keenly felt by those companies that only have a presence in Slovenia. In fact, Krka could have stayed with two million potential patients; however, this would have made it considerably smaller. Only a couple of decades ago, i.e. in the 1960s and particularly after 1991, we made a conscious decision to opt for exports because the domestic market was, and still is,

too small for Krka's ambitious development plans.

**In fact, the Government does not focus solely on austerity measures – a criticism that has been levelled at the Government recently; it has also adopted measures aimed at encouraging investment and business, enhancing the fiscal environment and investments – even prior to the savings package; this is expected to result in certain budgetary inflows. In the coming months, the Government intends to propose additional measures to strengthen budget revenues. How will these measures affect your business operations and the domestic economy in general – and how do you see them from the perspective of a businessman?**

The additional reliefs applied to tax on profits regarding investment expenditure, investments in development, and a 2% tax rate reduction are very encouraging for Krka. Krka earmarks around EUR 150 to 200 million for investment and R&D activities each year. This will have a positive impact on the additional tax reliefs. In addition to the measures intended to incentivise companies, it would be a good idea to reorganise the public and state administration in order for them to be as rational and cost-effective as possible, so as to speed up relevant administrative procedures and to make them more user-friendly. Nevertheless, in any event, companies need to rely above all on their own knowledge and hard work.



**Among the measures aimed at improving the economic situation, most of the emphasis will be devoted to those which enhance economic competitiveness; as a result, labour market reform seems to be essential.**

Irrespective of what happens, the social partners will have to come to an agreement on the labour market issue. From a long-term social and societal sustainability perspective, it would be a positive move for them to get early agreement on these issues.

**You are running a company that has not been affected by the crisis. What are the reasons behind your success? What is the essence of your philosophy, which yields such good results? What advice would you give to companies that are not doing so well?**

I would not agree that Krka has not been affected by the recession. However, it is true that, given our international business orientation, we have survived a number of crises in the past and learned much from them. This is probably why we can adapt to

adverse business conditions so quickly.

The crisis has undoubtedly had an effect on the pharmaceutical industry; proof of this can be seen in the many companies that were once successful but are now in great difficulties.

Owing to the lack of money for healthcare, we are faced with downward pressures on drug prices. Despite the adverse economic conditions, we have managed to maintain our position as one of the leading generic pharmaceutical businesses in the world, and been successful in creating a solid starting point for this year and the next. In order to ensure the company's growth and development, it is vital that the company's own R&D activities help create new products, that they are brought to market, and, of course, that they are sold. Our company is very sales-oriented. This does not mean that we neglect cost control; the key to growth is sales, i.e. revenues. Our plans are optimistic. Trends have revealed that the generic pharmaceutical industry will continue to strengthen. This year, the

Krka Group predicts sales totalling EUR 1.134 billion, meaning growth of 6%.

**What is the competitive advantage that allows you to do this?**

In addition to motivated and skilled employees, I would like to draw attention to our flexibility. What is meant here is the speed with which we bring our products to market, as well as our response to market developments after the product's launch. Speed and a flexible approach, which are part of Krka's core values, seem to be key competitive advantages at present. Those able to adapt quickly will not feel the effects of the crisis so keenly.

Providing advice to others on how to address the problems they face is not easy, since circumstances differ between industries. It is a truism, however, that success doesn't happen overnight and without hard work. As already mentioned, the key to a well run business lies in a focus on selling interesting products and services of a high standard, investment in development and production capaci-

ties, the continuous upgrading of knowledge and, above all, investing in people, since they fulfil the company's objectives.

**How do you deal with currency fluctuations?**

Given the strong diversification in our international business operations, we cannot avoid being exposed to fluctuations between currencies; lately, this applies, in particular, to the Russian ruble, Romanian leu, Polish zloty and Ukrainian hryvnia, as well as several other currencies. In the long run, we try to protect ourselves against the risks by levelling-out the volume of claims and liabilities with respect to a particular currency. From time to time, we decide on protection through financial instruments. This year, the first quarter was relatively favourable, since we had positive net exchange rate differences.

**We cannot avoid this question – which is self-critical in nature. Why do some Slovenian companies not have sufficiently ambitious plans to attract investors? Is this the fault of managers, fatal-**

**ism, a fear of foreign capital, or something else?**

I have a feeling that, over the past twenty years, we have been lulled into a false sense of security because, in the former socialist world, we were placed among the best and nothing bad could ever happen to us. Regardless, we should invest more in R&D activities and expand our sales networks abroad, since opportunities are rather limited in the small Slovenian market.

**As for now, it would perhaps be best to be a little bit more optimistic; instead of just looking back to the past and thinking of the mistakes we have made, surely it is better to look to the future and the opportunities it holds – wouldn't you agree?**

Certainly. What we need to do is take a look around the world and roll up our sleeves, use our common sense, and try to learn as much as possible from past mistakes; we should also look for opportunities in these times of crisis.

**The state undoubtedly needs a "smart industrial strategy" adapted to market conditions. The economy is too fragmented and weak, and gaps in market-through in foreign markets is difficult. Here, there seems to be a lot of room for improvement. How would you use it – what measures would you take?**

Slovenia can, although it does not have to, define its key areas of development, while the onus is on the business community to provide products and services for sale; certainly, there must be a need for these products and services in the market. Economic development can also be provided through a stimulating fiscal policy which enhances the competitiveness of Slovenian companies and ensures that as many economic activities as possible are carried out in Slovenia instead of being moved to environments with more stimulating fiscal rules. Support can also be given by those segments

of higher education and other areas of training that relevant industries really need.

**What do you think is preventing banks from lending? Do you think it is the lack of good projects, that clients' credit ratings have fallen too low, or that the caution displayed by creditors is over-exaggerated? What is your view of the current situation?**

The bad side of a loan is that it has to be repaid, including interest. In times of prosperity, it is vital to keep the worst-case scenario in mind. Conservatism, to a certain degree, is welcome. That is why Krka is cautious with regard to borrowing.

**Do you agree with the statement that social solidarity in Slovenia is among the highest in Europe and that its wage inequality is the lowest?**

It is difficult for me to comment on the social solidarity of particular European countries.

Employability, for example, can be significantly increased through encouraging and facilitating the education and re-training of personnel in line with employers' needs on the labour market.

**In all probability, foreign investments alone will not be enough to "pull the cart out of the mud"; technological progress and growth in productivity seem to be essential.**

More work and, of course, know-how will have to be invested. This is a winning combination which creates more new products and better business outcomes. Above all, one has to bear in mind that running a successful business is like a long-distance run – it requires constant training and the frequent analysis of results. The times when one could take some time out to catch one's breath are long gone, unfortunately. In fact, those times have never existed.







PM Janez Janša's first official visit abroad was paid to Germany.

## ECONOMIC COOPERATION

### Germany – an important trade partner and investor

The Slovenian Prime Minister, Janez Janša's, first official visit abroad was paid to Germany, which is Slovenia's most important trading partner. Slovenia's trade with Germany amounts to around a fifth of total foreign trade; in 2010, trade in goods came to around EUR 3.6 billion in both directions. Slovenia's exports to Germany mostly comprise electrical machinery and equipment and their parts, audio and visual recording and reproduction equipment, and the respective parts and accessories (22%). This category of products is also ranked first (13%) in terms of imports from Germany.

Germany is also an important investor in Slovenia, particularly in the area of infrastructure (mostly railway infrastructure). The Prime Minister's two-day visit started with a meeting with the

CEO of Deutsche Bahn AG, Rüdiger Grube, and a discussion on establishing a logistics holding between Slovenia and Deutsche Bahn.

Prime Minister Janša was then received by Chancellor Angela Merkel, with whom he discussed the reform efforts being made in both countries. They agreed that sustainable budgets and fiscal stability are vital – but insufficient on their own – to achieve sustainable growth.

With a view to further improving cooperation between the two countries, the Slovenian Government has begun to adopt measures aimed at shaping such a business environment, as this would be more attractive for foreign investment. Among other things, the Government reduced corporation tax and introduced tax reliefs for investments and tax holidays.

## FOREIGN INVESTMENTS

### Russian investments worth billions

Russian companies are seeking investment opportunities in Slovenia. Preliminary discussions are underway on investments in all types of travel infrastructure, from railways and motorways to the Port of Koper. The biggest Russian investment in Slovenia, worth over EUR 1 billion, is the South Stream pipeline. Last year the number of Russian tourists in Slovenia increased by more than 30%. The Russian ambassador to Slovenia, Doku Zavgayev, is convinced that the realisation of the package of government measures will contribute to the development of the Slovenian economy and attract more foreign investors. The largest Russian bank, Sberbank, which recently bought the Austrian bank, Volksbank, has entered the Slovenian market. The forecasts for Central European

markets are better than those for Western European markets. "There are many opportunities for Russian partners to make investments and connections in Slovenia, to acquire some of our companies, even banks, thereby creating improved opportunities for business in our country," the President of the Chamber of Commerce and Industry of Slovenia, Samo Hribar Milič, explained in his speech at the Russian-Slovenian business conference. There are also many opportunities for Slovenian exports to the Russian Federation. An example would be the Automotive Cluster of Slovenia, which generated turnover in the Russian market of EUR 24 million in 2009, EUR 70 million last year, and, together with companies in Slovenian-Russian ownership, a total of EUR 110 million.

## THE ECONOMY

### Slovenian economy to contract this year

The European Commission's spring forecast for Slovenia is that Slovenia will record a 1.4% reduction in GDP and a fall in the fiscal deficit to 4.3% of GDP this year. For the euro zone and the entire EU, the European Commission confirmed its February growth forecast – GDP in the euro zone will decrease by 0.3% and overall GDP growth in the EU will be zero.

The European Commission's forecast for Slovenia next year is that it will record 0.7% growth in GDP, and that its fiscal deficit will be reduced to 3.8% of GDP. Next year, the euro zone is expected to record 1% growth, while Europe as a whole will record growth of 1.3%. In addition, the European

Commission's general forecast for the euro zone is that the fiscal situation will improve. According to the European Bank for Reconstruction and Development (EBRD), Slovenia will record a 2% decline in GDP this year and a further 1.1% in the next. In its forecast, the EBRD points to the credit crunch and a reduction in economic competitiveness as the two biggest difficulties, and is the most pessimistic of all international institutions in its forecasts. These forecasts are slightly different from the forecasts of the Institute of Macroeconomic Analysis and Development (IMAD), which predict a 0.9% drop in GDP. According to IMAD, the European Commis-

sion's lower forecast concerning the movement of Slovenian GDP is, in particular, a consequence of differing expectations in terms of import and export trends and the resulting contribution of international trade to GDP growth. Economists also estimate that Slovenian GDP will not fall below 1.4%, as predicted by the European Commission, because cost-saving measures have been already included in the stability programme, which

serves as the basis for economic growth forecasts. The cost-saving measures adopted by Slovenia have succeeded in reversing a three-year trend when the deficit remained at practically the same level each year. Even last autumn, the European Commission was still predicting a 5.3% deficit. The measures were also welcomed by finance ministers and the Euro Group president, Jean-Claude Juncker.



PM Janez Janša met Alexey Miller, the CEO of Gazprom.

## FOREIGN INVESTMENT S

### Janša and Miller discuss South Stream project in Slovenia

On 30 May, the Prime Minister of the Republic of Slovenia, Janez Janša, met Alexey Miller, the CEO of the Russian energy giant, Gazprom. Their discussions focused primarily on the South Stream pipeline project. Miller brought the Slovenian Prime Minister up to speed with the project's development – a study of the whole undertaking has been completed, project documentation is being prepared, and work is expected to begin at the end of this year. They agreed that the project is of national significance and that it will have a positive impact on energy security in Europe.

The establishment of the South Stream Slovenia joint venture, which is jointly owned by Gazprom and the Slovenian company, Plinovodi, is in its final phase. The contract for establishing the venture was signed by Miller and the CEO of Plinovodi, Marjan Eberlinc, on 31 May in Portorož, where they met at the opening of the European Business Congress, where more than 200 delegates and guests from 24 Member States of the Organization for Security and Cooperation in Europe (OSCE) discussed energy security and new opportunities for natural gas.

