ACTIVITIES AND PRACTICES
OF SLOVENIAN ECONOMIC DIPLOMACY

A Review

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FOREWORD BY THE MINISTER OF FOREIGN AFFAIRS OF THE REPUBLIC OF SLOVENIA

Photo: the Ministry’s archives

Dear Reader,

economic diplomacy is a major instrument of the Slovenian Foreign Ministry and its diplomatic network. Due to their knowledge, innovation and competitiveness, many Slovenian companies have established themselves internationally. Some have enjoyed a presence in foreign markets for decades, while some have entered the international market only recently or are pursuing this objective. In recent years, their endeavours have also had the support of economic diplomacy. It is a core task of every Slovenian diplomat to help Slovenian companies enter foreign markets. Despite limited funding, economic diplomacy seeks to be as effective as possible in providing assistance and support to Slovenian companies that have the capacities to, or wish to, do business globally, notably through a network of economic advisers and ambassadors, who are the driving force of economic diplomacy.

This review of the activities and practices of Slovenian economic diplomacy includes some examples of the model concrete activities of Slovenian economic diplomacy, demonstrating that the approaches and activities of economic diplomacy differ according to the geographical location and characteristics of the regions and countries where they are pursued. In some locations, visits by business delegations have proven effective, while in others, workshops or support from mixed economic commissions give good results. In any event, all providers of economic diplomacy services take the approach of agreeing on the means and methods with the company seeking assistance. In some markets, the goal is to find investment opportunities, and in some locations, to inform potential investors of what Slovenia has to offer; however, the aim is always to promote trade between the two countries. Economic diplomacy, with other actors, promotes Slovenia as an attractive tourist destination, as well as a country seeking to become exemplary in pursuing joint projects in culture, science and technology. We hope that this review will be read by many people, primarily businesspeople, as well as all of you who might need and seek assistance from Slovenian economic diplomacy in the future. Also, I hope that new ideas, proposals and approaches will emerge to ensure that companies are offered the services that they need most. Economic diplomacy has the task of helping the business sector to open doors, to make contacts and establish connections. Nevertheless, it remains the task of the business sector to manage its actual business operations.

Karl Erjavec, Minister of Foreign Affairs of the Republic of Slovenia
INTRODUCTION
INTRODUCTION

“It is a mistake to believe that we need economic attachés who are able to sell anything, from a needle or a muffler to a plane or a state-owned enterprise. The era of generalists is over. Today, we need advisers who know how to do networking and have compiled extensive smartphone address books, primarily containing contacts useful to the business sector to introduce products and to do business more smoothly. Because there is no one more skilled at selling than us; however, we do need help with opening doors.”

Dušan Olaj, DUOL, for the financial newspaper Finance, February 2015

The Slovenian Foreign Ministry protects, pursues and promotes the interests of the Slovenian economy abroad through its network of diplomatic missions and consular posts. Economic diplomacy services include all the relevant activities of the Foreign Ministry and Slovenia’s 52 diplomatic missions and consular posts with their 22 economic advisers. The economic diplomacy network also includes approximately 110 honorary consuls, a number which is constantly rising, which is one of the Foreign Ministry’s top priorities.

The purpose of economic diplomacy is to promote Slovenia as a country attractive for economic cooperation, investment and tourism. It is created and realised in cooperation with businesses and business associations. Tangible results can only be achieved through a coordinated approach, and only regular and direct contacts with businesspeople and business associations enable the Foreign Ministry and its diplomatic network abroad, as economic diplomacy service providers, to bring together all initiatives, wishes and proposals aimed at promoting business internationalisation and investment activities, and to help companies overcome obstacles to their business abroad.

Economic diplomacy is fully dedicated to addressing the needs of the Slovenian business sector, provides support to Slovenian companies going international and engages in activities to attract foreign investment. It works in accordance with diplomatic practice, Slovenian legislation and that of the receiving state. In providing support to companies and tackling their business challenges, it adopts an unselective, all-inclusive approach.

Economic diplomacy is not an aim per se, but forms part of the full range of diplomatic activities at all levels. It is integrated into the everyday work of ambassadors, consuls and other diplomats.

This review includes examples of Slovenia’s economic diplomacy practice, presented according to economic diplomacy activities and the ways that Slovenian economic advisers provide support around the globe.
SLOVENIA’S ECONOMIC DIPLOMACY ACTIVITIES IN PRACTICE
The priority activities of the Directorate for Economic Diplomacy of the Slovenian Foreign Ministry and the network of diplomatic missions and consular posts include:

I ORGANISING SESSIONS OF INTERGOVERNMENTAL COMMISSIONS ON ECONOMIC COOPERATION

INTERGOVERNMENTAL COMMISSION ON ECONOMIC COOPERATION WITH TURKMENISTAN

Photo: the Ministry’s archives

Intergovernmental commissions on economic cooperation are a vital means of furthering economic relations. They discuss and make concrete recommendations for the advancement of government-level economic cooperation, and help companies identify business opportunities and establish direct contact with government institutions and state bodies in third countries.

The signing of an agreement on economic cooperation with Turkmenistan in July 2014 led to the establishment of the Intergovernmental Commission on Economic Cooperation with Turkmenistan, first convened in Ljubljana in January 2015. The Commission played a leading role in helping Slovenian companies establish direct contact with representatives of Turkmen government institutions, acquiring information on state plans for public procurement, and inquiring about the conditions for foreign companies to bid for government tenders. Additional activities followed, culminating in the initialling and signing of two contracts (totalling approx. EUR 25 million) during the visit by the President of Turkmenistan to Slovenia in May 2015.
Wishing to boost bilateral investment between Slovenia and Turkey, the Slovenian side took the opportunity of the 6th session of the Slovenian-Turkish Joint Economic Commission to submit to the Turkish side a draft memorandum of understanding between the Slovenian Public Agency for the Promotion of Entrepreneurship, Innovation, Development, Investment and Tourism (SPIRIT Slovenia) and the Turkish Investment Support and Promotion Agency (ISPAT). Furthermore, the Joint Economic Commission expressed interest in intensifying cooperation on energy and reached an agreement on signing a letter of intent. As a result, the two documents were signed during the visit by Turkish President Erdogan to Slovenia.

