Outlook 2020: evaluating the economic trends and economic policies of Slovenia

Zdravko Počivašek, Minister of Economy
Global internationalization of Slovenian export is imperative

Rose Beaumont, Senior VP Business Enablement & Communication for Master Card
A global brand that thinks locally

Violeta Bulc, Former EU transport commissioner
Invitation to a green agreement

Jurij Giacomelli, Outlook 2020 Editor in Chief
Institutions, creativity and social consciousness for growth
KAMNIK'S

Winter wonderland

A NIGHT ON THE TOWN

Every day from 11th to 21st of December

17.00  City stage  Kids show/performance/theatre
       City centre  Fairy-tale fair
19.00  City stage  Concerts, stand-ups, disco

FREE ICE SKATING EVERY DAY IN DECEMBER AND JANUARY.

PERFORMING ARTS

28th of December
10.00, 11.30, 15.00  Kamnik’s Main Square  Ice countess Veronika from Mali Grad
18.00  Europe Park, city centre  Fire performance with Čupakabra

MUSIC – Kamnik’s Main Square

28th of December  Concert: Rok Ferengja & Rok’n’band / pop
29th of December  Concert: Koala Voice and Matter / disco pop / trap
30th of December  Concert: Sundrops and Arche / pop / rock
31st of December  New year’s celebration with Poljanški ensemble / folk
A new year and a new decade is always a time for reflection and resolutions.

There is no better time than the upcoming holiday season to stop for a moment, reflect upon all that we have accomplished this year and formulate plans for next year.

For our last edition of the decade, we open up with a column by Goran Novaković, CEO of the Slovenian Business Club, who contemplates whether the Slovenian society has enough enterprise and whether we are ambitious enough to become enterprising. This is precisely what this edition of The Slovenia Times is all about.

What is the current economic condition is Slovenia? What measures will the government adopt to support the economy during the prospective market cool-down? Where is the economy headed? These are some of the questions addressed in the interview with Zdravko Počivalšek, the Minister for Economic Development and Technology. The Minister considers that the results achieved by export-oriented companies and state imperatives to encourage export among Slovenian companies, even on global markets outside the EU, are looking up. Even foreign companies in Slovenia are flourishing, expanding their operations and increasing their investments, their business results indicating that they feel increasingly established in Slovenia.

Several articles shed light on the more serious challenges faced by Slovenian society, such as the lack of labour force and the rapidly ageing society, with the statistics and experts already warning us of the potential complications.

I would like to invite you to read the highly interesting interview with Dominique Turcq, the Founder and President of the Boostzone Institute, which forecasts how the evolution of our society and in particular the world of work, are impacted by major forces such as the emergence of new technologies, new social dynamics and new economic conditions, and whether these will lead to a sea-change in the strategy and management of organisations.

Our interview with Meik Wiking from the Happiness Research Institute is a timely holiday read. Whilst it is commonly accepted that happy employees are more productive and more loyal, it appears that governments globally are recognising the link and beginning to adopt measures to support wellbeing and happiness.

The central topic of this winter’s edition is a project by the Manager’s Association of Slovenia, Outlook 2020, which The Slovenia Times is a proud media partner of. You can find valuable insights focusing on how we should proceed and whether we will be able to connect in our decision-making, in interviews with Jurij Giacomelli, the Editor in Chief of Outlook 2020, and Violeta Bulc, the Former EU Transport Commissioner. The entire content of Outlook 2020 will be published on our website, www.sloveniatimes.com.

I have to agree with Aleksander Zalaznik, the President of the Managers’ Association of Slovenia, who claims that if we are to increase general prosperity, we need a new, comprehensive and development-focused social agreement.

I hope you have a pleasant read. If any of the articles stir your thoughts, feel free to write to editor@sloveniatimes.com and contribute to the debate on future challenges and the new developmental leap – your opinion counts!

I wish you all a Merry Christmas and a Happy New Year

Brane Krajnik
CEO
The Slovenia Times
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“If you don’t jump, you’re not Slovenian!” This is the most famous chants sung by Slovenian sports fans, dating back to the golden era of Slovenian football and the 2000 UEFA European Football Championship, and which peaked in 2017 when the Slovenian basketball team – with Slovenian NBA players, Goran Dragic and Luka Doncic – earned the title of European Champions.

If the Slovenian golden football team had not been enterprising, ambitious and confident, they would never have made it to the European and World Championships. If Goran Dragic and Luka Doncic, together with their team, were not enterprising, combative, determined and grandiose, Slovenians would never have been basketball champions and the two would never have been as successful as they are in the NBA. If ski champions, Tina Maze and Ilka Stuhec, were not enterprising, bold, fearless and motivated, they would never have been the ski champions they are today. If Edvard Rusjan was not innovative, creative, enthusiastic and visionary, he would never have flown above the clouds as he did 110 years ago.

It seems that Slovenians value superior sportsmen and ground-breaking inventors, but less so entrepreneurs. In fact, entrepreneurship is valued too little, and yet responsible entrepreneurship is actually one of the key values of the developed world.

With his Akrapovic exhaust system brand, Igor Akrapovic has made it to the very top of the world. Joc Pececnik and Goran Miškulin have taken over the casino industry in Las Vegas and Macao with their brands, Interblock and Spintec. Marjan Batagelj has brought the Postojna Cave to the world map of the most attractive landmarks. Jure Knez’s products have conquered the space industry. Marino Furlan is co-creating the artificial sun of the future with his Intra Lighting luminaires. Hubert Kosler has partnered with Yaskawa to create the robots of the future, in Slovenia.

These are just some of the top-notch Slovenian entrepreneurs – world champions in their niches. If they were not as enterprising, high-spirited, innovative, agile, open-minded and resourceful, as were the hundreds of other entrepreneurs who preceded them, their companies would never have become world champions.

But it is not just famous names that matter. Many Slovenian entrepreneurs are ordinary people, unknown in the public eye. They are not as well-known as the said entrepreneurs or sportsmen and sportswomen, primarily because the public finds their discipline less interesting than football, basketball, skiing or volleyball. But there are hundreds of them in Slovenia, and we are not talking just sportsmen, inventors, innovators and entrepreneurs – there are also innovative employees, young farmers, creative artists, scientists, teachers, students and so on.