Gazprom and Plinovodi will each have a 50% share in the venture, which will have its registered office in Slovenia. The company will be managed by two directors, one from each partner. According to Eberlinc, the feasibility study for the South Stream pipeline route in Slovenia has been developed and approved by both partners, and will be specified in more detail during the course of the siting procedures, in accordance with Slovenian legislation. The total investment is worth approximately EUR 1 billion.

The final decision on the route of the whole length of the South Stream pipeline will be known by November. The final map of the route is expected to include Bulgaria, Slovenia, Serbia and Hungary, while Austria has not been included thus far. In January, Gazprom decided to begin construction in December this year, and not in 2013 as previously planned. The pipeline, the construction of which is estimated to be worth approximately EUR 16.5 billion and which should have a capacity of 63 billion cubic metres of natural gas per year, is to be completed by 2015, and the first supplies of gas are expected to arrive by the end of that year.



## TRAVELLING

### Development of connections from Ljubljana airport

After a few years, the Hungarian low-cost airline Wizz Air is to return to Ljubljana Jože Pučnik Airport, and will re-connect Ljubljana with Brussels and London. The airline will start flying to Charleroi Airport, south of Brussels, on 29 October, and will start flying to London Luton Airport on 30 October. Should these flight destinations prove to be attractive, Wizz Air will further strengthen its presence in Ljubljana and set up its air base there.

Wizz Air, the foremost low-cost airline in Central and Eastern Europe, which generated a profit of EUR 40 mil-

lion last year, expects to carry more than 70,000 passengers to and from the two destinations mentioned above in its first year, and should create 70 new jobs in Slovenia.

Aerodrom Ljubljana also welcomes the re-establishment of cooperation with Wizz Air. The airline industry is undergoing major upheavals and the entry of Wizz Air represents a key turning point in Ljubljana Airport's further development. Successful cooperation with Wizz Air will also have a favourable impact on Slovenian tourism, and cooperation between this Hungarian airline and Adria Airways Tehnika.

Jože Osterman, photo: The Regional Development Agency of the Ljubljana urban region archive

# LJUBLJANA URBAN REGION – ENGINE OF THE SLOVENIAN ECONOMY

The Regional Development Agency of the Ljubljana urban region is located in a beautiful new building in the middle of the Technology Park in south Ljubljana. This is a new area intended in particular for small and medium-sized enterprises which deal with various services in the field of advanced technologies; it was officially opened a good four years ago. There is no better place for the location of the development agency, as it is literally surrounded by businesses which play an important role in creating the future of the city and connecting regions.



The Ljubljana urban region is practically covered by the Osrednjeslovenska statistical region. This region is rather special compared to the twelve Slovenian regions in terms of the concentration of production industries, business entities and finance in Slovenia. It covers an area in which about 26% of the state's population live. Data show that this region is home to about 32,77% of all Slovenian companies which generate approximately 45% of revenues yielded in the country, and these companies employ about 38% of all the people employed. The gross domestic product (GDP) per capita in the region was EUR 24,660 in 2009, followed by the Obalnokraška region with EUR 18,848 GDP per capita. In terms of purchase power standards in relation to the EU average, the region has an index of 122 for 2009 (i.e. over 22% above the European average) whereas the Slovenian average index is 89; in Slovenia, only the Obalnokraška region – with an index of approximately 93 – exceeds this average. These rather ambiguous data – which reveal considerable differences between the regions (although these differences are small in Slovenia compared to some other countries) – show that central Slovenia is a very strong economic engine.

## KEY TO SUCCESS: UNITY AND COOPERATION

Therefore, it may seem surprising that only one development agency operates in this large urban region, as there are four development agencies in the considerably smaller Goriška region (already presented in the last issue of Sinfo) which, however, cooperate very well.

Liljana Madjar who has been managing the Ljubljana agency since its inception, draws our attention to some

interesting information: “We are the only development agency established by one municipality (the Municipality of Ljubljana); the 25 other municipalities in the region then joined, and they finance it on a regular basis.

It seems this is a very positive development since the region acts as a stable, mutually connected entity, for which the agency itself, within its bodies, can carry out the majority of adjustments and, as a result, a number of tough time-consuming negotiations are not necessary. These bodies include the most senior municipality representatives – the mayors – and, in various project groups, the municipalities' expert associates take an active part in resolving all details in connection with their municipalities, in direct cooperation with experts. In 2007, the region adopted the Regional Development Programme 2007–2013 through which it established its development frameworks relatively early. In some places, these consequences can be observed and are beneficial. On this basis, the City of Ljubljana and a considerable number of the municipalities in the region have already adopted their spatial plans and the most important operative development acts, so that, in several areas,

they are currently only waiting for the national spatial plan to be adopted in order to be able to begin with the implementation of their development measures. Despite the legal hierarchy provided by the law which defines the superiority of national plans, it is clear that priority is usually given to those who are faster and more willing, since the arguments in favour of doing so are more often on their side.

In considering such stable foundations that established the Ljubljana urban region as a hard conglomerate of the city and municipalities (by which the region has already started to function as an informal landscape), the creation of development plans is significantly faster and is likely to increase development priorities of this part of Slovenia, even beyond the present scope. One of the critical weaknesses of using European funds in Slovenia is too few good projects prepared; this does not present a big problem in the Ljubljana region. Therefore, the region has in due course solved one of the most sensitive problems facing the majority of other Slovenian regions which in some areas lead to a kind of disaster; it established waste landfills that operate according to all European environmental standards





Lilijana Madjar, Manager of Ljubljana Regional Development Agency.

(RCERO) and according to these standards, it participates in the system of waste separation and decomposition. These are significant issues. Although the director denies that the fact that plans are developed within the region is one of important factors of this relatively favourable course of events, the facts speak differently.

**THE BIGGEST PROBLEM IS TRAFFIC**

Although the region has successfully resolved the aforementioned basic development elements, there is no shortage of problems requiring prompt solutions. The biggest challenge is traffic, and the agency has been devoting most of its attention to this issue. In 2009, a comprehensive study of traffic was completed which, after a lengthy period, included a careful analysis of the (random) developments of the last decades which have resulted from a certain metropolitanisation of Ljubljana and the increased passivity of its hin-

terland. The great development of the capital city which in this area, brought about most of its service, industry and finance activities, followed by man power, created a situation that arose as a consequence of the neglected development of public transport and the unbridled development of private transport when every day, about 120,000 passenger vehicles travel to the city (and at the end of a working day leave it), which cause, on the one hand, traffic congestion and, on the other, a great ambition to extend traffic routes. The development agency has prepared a strategic study which covers the entire region and on the basis of which, traffic should be gradually regulated in the coming decade so as to include public transport (bus, train and tram) through which the transport of the entire region, especially its centre – the City of Ljubljana, would be significantly better developed in terms of energy and environment. In that respect, the agency has already prepared exten-

sive operational plans which foresee the establishment of 36 Park-and-Ride sites, the system by which the majority of passengers in private vehicles get to public means of transport at some point and thus help improve traffic flow and efficiency. On this basis, many policies in the adopted spatial plans could be implemented.

**ENTREPRENEURSHIP DEVELOPMENT**

The agency's second development opportunity is to promote entrepreneurship and good business initiatives in general. The agency comes up with practical and direct solutions which are based particularly on the development of personnel. In this respect, The Regional of creative economy was developed where potential entrepreneurs are trained and supported to succeed and establish their own enterprises. In a special way of granting scholarship where a great deal of European funds are obtained, investment is made in young employees, entrepreneurs and experts by making direct contact with a future employer and early inclusion in a working process whereby the way of granting scholarship is very encouraging for both a receiver and employer. The many further educational forms which, in one way or another, are integrated into the work arouse great interest so that all these forms of education are fully occupied, as confirmed by the agency management.

What appears to be especially innovative and deserves full attention is the agency's attempt to unite and link production potentials. The creation of mutually linked business chains and development networks, which represents an optimal way of particularly that type of production that is distinguished by the highest value added, has, for several years, been the main motto of the agency where success was also achieved. Last but not least, they are forced by their direct

environment, as the surrounding technology park, literally, poses challenges for connecting the number of relatively small business entities located there. This is not the only reason: in the region, there are some other similar technology parks, development incubators and open activities which need integration and close cooperation in order to be realised. The agency has recently focused its attention on tourism, which has flourished in the region; our capital city has recorded a two-digit increase in tourist visits each year. Since the Ljubljana hinterland is not well known, although it has interesting natural and cultural value, the integration in promoting, organising cultural and tourist events and general tourist offers is one of the most successful areas the agency deals with. This also partly refers to the project the agency carries out concerning the quality of life of related towns, paying special attention to Ljubljana, which, as the capital city, tries to compare with about twenty other similar European cities. At the same time, the agency

itself as an independent entity has been growing constantly; it is developing into a new media centre where everybody with a certain interest in doing something can learn how an idea can be realised. This represents an enormous scope of activities for the 18 people working in the agency.

**EUROPE HELPS**

The director points out that European funds are of the utmost importance in planning regional development, particularly in the current situation. During the very time of the crisis, which is characterised by the credit crunch and enormous debts incurred by Slovenian companies as well as public expenditure restrictions, which are reflected in investment resources, there would not be so many development opportunities without Europe. There were some complaints that the central region had been unsuccessful in drawing on European funds a few year ago, which resulted from the fact that the central – and most developed – region

had practically no opportunity to use the European cohesion funds, which represented a large source of funds in its neighbouring regions. Today, the situation is different; the relevant employees learned, with the help of the agency, the procedures for the successful utilisation of European funds so that efficiency in utilising funds is on the increase, even by more than once a year. In these precarious times, this is an excellent solution.

The optimism shown by this agency's young personnel is almost contagious. In the predominantly gloomy atmosphere of the economic crisis, when many people lament over the situation, this firm belief in development opportunities is refreshing and beneficial. And it shows results! Today, the crisis is felt less keenly in Ljubljana than in other parts of Slovenia. It appears that this is the result of significantly greater unity, self-confidence and the capacity of cooperation that are present here. Cohesion and a sense of community provide a basis for faster progress.





Derya Kanbay, Ambassador of Turkey to Slovenia

## A MODEL PARTNERSHIP

Turkey recognized Slovenia on 6 February 1992 soon after Slovenia declared its independence on 25 June 1991. Turkish Embassy in Ljubljana became operational as of 1 April 1993 and Slovenia opened its Embassy in Ankara in September 1996.

Since then, the bilateral relations between the two countries have been progressing in almost all fields in a friendly and constructive manner. This tendency in the relations has been promoted by the high level political dialogue between the two countries.

Slovenia and Turkey have developed a mutually beneficial and harmonious cooperation atmosphere especially after the accession of Slovenia to the EU. Slovenia is well aware of Turkey's geo-political strength and historical advantages, and perceives Turkey as a regional power and takes diligent attention in cooperation with Turkey. Following the mutual visits of the Presidents of the two countries in 2009 and 2010, the official visit of the Prime Minister of Slovenia to Turkey in March 2011 was highlighted by the Turkey Slovenia Strategic Partnership accord signed by the Prime Ministers of the two countries. Strategic partnership which envisages a regular high level political dialogue as well as a close cooperation on strengthening bilateral trade and investment, Turkey's EU accession, regional stability and peace efforts especially in the Balkans, combating all forms of terrorism and organized crime, cooperation on environmental issues and energy security, intercultural dialogue, education, research and cultural issues.

The recent official visit of Turkish Prime Minister Mr. Recep Tayyip Erdoğan to Slovenia on 7 May 2012 accompanied by seven Ministers of Government and three members of the Turkish Parliament was the resemblance and the proper application of the Strategic Partnership accord. Almost all of the main elements of the bilateral Strategic Partnership accord

were discussed and reviewed by the Turkish Prime Minister and his Slovene counterpart. Prime Minister Mr. Erdoğan also visited the President of the Slovene National Assembly Mr. Gregor Virant and the President of the Republic of Slovenia Dr. Danilo Türk and had the opportunity to express and exchange views on bilateral and global issues. IFIMES, on the occasion of this visit, organized a ceremony where Prime Minister Mr. Recep Tayyip Erdoğan was presented the "World Personality of the Decade Award" by the Institute.