The two sides also emphasised their shared interest in signing as soon as possible the agreed trilateral memorandum of understanding on cooperation on hydropower development in Montenegro, which marks a new way of cooperating between Slovenian and Turkish businesses in third markets. Also at this session, with a view to enhancing cooperation on maritime transport, Slovenia submitted a draft memorandum of understanding on cooperation between the Port of Koper and the Port of Gemlik.

Considerable progress was also made at the 6th session of the Joint Economic Commission on expanding the legal basis for various fields, which is also the basis for strengthening economic cooperation.
The first state visit by the Slovenian Prime Minister to India in June 2011, accompanied by a business delegation, was a milestone in Slovenia’s interstate relations and an excellent opportunity to raise Slovenia’s visibility. The Slovenian Embassy in New Delhi organised business conferences in Mumbai, New Delhi and Bangaluru with India’s business associations, i.e. the Associated Chambers of Commerce and Industry of India (ASSOCHAM), the Confederation of Indian Industry (CII), and the Federation of Indian Chambers of Commerce and Industry (FICCI).

Slovenian Foreign Minister Erjavec and Chief Minister of Haryana Hooda opened the manufacturing facilities of a Slovenian-Indian joint venture in the fields of solar energy and automation. Furthermore, accompanied by the Slovenian Foreign Minister and the Indian Minister of Civil Aviation, the presidents of Slovenia’s and India’s national airlines signed a code sharing agreement. The Slovenian Foreign Minister also addressed participants at the Slovenian presentation of the Global Innovation and Technology Alliance Platform (GITA). In addition, the Slovenian Embassy in New Delhi organised an event on its premises for the Slovenian Foreign Minister and the accompanying business delegation, consisting of a reception and press conference, as well as talks between the Foreign Minister, Slovenia’s honorary consuls in India and a few invited businesspeople.

During the participation of the Slovenian Minister of Economic Development and Technology, Radovan Žerjav, and the accompanying business delegation in the CII Partnership Summit, a letter of intent was signed on forming a joint venture between a global Slovenian technological company and an Indian partner, and a letter of intent on establishing a joint venture between another Slovenian technological company and an Indian partner. Among the participants at the CII Partnership Summit, the Slovenian business delegation was the only one received by the Chief Minister of Uttar Pradesh, the Indian state that hosted the event.
The Slovenian Embassy in New Delhi, FICCI and CII also organised a business conference and accompanying events in New Delhi and Kolkata. The Embassy managed the programme of the visit by the Slovenian Minister and the accompanying business delegation to Kolkata in cooperation with Slovenia’s honorary consul in Kolkata. At a business conference organised by the MCC Chamber of Commerce and Industry of Kolkata, two memoranda of understanding were signed between two Slovenian companies and their Indian partners.
Slovenian companies that want to establish themselves or that are already operating in challenging markets need different approaches and support, especially in countries where it is important both to establish direct contact with individual companies and also to maintain close relations with state and research institutions that have a decisive impact on the business environment.

The Economic Department of the Slovenian Embassy in Brazil is located in São Paulo, and in March 2015, it organised a visit by a delegation consisting of nine representatives of members of the Slovenian Information and Communications Technology Association ZITex to São Paulo, where the delegation was joined by Slovenian Foreign Minister Erjavec, at that time on an official visit to Brazil.

The Embassy in Brazil devised the programme of the visit for one specific sector, and established contact with the leadership of Brazil’s leading ICT associations (BRASSCOM, ABES, ABRAT and ASSESPRO). At plenary sessions, it presented Slovenia’s and Brazil’s ICT environments, and also organised targeted business meetings between members of the Brazilian associations and the members of the Slovenian delegation. During the visit by Foreign Minister Erjavec, an ICT forum was organised at the Federation of Industries of the State of São Paulo (FIESP) which was aimed at presenting ZITex and individual Slovenian companies, as well as Brazil’s wider business environment and the possibilities for cooperation between the Brazilian side, represented by FIESP, the Investment Promotion Agency Investe São Paulo, and São Paulo Negócios, and the Slovenian side, represented by SPIRIT Slovenia. After the forum, B2B meetings were held between Slovenian and Brazilian companies. On the occasion of the visit by the ZITex delegation and Foreign Minister Erjavec, the founding members of the
Slovenian-Brazilian Chamber of Commerce convened on the premises of the Embassy and signed the Statute of the Chamber.

As assessed both by Slovenian and Brazilian companies and associations, the visit was a success, and the Economic Department of the Slovenian Embassy in Brazil will continue to use its format in the future, which focuses presentations and the organisation of visits on one specific sector at a time.

VISIT BY PRIME MINISTER AND FINANCE MINISTER TO LONDON

Photo: the Embassy’s archives

The visit to the United Kingdom in April 2013 was an important contribution to the recognisability of the Slovenian business environment and an occasion for meeting with potential investors and, especially, representatives of various financial institutions to acquaint them with Slovenia's reforms and privatisation process. Several institutions expressed their interest in participating in the Slovenian privatisation process and in doing business in Slovenia in general.
On 11 November 2014, the Slovak city of Žilina hosted Slovenian suppliers’ day at Kia Motors Slovakia, which was aimed at promoting cooperation between Slovenian companies and this South Korean automotive company.

On this occasion, the company’s management and engineers met with representatives of 12 companies from the Slovenian automotive industry. The Slovenian side had a unique opportunity to present its main products to the company’s management, and to establish contact with, and talk to, the company’s procurement division and engineers.

Slovenian suppliers’ day at Kia Motors Slovakia was a major opportunity for the Slovenian automotive industry to connect with Korean manufacturers, who are normally difficult to meet, which is evident from the fact that this was the first presentation by a national automotive industry in the decade of operations of Kia Motors Slovakia.
On his visit to the Czech Republic, Slovenian Foreign Minister Erjavec was accompanied by a business delegation from the transport and logistics sector with a view to promoting cooperation between Slovenian and Czech institutions and companies from this sector. The visit was also an opportunity for Slovenia to remind the Czech side of the importance of the Port of Koper to Central Europe and to invite Czech companies to exploit more fully the potential of the Port and the associated logistics companies. The core of the programme of the business delegation was a transport and logistics workshop for the two sides, organised in cooperation with the Czech Ministry of Transport and opened by the Czech Transport Minister and Slovenian Foreign Minister Erjavec. The event continued with G2G and B2B discussions, the former focusing on the tolling system, the Prague–Ljubljana rail connection, the construction and exploitation of the Baltic–Adriatic corridor, and environmental impact assessment, while the latter brought together representatives of companies and associations in the sector to identify ways of multiplying cooperation opportunities.