If more was heard about them, Slovenia would be a much better place to live in. The public would be far more aware of the benefits brought by entrepreneurship.

At the Slovenian Business Club, we have found that the Slovenian public pays too little attention to entrepreneurship as a value and the benefits we can all reap from it. This is why we decided to launch the campaign “ZA podjetno Slovenijo” (“FOR an Enterpris-

It seems that Slovenians value superior sportsmen and ground-breaking inventors, but less so entrepreneurs.

In fact, entrepreneurship is valued too little, and yet responsible entrepreneurship is actually one of the key values of the developed world.

The Slovenian Business Club is launching a special campaign aimed at raising public awareness about the significance of enterprise in our society, not just for entrepreneurs, but for everyone.
Global internationalisation of Slovenian Exports is Imperative

By Tina Drolc, M.Sc.

Looking at the current economic situation in Slovenia, as well as the domestic and foreign forecasts of economic trends for 2020, the Minister of Economic Development and Technology shares his ideas about economic measures and incentives which have been implemented in Slovenia to stimulate the business sector. These are, first and foremost, aimed at the digital transformation of companies, internationalisation, and encouraging domestic and foreign investments. As the Minister highlights, sales within the EU cannot be considered as exports in the strict sense of the word, which is why the Ministry is calling for the global internationalisation of the Slovenian economy. The Minister has high hopes for future investment as the Slovenian Environment Agency (ARSO) is currently reviewing over 400 applications for environmental approvals from both domestic and foreign investors.
**Q** Companies that understand digital transformation are consistently increasing their profits. You have highlighted the prominence of digital transformation at the very top of the Slovenian economy. In what ways is the Ministry contributing to such developments?

**A** As far as the future is concerned, the Ministry considers digitalisation to be one of the most pressing topics. On the one hand, our economy certainly will not be able to satisfy the consumer without it and on the other, consumers from developed countries are somehow ‘forcing’ us to embrace digitalisation, which explains why companies in Slovenia are fairly digitalised, especially the large ones. The segment that is still lagging are the small and medium-sized enterprises, which the Ministry is paying special attention to with its incentives. By means of digitalisation, we want to boost our competitiveness and adaptability in international markets, increase the number of companies that are successful in digital transformation and robotisation, and at the same time, improve the digital competencies of their employees. This way, we can increase the added value in companies. In 2018, it amounted to EUR 42,000; by 2025, we want it to reach EUR 60,000. The added value in Austria is already EUR 70,000, and we want to halve the Slovenian setback in five years’ time. For this reason, we are implementing a number of measures. The first is a program to promote the digitalisation of companies through grants of non-repayable funds until 2023 in the following forms: activities organised by the Digital Innovation Hub Slovenia (DIHS) which offers free services for companies to a total value of EUR 2.6m; and through SPIRIT Slovenia, where we grant subsidies for electronic commerce in small and medium-sized enterprises – so-called digital vouchers, which enable fast access up to EUR 9.45m. We also promote digital transformation in small and medium-sized enterprises by implementing digital strategies worth a total of EUR 12.4m, that is EUR 3.1m annually. In cooperation with DIHS, the Slovene Enterprise Fund in Maribor is also offering digital vouchers for digital marketing and online stores, and we are also providing cyber security and assistance in drawing up digital strategies, amounting to a total of EUR 8.5m. There is also the possibility to obtain repayable funds from SID Bank for research, development and innovation, and we have also established a strategic, research and innovative partnership (SRIP) in the field of smart factories and smart cities. As far as investments in digital transformation are concerned, we are thinking about providing support in the form of favourable loans and guarantees. In addition to this, it is also our mission to create a supportive entrepreneurial environment by adequately amending the legislation and establishing a digital link between the state with the economy. We must bring our state to a point where it can communicate with companies the same way companies communicate with their customers – through digital media. This is why we are also cooperating with the Chamber of Commerce and Industry of Slovenia.

**Q** The Ministry of Economic Development and Technology has allocated EUR 887m for the implementation of measures for promoting economic development. Can you explain the key measures planned and the anticipated outcomes?

**A** These are cohesion funds granted by the EU. In Slovenia, these funds amount to EUR 3bn and have been granted for the entire period 2014–2020. During this period, we have published various calls for tenders and collect applications. The payment is only made once a project has been fully implemented. So far, we have supported over 1,000 small and medium-sized enterprises annually, by means of which we have preserved 20,000 jobs and generated 2,000 new ones according to our estimates. The companies that we supported have increased their added value by 4% annually, prompting EUR 200m of new investments. Out of EUR 887m, 51% is allocated to accelerating the growth of small and medium-sized enterprises, 37% to incentivising research, development and innovation, 4% to digitalisation, 5% to material and energy efficiency and 4% for local development managed by communities. In the area of research, development and innovation, we have allocated more than EUR 31.5m to repayable and non-repayable incentives, and launched over 400 projects in 2014. As far as investments in research, development and innovation are concerned, it is important for both domestic and foreign companies to highlight the 100% tax relief which is being used by 550–700 companies. The net value of the relief amounts to approximately EUR 50m.

To promote entrepreneurship we are trying to come up with a friendly legislation and supportive environment. For this reason, the Slovene Enterprise Fund grants subsidies for start-ups, EUR 10,000 vouchers, seed capital, microcredits, guarantees, subsidies, competitive interest rates, as well as loans from SID Bank and the Slovenian Regional Development Fund. We encourage partnerships between companies and the strengthening of brands – especially the ‘I feel Slovenia’ brand, which we would like to be used consistently and increasingly throughout our economy. We are also supporting the creation of new business models, integration with foreign markets and direct foreign investments (FDIs), aimed primarily at increasing the scope of internationalisation among small and medium-sized enterprises.

**Q** Standard & Poor’s, a US financial services company, is forecasting low interest rates and a low 1.1% economic growth for the eurozone, which is also due to the drop in external demand. How will Slovenia respond? We know certain companies in Slovenia are already reducing their production volumes and as a result, the number of employees.