As to Turkey's relations with the EU, Slovenia is among the supporters of the enlargement of the Union and Turkey's EU membership, and this point is being expressed by Slovene officials at the highest level on every occasion. Slovene Government has confirmed its vision on Turkey's accession to the EU at the meetings during the recent official visit of the Turkish Prime Minister.

Bilateral economic relations have not yet been able to seize its potential level. In 2011, total trade volume between Turkey and Slovenia was 966.660.000 US Dollars, with the foreign trade balance on Turkish side. On the other hand, as of December 2010, 17 Slovene originated firms were operational in Turkey. Turkish investments in Slovenia are small and medium sized enterprises, functioning in the sectors of restaurant, textile, ready-to-wear, jewellery and tourism. Turkish Government is encouraging Turkish businessmen to explore investment opportunities in Slovenia and to join hands for projects in third markets. The Joint Economic Council Meeting between the two countries which is scheduled for the second half of 2012 will concentrate on taking concrete steps to further strengthen economic cooperation.

Slovene society is vastly interested in Turkey and has been increasingly travelling to the country. In 2011, a total



Photo: personal archive

number of 41.870 Slovene citizens visited Turkey. On the other hand, as of 25 August 2010, Slovene citizens were granted visa exemption for travelling to Turkey for touristic or commercial purposes which has been a positive factor in the promotion of tourism. Likewise, it is gladly observed that, touristically, there is a growing interest from Turkish people to Slovenia.

The effects of ongoing positive relations in all fields between the two countries are also being felt in the cultural and educational spheres. There is a growing interest in Slovenia towards Turkish contemporary art and artists, film and music. Turkish artists and works of art are taking place in significant artistic events in Slovenia. Turkey is participating in the program of Maribor-2012 Cultural Capital of Europe with modern dance performance and with traditional Turkish decorative arts.

Slovenes are also interested in Turkish literature and as a result of that Slovene publishers are translating the works of eminent Turkish authors into Slovene language. Besides, Turkish students who are being educated in Slovenia within the framework of the Erasmus program, play an important role in the development of social and cultural relations with Slovenia.

Prospering relations in all fields are not only restricted with the bilateral level, but also display itself in international institutions and platforms. This conception provides close cooperation between Turkey and Slovenia in many fields. In this context, outstanding responsibilities undertaken by the two countries in the international sphere, offer significant opportunities in contribution to world peace and prosperity.

Assoc. Prof. Dr. Milan Jazbec, Ambassador of Slovenia to Turkey

## Strategic Partnership as a Foreign Policy Backbone

The implementation of foreign policy should always be a twofold process. Firstly, it requires a clear program and secondly it necessitates to a certain extent the capability to react to the changing circumstances, along the adopted program. With other words, there has to be a comprehensible understanding of foreign policy approach and goals as well as the ability to be creative, to produce meaningful and substantial events. Additionally, it is good to have an institutionalized frame, which is at the same time flexible enough to vibrate results. Relations between Slovenia and Turkey could offer an example for such an approach in pursuing foreign policy of a small state like Slovenia.

Bilateral relations between Slovenia and Turkey have been on the rise since Turkey's recognition of the Slovene independence in early February 1992. In 2005 the amount of bilateral trade doubled and relations gained significantly on momentum during the Slovene EU Presidency in the first part of 2008. In March 2011 the Strategic Partnership was signed, which stems from previous achievements and paves the way for further and all encompassing deepening as well as enhancing of bilateral relations. This event marks the milestone and has become the foreign policy backbone. It enables both countries and governments to carefully plan activities and produce events. The idea for the Partnership emerged during an informal meeting, which I had with the Prime Minister Erdoğan in late January 2011 in Erzurum. In the year 2012 the celebration of the twentieth anniversary of the diplomatic relations adds significantly to the momentum and substance.

Three topics should be pointed out within this frame.

Firstly, an increased dynamics of high political visits. The Turkish Prime Minister Recep Tayyip Erdoğan visited Slovenia recently, accompanied by seven ministers.

This was the first visit of a Prime Minister to the new Slovene Government and of Turkish ever. Both delegations held detailed and very concrete discussions. The two Prime Ministers will meet again next year in Ankara to hold intergovernmental ministerial session. Prior to this the Joint Economic Commission will meet in Ljubljana this autumn and the Slovene Turkish Business Council will meet in Istanbul.

Secondly, meetings and visits among business people from various areas are well on track. Let's have a look at few examples. Recently two Turkish Companies invested in Slovene ones (Lesna Slovenj Gradec and Farba Prebold), while for example Izotech Ljubljana and Izober Kayseri have been cooperating for some time by now. Discussion to upgrade cooperation with the Port of Koper is under way and also cooperation between Talum and Cevher is gaining on drive. A Memorandum of Understanding in the field of energy is being prepared and negotiations to conclude the bilateral agreement on social security will be launched soon.

Thirdly, public and cultural activities. During recent months there has been a number of various activities around Turkey, promoting Slovenia and friendship between the two countries. A special issue of the Diplo Atlas Magazine on Slovenia was published in Turkish, in 7.000 copies. The Turkish Prime Minister Erdoğan, when visiting Slovenia, received the "World Personality of the Decade" Award by The International Institute for Middle East and Balkans Studies IFIMES from Ljubljana. The ceremony was broadcasted live on three main TV Turkish channels. A series of Slovene books is being translated to Turkish language, celebrating the twentieth anniversary of diplomatic relations. Interviews in Turkish national and local media are on the regular agenda. The Istanbul International Advertising Festival was held in January for the second time in



Photo: personal archive

a row. We are de facto witnessing the biggest ever PR campaign and promotion of Slovenia in Turkey.

Last but not least, the contribution of all five Honorary Consuls of Slovenia in Turkey (Istanbul, Izmir, Antalya, Gaziantep, and Iskenderun) is highly valuable and we are looking forward to the new ones who'll join the group soon.

The above presented and explained foreign policy output could therefore serve as an example for an analytical case study. Its substance is known and defined; its parameters are flexible and adaptable, the dynamics follows an upward trend. The friendship between Slovenia and Turkey show that the scale practically doesn't matter; it actually inspires and encourages.



Hana Souček Morača; photo: National Gallery archive and personal archive of Alenka Bartl

## Alenka Bartl, costume designer

For fifty-five years, she has designed over 500 theatre costumes, participated in over forty film and television productions and set up the foundations of the Slovenian Costume Design Department at the Academy of Theatre, Film, Radio and Television and the Academy of Fine Arts and Design in Ljubljana. You may ask who this costume design mistress is, blending fabric and colours as if by magic. This is Alenka Bartl, a woman who – in the words State Secretary Aleksander Zorn delivered upon the opening of a major exhibition devoted to a retrospection of her opus – ennobled a profession, a school and the art of costume design.

Alenka Bartl's creative career has been extremely varied. She was one of the first Slovenian professional costume designers to have completed a university degree in fine arts and costume design. Even before obtaining her degree in Belgrade, she had designed her first theatre, opera and ballet costumes in the Slovenian National Theatre in Ljubljana in the early 1950s. She invested great efforts in promoting costume design as an independent art genre in Slovenia and Yugoslavia. On her initiative,

the Zlata Arena award was also introduced in the area of costume design at the Festival of Yugoslav Film in Pula. She cooperated with all the most important directors in the former Yugoslavia and held several exhibitions both at home and abroad. She has received numerous prizes and awards, including, among others, the Prešeren Fund Award in 1972 and the Prešeren Award for lifetime achievement in 1989.

The exhibition, which is dedicated to her opus and produced in cooperation between the Slovenian National Theatre Museum and the National Gallery, is open for visits until 24 June. In the National Gallery there are video recordings of performances, fifteen costumes and 330 costume sketches, with explanatory running texts on her work, written by Ivo Svetina. In the words of Mr Svetina, Director of the Slovenian National Theatre Museum, Alenka Bartl created a specific art genre in theatre performance, thereby giving special importance to the hitherto overlooked role of costume design. She showed us the importance of a costume which is not just a dress, but much, much more.



Marjan Strojjan, President of Slovenian PEN



Jože Osterman, photo: STA

## Bled hosts PEN International

In mid-May, Bled hosted the 44th International Writers' Meeting, an event that has become one of the most recognisable and reputable intellectual features of the town. The President of the PEN International, John Ralston Saul, confirmed this by stating that Bled is a place where new ideas for the further work of this association are being born, while hoping that it would maintain this reputation.

This year, Bled hosted fifty writers who took part in two round-tables in four days. A further meeting was held by the International PEN Writers for Peace Committee, which considered the situation of writers in various countries and draws attention to potential violation of their rights or even threats to their life. On this occasion, they expressed their utmost concern over the situation in Mexico, where one hundred people, mostly journalists and writers, had been killed over the last few months in conflicts between the Mexican authorities and the narco-mafia; these conditions are the cause of an increasing self-censorship.

Moreover, PEN members are highly concerned about the situation in the Middle East and Morocco, where writers are also among the most threatened people. The Israeli participant of the meeting addressed the situation in Israel. While putting the blame for the current situation on both parties involved in the conflict, she stated that at least 70 per cent of Israelis want to live in peace. In Morocco there is an increase in self-censorship, as its government restricts the translation of literary works into foreign languages, thus gradually narrowing the space for free creativity and discouraging the authors from writing. It would be right and proper that this situation become a cause for global concern.

On the opening day, the participants of the meeting were received by the President of Slovenia, Danilo Türk. In his address, he called on them to search for new paths towards the resolution of the problems of mankind that, though untrodden or less used, could nevertheless lead to better solutions. Joining Mr Türk on this issue, the Slovenian PEN President, Marjan Strojjan, pointed out that poetry indeed offers unclear answers, sometimes even in the form of dilemmas; therefore, the decision always lies within us. Poetry's most profound message is that it reminds us that we are human beings, and that human beings have always been faced with similar questions as we are.

At the first round-table, entitled Transformation – New Paths or the Decline of Western Rationalistic Civilisation, the writers fo-

cused on the issue of ethics. The President of the Slovene Academy of Sciences and Arts, Jože Trontelj, highlighted the question as to where the unethical exploitation of human beings will stop as a key dilemma, and went on to emphasise that human dignity cannot depend on utilitarian criteria. The ethic that promotes personal benefits of individuals cannot be a support for the future. Janko Prunk spoke of the decline of the Western rationalistic civilisation that we are currently witnessing and pointed out that in such moments, new movements have nevertheless always sprung up and established new foundations. Sylvestre Clannancier from France touched upon the excesses of intellect and pointed out the significance of the intellect being attentive to itself, while his colleague, Jean-Luc Despax spoke of neoliberalism and globalisation. Elizabeth Csiscery-Ronay described how visitors from the West perceive Hungary and spoke of a country's right to decide on its future independently. Suggesting an urgent need for a revolution, one which would make an end to the current blockade of the spiritual, Zeki Ergas from Switzerland was the last to appear at the first round-table discussions.

The second round table, entitled Perennial Modernity and the Future of Writing, focused on the issue of literary creation. While discussing the relation between literature and contemporary society, the relevant conclusions of the participants considerably differed. For some, literature has become a supranational art, because the models enshrining it as the core of a national identity have disintegrated, while others supported the view that poetry nevertheless possesses an integrating power bestowing significant energy to nations. Certain participants, particularly the representatives of the countries that were a decade ago involved in murderous Balkan wars, nevertheless perceive literature as an indispensable instrument of the consolidation of the national identity.

The writers' meeting was opened with a very pleasant evening presentation of literature and music from the Prekmurje and Pohorje regions – works which are quite mysterious and, unfortunately, still poorly known among Slovenes, despite the fact that they have continuously received important awards. While the authors Milan Vicentič, Jože Ftičar and Francek Mukič presented their works, other participants highlighted the significance of protecting small and endangered languages and dialects, such as the Prekmurje and Pohorje dialects.