The visit was also an opportunity to draw attention to the importance of logistics to Slovenia, and the companies called on each other to plan and implement investment in infrastructure in order to ensure the sector’s competitiveness. In summary, the delegation achieved its main goals. It was mentioned several times that the Port of Koper could offer Czech enterprises a solution for reducing their transport costs. Furthermore, the participating Slovenian and Czech companies agreed that the Port has the potential to act as an alternative to North Sea ports for Czech companies.
On 12 and 13 March 2015, Foreign Minister Erjavec and an accompanying business delegation of Slovenian automotive suppliers paid an official visit to South Korea. It was the fact that Minister Erjavec was heading a business delegation that made possible an exclusive visit by a Slovenian business delegation to Hyundai Motor Group Headquarters and R&D Centre.

The visit was considered a success (the Slovenian business delegation and the Minister also visited the manufacturing facilities of Kolektor Sinyung in Gumi); therefore, counting on the success of Slovenian suppliers’ day at Kia Motors Slovakia (November 2014) and of the visit by Minister Erjavec to Hyundai Motor Group Headquarters, it can be expected that positive concrete developments will follow to the benefit of Slovenian automotive suppliers.
The 2014 Bled Strategic Forum (BSF) saw the participation of General Vijay Kumar Singh, India’s Minister of State for the Development of the North Eastern Region and Minister of State for External Affairs. Also, a special panel on India and South East Europe was organised as part of the Business BSF. On the initiative of the Slovenian Embassy in New Delhi, Slovenia was visited by members of the Indian-Slovenian Business Forum, established in August 2014 under the aegis of the Embassy in New Delhi. In addition, for Indian businesspeople, including two representatives of India’s leading business associations, CII and FICCI, a special programme of visits was arranged as part of the Bled Strategic Forum, an interactive meeting with Slovenian businesspeople at the Chamber of Commerce and Industry of Slovenia, and visits to individual Slovenian companies. The Slovenian Embassy in New Delhi, in cooperation with the Government Communication Office of the Republic of Slovenia and SPIRIT Slovenia, undertook the initiative to invite Indian journalists to the 2014 Bled Strategic Forum; they were taken on a special tour of Slovenia, with a view to promoting Slovenia, its spa tourism, cuisine, infrastructure, and business environment.

III/promoting slovenia as an FDI DESTINATION, AND COOPERATING IN THE SEARCH FOR POTENTIAL FOREIGN INVESTORS FOR CONCRETE INVESTMENT PROJECTS

FDI PROMOTION

In October 2013, the Slovenian Embassy in Paris and SPIRIT Slovenia organised a successful investment seminar in Paris, at which a presentation of the Slovenian investment environment was prepared for potential French investors. The seminar was attended by 15 French companies operating in the fields of information technology, transport technologies, business services, energy, engineering, biotechnology and life sciences, telecommunications, chemical industry, and the production of plastic and plastic materials. Also, representatives of French companies operating in Slovenia gave a presentation of best practises.

In November 2013, the Slovenian Embassy in Berlin and SPIRIT Slovenia organised an investment conference in Düsseldorf on the privatisation process in Slovenia. The conference presented the list of companies planned for sale by the Slovenian Government. Potential investors were invited to attend, selected with the assistance of the competent German governmental and non-governmental institutions. The outcome of the event was the acquisition of two companies by a German investor attending the conference.
INVESTMENT CONFERENCE

The conference on the privatisation of 15 Slovenian companies was also attended by two German companies, which then acquired Slovenian companies. With the help from the Slovenian Embassy in Berlin, the two companies obtained the required information on time, which also facilitated the final decision on acquisition.

WORKING DINNER WITH AUSTRIAN INVESTORS

The Slovenian ambassador in Vienna hosted a working dinner which was attended by the chairpersons of the boards of three Austrian companies investing in Slovenia, representatives and directors of some leading Slovenian companies operating in Austria, and a vice president of the Austrian Federal Economic Chamber as guest of honour. On the occasion, the acting director of SPIRIT Slovenia and the head of the relevant sector gave a presentation of Slovenia’s business environment and opportunities for business and investment, while Austrian investors talked about their experience of Slovenia, as well as their expectations and plans in the Slovenian market. Two companies expressed their interest in investing in Slovenia.

IV PROVIDING SUPPORT TO SLOVENIAN COMPANIES WISHING TO ENTER FOREIGN MARKETS OR TO EXPAND THEIR BUSINESS THERE, AND PROVIDING THEM WITH FREE SERVICES TO HELP THEM ADDRESS THEIR BUSINESS CHALLENGES

SUPPORT FOR A SLOVENIAN COMPANY SEEKING TO ENTER THE BULGARIAN MARKET

The Slovenian Embassy in Budapest worked closely with the Bulgarian Chamber of Commerce and Industry and Bulgaria’s regional chambers of commerce and industry in Varna and Burgas to organise for a Slovenian company two business meetings with the senior management of the ports of Varna and Burgas. Given the nature of the local business environment, it was important that the Embassy was the organiser of the meetings between two company representatives and managers of the two ports. The meetings were also attended by the Embassy and representatives of the two regional chambers, which further enhanced the meetings’ importance. The outcomes of the talks: business potentially worth up to EUR 1 million; the Slovenian company gave the two ports a test version of their IT systems and additional technical specifications; the two sides expressed interest in establishing cooperation at the technical and expert levels, and the two ports’ representatives were invited to visit the company’s headquarters.
ORGANISATION OF MEETINGS FOR A REPRESENTATIVE OF A SLOVENIAN IT COMPANY

The Slovenian Embassy in Rome organised a presentation of a Slovenian company’s IT solutions for call location tracking for smartphones. The company developed the software, customising it for individual call centres which deal with emergency calls (e.g. the police – 113, emergency number 112, the fire brigade, etc.). The Embassy established contact with heads of IT departments, and arranged meetings with them. This approach is very effective in Italy; therefore, the Embassy strongly recommends that Slovenian companies use economic diplomacy support to open the doors of IT institutions and companies. Immediate positive responses came from the Italian Carabinieri and Coast Guard, so presentation meetings with them were arranged promptly. With the help of the police attaché at the Embassy, a presentation was also arranged at the Carabinieri headquarters in Rome. First, a successful presentation was held at the Coast Guard headquarters in Rome, where it was agreed to test the software for locating people who send text messages from their smartphone. Later, a presentation of a software package for teleconferencing and remote desktop control was held at the Carabinieri headquarters for the whole of Italy.