**A** I should emphasise that it was not until 2017 that Slovenia surpassed the GDP of 2008, even though the economic growth in the period from 2014 to 2018 exceeded 4%, which was the EU average. This means it took us nine years to reach our starting point. In addition to this, my view of the future is quite positive – a cool down does not mean a crisis. What it means is that it is harder to keep up with the high tempo once you reach a certain stage. That being said, it is also important to highlight that Slovenian companies are in a much better place and less indebted than they were before the last crisis. The majority of our GDP is created through export, with 85% of all products and services made in Slovenia being exported. It is a fact that economic growth is slowing, which is also due to the state of the global markets. Thus, I believe that our economy has two things to be cautious about in the future: one is external, meaning we have no impact whatsoever on it – I am talking about the trade war; and the other one is internal, meaning we can still turn it for the better – I am referring to the lack of labour force. We have four solutions for the latter: a pool of unemployed individuals, which is steadily being emptied due to the higher-than-ever employment rate; a pool of retirees; an accelerated integration of young generations in the labour market – Slovenia has one of the longest
duration of higher education in the world; and
the fourth pool involves the import of labour
force from culturally similar regions. The
economic growth in Slovenia currently 2.7%,
which is still above the EU average. However,
this is also on account of various investments.
I am an optimist primarily due to the various
large-scale public infrastructure projects which
are set to be implemented in the future – these
include the second track and the third develop-
opment axis. The economic cooldown does not
mean a crisis is imminent. We are ready for
it. Companies have been rehabilitated, banks
have increased their solvency and we have
largely eliminated our administrative barriers.
We are also now more competitive, with lower
wages and we have been successful in attract-
ing foreign direct investments, which we have
proven with Magna, Yaskawa and Lonstroff.

Q Considering the economic forecasts for
2020, would it be good for Slovenian com-
panies to take a more globally-oriented
stance in the process of internationalisa-
tion, and pay more attention to distant mar-
kets? Are there any long-term prospects for
us and why?

A I want to start my answer with a definition of the term export. What is export? In future,
we will start measuring export in two ways,
namely first-stage and second-stage exports.
This is because sales within the EU, where we
sell 80% of the total 85%, are not export per
se. Thus, we think that we should focus on the
global internationalisation of the Slovenian
economy. This does not mean that we will sell
more to distant markets than we do in our
surrounding regions, but there are markets
in the world where we can do more than we
do here. It is up to the Ministry to incentivise
teach them how to enter these
markets. For this reason, we have devised
a concrete action plan called International
Challenges 2019–2020 and we have divided
markets according to different criteria. The
priority markets are all located within a 2,000
kilometre radius, but some distant countries
have also made the list for instance, the USA,
China, Russia, Ukraine and the United Arab
Emirates. This is important if we are to reduce
the dependence of the Slovenian economy on
the direct economic trends that are affecting
us now. We should also not forget about Africa,
the ’continent of the future’, where, if you ask
me, Slovenia is lagging well behind. But it is up
to our politics to make the first move. After all,
Slovenia currently only has one consular post
in Africa, in Egypt.

Q According to a report by the Bank of Slo-
enia (October 2019), the amount of direct
investments at the end of 2018 was EUR
15.2bn, which is 8.6% more than the previ-
ous year. In 2018, there was EUR 535m of
equity inflows. Companies owned by for-
eign owners recorded the highest profits
(EUR 1.3bn) and consequently, the highest
payments of profits (EUR 739m). What is
your view on this? What would you highlight
in relation to 2019? What can we expect
from direct investments in 2020?

A If we focus on the last few years, Slovenia
has recorded an 8%–10% growth in FDI. This
trend continued throughout 2019 and we are
expecting the same in 2020. This is vital for
Slovenia for four reasons: there is a direct
benefit for the economy – we gain knowledge,
technology, higher salaries, pay our taxes, etc.;
we increase our international recognition; we
get the opportunity to integrate with the sup-
ply chains; and these investments increase the
added value of the Slovenian economy. On the
one hand, we have found that companies with
foreign capital grow faster while, on the other,
FDI’s only account for 1.6% of all
Slovenian companies, they
represent 33% of our GDP; 41% of
all exports and 24% of all employees in Slovenia –
approximately 120,000 people
are employed by these
companies.
Low Growth And Lower Rates: The Eurozone In 2020

This article is a fragment of the report / Economic Research: Low Growth And Lower Rates: The Eurozone In 2020


Key Takeaways

- We expect the eurozone economy to slow further in 2020 to 1.1% growth, down slightly from 1.2% in 2019, on the back of weaker external demand.
- German Bund yields are set to remain in negative territory until 2022 given the secular stagnation in the eurozone and the ECB’s monetary policy, which exacerbates the shortage of what investors consider safe assets.
- Parallel reduction in private- and public-sector debt since the eurozone crisis has been a key reason for weaker potential growth, but now that government yields are significantly below GDP growth, fiscal policy should come to the rescue.

The divergence in the services and industry sector has worked as a sudden and unexpected asymmetric shock on the eurozone economy. Germany remains the most affected by the collapse of world trade due to its overreliance on exports for growth. Italy is second in line, but a reduction in political uncertainty and sovereign risk premiums should lend some support to business confidence and boost domestic demand in 2020. France and Spain stand out as resilient so far because the trade slowdown affects them mostly through second-round effects—that is, the slowdown in growth of their large eurozone trade partners. Unlike Italy and Germany, they have also kept growth in unit labor costs in check over the past few years. In addition, French consumers are benefiting from supportive fiscal measures.

The manufacturing recession continues, and Germany is most affected.

S&P Global Ratings believes economic weakness in the eurozone is now set to extend into 2020 considering that we see no rebound in external demand. Global trade growth is hovering around zero, trade tensions persist, and Chinese GDP growth is likely to slow to below an annual 6%. The main pillar of growth in the eurozone remains consumption, thanks to tight labor markets and dynamic wage growth. Yet, the economy is slowly starting to feel the effects of the trade-related manufacturing slowdown. Capacity pressures and employment expectations are all easing, pointing at a deceleration in investment.

Amid the economic weakness, the European Central Bank has once more pulled all of its easing levers to support growth and inflation. It has pushed rates further below zero and ensured that government yields will continue to trade in negative territory for a while with the resumption of net asset purchases from November. Looking at our inflation forecasts and the ECB’s forward guidance, we don’t expect any rate hikes before 2022.