Jože Osterman, photo: STA

## Nobel Prize winners visit Maribor

The event which, among numerous other events, caused the most excitement in May in Maribor was a visit and lectures by four Nobel Peace Prize winners. The first to be welcomed was the fourteenth Dalai Lama of Tibet, Tenzin Gyatso. His first speech was in Tabor Hall, the largest venue; later, he appeared in the large hall of Maribor Theatre, together with the other Nobel laureates, Muhammad Yunus, Rigoberta Menchu Tum and Slovenian professor Lučka Kajfež Bogataj, who won the Nobel Prize as a member of the IPCC Working Group on environmental issues.

In all respects, this was a great event, imbued with a peaceful focus on those universal themes that our present and future lives depend on: solidarity, openness, tolerance and sustainable human development.

Professor Yunus gave a lecture on social entrepreneurship, which he is convinced can help resolve many problems, since it is aimed at meeting the needs of people and not at making profit.

Rigoberta Menchu Tum discussed the role of women in the efforts for peace and showed in detail the situation in her homeland of Guatemala, where violence and lawlessness have devastated the country and its people. However, through detailed presentations of relevant information, her foundation has succeeded in significantly raising people's awareness of the problem of Guatemala.

Lučka Bogataj talked about the possible future scenarios in light of coming climate changes and warned of the wrong approaches regarding the resolution of environmental issues. Incorrect economic models, ecosystem losses, growth and inequality of the world's population, exponentially growing exploitation of natural resources and the accompanying climate changes do not offer much hope for the long-term improvement of the situation on our planet. Key issues such as how to ensure 50 % more food and water and 30 % more energy should be at the centre of our attention every day.

The European Capital of Culture, Maribor 2012, has entered its second third. In times of crisis, when the atmosphere is becoming more strained due to the adverse economic conditions, the Maribor cultural hub, in contrast, brings a positive and soothing effect

on our lives. Although this may not be the case with every one of us, the growing number of visitors and more intense media reaction to it raise hopes that our lives are not totally dependent on money.

On this occasion, it should again be mentioned that the ECC project is still running, and is exceeding expectations in many respects; above all, this is a successful compensation for a fact that Maribor received almost nothing in exchange in terms of investment. Maribor thus developed a new type of pattern in which the main value is given to a locally flavoured cultural production and, in particular, to alternative ways of everyday cultural expression reflected in the people's daily lives and performed as an experiment within the Urbane brazde (Urban Furrows) programme.

This context was given much attention during the discussion on the European capitals of culture in Vienna, which was organised by the Slovenian cultural-information centre in cooperation with the Eco-social festival Soho in Ottakring and the Soho organisation. The central question during the discussion was whether the capitals of culture can make a contribution to sustainable development. In addition to the Maribor project, the discussion also included the Graz project (2003) and the Linz project (2009), which are considered the most successful projects of this type. However, the differences between them are considerable: the Graz project was rather spectacular on account of its investments and megaprojects; Linz placed more weight on its locally-flavoured cultural production, while Maribor is trying to reach into the most common places of individuals' lives and to ennoble them through art and culture.

In defining Maribor 2012, we need to mention the beautiful and high quality projects of the cultural embassies of every participating country, in particular those countries having a cultural centre in Slovenia. These are the Institut Français Charles Nodier, British Council Slovenia, Österreichisches Kulturforum, Istituto Italiano di Cultura, Göthe-Institut Ljubljana, Instituto Cervantes Ljubljana, and several others that have made their contribution to the Maribor cultural programme. Thank you, dear friends.



Franciska's Shaft Building

Jože Osterman, photo: Photo Anton Zelenc, photograph collection of the Idrija Municipal Museum

## Idrija Mercury Mine – on the UNESCO World Heritage List?

Slovenia is a country with an interesting cultural and natural heritage. However, the promotion of our heritage is relatively poor, and only two of our sites have been entered on the UNESCO World Heritage List thus far: the Škocjan Caves, which were granted this status over three decades ago in the former Yugoslavia, and the pile-dwellings in Ljubljansko Barje, which were entered on the World Heritage List three years ago, together with some locations in Switzerland. In recent years, Slovenia has invested much greater efforts in promoting the most outstanding examples of our heritage. Since Slovenia gained independence in 1991, there have been quite a few attempts at inclusion on the World Heritage List: first off, Kras as a specific cultural landscape, then Fužinske planine (the iron foundry highlands) above Bohinj as a specific agricultural cultivation culture, then the industrial town of Idrija and, some time later, Franja hospital, where several hundred injured partisans found shelter during the Second World War. None of the above proposals for nomination, except the pile-dwellings proposal prepared together with Switzerland, was successful, mainly owing to our lack of sufficient maintenance and promotion of

these properties. However, these failed candidacies nevertheless helped our experts master the criteria that need to be considered when submitting a nomination proposal for inscription. It was essential to learn that our own admiration of a site is not the most important aspect, but rather the outstanding value of the monument within the context of the development of our civilisation.

The Idrija Mercury Mine complex, which, from its very beginnings, was considered one of the best of its kind – along with a similar mine in the Spanish Almadén – fully meets these criteria.

Mercury is a very toxic liquid metal which is almost no longer used since it is difficult to degrade and remove, yet it has played an extremely important role in the history of human technological development.

Thermometers, various sensors, thermal switches and valves, incandescent lamps and luminaries in general are inventions that would not have existed without this metal, which has been replaced by other, less toxic substances only in recent years. Both mines have developed important specific features in the extraction of this metal, because the miners were well aware of the threat

posed by the substance they were dealing with. The special devices for the collection and cleaning of mercury developed in Spain and in our country are a true wonder of technical ingenuity and skill, given that the history of mining goes back several centuries and forms the basis on which the towns of Almadén and Idrija were built. The mine in Idrija was closed down in around 1980 through a gradual process which set an example for the sensible and respectable conclusion of an industrial activity which deserves the utmost respect of history and the environment.

Slovenia, Spain and Mexico (which also has an important mercury mine) had submitted their nomination proposals to be considered for inclusion in UNESCO World Heritage List years ago, but the committee responsible repeatedly requested that the proposals submitted be supplemented with new facts and data, in accordance with very strict criteria. This was also the reason why Mexico abandoned its pursuit two years ago, whereas the other two countries have persisted in supplementing their proposals. At the beginning of May, the International Council on Monuments and Sites (ICOMOS) session, which was held in Brussels, finally

yielded some good news: our nomination file was given a positive report or expert recommendation for inscription; this, however, will be ultimately decided on by the responsible committee in Saint Petersburg at the beginning of this summer. We hope for the best since the committee does not often contradict the proposals of its council. Inclusion in the World Heritage List would certainly open up a whole new chapter for Idrija: regardless of the fact that, even today, Slovenia is investing considerable assets into the maintenance of the mine as a technical monument, the opportunities for obtaining additional funds would be enhanced, and the mine would attract considerably more visitors than is currently the case. At the same time, our national pride would swell since the recognition of the outstanding value of the Idrija Mine would corroborate the good reputation of Slovenia's industrial prowess and diligent work, which is also pursued in other fields of industry that Slovenians have mastered. In Slovenia, there are a few more sites that would merit inscription on the World Heritage List (the next is presumably Plečnik's Ljubljana; we should also invest more effort in promoting Kras).



Embassy of the Republic of Slovenia in Bern

## ‘The Alps – A Bird’s Eye View’, an exhibition of photographs by Matevž Lenarčič has opened in Bern

The official opening of ‘The Alps – A Bird’s Eye View’, an open-air exhibition of photographs by the Slovenian photographer, pilot and environmentalist Matevž Lenarčič, took place at the prestigious Zentrum Paul Klee arts centre in Bern on 1 June 2012. The exhibition is the fruit of cooperation between the Embassy of the Republic of Slovenia in Bern, the City of Bern and the Zentrum Paul Klee.

The aerial photographs of the Alps from Monaco to Slovenia are exhibited on more than one hundred panels along the promenade beside the Zentrum Paul Klee. The photographs are accompanied by commentaries in German and English. Geographical and environmental information, and ecological, cultural and historical texts are displayed on several additional panels, and a special panel presents the Pipistrel ultralight aircraft from which the photos were taken.

The one hundred and fifty guests who attended the official opening were mostly Swiss, with some Slovenians resident in Switzerland and diplomats. The guests were welcomed by the Mayor of the City of Bern, Alexander Tschäppät, the Slovenian Ambassador to Switzerland, Bojan Grobovšek, MSc, the director of the Zentrum Paul Klee, Peter Fischer, the author of the exhibition, Matevž Lenarčič, and the author of the commentaries accompanying the photographs, Janez Bizjak. In his speech, Mr Grobovšek stressed Slovenia and Switzerland's relationship with the Alpine region and cultures. He also said that the exhibition

is a Slovenian contribution to marking the twentieth anniversary of Swiss recognition of Slovenia and the establishment of diplomatic relations between the countries. The exhibition is undoubtedly having a promotional impact for Slovenia, as it has been seen by many visitors to the Centre, which is a popular local and national attraction. The exhibition very clearly puts Slovenia on the map of Europe in terms of its geographical position and culture. Both the Pipistrel company, which already has an office in Switzerland, and a folding bike launched by the company Studio Moderna, are also being promoted through the exhibition. Mayor Tschäppät emphasised that the exhibition was the result of the close ties between Ljubljana and Bern, and that the first presentation of the exhibition outside Slovenia is in one of the capitals of the Alpine region. The fact that the Zentrum Paul Klee, which is known for its selectiveness, was prepared to host the exhibition shows its quality, in terms of both the photographic and textual content.

A special panel displays all the exhibition's sponsors, which include the Ministry of Foreign Affairs of the Republic of Slovenia, and the following companies: Studio Moderna from Zagorje ob Savi, NLB Interfinanz from Zürich, JYL from Sion, the Schnetzer Puskas architectural office from Basel, and Coristal AG from Rudolfstetten. The Slovenian Mountaineering Association ‘Triglav’ in Zürich also supported the exhibition, which is open until 31 August 2012.



## OUR EXCELLENCE

Matjaž Nemec, photo: STA

# Elan receives Most innovative brand 2012 award

Elan has been awarded this year's Most Innovative Brand 2012 award in the sports equipment category. The award is conferred every year by German organisation Plus X Award. Elan therefore ranks alongside other prestigious companies to have been awarded this title in other categories: Adidas, Porsche, AEG, BlackBerry, Buderus, LG, Opel and Sony, and will go down in history as one of the most innovative companies.



“To be first in the world is a prerequisite for success. Globalisation does not give awards for second place. Elan reaps its rewards for staying cutting edge. It preserves its tradition and moves forward in terms of innovation. Working with our own brands separates us from multinationals. We do not compete on prices – we compete on quality,” the Minister of Education, Science, Culture and Sport, Žiga Turk, said when receiving the award for the most innovative sports equipment 2012.

The Elan Group is a leading producer and supplier of sports and leisure equipment. It has been present on the market for over 60 years. All Elan's enterprises are devoted to the technical development of products and progressive design through an innovative approach and advanced technology. The winter division at Elan manufactures skis and snowboards, the marine division produces sailing equipment, while Elan Inventa is a leading brand in providing sports facilities with all the equipment they require. All Elan's production facilities are located in Central Europe. Skis and sail yachts are produced in Slovenia, and snowboards in Austria. Elan owns four companies which market its products in Canada, Germany and Austria, Switzerland and Japan, along with independent distributors around the world.

### FOCUS ON INNOVATION

In its long history, Elan has constantly kept abreast of new developments, with its experts paving the way in the field of innovations in the knowledge that their line of business brings new innovation milestones every four to five years. The German organisation, Plus X Award, confers awards on brands that are distinguished by their outstanding achievements in the areas of quality, design, user experience, functionality, ergonomics and environmental awareness. As highlighted at the press conference held by Leon Korošec, a member of the Elan Management Board, this award is recognition of Elan's focus on innovation, demonstrating its strong belief that it is through innovation that you can best influence

a company's business performance in today's tough market conditions. “If you have dedication and a passion for what you do, then being innovative is not difficult,” Leon Korošec explained.