INTERVENTION WITH A GERMAN COMPANY FOR THE SUPPLY OF MATERIAL

A Slovenian company was doing business with a German company which changed the delivery date several times for material ordered from them. The material was crucial to the Slovenian company, because without it, it was unable to fulfil its orders. Fortunately, after the intervention of the Slovenian Embassy in Berlin with the director of the German company, the material was finally delivered. Also, after the Embassy’s intervention, the Slovenian company was given a settlement date. With a view to promptly resolving the problem, the Embassy cooperated with the legal representative of the Slovenian company, who also confirmed that the Embassy’s intervention had been effective. In such cases, the language barrier is often the problem. It took a letter from the Embassy and the threat of a lawsuit to make the German company settle its debt with the Slovenian company.

INTERVENTION WITH A GERMAN TAX AUTHORITY, AND HELP FOR A SLOVENIAN COMPANY WITH A COMPLAINT

A Slovenian company’s bank account was frozen because the company had forgotten, or rather had not been aware, that it was required to inform the German authorities that it had completed its business in the country. In many cases, Slovenian economic diplomacy was successful in re-establishing contact and reconnecting the parties, and companies often managed to reach an agreement and solve the problem without legal assistance. However, economic diplomacy has not had much success with certain German enterprises, because they are highly experienced and well informed, and they ignore its appeals. In such cases, Slovenian companies receive no payment, and then ask economic diplomacy service providers why Slovenia has not earmarked funds for such cases and why they cannot help them or provide them with free legal assistance.

ASSISTANCE TO AN AIRLINE COMPANY

A meeting was arranged with the Prime Minister of Kosovo in order to lobby on behalf of an airline company for the opening of the Pristina–Zurich connection. The Prime Minister met the ambassador, the chairperson of the board of the airline company, and the director of the company’s representative office in Kosovo. Our representatives will also lobby Kosovo’s competent minister and influential members of parliament. Slovenian economic diplomacy succeeded in reaching an unwritten agreement with Kosovo’s Ministry of Internal Affairs that
the airline company pays the lowest fine for passengers who flew to Kosovo with the airline, but were then denied entry by Kosovo’s immigration authorities.

TRANSFER OF TECHNOLOGY, SUPPLY OF EQUIPMENT, AND EDUCATION

As a result of cooperation between a Slovenian company and a US corporation, new production facilities for aluminium slugs were ceremonially opened in Puerto Madryn, Argentina. This 3-year Slovenian project involves transferring technology for casting narrow aluminium strips, organising equipment in production facilities, supplying a casting machine and pertaining equipment, and counselling on the purchase of other production equipment.

The project was headed by the US corporation, and engaged more than 100 Slovenian experts in various fields. It was intended to address the needs of a factory in Pilar, Buenos Aires Province, for an intermediate product which the US corporation had to import into Argentina. In recent years, due to trade barriers and import tariffs, importation has become almost impossible, and too costly for Argentina due to its lack of foreign currency. The US corporation opted for a Slovenian company, Europe’s second leading producer of aluminium slugs, as its partner. The project (the transfer of technology, knowledge and equipment) is estimated to be worth approximately EUR 5 million. In 2013, due to the incomplete investment in Puerto Madryn and in order to enable smooth production in Pilar, the Argentinian side bought additional aluminium slugs worth EUR 6 million from the Slovenian company.

The Slovenian company sought help from the Slovenian Embassy in Buenos Aires as early as the first stage of the project, in June 2011. The Embassy followed the project for 3 years, arranged consular matters for Slovenian workers, advised the company about local legislation, and lobbied the Argentine Government for political support for the project. The realisation of the project entailed high risk due to Argentina’s unstable economic situation and arbitrary decision-making by the Argentinian authorities. The project received clear high-level political support, as well as help from the Slovenian Embassy.
The Slovenian Embassy in New Delhi provides its support for the activities of individual Slovenian companies in the Indian market by organising meetings with state representatives and institutions, as well as companies’ joint appearances. SPIRIT Slovenia and the Slovenian Ministry of Education, Science and Sport worked together to enable the Slovenian centres of excellence, the technology park and individual companies to give presentations in the Slovenian pavilion at CII Knowledge Expo 2014 in New Delhi in November 2014, the first cross-disciplinary event bringing together the fields of technology, industrial design, innovation and entrepreneurship, higher education, and intellectual property protection.

Knowledge Expo is a successor to the 1st Global Innovation and Technology Alliance (GITA) Platform, held in November 2013, with Canada, Finland, Israel, Japan, Slovenia, Spain and Sweden participating as partner countries. The GITA 2013 Platform was also addressed by Slovenian Foreign Minister Erjavec. Moreover, in the field of promoting smart technologies for smart cities, Slovenia was a partner country at India m2m2iot Forum, held in February 2015, while individual Slovenian companies participated in India Smart Cities Forum in May 2015 as part of the European Pavilion (European Business and Technology Centre), with one Slovenian company setting up its own pavilion. For the participating Slovenian businesspeople, the
Slovenian Embassy in New Delhi organised separate meetings with Indian businesspeople and senior officials from various ministries, and a networking event at the Ambassador’s residence.

ORGANISATION OF TARGETED NETWORKING FOR A SLOVENIAN COMPANY

A Slovenian company developed an innovative product, so the company and the Slovenian Embassy in London worked together to organise on the Embassy’s premises a targeted networking event for potential buyers, who were carefully selected so as to ensure their direct interest in the product. The event was launched by the Ambassador, who described Slovenia’s business environment and was followed by the company’s excellent presentation. As reported by the company, business contracts were concluded directly after the event.