Is the eurozone entering secular stagnation?

The eurozone has reached a state that looks a lot like secular stagnation: low growth and low inflation with plenty of interest rates in negative territory. With a current account surplus of close to 2.9% of GDP in 2018, the eurozone is also saving more than it invests in spite of negative rates.

As such, eurozone investment has barely recovered from its pre-financial crisis peak in 2019, negative real rates have yet to spur growth, and underlying inflation has been stuck at 1% for a while now.

Granted, the current slowdown has come from an external shock, but there are also structural factors at play behind low growth and low rates.

- Potential growth in the eurozone has decreased from 2% between 2000 and 2008 to 1.3% since 2009. This is not just linked to a slow recovery in investment, but also meager improvements in total factor productivity and a worsening demographic profile. Lower growth points to lower returns on investments, contributing to lower rates.
- Excess savings, combined with safe asset scarcity, is also pushing down rates. With a rising dependency ratio (the number of retirees compared to the working age population), we can even expect savings to rise...
further in the eurozone, especially in aging countries like Germany. Meanwhile, the supply of government bonds is set to remain constrained by two factors for the near future: the ECB’s asset purchases and holdings as well as low sovereign bond issuance, as eurozone governments are still downsizing debt.

- The eurozone remains relatively highly leveraged, which acts as a constraint to both growth and rates. Since the financial crisis, firms have become wary of taking on more debt. In almost all eurozone countries except France, they have become net savers. Although less credit-fueled growth likely means the sources of growth are more sustainable, it also means there is less investment in the economy and thus lower potential growth.

All of these factors have pushed down the so-called neutral rate (the theoretical level that supports the economy at full employment or maximum output while keeping inflation constant) of the eurozone economy. As a result of this and the ECB’s new asset purchases from November, we now expect German Bund yields to remain negative until 2022 (see our forecasts at the end of this report).

Secular stagnation does not have to be a trap: fiscal policy and structural reforms can help

Given all of the factors mentioned above, it would seem that secular stagnation has reached Europe. But some of it can be reversed. The parallel deleveraging of the private and public sector has been a key reason for weak investment and therefore weak productivity growth since the eurozone crisis. And, monetary policy has also been the only game in town. Yet, the effectiveness of monetary policy is decreasing.

While debt reduction was and still is necessary for some eurozone countries, others have regained enough fiscal space to use it to boost growth. Perhaps more importantly, the times are very different than in 2010. Interest rates on government bonds are significantly lower than nominal growth and even negative on most parts of the yield curve for most countries.

Therefore, it makes sense for governments to borrow more to finance growth-enhancing projects.

One option already heard in the Netherlands or Germany is to use fiscal space to finance the transition to greener growth. Besides, governments have other tools than fiscal policy to boost growth. Structural reforms can have a positive impact on productivity by facilitating a more efficient reallocation of resources.

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**Regional Insight in Association with S&P Global Ratings**

**Sources:** European Commission macro-economic database AMECO, S&P Global Ratings Research. Copyright © 2019 by Standard & Poor’s Financial Services LLC. All rights reserved.

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**S&P Global Ratings’ European Economic Forecast, September 2019**

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<th>Real GDP (% change)</th>
<th>Germany</th>
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<th>Italy</th>
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**Sources:** Standard & Poor’s Rating Services and Eurostat.

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Interview: Jurij Giacomelli, Editor-In-Chief, Outlook

Outlook 2020

Institutions, creativity and social consciousness for growth

Outlook 2020 issued by the Managers’ Association of Slovenia in December evaluates the Slovenian economic situation and policies. Its purpose is to enable a constructive dialogue among managers and decision-makers concerning development issues in Slovenia and the EU in the broader international context. Outlook editor-in-chief Jurij Giacomelli believes that beyond the short-term recommendations for improvements in the business environment suggested by the competitiveness rankings by distinguished think tanks, the answer lies in the following triangle: institutions, conditions for creativity, and the choice of the right direction. "These seem to be bound by an invisible "institution", a convention called a "development agreement" by Outlook. It may be used to cleverly move a country to a higher level of social consciousness and materialise the chosen path of development to preserve and strengthen social well-being. It is inevitably a generational challenge, which Slovenia has not yet accepted wholeheartedly," explains Giacomelli in his interview.
Q. Where does Slovenia stand in terms of competitiveness?

A. Slovenia’s competitiveness is rated in both rankings; the World Competitiveness Centre of the Institute for Management Development in Lausanne and the World Economic Forum (WEF) in Davos. Setting aside the small size of the market, which is an objective restriction, Slovenia’s weakness lies in the operation of its institutions. Low administrative efficiency, the functioning of the rule of law, a weak financial system, an insufficiently flexible labour market, the taxation of labour, and the fragile healthcare system may all be deemed the result of the operation of institutions that are too weak to allow us to rank higher. Not even above-average results in primary and secondary education can change this conclusion. Another systemic deficiency is the poor connection of our decision-makers to their counterparts around the world, which is stressed in the IMD report.

No competitiveness ranking or report based on it shows the path of development a country should move along to boost its competitiveness and social well-being. On the basis of the most reasonable comparisons with countries ranked higher than Slovenia, we may find that an increase in competitiveness is the result of long-term social processes leading to concurrent improvements in several areas. It is a generational challenge which needs to comprise international positioning, the adjustment of institutions, and constant checks and adjustments on the chosen path of development.

Q. What countries are on top of the Competitiveness Ranking?

A. Perhaps it may seem that the highest positions in the competitiveness rankings are always reserved for the same winners: Singapore, Hong Kong, the USA and Switzerland, among others. But of the European countries, Ireland has made the most progress in the IMD ranking, climbing to seventh place, trailing the Netherlands and followed by Sweden and Denmark.

In this year’s IMD ranking, Slovenia ranks 37th, the same as last year.