The award undoubtedly serves as a hint that the company, with its business vision and culture, gives those who wish to invest in a new product the opportunity to do so. Elan's Brand and Product Director, Luka Grilc, stressed that this award was recognition of Elan's innovations over the last 20 years because, ever since the first wooden Elan skis were created in 1945, the company has been offering athletes new features and improvements every season.

### HIGH QUALITY AND DESIGN

Apart from the Most Innovative Brand 2012 award, which was presented on 10 May in Cologne, Germany, the Plus X Award was also conferred on Elan for the high quality and design of its Elan Amphibio 14 skis and women's Illumina skis. On the global level, Elan's greatest achievements have included carving skis (1990), Wave-Flex (2006), a technology that provides high torsional stiffness and simultaneously improves the ski's bending ability, and Amphibio (2011), an original technology that uniquely combines a powerful edge grip and easy turning – for safe and smooth skiing.

Out of 120 ski models, there were four ski models with Amphibio technology that made up 7% of total volume sales, 16% of value and 20% of total margin, which is, according to Elan's representatives, a fantastic achievement.

Minister Žiga Turk emphasised that Slovenia needed success stories such as Elan's and that it was now essential to create conditions conducive to allowing existing SMEs to give birth to a “new Elan” each year. On the occasion of this noteworthy event, Elan also exhibited its innovative and award-winning products, while the communications and marketing expert, Miro Kline, drew attention to Elan's success in substantially increasing the value of its brand, before declaring that Slovenia could be rightly proud of Elan's innovations.





Hana Souček Morača, photo: BeeZee EcoKid archive

## Healthy, beautiful, ethical and a joy for the whole family



**Bianca Žvorc Morris, born in Murska Sobota, is an architect with a master's degree in design arts from New York, and an entrepreneur; after working for twelve years in advertising, she continued her career in interactive internet projects by embarking on a sustainable development venture.**

She took up this new challenge when she moved with her husband from New York to Germany because, although he had been offered a new job there, she had no job to go to. She worked with some of the best advertising agencies and companies such as Disney, Bayer, American Express, H&M, Pepsi, Porsche and others, but has remained modest and focused, and was affectionately referred to by her colleagues as a BeeZee (simply a working bee). "Everybody thought I was a workaholic," Bianca joked, "including in Manhattan, where different rules apply and working sixteen hours a day and on weekends is considered quite normal," she added.

She is the creative director and owner of BeeZeeDesigns, the company that brought BeeZee EcoKid – a fashion brand for environment-friendly clothes, jewellery, toys and home decorations for grown-ups and children – to Slovenia. The products are characterised by a touch of Prekmurje tradition, but remain appealing to buyers on the global market. "The company is based in Slovenia, but I work in Germany, and buyers also come from the USA. The brand brings together all my passions, and is an attempt to fight for a better tomorrow for our planet." She emphasises that part of her mission is to raise purchasing power awareness, because she wants people to start thinking about what lies behind the product they buy. A love for nature, together with concern for a cleaner environment, and a desire to live a healthier way of life – under the auspices of fashion design – led her to set up a company whose products are made of organic unbleached cotton, organic unbleached flax, cotton home-made lace, and recycled plastics with prints in ecologically sound colours.

She tells us that she has been taking part in a project to revive local industrial hemp cultivation. "In Lendava, a European technological development centre for industrial hemp, herbs and other renewable sources is being set up." Bianca had to let go of the idea of manufacturing clothes from soft hemp, a raw material once traditionally used in Central Europe. "Nobody is technologically processing the hemp here, so it would be difficult to obtain the certificate. I hope that we succeed in reviving at least some production through this project, and to create new jobs for local people. Although I would like the raw material required for manufacturing to be grown on Slovenian soil, it is currently being imported from India; ecological cotton and flax from London, where materials from Africa are spun, are also used." In their import, they rely on producers' certificates proving that the products are ecological (GOT, organic) and manufactured under the fair trade principle. "Just think – the plants get splashed with pesticides and herbicides before they are even processed. Then they are dyed, which means that the product is again soaked with harmful substances, and chemically protected during transport, ensuring the product reaches us in a truly unhealthy form."

She does the majority of work by herself, from designing the products and clothes to choosing the materials they are made of and advertising. "However, I have given up on my attempts at sewing. I am a poor seamstress," she jokes, but is

quick to notice the plight of others. She saw an opportunity to employ the seamstresses who worked at Mura, the former major Slovenian textile factory. "It happened quite by accident, because some of them were friends of the family. The stories of jobs lost and social distress touched my heart. I tried to help." In this way, she gave new meaning to the lives of many, and helped develop the local economy in Prekmurje. She says that she would like to cooperate with even more Slovenian companies in the future. "Slovenia has a future as an ecologically advanced boutique country, based on small entrepreneurs and tradesmen. We can only compete in terms of quality and knowledge – never with quantity." Through cooperation and integration between individuals and companies, not only has she encouraged people to take an interest in their surroundings and a cleaner environment, but has also enhanced awareness that the future should not be taken for granted, and that we must work for it instead.

Bianca takes a practical approach towards implementing sustainable development, the goal of which is quality life for the people of today and tomorrow. She highlights that people are not sufficiently aware of the importance of environmental protection and an ecological way of life. She continues that things are changing for the better, but that the general financial and political problems are far from helpful. "I would like to make people think before buying food, clothes or other products. I must ask myself about the origin of the product, whether it is healthy for me and my family and if perhaps by buying it, I do not support the exploitation of workers or some other global injustice". She is convinced that care for our future is our most important task, but that many of us do not take this seriously enough.

For its project, BeeZee Eco Design received the SEA Award, set up by the European Union. Bianca was the only Slovenian representative among the 145 candidates who applied for the award. The selection panel, which included MEP Lojze Peterle, considered her BeeZee EcoKid project to be the best and awarded it EUR 10,000; recently, she has also received the prize for the best "green" designer this year at the largest Austrian fashion fair, Modepalast 2012. "It seems to me that courage has played a major role in my success, but of course diligence, talent and luck were indispensable too."

As she says, in the future she will tackle the expansion of the company and search for global distributors. "I plan to offer new products such as furniture for children from recycled paper, ecological knitwear for babies, underwear, vests and much more. However, I would like more support from those who share the same views, and stronger support from Slovenia and the global media."

"I sincerely believe that the path I am walking is the only path to take if we want to preserve our planet for our descendants, and remedy the global economic situation," she says, adding that we should maintain our optimism, roll up our sleeves, open our hearts, engage our brains, and work together with nature.



## KEEPING HIS FEET ON THE GROUND EVEN WHILE IN THE AIR

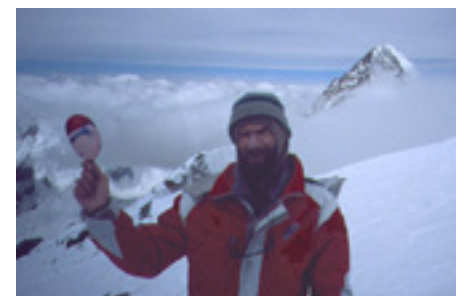
# MATEVŽ LENARČIČ

Danaja Kek, photo: Matevž Lenarčič's archives and STA

There are people in the world who would do anything to get their name on the front pages of newspapers and magazines and who fervently wish to become the lead item on the evening news, at least for a few minutes. Then there are others who do not care about the glamour of the media and find their satisfaction in presenting the world their ideas and visions, instead of themselves. One of these is Matevž Lenarčič, a pilot and photographer. Let his actions speak for him.

When meeting him, you first feel the firm shake of his hand; then you notice his friendly smile and strong character. If you listen to him very closely, you will hear a slight accent of the Zasavje region, as he was born in Trbovlje and now lives with his wife Katarina and two children, Živa and Luka, in Rečica ob Savinji. However, this is not the only place he feels at home. He has spent many hours, days and months in ultra-light planes.

What is it that drives him to continually dream of such adventures? He says that in a plane his perspective on life changes: 'Absolute laws become relative. Life values become clearer. We are not enough aware that we live in a tiny part of the universe, which is also our only possible alternative. If we destroy it, we have nowhere to go.'



### MOUNTAINEERING

Matevž has a degree in biology and everything he does is connected with nature; that is why he is convinced that he should live as naturally as possible. Before he began taking long flights around the world, he tried to reach the sky from the peaks of the highest mountains of the world. As a mountaineer he climbed in Greenland, Himalaya and Patagonia. Although he flew over the Mount Everest with an ultra-light plane this year, he is not interested in climbing to the world's highest peak: 'I have never been to the Mount Everest and am not tempted to go.

I have been near it, but not on the peak. I have always thought it an overly commercialised mountain and have never felt the need to climb it just because it is the highest.'

### PHOTOGRAPHY

Many people know Matevž Lenarčič as a photographer. He mostly captures natural motifs with the lenses of his Nikon, but most special are his photographs taken from the air. On his travels around the world (in Alaska and Kamchatka among other places) and Slovenia, he gathered enough photographs for many books, not just one. Matevž is the author of 11 books on mountaineering, nature, flying and photography, and many of them have been translated into several world languages. Among the more known are *The Alps – A Bird's-Eye View*, which has also been translated into English, Italian and German, Slovenia from *Under the Sky*, and *Around the Only World*, which is about the flight around the world Matevž made in 2004.

See below for more about his aviation achievements.



### FLIGHT(S) AROUND THE WORLD

In 2001, Lenarčič set off on a lonely voyage around the world for the first time. He planned to fly his Zenith CH 701 ultra-light plane (made by Czech manufacturers) from Slovenia over Siberia to

Kamchatka and further on across the Bering Strait to Alaska and Canada, then over Greenland to Iceland and from England back to Slovenia. Unfortunately, his plans were thwarted by bureaucracy. After 24 000 km of flight, or three quarters of the entire voyage around the world, Canadian authorities refused to issue him all the necessary permits and he returned home. Even though he did not fly to the end of his planned route, his achievement was still great and gave him motivation for his next projects.

In 2004, he ventured on another voyage. He was convinced that the project would not be threatened by red tape and wrote in his blog: 'This time the success depends on "only" three factors – one man, one plane and one engine!' The plane was made by Pipistrel from Ajdovščina and, together with his Sinus 912, Matevž succeeded. Nevertheless, it was not easy and in the following excerpt from his pilot log you can get a glimpse at the difficulties he faced:



### 'THURSDAY, 17 JUNE 2004'

'After a month full of worries, I finally had a good sleep today, which has helped on my mood. I would love to go flying a bit. But I can't. This morning I met with Mr Buyandalaj, the Chief of Mongolian Civil Aviation Authority. Mr Buyandalaj calls the Director of the Airport and asks him for help in solving my problems with fuel and lodging. Time and time again, I



am surprised, when I talk to different people from completely different cultures, how similar our views on life are.

‘What is causing our world to spin the wrong way. On the first floor of the same building I pay a high amount for airspace use, which hits my half-empty pocket hard. I get a special pass for the airport, which allows me free access to the plane. In the afternoon, I repair the flat tyre, I can throw the old one away. The next flat tyre would mean waiting for a new one to come with express post from Slovenia.

‘This is my third day in Ulan Bator and I still don’t know what it looks like. I spend all my time in various vehicles driving me to the city or the airport, which is the only place I know. First thing in the morning I paid a visit to Mr Buy-andalaj and together we went through possibilities for the continuation of my voyage past China.

‘We reached the conclusion that after Mongolia the direction of the flight should stay the same, as everything is already paid for and the starting point is known, only the flight across Russia will be long and far away from China.

‘This leg of my journey will be very long and at the limits of the plane’s capacities, but there are not many other options. In the afternoon I meet Mr

Deutch Roland, husband of the American Ambassador to Mongolia. He told me many interesting things about Mongolia, its development and natural beauties. The country deserves to be visited by tourists. We were saying goodbye when I asked him in passing where Castrol oil could be found. Rotax burns far beyond my expectations. He stepped into his garage and brought me a whole case of oil that I’d been desperately looking for throughout Ulan Bator. He kindly presented me with a few litres. Unsolvable problems get solved unexpectedly – this oil was impossible to get anywhere in Mongolia.