V SUPPORTING FOREIGN COMPANIES SEEKING CONTACT WITH SLOVENIAN COMPANIES, ESPECIALLY WHEN THE AIM IS TO PROMOTE SLOVENIAN EXPORTS

CONTACT WITH SLOVENIAN COMPANIES

The Slovenian Embassy in Berlin was contacted by a German company looking for a supplier of metal bars. The company’s demand for the product was communicated to Slovenian steel companies, and contact was then established with a Slovenian company which was able to meet the German company’s requirements. In the process, a positive gesture was made by a Slovenian company, itself without the capacities to produce the requested quantity of steel, which recommended a company with such capacities. After the Embassy’s intervention, the German and the Slovenian companies continued their talks to agree a price and shipping method.
A TARGETED BUSINESS CONFERENCE PROPOSED AND ORGANISED BY A SLOVENIAN EMBASSY

Photo: the Embassy’s archives

On 3 December 2014, the Slovenian Embassy in Copenhagen, in cooperation with the Denmark Chamber of Commerce and the Chamber of Commerce and Industry of Slovenia, organised a business conference aimed at increasing Slovenia’s visibility in Denmark and presenting the possibilities of enhancing economic cooperation between Slovenia and Denmark.

This targeted event was attended by a delegation of select Slovenian companies, headed by the Chamber of Commerce and Industry of Slovenia and a representative of the Directorate for Economic and Public Diplomacy of the Slovenian Foreign Ministry. After the conference, the Slovenian companies attended B2B meetings with companies which they and the Embassy had identified as potential business partners and which were successfully encouraged to attend the conference and the B2B meetings. Moreover, the Embassy also took this opportunity to arrange for the Slovenian delegation to meet Danish stakeholders participating in the internationalisation of the Danish economy. The business talks and contacts led the Slovenian and Danish companies to agree on their further activities, which involve concrete business agreements on the export of Slovenian products and services to Denmark.
PROVIDING SUPPORT TO SLOVENIAN COMPANIES IN FOREIGN MARKETS
Economic advisers operating at Slovenian diplomatic missions and consular posts provide support to Slovenian companies striving to do business in foreign markets by:

I PROVIDING GENERAL AND CURRENT INFORMATION ON CONDITIONS FOR DOING BUSINESS AND THE BUSINESS ENVIRONMENT IN A PARTICULAR COUNTRY, AMENDMENTS TO COMMERCIAL LEGISLATION, CONCRETE BUSINESS OPPORTUNITIES, AND PUBLIC CALLS FOR TENDERS

COOPERATION WITH THE SLOVENIAN CHAMBER OF CONSTRUCTION, AND INFORMATION ABOUT AN OPEN TENDER

Two Slovenian companies made bids in an open tender for the construction of a large business complex; the client was grateful for the help in finding bidders. Economic advisers often help small Slovenian construction companies to compile and complete documentation required for carrying out construction work in Germany, and help them with the transfer of their workers. In the process, good cooperation is established with the competent German chamber.

NEGATIVE PRACTICES AND POSSIBILITIES OF IMPROVEMENT

Slovenian enterprises are invited to report back on whether the information about potential business partners was useful and whether any business agreements had been concluded, but most do not give feedback. We are therefore unable to have a good insight into how effective we have been in identifying potential business partners and forwarding their contact information.

An inter-institutional working group of experts from various domains was established by the Government of the Republic of Serbia to prepare an invitation to tender for the renovation of several clinical centres. The individual members of the working group refused to meet with the bidders, as such meetings could be wrongly interpreted. Given that the members were employees of different institutions, working at different addresses, it was impossible for Slovenian enterprises to present their bids to the members collectively. So the Slovenian Embassy in Belgrade invited all the members of the working group to attend presentations on its premises by several Slovenian enterprises of their bids and solutions. The working group was glad to attend the event, because it was held at the Embassy in the presence of all the members, which led to a constructive and open discussion.
On the initiative of the Association of Slovenes in Brazil and the Economic Department of the Slovenian Embassy in São Paulo, the Slovenian-Brazilian Chamber of Commerce was established, operating in São Paulo as a business club.

The goal is to more closely connect Slovenian companies already doing business in Brazil and those that are planning to enter the wider South American market and to seize business opportunities and the experience of businesspeople who live in Brazil and have Slovenian ancestors.

The inaugural session took place on 24 March 2015 at the Economic Department of the Slovenian Embassy in São Paulo. The inaugural ceremony was attended by the Slovenian Foreign Minister, Karl Erjavec, and the Acting Director of SPIRIT Slovenia, Gorazd Mihelič, who were then on a working visit to Brazil, and by Brazilian businesspeople, representatives of Brazilian business associations, and representatives of Slovenian companies forming the Slovenian Information and Communications Technology Association ZITex. The latter were on a working visit to Brazil, which was organised by the Embassy’s Economic Department.

The purpose of the Slovenian-Brazilian Chamber of Commerce is to perform activities to support the internationalisation of Slovenian companies, in particular to give information and advice to Slovenian small and medium-sized enterprises striving to enter the Brazilian market, to promote regular formal and informal contact and the exchange of information between Brazilian companies and institutions and Slovenian companies, to provide Slovenian companies and institutions with information on the changing business environment, and to promote the Slovenian economy and Slovenia’s business climate in Brazil.
HELPING INDIVIDUAL COMPANIES TO FIND SUITABLE BUSINESS PARTNERS (BUYERS, SUPPLIERS OR SUBCONTRACTORS)

EXPANSION IN A FOREIGN MARKET
A Slovenian company has already established a business presence in Serbia (of Serbia’s top 500 companies, 430 companies and 21 banks have been using its IT solutions), and has great potential for expansion there. This, however, requires that a legal basis be provided to ensure a secure and reliable environment for the company to market its IT solutions. To this end, the Slovenian Embassy in Belgrade has made great efforts and organised numerous meetings and co-organised a conference on electronic billing through e-banking channels. The Embassy organised separate meetings with the director general of a Serbian telecommunications company, the director of a public utility company, and the office of the Serbian Commissioner for Information of Public Importance. The Slovenian company provided feedback, revealing that it is holding successful negotiations with Serbia’s largest telecommunications company and with the public utility company, the second leading Serbian company in terms of bills issued. Negotiations with the two Serbian companies are very important, because agreement on business cooperation would also lead to cooperation with the two companies’ business partners.