Q. A lack of common ambition is frequently attributed to Slovenia trough the newly published Outlook. We can read the findings of Professor Mramor and his colleague from the School of Economics and Business of the University of Ljubljana, Professor Jože Žerdin’s discourse from the Outlook. The is -

A. Slovenia may be experiencing economic stability, a relatively high employment rate, and better resilience than before the crisis for it to preserve growth in economic activity and productivity in the years to come, when the EU is expecting an economic slowdown; however, the country is not ready to face the tightening conditions to preserve its well-being imposed by demographic trends and the global transition to technological sustainability, construed by internal deficiencies: immutability, resistance to change, refusing competences, lack of self-criticism, and an unplanned approach to problem-solving, which frequently results from avoiding responsibility.

Let me give you some examples. The last prime minister to openly speak of reforms was Borut Pahor (2008-2011), and the last major reform in Slovenia was a pension reform which entered into force in 2011 and “legitimised” the Democratic Party of Pensioners of Slovenia (DeSUS). Since then, we have had quite a few intervention acts and minor amendments to the pension system – which was largely inherited from “former times”. On the other hand, healthcare is being constantly reformed by unplanned administrative measures, while we reject wider systemic solutions which would include the insurance sector and provide new competence. The banking system has been “changed” under outside pressure and the threat of a collapse, but instead of digging deeper into the financial system and launching initiatives for the development of the capital market, particularly of medium-sized companies, we keep seeking “culprits” among those who worked on solutions and not for the triggering of the crisis that impoverished the country for at least ten years of progress; a crisis experienced at the same time by comparable EU member states such as the Baltic countries or the Czech Republic and Slovakia.

Other examples include exesse in management and corporate governance in companies from before the crisis, which finally accumulated in non-performing loans in bank balance sheets and were back in the form of “invasions” in Petrol or Telekom. The post office, an entity which guarantees the interconnection of information systems in any country, is a saviour of other companies of national importance (Mladinska knjiga, Intereuropa) on the one hand, while on the other, the implementation of its public function is under pressure to produce short-term profitability and dividends. After a decade spent building motorways, the country faces a general traffic jam, a dysfunctional railway infrastructure and, in the wake of the final bankruptcy of Adria Airways, limited air transport connections with the world; not to mention the absence of any sensible regulation of information-providing media during the digital transition. It is only in ecological disasters (Kemis) and civil initiatives (in the case of Lafarge or Termit) that systemic deficiencies are unveiled. The list goes on and on, but let us just add that, typically, each such “problem” sooner or later turns into an emergency task of the ruling government, which eventually takes on the duty to assume responsibility for it, often when it is too late.

Q. How can a dialogue about development be held in such an atmosphere?

A. This could be an effective way to introduce Žerdin’s discourse from the Outlook. The issues of meritocracy and the rule of law are pointed out as fundamental preconditions for a dialogue on development that should result in a development agreement; target institutions and fundamental centripetal forces of social cohesion. Best practices of Slovenian manage-
ment are the main consideration of the Managers’ Association, the publisher of this publication, and are therefore placed as the main contrast to the undesirable phenomena described above. These practices are distinguished by the progressive leadership of award-winning individuals and teams, their strategic mindset, and the knowledge and skills to create new value and a positive deviation from the average through an open dialogue and in transparent organisational structures, which are branded as the fragmentation of “feuds” between small social “annuitants” who perceive limited goods as absolute, and the complete management of a country is equated with division, not creation.

For this reason, we wonder: do these individuals receive enough attention and understanding from the public, and the support of institutions and, most importantly, followers? Best management practices are introduced in the Outlook by Saša Mrak, Executive Director of the Managers’ Association.

Q Slovenia has also several ambitious goals, but are they discussed enough?

A Where we wish to go is important. The Chamber of Commerce and Industry and the Government of the Republic of Slovenia have made it their mission for the Slovenian economy to halve the backlog in added value per employee in comparison with Austria by 2025. Additionally, the Slovenian Development Strategy 2030 was devised according to the bottom-up approach and sustainable development principles, and defines measurable objectives and their pursuit. It is the basis for the Smart Specialisation Strategy, which is the fundamental document for the allocation of measures and initiatives for innovations focused on development objectives. Following its adoption by the government of Miro Cerar, no significant public discussion on its implementation has taken place. How to sensibly update and amend it has been debated even less. Let us remind ourselves that its adoption was accompanied by uncalled-for criticism and even ridicule. Does it even have an administrator? Or better still: whoever has the courage to be its administrator should come forward!

Q Therefore, what should be the Slovenian development path?

A In 2019, Outlook expressed the need for a development agreement and promoted dialogue between social partners and other stakeholders, highlighting five aspects. Firstly (1), we need to maintain and increase the employment rate despite the ageing population; and (2) we need to radically boost investment in education and science. We should follow the example of Ireland, Estonia or Finland, nations that have managed to pull off a generational breakthrough and achieve competitive positioning through investment in the knowledge of their people and newcomers. Good schools, institutes and development centres foster investment in innovation and start-ups, which is a lever for redirecting the talent drain to a developmental influx. We should add that education is a critical area in Slovenia, particularly due to the lack of lifelong learning, which is the only thing that supports the desires of workers for flexibility.

Sustainable transition, and technological skills and knowledge must be promoted (3), since this is about pan-European competitiveness, not only Slovenian competitiveness. This is followed (4) by the establishment of an efficient judicial system, which will safeguard agreements and private property, and distinguish between public and private interests. Finally (5), a thorough transformation of the tax policy and initiatives, and the harmonisation of regulatory measures, are required to foster convergence in the other four areas.
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By 2030, flexible workspace will account for 30% of the real estate footprint of a large company. – JLL research

IWG is the world’s number one provider of flexible workspace, connecting millions of like-minded professionals and enabling them to be more productive. Our customers include some of the world’s most successful entrepreneurs and individuals, and 90% of Fortune 500 companies partner with us.

Across our global network of workspace and coworking spaces, we are able to provide solutions to match every kind of business, work style and price point through our portfolio of brands: Regus, Spaces, HQ and Signature by Regus.

With demand for flexible workspace growing at an exponential rate, we are looking to rapidly expand our network of centres through a global franchise program. It has created a unique investment opportunity in this fast-growing business sector, allowing our franchise partners to benefit by leveraging our scale, leading platforms and our proven business model.