‘What I feared has happened. The Chinese closed their airspace to all foreign light aircrafts for three to four months because of an accident killing a hang glider pilot from South Africa. He and his colleague were on an 18-month journey around the world when the accident over China happened. News from our Embassy in Beijing is very bad. I’m considering detouring China through Russia. I’ll stay in Ulan Bator till Friday, also because I’m waiting for a parcel from Slovenia with a satellite phone.’

Despite all the obstacles he encountered, Matevž succeeded in his bold venture. In the following years, he went to

Africa and crossed the Alps. Recently, TV, radio and newspapers have been filled with news of his most recent project: GreenLight WorldFlight, yet another of his successful flights around the world.



**GREENLIGHT WORLDFLIGHT**

Matevž planned this new venture for more than two years. It started with a minor difficulty. A breakdown in the oil level sensor led to a few days delay in the project’s start, and he also encountered some other difficulties during the journey. The plane suffered an engine breakdown in Namibia; a malfunctioning storm detector device made him rely on human assistance provided by Domen Grauf, whom Matjaž always mentions when explaining who deserves the most credit for the project’s success.

As a matter of fact, Matevž is not very



keen on great successes and records. He is convinced that ‘Every victory can mean a defeat for the environment and usually does more harm than good. I fear powerful people who want to change the world. We must endeavour to change ourselves and to care for the environment – to be kind to animals, to the environment and to people. We are not accustomed to such behaviour, because it relates to a demand that we are not to be powerful or rich, not to be grand or the first. The flight was all about the pro-

motion of this type of lifestyle; therefore, it was not intended to break any records. We endeavoured to promote environmentally friendly flying and a way of life.’

It is this way of thinking that has earned the support Matevž gets from many people and organisations. This can be clearly seen at the website forum at [www.worldgreenflight.com](http://www.worldgreenflight.com), where supporters from numerous countries followed Matevž on his voyage around the world.

All the project participants have demonstrated that it is not always necessary to persist in the old ways; things can be done differently – enthusiastically, boldly and with realistic ambitions – with low-carbon footprints, in a greener and more sustainable way. We would certainly wish that more people in Slovenia were encouraged to engage in things that interest them. Especially when it tells the story of small but sustainably green Slovenia to the world.



## ENTIRE SLOVENIA IS PROUD OF ANŽE KOPITAR

Kopitar's LA Kings delivered the Stanley Cup home for the first time in team history



Hockey player Anže Kopitar is currently Slovenia's brightest star and is making sports history for the country. His numerous successes have triggered real euphoria and many people stayed awake for many nights to watch him excel at his work. The Los Angeles Kings hockey team are the new champions of the North American National Hockey League. In the sixth game of the playoffs, which they won 6:1, the Slovenian superstar Anže Kopitar and his teammates won their first trophy in the history of the team, beating the New Jersey Devils with the final tally of the Kings playoff wins being 4:2.

The 24-year-old, who carried the names of his hometown of Hrušica and of Slovenia out into the world with his talent, persistence, maturity and enthusiasm, is today the most recognised Slovenian sportsman. His journey on the ice has been fantastic: not yet 18 years old, he was already facing tough competition as a player in the Swedish junior team of Södertälje SK. He competed in the Slovenian national team for the first time in 2005. He could have competed for Slovenia sooner, if his father, Matjaž Kopitar, then an assistant to coach Kari Savolainen, had allowed him to, but he did not want to be criticised for inviting his son into the national team against

the rules. Today, Kopitar Sr. coaches the Slovenian team. Anže Kopitar joined the NHL in autumn 2006, and has been playing for the Los Angeles Kings ever since. He is the first Slovenian to have competed for the Stanley Cup.

Thanks to Kopitar, Slovenia – together with the Czech Republic, Slovakia, the Scandinavian countries, Russia, Latvia and Switzerland – is now a country known for raising young hockey generations who, every year, leave for the other side of the Atlantic. His arrival in the most prestigious and desirable environment for all hockey players was also special for Slovenia. It is Kopitar – we could describe him as a 'wonder boy' from Hrušica, a small town above the Karavanke Tunnel on the border with Austria – who is contributing to the recognition of Slovenia in places where it was poorly known.

He took his first steps on the ice at home, literally – behind his house, where he spent many hours playing hockey, knowing that the knowledge of English imparted by his grandmother, who was a teacher of English, would also help him to open the tightly closed door of the NHL. He decided to go to California and return with a Stanley Cup.

This exceptional hockey player and wonderful sportsman has frequently been

asked by reporters if his extraordinary talent would not be put to better use in a more suitable and popular hockey environment than a Californian metropolis, either in a club which was regularly in the playoffs or one that had better chances of winning the prestigious Stanley Cup. He always replies politely that he believed that a team of the future was being assembled in Los Angeles and that they would soon begin to compete for a better ranking in the NHL and for the top prize, the Stanley Cup. This year, his prophecy came true.

The Kings managed to keep a base of faithful and extremely patient fans over the years, despite their numerous poor performances. They had to wait a long time for a sensational story – until Anže Kopitar came to California. Both pundits and fans immediately noticed his magic on the ice, his mature approach, physical power and sense of teamwork. These qualities have been highly appreciated since his arrival, and so, as a young man, he was offered what is for other Slovenian hockey players an unimaginable deal – a 7-year contract for 50 million dollars.

The Kings have thus become champions, and Kopitar is seen by many as the most valuable player in the playoffs and during the season. Last summer, he did not have a single day off. The local people say that he trained a lot, because he was seen at Bled and in the surroundings training to get in shape and regain his strength after a difficult recovery from a broken ankle. Do we ever think about how much work and concentration lie behind his success? He is a true professional and completely dedicated to his work. I believe we should emphasise this more often, especially to young athletes, because we too often see only the end result. Anže Kopitar is a great role model and an inspiration to us all.

We followed this remarkable story as it unfolded every night in Los Angeles and New Jersey with great curiosity and the hope that he would succeed and return as a winner of the Stanley Cup – and he did. Thank you, Kopi.

## LAKE BLEĐ HOSTS TOP JUNIOR ROWERS



**From 9 to 10 June 2012, Bled hosted junior rowers participating in the European Rowing Junior Championship, organised together with the 57th Bled International Regatta. Last year's excellent organisation of the World Rowing Championship, which left an indelible impression in the world rowing public, placed Bled on the map of the most attractive regatta sites.**

A total of 425 junior rowers, 113 of whom are girls, competed with 129 boats in all Olympic rowing disciplines. Most of the rowers competing in all disciplines are from Italy, the Czech Republic and Belarus. Among the competing teams, Slovenian rowers are also strongly represented with five boats.

At last year's European Championship in Kruswitz, Poland, Jernej Markovec and Jan Kaduč won a golden medal in the double scull. This year, the double skull winners are competing separately; Jernej Markovec will compete in the single skull competition. This young rower, definitely Slovenia's best hope in rowing, achieved some excellent results this year; on the basis of these results, the management of the Slovenian team registered him to take part in the pre-competition selection for the Olympic Games, taking place in Lucerne last month. The seventeen-year old boy could, of course, not win against the much older and more experienced

colleagues, but he competed with them on an equal basis and has gained valuable experience; Markovec can therefore be considered one of the favourites to win the single scull race.

Other Slovenian rowers should also not be underestimated, although the competition is very strong, in particular in the quad skulls; in this discipline, Slovenia has an excellent team, but as many as 17 boats have been registered for the competition, which is far more than anywhere else.

Bled hosted one of the largest mass participation rowing competitions this year, because the International Rowing Regatta takes place in parallel to the Junior Rowing Championship; it is one of the oldest traditional competitions in this part of Europe. This year's registrations reveal that many competitors were impressed by last year's championship, which resulted in a much higher quality of participants this year in comparison to last year.

Bled's location is also very favourable for the regatta, as the town is situated in the centre of a region that has made considerable progress in rowing sports in recent years; in particular, the Croatian and Serbian rowing teams have achieved some extraordinary results recently. Slovenia, however, faced a generation change in this sport, and the young rowers have only just

started to compete; the Bled Championship is therefore one of the main indicators of their future development.

The cup was marked by some windy and rainy weather, which is otherwise rare in Bled. Nevertheless, we Slovenes rejoiced in taking silver in the Single Sculls, which was won by Jernej Markovec. The third place and the bronze medal was taken by young rowers from Maribor in the Quadruple Sculls.

Moreover, the championship means a new and welcome promotion of Bled as a highly attractive competition site, which has been acknowledged by many experienced senior rowers. Not only the natural beauty of this Alpine lake (most of the rowing competitions take place in unattractive artificial courses), but in particular the configuration of the rowing course, which provides almost equal conditions to all six boats competing, is the advantage that has in particular won over rowing experts. New equipment introduced during last year's championship provides conditions for the organisation of competitions at the highest level and for better work of journalists as well as for a good atmosphere among the audience. If we also consider the fact that the small town of Bled truly lives for rowing during the championship, these positive impressions cannot be overlooked.

# EUROPEAN FOOTBALL CHAMPIONSHIP

DUTCH FOOTBALLERS DEFEND EUROPEAN CHAMPIONSHIP TITLE



Slovenia hosted the European Under-17 Football Championship between 4 and 16 May. The final, held at the Stožice Stadium, was attended by 11,674 spectators, the third highest attendance ever for an U17 final. The European Championship was celebrated by the Dutch, who defended their European Under-17 Championship title. Although the football gods did not look down favourably on the Slovenian team, the Slovenian Football Association was very satisfied with the European Championship, since it had mastered what was a major organisational challenge. The next target is the European Under-21 Championship.

The final of the European Under-17 Football Championship, which featured Germany vs. the Netherlands, was attended by the President of the Union of European Football Associations (UEFA), Michel Platini.

After the tournament had ended, both professionals and spectators alike were of the view that the standard of football on display had been good, there was evidence of some modern youth football trends, attendances were high, and a number of re-

lated activities had been carried out. It is also encouraging to note that the tournament garnered extensive media coverage. This was the first European championship for this age category in UEFA's history – 14 out of 15 games were broadcast live and, according to UEFA and its partner Eurosport, the European championship was watched by tens of millions of viewers around the world. The final between Germany and the Netherlands at the Stožice Stadium was attended by over 11,000 spectators. In terms of European Under-17 Championship finals where the host country did not feature, this was the best attended in history.

The Secretary General of the Slovenian Football Association, Aleš Zavrl, noted with satisfaction that all the goals set had been achieved: "We have demonstrated that, given the infrastructure, organisational skills and experience gained, Slovenia is also capable of carrying out this type of event in the future. I believe that, in the coming years, we will have the opportunity to organise competitions for older age categories."

The European Championship matches were hosted by Lendava, Maribor,

Domžale and Ljubljana, and involved eight teams. Slovenia's team, coached by Miloš Kostić, played in Group B against the Netherlands, Poland and Belgium, and dropped out after the group stage games; Group A comprised Germany, France, Georgia and Iceland.

"It feels great to be in Slovenia. You can be proud of your improving infrastructure and your football is constantly evolving – for that I am very grateful. UEFA has excellent relations with Slovenia and the Slovenian Football Association," Michel Platini said while visiting Stožice, before adding: "In the future, the tournament will be played by 16 countries – and not by just 8 as has been the case so far. This will be beneficial for youth development."

UEFA therefore aims to increase the influence of football and the visibility of major tournaments. It plans to increase participation from 16 teams, representing old continent countries, to 24 – not only through the organisation of championships for younger teams and the UEFA 2012 European Championship, which will run from 8 June to 1 July in Poland and Ukraine, but also at the next championships hosted by France in 2016.

## Social entrepreneurship – part of the economic development model

The market and liberalism alone cannot provide a sufficient number of competitive jobs and even the most successful countries swear by the triangle of cooperation between social partners. The current situation offers Slovenia a good opportunity to create a healthy business environment, which will, on the one hand, ensure normal and competitive economic development – in cooperation with potential foreign investors – and, on the other, remove any anomalies brought about by market conditions and liberalism.