EVENTS IN THE FRAMEWORK OF HIGH-LEVEL POLITICAL VISITS
Examples of good practice include events organised by the Slovenian Embassy in Berlin within the framework of high-level political visits to Germany. The presence of political representatives attracts the interest of German businesspeople and makes it easier to find a German partner to help organise the event and ensure the participation of potential partners.

CONNECTING SLOVENIAN ENTERPRISES WITH A EUROPEAN INSTITUTION IN THE INDIAN MARKET
The purpose of the European Business and Technology Centre (EBTC) is to encourage cooperation on green technology between the European Union and India. Individual Slovenian enterprises have been successfully cooperating with the EBTC in establishing connections with Indian partners, and in October 2014, the EBTC and its Slovenian partners organised a webinar for the Indian side on Slovenia’s experience with IT solutions for renewables and energy efficiency. A presentation of Slovenian technologies will be held in Bangaluru as part of a project by the European Technology Experience Centre.

ORGANISING AND CO-ORGANISING VISITS BY POTENTIAL FOREIGN BUSINESS PARTNERS
In 2014 and 2015, several high-level meetings took place between Slovenia and Turkmenistan, one of them in April 2015, when the Director General of the Directorate for Economic Diplomacy at the Slovenian Foreign Ministry, Dr Stanislav Raščan, visited Turkmenistan with a business delegation representing 11 Slovenian companies; several constructive high-level talks were held on the occasion.
IV PROVIDING ASSISTANCE AND ADVICE IN ESTABLISHING COMPANIES OR SUBSIDIARIES ABROAD

ADVISING ON OPENING A REPRESENTATIVE OFFICE

A Slovenian company operating in the fields of construction engineering and energy contacted the Slovenian Embassy in Moscow to inquire about opening a representative office in Russia. The Embassy provided the company with key information about the necessary documentation, the competent Russian authorities, procedures, deadlines, etc. They were also encouraged to seek assistance with opening the office from a local legal or counselling company, with a view to facilitating and speeding up the process. The Embassy continued to follow the process, and, when it proved necessary, participated in talks with the Russian authorities. There were no major difficulties in registering the company or acquiring the permits, also thanks to the company’s staff, who spoke Russian and had a good knowledge of the Russian market.

V HELPING SLOVENIAN COMPANIES TO FIND AND HIRE A LOCAL EXPERT OR ADVISER

ENGAGING EVENT MANAGEMENT COMPANIES

A business event organised during the visit by the President of the Chamber of Commerce and Industry of Slovenia to Vitez in Bosnia and Herzegovina would not have been successful if the Slovenian Embassy in Sarajevo had not arranged for the event to be hosted by a specialised company (Economic) which engaged all its business partners. On the occasion of the visit, a similar event was organised in Sarajevo by the Foreign Trade Chamber of Bosnia and Herzegovina, but only a small number of local companies attended, although several weeks in advance the Slovenian side had sent a list of more than 20 Slovenian companies planning to visit Bosnia and Herzegovina.

Countries have different traditions and different historical experience, and some attach particular importance to the role of the state and its institutions, so numerous business delegations have been arranged to accompany Slovenia’s highest political representatives on their official visits. In certain countries, if the highest political representatives of Slovenia are not present, it is very useful to ensure the presence of a diplomat who accompanies businesspeople and organises, as well as attends, meetings. This approach builds trust between the two sides. It has yielded positive results in Western Balkan countries, where the engagement of a diplomat increases trust and encourages open dialogue between representatives of state institutions and Slovenian companies.

The Slovenian Embassy in Belgrade established contact with several companies seeking to present themselves to potential customers. Smaller presentations were held at the Embassy, which was impossible with presentations aimed at a greater number of people. So a presentation of the tourist programme of one Slovenian city was held in Belgrade city centre. The event would not have been so successful without the help of other Slovenian companies operating in Belgrade in the field of event marketing and management. With their experience and help, the event received excellent media coverage and reached precisely the target population for the tourist offer presentation.
VI ENCOURAGING COMPANIES TO PARTICIPATE IN EXISTING BUSINESS CLUBS, AND PROMOTING THE ESTABLISHMENT OF NEW ONES TO HELP SMALL AND MEDIUM-SIZED ENTERPRISES PENETRATE FOREIGN MARKETS

ESTABLISHMENT OF THE SLOVENIAN-AMERICAN BUSINESS CLUB

Photo: the Consulate’s archives
After a Slovenian business delegation visited Dayton, Ohio, in 2012, the idea arose to provide help on the ground through a business association.

In January 2012, the Slovenian-American Business Association (SABA) was established at the Slovenian Consulate General in Cleveland, bringing together 52 members, almost half of which are from the United States. SABA’s work is closely connected with that of the Consulate General: SABA operates in the US market in conjunction with the Consulate General, providing help mostly through its members (Slovenian companies). SABA has established good cooperation with the Slovenian-Canadian Chamber of Commerce and the AmCham in Ljubljana. Also, following Lithuania’s example, it proposed the establishment of a trade office in the United States, which would be financed by EU funds.

SLOVENIAN-CROATIAN BUSINESS CLUB

The Slovenian-Croatian Business Club provides a platform for cooperation between Slovenian and Croatian businesspeople, who realise that the networking of businesspeople in Croatia is still modest. In business, too, it is very important to build mutual trust. The Club’s activities and networking with other similar associations (e.g. IEDC Alumni Club of Croatia) open up numerous opportunities in various fields.
ASSISTING SLOVENIAN COMPANIES WITH JOINT FAIR EXHIBITIONS WHICH ARE FINANCED BY SLOVENIA’S NATIONAL PROGRAMME FOR PROMOTING INTERNATIONALISATION, AND WITH ORGANISING BUSINESS EVENTS ON THE MARGINS OF FAIRS

COOPERATION WITH ITALIAN SALES AGENTS – THE “Forum Agenti” PROJECT (ROME, MILAN, NAPLES)

In Italy, it is standard and unavoidable practice to enter the Italian market through intermediaries. Italy has more than 250,000 registered sales agents, who charge fees for establishing contacts between suppliers and customers. Their compensation is tied to the successful completion of their job. Payment transactions are carried out directly between supplier and customer, and the sales agent is not included. In Italy, sales agents are well organised, forming themselves into numerous associations.