If you have the drive, resources and commitment to be part of our global growth story, visit franchise.iwgplc.com today or email us at franchise.SL@iwgplc.com.
Interview: Violeta Bulc, European Transport Commissioner

Outlook 2020

Invitation to a green agreement

Green is not only the colour of nature, money and new European strategies; it is the colour of one of many possible future scenarios. "In order to understand it and perhaps actively participate in its creation, we must feel it deep inside ourselves," explains Violeta Bulc, European Transport Commissioner. She also believes that we must look at it with an expanded consciousness, which dares to explore beyond the boundaries of the known and which directs our courage towards a new eco civilisation paradigm; one which ties development to responsibility and social welfare.
**Q. How polluted actually is our world and which sectors are placed close to the top of the list of the worst polluters?**

A. The energy sector, which is still largely dependent on fossil fuels, remains the largest polluter. However, if energy losses due to inadequate construction of residential and industrial buildings, energy-hungry products, and the lack of efficient (smart) system management is added to this, we can detect problems in addition to opportunities. Transport is the second biggest polluter, creating EUR 1 trillion per year of negative externalities where pollution is among the biggest ones. Agriculture is also placed close to the top of the list of the worst polluters, due to the lack of a long-term global strategy, which would enable farmers to restructure their farming activity by means of smart tools and services, understanding of biodynamic models, and appropriate analytical tools for efficient and nature-friendly management. We must also mention the pharmaceutical and beauty industries, which destroy oceans, rivers and land through micro plastics and chemicals influences that are mostly invisible to the human eye.

The oceans are the largest suppliers of oxygen on the Earth, while at the same time the most endangered. The European Commission has been successful with measures to reduce the use of plastic. The mandatory discharge of vessel waste in European ports, and the acceptance of old fishing nets and waste collected by fishermen at sea free of charge are just two examples.

**Q. What about the activities young Greta Thunberg?**

A. The 'scream' by the young Greta Thunberg is completely justified – as is her message. Young people are showing us the problems; it is incumbent on us, the active population, to take measures, not only for the sake of economic goods, but for life itself. It must, therefore, come from the heart.

**Q. Do you believe, that “Vision Zero” is feasible by 2050?**

A. The “Vision Zero” by 2050, which has been set by the European Union, is feasible, but only by means of technological progress and innovation at all levels, e.g. in social and business modelling, behaviour and urban design. But even this will not be enough. The challenges call for a universal social contract which would carry social justice at its core. The flow of climate refugees will continue to increase, as there will be ever more areas in the world where climate conditions will throw people into a state of desperation, and generally increase susceptibility to extremist movements.

**Q. But where in transport and legislative should we start?**

A. Firstly, in the "front loop", which includes the production of vehicles, vessels and aircraft with alternative propulsion systems or renewable fuel. A large scale of deployment of infrastructure for access to renewable sources of energy in also underway. Equally important is the "reverse loop", which includes the production of electricity. A strong push is being put in place for a transition from oil based to renewable based sources, combined with nuclear energy. This will also serve to achieving the second EU key goal to reduce the EU’s energy dependence on third countries. Thirdly, in mutual close cooperation of the telecommunications, energy and transport sectors as a single ecosystem, the EU is encouraging the provision of smart solutions which will reduce the need for mobility by better planning, and improve the efficiency of energy use, for example, with smart dynamic energy grids supported by smart networks and the artificial intelligent tools. The latter is also an innovation in the proposed new EU budget for the 2021-27 period, which envisages more than 70% of all investment being in GREEN transport, with the highest rate of co-financing being intended for projects which include partners from all three infrastructural fields.

**Q. And where is Slovenia?**

A. Slovenians are environmentally aware. We are one of the most successful EU member states in recycling. Our national flag is green, and cleanliness is one of the first impressions of Slovenia noted by tourists. Numerous companies are adding environmentally friendly solutions to their socially responsible elements of operation, and energy efficiency is one of the most frequent mechanisms for reducing costs. What is lacking is an umbrella project which would enable every craftperson, entrepreneur or manager and every citizen to be involved to the best of their abilities for the common good. The time has come to create an umbrella ‘strategic story’ of Slovenia, in which green, health and love could perhaps be part of the leading integrated content. Slovenia has not yet managed to find its place in the EU with content with which it can connect other member states as a leading partner. Perhaps it is precisely this green and healthy approach, imbued with people’s love of nature and life, that could be installed in the heart of Europe. Industry could thus inspire common values in all its products and services. Schools could encourage the use of environmentally aware know-how in support of the common story. It would then be easier to reach a consensus that we need a modern railway network, which enables speeds of up to 200 km/h at least between major cities and airports; to establish green zones, in particular in our Triglav National Park; to develop efficient public transportation combined with sharing economy services, both in cities and villages; to adjust legislation to favour ecological products in schools, kindergartens, and public institutions; to sort materials more innovatively, which would make it easier to introduce them for re-use, repair and implement “green legislation”, which rewards those who successfully implement green solutions and effectively penalises violators. It is time to transform opportunity into concrete values and create a framework and mechanisms in our society which help people decide where to direct their investments and be educated for the future, and how to engage their creative capital.

**Q. Do we have the potential to win the fight with the climate crisis?**

A. The “Green Deal” and a clear “Vision Zero” by 2050 provide political and long-term strategic frameworks which ensure predictability and necessary transparency for long term investments and effective integration of the entire society. But for humans to continue to coexist with all the other creatures on this Earth, we will need, in addition to reason, also to courageously activate the heart, spiritual and social dimensions. Only when we, as individuals, get to comprehensively understand ourselves as humans, and allow ourselves to personally develop and change our perspectives, will we be able to contribute to a sustainable, healthier society. I believe that we are on the right track. We should thus support each other in our everyday efforts so that GREEN will not only be a part of our strategies, but an element of everything that we are and do. It is true that sometimes we only need an incentive to dare to be on the right side of history and also create it by doing so. I am on board. Are you?
IMAD analysis:
The challenges of dealing with labour shortages

By Urška Lisjak

Demographic changes are reducing the share of the population in the 20–64 age group, which poses a challenge for ensuring a sufficient supply of labour. The analysis prepared at the Institute of Macroeconomic Analysis and Development (IMAD) addresses this topic from three aspects: an increase in domestic labour supply, the attraction of foreign labour and integration of foreign workers (including their families), and automation of work processes (where possible).