In this context, social entrepreneurship is a very interesting category. Social entrepreneurship has not yet been properly recognised in Slovenia and its development should therefore be promoted as part of the economic development model, through which our country would establish competitive economic and stable social conditions and provide for the success of economic entities. In the current economic crisis, social entrepreneurship has an even more important role to play. It represents a tool to combat high unemployment. In Slovenia, there are several areas that could pose a challenge for social entrepreneurship. Among them are food self-sufficiency, forestry resources and the protection of natural resources. These areas provide opportunities for new jobs. The Ministry of Labour, Family and Social Affairs estimates that the training programmes – which were subject to the tender that closed on 3 April 2012 – could integrate between 100 and 150 people, giving jobs to approximately 50. The projects will last from 24 to 36 months and EUR 4.5 million will be made available for their implementation. The ministry will co-finance individual projects totalling EUR 300,000. The applicants must be legal persons, for example an association or institute, defined in its founding act as a non-profit organisation which uses its profits for the performance of its basic activities or invests its profits in the development of its activities.

Within the projects based on the tender launched in 2009, 102 people were trained and 30 found a job. However, fewer funds were available at that time in comparison to this year.

**PUBLIC FORUM ON SOCIAL ENTREPRENEURSHIP: SLOVENIA LAGGING BEHIND**

At the public forum entitled “How to develop an effective strategy and introduce supporting measures for the development of social entrepreneurship in Slovenia,” which took place on 17 April 2012, the President of the Republic of Slovenia, Danilo Türk, emphasised that much work still has to be done to develop social entrepreneurship. “Every one of us is responsible for developing strategy. Those who will be employed in these enterprises must be ambitious. A profit-oriented economy may help in the development of social entrepreneurship. It is, however, of utmost importance that successful companies also get involved as partners, because they will understand social entrepreneurship as their development vision, and that mentors should also be sought among successful retired managers and professors. In the

development of social entrepreneurship, the state will also need to assume several tasks; for example, fiscal policy needs to be regulated so as to encourage the start-up of social enterprises, an approach to education in the field of social management is required, etc. Special attention needs to be devoted to public works; moreover, the support of mayors and municipal councillors will also be important in order to help people understand the needs in their environment. The strategy should also integrate some European banks, which have useful experience with social enterprises, and new social investors need to be found who will provide start-up capital and venture capital funds.”

The Secretary-General of the Slovenian Social Entrepreneurship Forum, Tadej Slapnik, highlighted that Slovenia is lagging behind the European Union in terms of social entrepreneurship. According to Mr

Slapnik, only 1% of all employees in Slovenia are employed with social enterprises, while social enterprises employ 10% of all employees in the European Union. He recalled that Slovenia is celebrating the 140th anniversary of cooperatives this year. With regard to the fact that cooperatives constitute the basis for social entrepreneurship and that the UN has declared 2012 the International Year of Cooperatives, we should take this opportunity to expedite the development of social entrepreneurship, Mr Slapnik emphasised. The President of the Chamber of Commerce and Industry of Slovenia, Samo Hribar Milič, pointed out that the recent development of the global economy has confirmed that the market and liberalism alone cannot provide a sufficient number of competitive jobs, and that even the most successful countries swear by the triangle of cooperation between social partners.



**“GOSTILNA DELA” SOCIAL ENTERPRISE OPENS ITS DOORS IN LJUBLJANA**

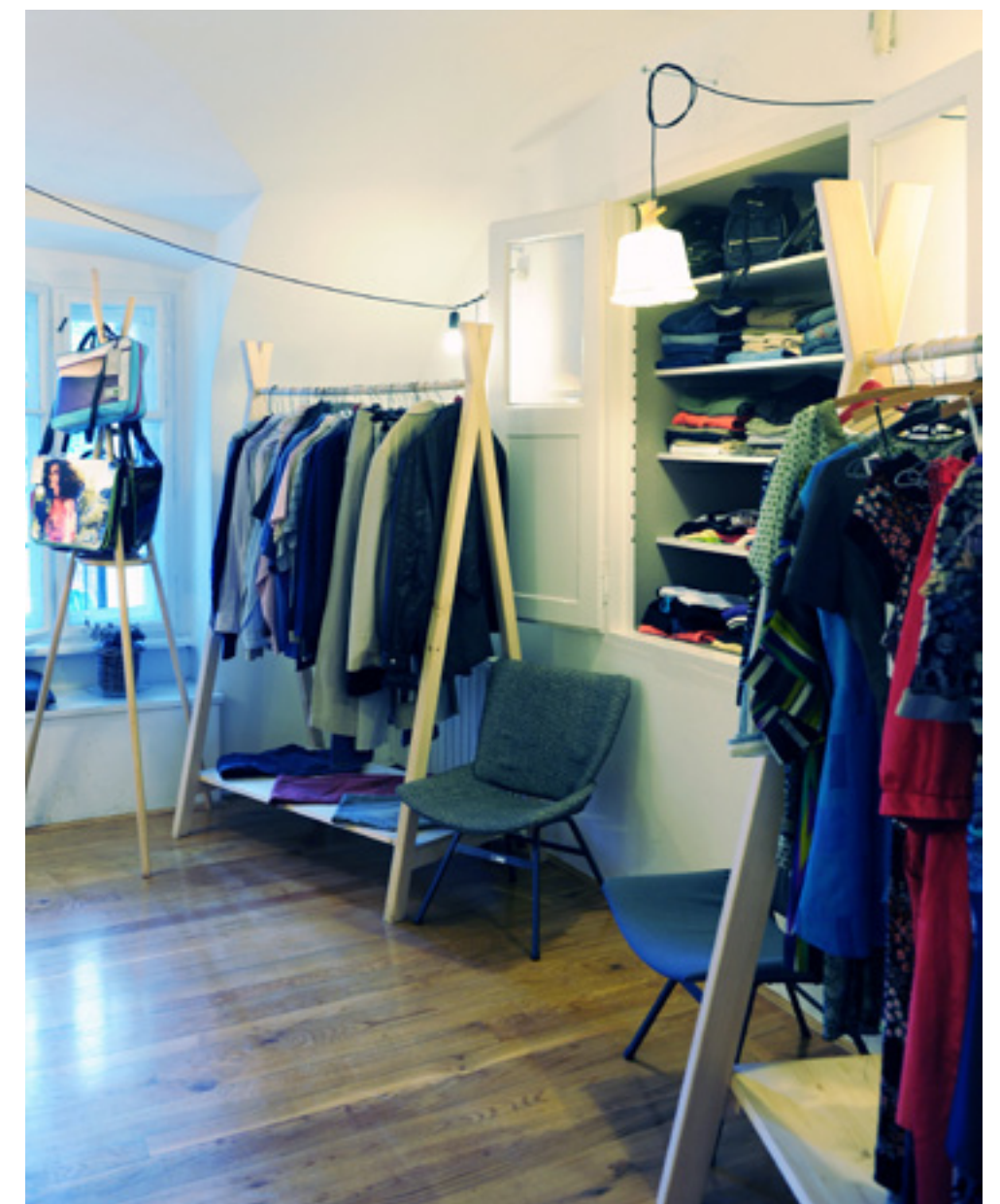
The Gostilna dela enterprise was established under the auspices of the Job Factory – Entering the World of Work project, the purpose of which is to help and train young people threatened by social exclusion. The Gostilna dela restaurant offers its guests meals prepared according to the principles of a healthy diet. The range of food on offer in the restaurant on Poljanska cesta 7 in Ljubljana also includes take-away ready meals and lunch-time food delivered to private homes or offices, as well as catering. The project is focused on the development of a social enterprise in the catering industry and is carried out by the company Centerkontura Ljubljana and its two partners, Vzgojno-izobraževalni zavod Višnja Gora and the Society for Developing Social Programmes and Social Entrepreneurship (the DSP Center Society). The project is intended for young people aged 17 to 25 who belong to vulnerable target groups and are threatened by long-term unemployment and social exclusion. It is carried out within the framework of the public tender launched by the Ministry of Labour, Family and Social Affairs and co-financed by the European Social Fund. Within the Job Factory – Entering the World of Work project, the project partners trained 14 young people who have either left school or have insufficient education to perform a profession and live an independent life.

Vzgojno-izobraževalni zavod Višnja Gora organised a three-month training course for the acquisition of national vocational qualification for the professions of assistant cook and assistant waiter. Among the young persons included in the training programme, five were selected and got a job within the project, while Centerkontura helps the other nine in searching for jobs with other employers.

**“OBLAČILNICA DELA” ALSO OPENS ITS DOORS**

The DSP Center Society opened a new store with second-hand and redesigned clothes on Poljanska 11 in Ljubljana and employed two young first-time job seekers. This clothing store strives to provide high levels of customer service and excellent employee relations. It offers new creations, various redesigned discarded clothes and other second-hand items.

Oblačilnica dela was created within the scope of the Job Factory – Textile project, a social enterprise project with textile business for collecting, processing, transforming and selling used textiles. It is partly financed by the European Social Fund.



The project aims to raise public awareness about the importance of separating textile waste, establishing an effective system of collecting second-hand clothes and de-

veloping employment opportunities and green jobs for two vulnerable target groups – first-time job seekers and unemployed women aged 50 and over.



Polona Prešeren, photo: Mi2FoTkAvA and Fina Vina

# Wine – orange is the new colour

They are not new, but they are interesting. In fact they are becoming trendier every day. Slowly but surely, orange wines have become recognisable and exciting to a wide circle of wine-lovers. If we used to talk about white, red and rosé wines, we can now add orange wines to the list.



Even though they may seem unusual at first glance, the concept is really simple – orange wines are white wines produced using the method usually employed for red wines. Thus, owing to the winemaking technique, the wine acquires its characteristic orange colour, and an increasing number of wine connoisseurs are talking about orange wines. The orange colour of the wine greatly depends on the grapevine variety and origin, says Primož Vilfan from Fina Vina, a company distributing orange wines. “Much depends on the maceration and conditions – that is, the temperature and whether the maceration is open or closed,” Mr Vilfan points out. While we sit at the table, each holding a glass of wine, he explains that it is Pinot gris. I find it all very interesting, as its colour bears no resemblance to that of the Pinot gris I know. Its taste and smell are also very different. I soon find out that the wine gets this colour after about one week of maceration, a process which is not very common for this variety.

The name “orange wine” was coined in the Anglo Saxon countries. These wines are still striving to establish a foothold in the wine world, and have also not yet been fully accepted in Slovenia. However, here too, things are changing. Slovenia and Slovenian wine-lovers are getting to know these special wines. They are not filtered, so they may be more or less opaque. However, as an increasing number of restaurants offer orange wines on their wine lists, these wines are becoming more known. And, of course, owing to the unbending will and effort of the winemakers who have decided to make such wines.





#### SIMBIOSA COOPERATIVE

Four Slovenian winemakers who make natural orange wines, one of whom hails from the Italian side of the border, have come together to form an association named Simbiosia. They have set high criteria for themselves in complying with certified organic agriculture, which is their main activity. Čotar from Gorjansko in the Karst, Aleks Klinec from Medana in Goriška Brda, Franco Terpin from Števerjan on the Italian side of Brda (Collio), and Valter Mlečnik from Volčja Draga in the Vipava Valley.

As the main activity of all four members is organic agriculture, which prohibits the use of any artificial fertilisers, synthetic agents or genetically modified organisms, their principal commitment is to make wine exclusively from the grapes they themselves produce, with manual harvesting obligatory and the burdening of the vine kept to a minimum. Alcoholic fermentation may only be carried out with native yeast, no less than 24-hour maceration is obligatory for white and red varieties, no oenological agents are allowed – except small quantities of sulphur – and the wine must mature for at least a year and a half before bottling.

Winemakers have little control over the smell and taste of such wines. These are most affected by the typical conditions of the place, i.e. the micro-location. They reflect the soil and conditions of the site where the grapevine is located.