As part of a project financed by the Slovenian Foreign Ministry’s business fund, the Slovenian Embassy in Rome co-financed the participation of 7 Slovenian enterprises in the “Forum Agenti” fair, which brings together sales agents. Also, the Embassy, the Chamber of Commerce and Industry of Slovenia and an Italian chamber of commerce joined forces to organise a business breakfast with the purpose of presenting the “Forum Agenti” project. The event was attended by as many as 100 Slovenian businesses, thus reaffirming their interest in establishing themselves in the Italian market. The Embassy and the Chamber of Commerce and Industry of Slovenia worked together to provide information to Slovenian businesses and invited them to participate. Slovenian companies were informed at the outset that the Embassy would finance their participation in the fair, but only in part, so as to ensure that they have a genuine interest in participating. The fair organiser prepared a special offer for exhibition stands for approximately 10 companies. Before making their registration and paying their exhibition stand costs, the companies were able to complete a web form to submit their company profile to sales agents in Italy, who were then able to establish contact with the Slovenian companies before the fair; the latter thus received information on the Italian side’s interest, and could better plan their business meetings.

Based on talks carried out with the companies at the fair, it was established that the 7 exhibiting companies from Slovenia held 250 business meetings, and they believe that 20 per cent of the meetings will lead to further cooperation. The Italian side was greatly interested in Slovenian food products.

The following “Forum Agenti” fairs took place in Milan (6 Slovenian companies and 6,700 sales agents), Naples (6 Slovenian companies, 180 B2B meetings, 2,000 sales agents), and then again in Milan (15 companies and over 7,500 sales agents). Thanks to the positive feedback from Slovenian companies exhibiting in Rome, these fairs were also very well attended and yielded concrete results.

The project of organising the participation of Slovenian companies in the “Forum Agenti” fairs was a product of excellent cooperation between the Slovenian Embassy in Rome, the Chamber of Commerce and Industry of Slovenia, SPIRIT Slovenia, and the Economic Office of the Republic of Slovenia in Milan.
Moscow International Travel and Tourism Exhibition

In March for the last twenty years, Moscow has hosted the Moscow International Travel and Tourism Exhibition (MITT), the largest tourism fair in Russia and the wider region. Normally, over 2,000 companies from numerous countries participate, including more than 20 Slovenian tourist companies under the aegis of SPIRIT Slovenia. The Slovenian Embassy in Moscow works with SPIRIT Slovenia to solve any organisational problems, and organises accompanying events, such as the reception held every year at the Embassy for the Slovenian exhibitors, their partners, and Russian journalists; the event is well attended and is aimed at further strengthening connections and promoting Slovenia. Also, a press conference is organised by the Embassy on the sidelines of MITT as an opportunity for Slovenian representatives to provide information to Russian journalist on Slovenia’s tourist offer. In 2013, the press conference and other accompanying events focused on EuroBasket 2013, which was hosted by Slovenia.

LINGERIE EXPO

For several years in a row, a Slovenian lingerie company has been an exhibitor at the Lingerie Expo, which enjoys an excellent turnout as Russia’s only fair of the kind. On the sidelines of the exhibition, a fashion show is usually organised at the Slovenian Embassy in Moscow to present the company’s collection to its prospective business partners. It is followed by a reception. The Embassy suggested that other Slovenian textile and shoe enterprises should also participate in the fashion show, but the idea was never realised due to a lack of interest among the enterprises.

SLOVENIA’S TOURIST OFFER PRESENTED AT THE INTERNATIONAL TRAVEL EXPO IN BUDAPEST, AND A FIELD TRIP BY HUNGARIAN TOURISM JOURNALISTS TO SLOVENIA

In 2015, the Budapest International Tourism Expo (Utazás/Travel 2015) was held between 27 February and 2 March, as one of the region’s leading exhibitions of the kind. Slovenia,
represented by SPIRIT Slovenia and the Slovenian Tourist Board, has been a regular participant. At a shared exhibition stand in 2015, Slovenia’s tourist offer was presented not only by SPIRIT Slovenia and the Slovenian Tourist Board, but also by the Slovenian tourism industry. The Slovenian Embassy in Budapest offered its premises to Slovenian companies present at the Slovenian stand so as to facilitate the further promotion of their activities in the Hungarian market.

At Slovenia’s 2015 stand, an informal meeting was held between the then Director General of the Tourism Directorate at the Slovenian Ministry of Economic Development and Technology, Marjan Hribar, and the Deputy State Secretary for Tourism at the Hungarian Ministry of the National Economy, Ádám Ruszinkó. The stand was also visited by the CEO of Hungexpo, Gábor Ganczer, and his colleagues, who held brief talks with individual Slovenian representatives to inquire about their business plans in the Hungarian market. Hribar and Ruszinkó also talked about Slovenia and Hungary’s bilateral cooperation on tourism. Noting Slovenia’s modest presence in Hungary’s market, they agreed that a comprehensive and broader presentation of Slovenia’s tourist offer would be welcome at Utazás/Travel 2016. In this light, the fair organiser is willing to grant Slovenia the status of a guest country.

A day before the opening of Utazás/Travel 2015, the Embassy hosted a working dinner at the residence, which was attended by Director General Hribar and a select group of Hungarian journalists, mostly tourism journalists, that is print and electronic media journalists covering tourism, cuisine, and leisure.

The selection was carefully made to include the target media and journalists. The purpose of the dinner was to provide the journalists with information about the preparations for, and realisation of, their field trip to Slovenia (the latter in cooperation with SPIRIT Slovenia and the Slovenian Tourist Board). After consulting SPIRIT Slovenia and the Slovenian Tourist Board, the Embassy invited the journalists to put forward their proposals and wishes so SPIRIT Slovenia and the Slovenian Tourist Board were able to further adapt the field trip and make a careful selection of the destinations.

Director General Hribar also talked about the priorities of the Slovenian tourism industry, and then took the participants through Slovenia’s tourist offer. He expressed his belief that such field trips could become annual, as they have multiple effects, and, most importantly, articles in the right Hungarian media can make a considerable contribution to marketing Slovenia’s tourist offer in Hungary and increasing Slovenia’s visibility there.

The journalists revealed that they wished to know more about the less-travelled tourist destinations in Slovenia, and agreed that Hungarian tourists who choose Slovenia as their destination know its traditional tourist attractions and destinations. They believed that the selection of destinations and landmarks in Slovenia could be based on authenticity, unspoilt nature, historical events, and cultural, ethnological and culinary traditions.