Along the analysis, IMAD also organised a debate with representatives of various offices involved in dealing with these problems, all of whom agree that labour shortage challenges should be addressed comprehensively at all levels.

Demographic trends are exacerbating the problem of labour shortages in the period of economic growth.

Demographic changes reflected in a decline in the population of the most active age (20–64 years) are reducing the potential labour supply and increasing labour shortages. Amid a strong demand for labour, more and more enterprises have problems finding appropriately qualified workers, which can also become a factor limiting further economic growth. It is therefore necessary to activate spare capacities on the domestic labour market and formulate effective migration and integration policies to ensure sufficient net immigration.

The potential to increase domestic labour supply has decreased significantly in the last few years.

The possibilities for expanding the labour supply in Slovenia lie in earlier entry into employment, later retirement, and the activation of unemployed and inactive people. Owing to structural imbalances and differences in willingness to participate in the labour market, it is not possible for the economy to absorb all unemployed persons or activate the total inactive population. Unutilised potential exists particularly in the cohort of young people who will enter the labour market after finishing school and among people older than 55 years. As a result of relatively early retirement, Slovenia namely has a very low employment rate among older people (55–64 years), significantly lower than the EU as a whole.

According to Anton Zvonko Kink, Human Resource Manager and Member of Management Board, Revoz, the lack of adequate workforce and an uncertain business environment will become permanent features of the Slovenian business environment. Part of the solution lies in agile business models. “The effectiveness of these solutions is however contingent on economic migration policy and labour law. For best results, it is essential to foster creative cooperation between employers and the government in seeking and implementing solutions in these areas,” Kink emphasized.

In the coming years a sufficient labour supply can be maintained particularly by net immigration.

The shortage of workers can be alleviated by increasing the inflows of foreign workers, but also by encouraging the return of Slovenian citizens and reducing their emigration. Simulations of the impact of different net immigration levels on labour supply, however, indicate that to fully offset the decline in the working-age population, very high net immigration (over 10,000) would be required. In recent years most foreigners have come from former Yugoslav republics with relatively high unemployment rates, especially among people under 35 years of age, who more frequently decide to move abroad. Regarding demographic trends, attracting foreign workers with appropriate skills will therefore be a major challenge for enterprises in the future, and will require a systemic approach through effective migration and integration policies.

Dr Marina Lukšič Hacin, Head of the Slovenian Migration Institute ZRC SAZU, welcomed the pre-integration measures that are being prepared or already carried out: “What we urgently need is creating an attractive society, state and working environment. In Europe a “fight” for the best workers is underway. It is thus important that Slovenia has started thinking about the possibilities of introducing pre-integration measures to help foreigner workers obtain information about their rights before entering the Slovenian labour market. Our goal should be that people who come to Slovenia stay in Slovenia and are given a chance to become full members of society.”

To integrate immigrants into society, it is crucial to create the conditions necessary for them to live a quality life.

A precondition for integration is command of the language. However, the Slovenian language course for foreigners is relatively short, which is also reflected in their relatively poor knowledge of Slovenian. This affects
their employability and income level and makes them more exposed to the risk of poverty. With a very large share of immigrants living in overcrowded dwellings, one challenge is to adopt regulation facilitating their access to housing. Moreover, the employment rate of immigrant women is relatively low (amid the otherwise high employment rate of Slovenian women). Immigrant women can also constitute a part of the labour force reserve that is worth activating, especially considering the rising demand for social services due to ageing population.

Automation and robotization can alleviate the problem of labour shortages in the short term, but in the long term they may even aggravate it. They are also changing the nature of existing jobs.

The share of enterprises using robots in Slovenia is similar to the EU average, but Slovenia lags well behind the leading countries in this area. The OECD estimates that in Slovenia 25% of all existing jobs are at risk of automation due to technological process, which ranks us among the countries with a large share of such jobs. In the short-term, automation can alleviate the problem of labour shortages, but in the long term it may lead to an even greater labour demand. Besides destroying jobs, each new technology changes the nature of existing jobs, making them more complex, and creates new ones. From the perspective of demographic change and the impact of automation and robotization on jobs and society, a particular challenge is ensuring that individuals can acquire appropriate knowledge and develop new skills throughout their working lives. This, however, requires a comprehensive approach to ensuring opportunities for lifelong learning.

Dealing with labour shortages poses many challenges. It is necessary to create conditions for earlier entry into and later exit from the labour market, which requires:

- a better matching between educational programmes and the economy’s needs of knowledge,
- the creation of a lifelong learning system that enhances employability and enables people to change careers throughout their working lives,
- the promotion of healthy lifestyles and investment in health and safety at work.

In tackling labour shortage challenges, Saša Cvetko, Human Resource Manager at Knauf Insulation, emphasised: “Without a holistic approach and the involvement of all stakeholders, this battle is already lost.”

In order to make more efficient use of the knowledge and skills of all workers, it is necessary to strengthen intergenerational cooperation within companies and to promote age management practices. The need for lifelong learning also arises from the introduction of automation and robotization, which are changing the way we work and require new skills. It is also necessary to formulate effective migration and integration policies to ensure the conditions required for immigrants to enjoy a quality life and for the Slovenian citizens to return from abroad, to promote brain circulation and to attract foreigners with appropriate skills.
Interview: Marko Lukič, owner and manager of LUMAR IG d.o.o.

Green Buildings 'Just do it'

By Ana Struna Bregar, CEO CER - Center of energy efficient solutions

Buildings can make an enormous contribution to climate change mitigation. They consume a lot of energy and materials, affect the environment and are expensive to maintain. In Europe, buildings consume 40% of European energy, produce 39% of CO₂, use half of all mined materials and produce a third of total waste. Therefore, they are placed in the heart of European policy as a part of an ambitious EU plan – Green Deal, by means of which the EU has set a goal to become the first climate neutral continent. This is the most important challenge and opportunity for our civilisation. We frequently forget that we spend almost 90% of time in buildings, and that buildings significantly affect our health, well-being, effectiveness and safety. 84 million of Europeans live in damp and unhealthy buildings, which is reflected in numerous illnesses.