#### A WINE WITH SOUL

Orange wines are considered natural wines, although this term is a bit ambiguous. We talk about organic wines, natural wines, integrated production ... but people are often confused and do not know what exactly that means. Work performed in the vineyard and the cellar must comply with strict standards. "If they want to produce a natural wine, winemakers must truly believe in it and not just follow some wine industry trend or fashion," says Primož Vilfan. He adds that natural wine production is very risky for winemakers, as much depends on natural circumstances. The use of sulphur and other additives is either prohibited or restricted to a minimum. Because the wines are not filtered, they maintain their authenticity and essence. Therefore, these wines maintain their soul, adds Mr Vilfan. All the wine-making processes run naturally.

Orange wines acquire their characteristic colour during the maceration process, the duration of which varies depending on the winemaker. As a rule, it is performed without additives, and the grapes are macerated together with the skin and seed. These wines are ideal for aging and improve in taste over time. They are at their best after seven or eight years, and last at least twice as long.

They also might have higher alcohol content. Their taste is atypical. As they are opaque, they do not receive the best ratings. But they are natural, which counts for more and more these days. To winemakers who produce such wines, their own stamp, the vineyard stamp, the soil, and their authorship are far more important than a label that rates the wine as superior. Without doubt these are wines with character, or wines that strongly reflect the character of their maker. They are not wines that would impress us on the first taste and smell. It takes time to discover all the potentials of these wines. They impress us with their uniqueness – they have impressed me, at least. If you are a wine-lover, summon some courage and try something orange.

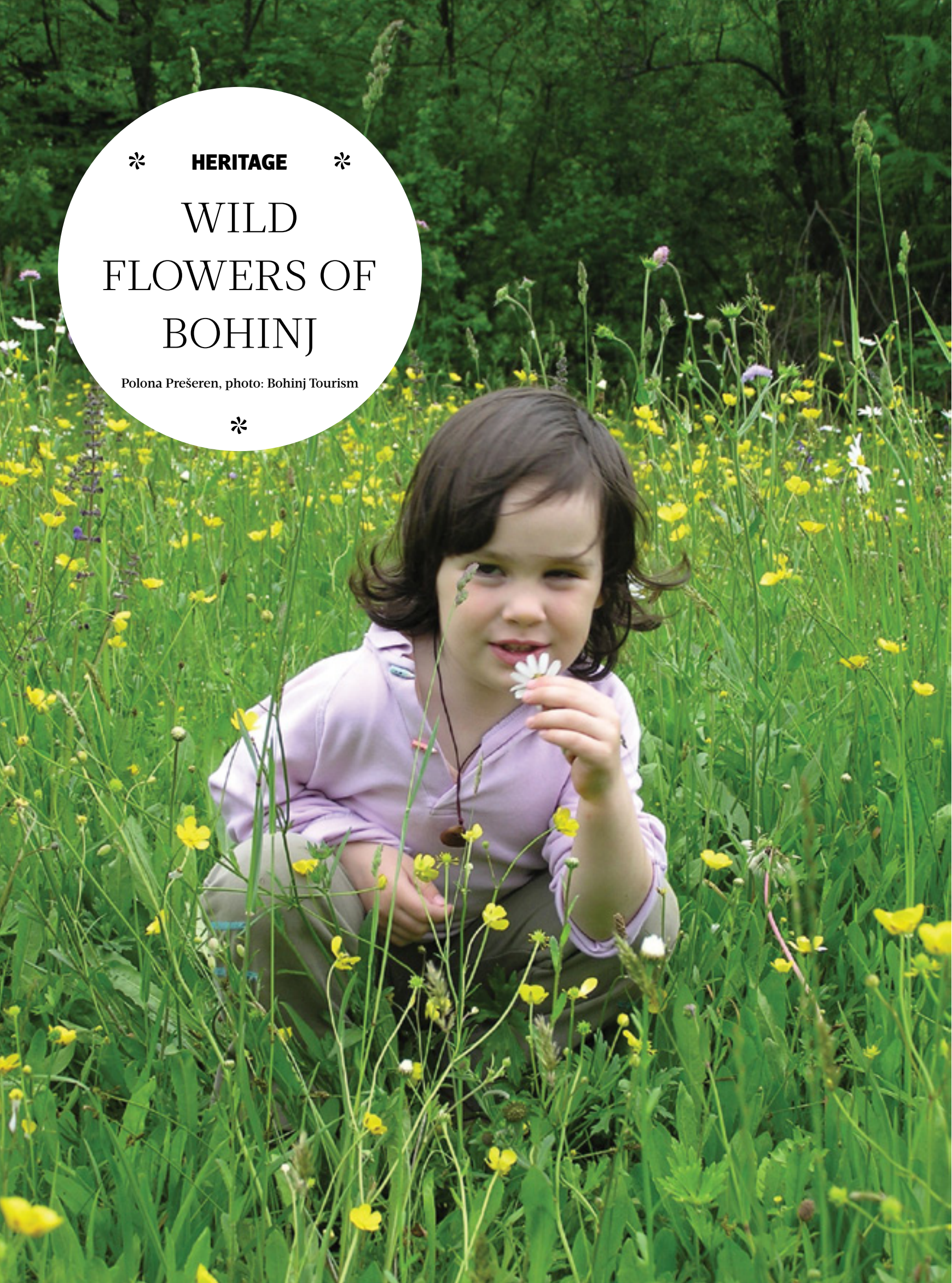




✿ **HERITAGE** ✿

# WILD FLOWERS OF BOHINJ

Polona Prešeren, photo: Bohinj Tourism



The mountains are stunning in June, covered with the delicate blossoms of wild flowers, some of which grow only in the Slovenian Alps. The natural beauty of the mountains rising above Bohinj remains intact; flowers bloom, and for some of them, these mountains are their only home. This is also the place where the flowers have their own festival – the inhabitants of Bohinj have organised the International Wild Flower Festival, as a form of a ‘slow tourism’.

Botanical experts have been always interested in exploring the floral richness of Bohinj and its surroundings. From early spring to autumn, these mountains are a genuine botanical garden. Crocuses are the first to bloom, followed by other flowers heralding the arrival of spring. Next the meadows and grasslands in the valleys bloom and then the botanical treasures on higher slopes take their turn.

The inhabitants of Bohinj are convinced that not many regions in the Alps can boast more diverse flora. This is due to the vicinity of the Mediterranean Sea, supporting thermophilic vegetation on the southern slopes of the lower Bohinj Mountains and Pršivec, a viewpoint summit just above Lake Bohinj. Above Lake Bohinj, there is a relatively small area of various altitudinal belts extending to the highest peaks far above the forest line.

### THE BLOOMING LANDSCAPE OF BOHINJ

The vast majority of meadows in the Julian Alps are human made. Without the diligent work of the local people, the meadows would be overgrown by forest, which would turn into mountain pines and rocks higher in the mountains. The present landscape has been taking shape for many centuries, even over a thousand years, since people first settled in these mountains and valleys. The local people in this area were also occupied with cattle farming and the breeding of ovine and caprine cattle. To feed their animals during the winter, natural resources had to be used with respect and consideration. In order to prepare enough hay for the winter, in the summer months the cows were driven to pasture, first in transitional pastures and then in high mountain ones. Due to a wet climate, elaborate constructions had to be built – hayracks or ‘stogas’ for drying the hay. The most beautiful specimens are still on display in the villages of Bohinj, especially at Studor. All this has formed a precious cultural landscape, of which the local people of Bohinj are justly proud.



The richness of flora also invites numerous insects, mainly butterflies and bees. With its botanical riches, Bohinj and its surroundings areas are wonderful places for watching butterflies flying from blossom to blossom. It is not surprising that apiculture has a long tradition here. As elsewhere in Slovenia, the beekeepers from Bohinj take good care of the Carniolan bee that, owing to a richness of the colourful wild flowers, produces very tasty and high-quality honey. Locals are able to skilfully turn this honey into tasty and aromatic drinks and treats for which these places are well known.

### THE FLOWERS AND THEIR FESTIVAL

The more we learn about the world of wild flowers, the closer the friendship we have with a blooming flower. ‘Flowers are associated with a lot of knowledge, stories, and ancient wisdom; they accompany us from our birth to our death, inspire our creativity and make our life more beautiful,’ the people in Bohinj say. And too often, we overlook that and do not pay enough attention to such natural riches. This floral richness needs our

*‘I have almost entirely conquered the mountain of Triglav and its surroundings more than once and I cannot imagine that I have come across to only a third of its rare plants. My work did not allow me to spend here more than just a short time. Oh, how many times I wanted to live my life here as a shepherd, to be able to explore this landscape full of beautiful flowers! How many rare flowers, which I would be unable to see otherwise, could I find there! The mighty mountain range has a number of different climates; therefore, many various plants grow there! The part that faces the sea is constantly covered with the sun’s rays. The northern side does not see the sun at all.’*

**Balthasar Hacquet** (1739 or 1740–1815), renowned Breton natural scientist, traveler and explorer, wrote passionately on the botanical riches of the Bohinj mountains in his *Oryctographia Carniolica* which was issued in three parts in Leipzig during 1778 and 1789. He climbed to the top of Triglav, the highest mountain in the Julian Alps, from Bohinj. He thoroughly explored the Bohinj Mountains and was charmed and impressed by the rich and versatile flora that he discovered during his trips around the Bohinj surroundings.



care and protection if it is to be preserved in the future. Numerous species of plants are endangered and some of them are even threatened with extinction.

The people in Bohinj developed the International Wild Flower Festival with a view to raising awareness about the importance of caring for botanical diversity in nature and about the concern for flowers. The festival aims to reveal the floral richness in Bohinj, Triglav National Park and Slovenia in its true value. By teaching the visitors and local people about wild flowers, spreading the scientific knowledge and creativity associated with the flowers, the festival offers the rich experience of Bohinj's nature and its cultural heritage in spring, when the most of the area's botanical treasure come into bloom.

'We endeavour to show to visitors many aspects of botanical knowledge, folk heritage, artistic creation as well as the wisdom of not only what is beautiful but also of that which may be prepared as a dish or put on the table,' Klemen Lan-



gus, Director of Tourism Bohinj says, adding that by visiting the Festival 'you can experience Bohinj in a different way and learn many interesting facts about its past, the harmony between a man and nature and about the beauties that are sometimes hidden in imperceptible forms.'

The Festival provides a range of cultural events associated with floral themes – from excursions to various workshops, art exhibitions and musical evenings. After all, natural beauty has always been an inspiration to artists. The festival also affords the opportunity to discuss wild



flowers, their preservation and significance. Various workshops and presentations are held: from photography classes to culinary workshops, from learning about beekeeping to art classes. Botanical excursions guided by local and botanical experts are organised, enabling the visitors to explore the floral richness of Bohinj and its surroundings, as well as some oth-

er interesting botanical areas in Slovenia.

In five years, the festival, which is primarily based on respecting nature, has achieved much more than merely increasing knowledge about wild flowers, guiding botanical excursions and revealing the secret habitats of rare wild flowers. With the co-organisation of Triglav National Park and the important coopera-

tion of numerous local associations and organisations, the festival has become interesting for a wide group of guests, who are interested in flowers but even more in active and adventurous vacation and relaxation in nature.

**The Julian Alps and the International Wildflower Festival recognised in the book 'Wildflower Wonders: The 50 Best Wildflower Sites in the World' written by Bob Gibbons.**

This book was recently published in the United Kingdom; one chapter is dedicated to the Julian Alps. According to the author, this beautiful area is an interesting mixture of western, eastern and Mediterranean culture with a rich history and heritage. He describes the botanical riches of the Julian Alps, which are a result of the protected status of the area (Triglav National Park) and traditional agriculture. At the end of the chapter, the author mentions that these riches were the reason the International Wild Flower Festival in Bohinj was established, and that every year the festival offers a range of guided botanical excursions, workshops, seminars, concerts and other events associated with wild flowers.

I FEEL  
SLOVENIA



Photo: Dušan Arzenšek