The 4-day field trip to Slovenia for Hungarian journalists took place between 20 and 23 April 2015, starting and ending in Budapest. It included all transport, accommodation, and guided tours of the destinations. A detailed evaluation of the event is under way.
VIII HELPING TO ORGANISE OTHER PROMOTIONAL ACTIVITIES FOR GROUPS OR INDIVIDUALS, AND BUSINESS DELEGATIONS

BUSINESS EVENTS USED TO PROMOTE SLOVENIA

In March 2013, a Slovenian and an Indian airline signed a memorandum of understanding on sales representation, which was also an opportunity to promote Slovenia as a tourist destination. So the Slovenian Embassy in New Delhi used the occasion to organise an event to promote Slovenia, which was attended by more than 100 representatives of tourism organisations and associations and media representatives. The Indian company is trying to establish cooperation with Slovenian institutions in order to ensure more integrated promotion of Slovenia as a tourist destination as part of package tours to Europe.

A SLOVENIAN STAND AT POWER-GEN EUROPE AND RENEWABLE ENERGY WORLD EUROPE CONFERENCE AND EXPO

A dedicated pavilion, i.e. the Diplomatic Quarter, was organised at the POWER-GEN Europe and Renewable Energy World Europe exhibition and conference to give individual embassies an opportunity to present themselves. The Slovenian stand presented business and investment opportunities in Slovenia. The conference was opened by the Slovenian Minister of Infrastructure and Spatial Planning. The local Slovenian Embassy took the opportunity to present business and investment opportunities in Slovenia, and many visitors sought information about Slovenia as a tourist destination.

PROMOTING TOURISM

Photo: the Embassy’s archives
The Slovenian Ambassador’s residence in Paris was the venue for three successful workshops on Slovenian congress tourism, which was co-organised by the Slovenian Embassy in Paris and the Slovenian Convention Bureau. They included refreshments from Slovenian culinary offer. This now annual event shows that the promotion of congress tourism is a long-term project and the right approach to attracting French businesspeople to Slovenia. A business tourist first time in Slovenia may return to Slovenia as a leisure tourist.

**PROMOTION OF TOURISM INTEGRATED INTO ALL ACTIVITIES OF THE EMBASSY**

The Slovenian Embassy in London plans its activities so that they all include the promotion of Slovenia as a tourist destination. It also promotes Slovenia at tourism fairs, and organises events targeting specific clients, such as in luxury and congress tourism. Its consistent promotion of Slovenia’s economy and tourist offer in all its activities contributes to the country’s increasing visibility, while the targeted events have raised interest in concluding concrete agreements on cooperation.

**IX HELPING SLOVENIAN COMPANIES TO FIND BUSINESS OPPORTUNITIES THROUGH SLOVENIAN HONORARY CONSULS ABROAD**

**ORGANISING MEETINGS**

With help from a Slovenian honorary consul, a representative of a Slovenian association was able to have a meeting with a German insurance company. Another example involved a Slovenian company producing roller screens, for which the Slovenian Embassy in Berlin wrote letters to four German construction companies, successfully arranging meetings with two of them. With assistance from the Embassy, the Slovenian company obtained the requested information and meeting dates. The company had tried several times, but failed to establish contact on its own.

**X HELPING SLOVENIAN COMPANIES SOLVE PROBLEMS IN FOREIGN MARKETS**

**ASSISTANCE WITH EXPANDING PRODUCTION**

A Slovenian company decided to invest in Bulgaria, i.e. to transfer its production of components for household appliances to Plovdiv, where the company would operate as a production partner of the corporation Liebherr, which has already established its production there. With regard to this investment, a Slovenian economic adviser met the Executive Director of InvestBulgaria Agency. It was agreed that InvestBulgaria Agency would provide information on the possibility of obtaining a grant. Tax relief and exemptions are also possible if employment is provided in a region with unemployment higher than the national average. It is also possible to obtain subsidies for health and pension insurance contributions, but only at the outset of the investment. Later on, a meeting was held between the company’s director and representatives of InvestBulgaria.

**ASSISTANCE TO CONTRACTORS AND SUBCONTRACTORS WITH TAX AND OTHER PROBLEMS**

Due to difficulties with payment, a Slovenian company contacted the Slovenian Embassy in London, inquiring about the possibility of VAT exemption for a company operating as a construction subcontractor. The Embassy then contacted HM Revenue and Customs and
obtained detailed instructions on how to solve the problem, which was indeed successfully solved after the Embassy’s intervention.

XI BUSINESS OFFICES FOR SLOVENIAN COMPANIES AT SLOVENIAN REPRESENTATIONS ABROAD

Since the beginning of 2013, businesspeople with companies registered in Slovenia can use the business offices of Slovenian diplomatic missions and consular posts, currently in Banja Luka, Bratislava, Bucharest, Budapest, Buenos Aires, Kiev, Madrid, Moscow, Ottawa, Paris, Podgorica, Rome, Skopje, and Zagreb. They may use the offices temporarily to do their office work and to use all necessary services.
CONCLUSION

This review provides examples of the many activities conducted daily at Slovenian diplomatic missions and consular posts by economic advisers, ambassadors, and other staff of the Slovenian Foreign Ministry.

Slovenian companies turn to the Slovenian Foreign Ministry and its diplomatic network with a whole variety of problems, and their problem-solving mechanisms and approaches are always designed to fit the local environment and the business culture and customs.

Slovenian economic diplomacy services included in the review are exemplary, and the success enjoyed by Slovenian companies abroad proves their effectiveness. Their providers are fully and sincerely committed to helping Slovenian businesses whenever and wherever possible.

Slovenia is a young country, with a network of diplomatic missions and consular posts abroad facing several limitations. Economic diplomacy is the latest contribution to this network. The Slovenian Foreign Ministry’s diplomatic network is Slovenia’s only mechanism of the kind established abroad. It is our sincere hope that the network will always meet the needs of the Slovenian business sector, keeping up with its progress and staying up to date.
SOURCES
Contributions by the Slovenian Foreign Ministry’s departments and diplomatic network
Website of the Slovenian Foreign Ministry http://www.mzz.gov.si/si/gospodarska_diplomacija/