Marko Lukič, manager and owner of LUMAR IG, explains the role of sustainable construction as one of the most effective means for improving our life and protecting the environment. It can contribute significantly to achieving global sustainability targets in the fight against climate change, quality living environment, creating sustainable and successful communities and promoting economic growth.
You are at the peak of your second career. You were at the summit of global mountain climbing. Then, in less than 20 years, you have developed one of the best prefabricated-sustainable building companies in the region. What is your recipe for success?

A I do not have a special recipe such as for baking a cake. Even top chefs add that final touch, which cannot be written down even in the best recipe. However, generally speaking I take a lot out of my climbing career. My recipe for success is to have clear values and to distinguish clearly between important and less important matters. And above all, to have a purpose in what you are doing. When I ended my climbing career, I decided that my business path will have the smallest possible effect on the nature and my environment. This was long before all the talk and writing about ‘zero emissions’ or ‘low carbon’.

Q What was the course of development of sustainable construction in your company?

A In Lumar, we recognised the potential and believed in new technologies and sustainable solutions more than a decade ago. We invested a lot into sustainable development of our own company as well as the development of standard solutions of sustainable construction. We became an integrator, developing and linking new technologies. That’s how we created trends in the field of prefabricated and sustainable construction of private and public buildings. We took on pioneering projects. We are also participating in several development projects. Our first passive house was built in 2007, we built the first passive technology-based nursery in Slovenia in 2008, the first energy plus house in 2009, the first active house for experimental living in 2013. Energy efficiency was at the forefront of all those pioneering projects. Today, we have standard products and solutions that comprehensively consider sustainable construction, i.e. take into account key criteria for sustainable construction – living comfort, energy efficiency and environmental impact. We are offering these solutions on the market within the Lumar Zero Emission Living® concept.

Q How can people find out about the benefits of various standard solutions of sustainable construction that you develop? Where can they test them?

A We want to provide an opportunity to the people to see the concept of standard solutions and products of sustainable construction in real life. Therefore, we incorporated all the aforementioned into our show house in Dragoonelj, which is the first Slovenian active house certified by the Active House society from Brussels. In this house, people get acquainted with and test new technologies hands on.

We are pleased that we have made our houses, which provide high quality of living and long-term financial sustainability, accessible to an average Slovenian buyer. However, we wish to achieve such level of construction for public customers too.

We are also proud of our public building, a pavilion at the Milan EXPO world exhibition in 2015, which was rebuilt in Murska Sobota. It is an excellent example of proper sustainable planning and reuse, which is becoming increasingly important in construction. Among public buildings, we have two functioning nurseries and soon we will add a primary health care centre in Lucija.

Q You are also active in foreign markets. You opened a company in Austria. You have a show house in Vienna. Now you can compare sustainable construction in the region and wider first-hand. How would you rate the construction in Slovenia?

A In Slovenia, the awareness about low-energy construction is at a very high level, and quality and aesthetic standards of customers, at least those engaging Lumar, are at much higher level than of the customers in Austria, Italy, Switzerland and Germany, where we are present. This might seem unusual, but after 20 years of doing business in this field I dare to say that the combination of architecture, aesthetic, quality and sustainable construction in Slovenia is at the enviable high level. Slovenian customers have very high standards.

Q What it is like doing business in foreign markets with a Slovenian product?

A Business on foreign markets is improving. We need to realise that from the 1990s, when Slovenia wasn’t recognised and in heads still belonged to the Eastern Bloc, we have made a long journey. Today, there are world-class Slovenian companies such as Akrapovič, Pipistrel, Hidria and many others, acting as suppliers or providers of final products in global markets and through these, other companies have also been recognised as very high-quality. In fact, in Vienna we managed to establish within a very short period a quality company that started making profit in the third year already, and we are recognised and valued in the market by our quality and architecture. Apart from energy efficiency, our company is very much focused on quality design as well.

Q What are your challenges for the future?

A The buildings we construct for a long-term mark the environment where they are placed, as their life span is at least 100 years. It means that we need to construct in such a way that the buildings placed into the environment create the lowest possible environmental burden. Our challenges relate to finding a way of integrating our houses with other industries – automotive, energy and IT – even further and intensively including modern disruptive technologies into the process of sustainable construction. Houses or buildings represent a convergence of various technologies and can achieve their maximum effects only if they are integrated. Of course, this poses a big challenge, as the construction is a traditional industry where people do not think about synergies, do not think long-term and are mainly focused on their product. This is just one of the reasons for construction being so expensive in terms of returns, however, I see this as a great opportunity for us.

Q What is your life motto?

A Obama said, “Yes we can”, but my motto is “Just do it”, because only “we can” is not enough.
New capacities on the horizon

Over the past year, as Slovenia’s only maritime cargo port, the Port of Koper has been rapidly building new cargo-handling and storage facilities in order to preserve its leading position as the northern Adriatic port with the highest annual throughput of containers and one of the largest automotive terminals in the Mediterranean. In this way, the port has been preparing for the increased throughput volumes that will follow after the construction of an additional rail line between the port and its hinterland. According to the state, which is acting as investor in the additional rail line construction via the company 2TDK, trains will travel on the new line already in 2026.

The Port of Koper boasts the handling of almost all car makes and a prestigious German manufacturer has chosen Luka Koper to export its vehicles to the Far East. Despite the currently unstable situation in the global automotive market, it is only a matter of time before car sales increase again. Keeping this in mind, the Port of Koper is accelerating activities aimed at increasing storage capacities. As a matter of fact, the northeast part of the Port of Koper is the only one that does not have railway access yet. Most of the cars, over 700,000 annually, are stored here. The new group of tracks currently under construction will make it easier and faster to load and unload cars from the wagons and the new rail access will shorten the car transport routes from the ship to the car parks and to other loading points. In addition, the new tracks will increased productivity and safety and will allow the arrival of longer train compositions. The investment will be completed in early 2020.

A new mooring is under construction and the building of a new garage is underway

In Basin III, not far from the new group of tracks, a new ro-ro berth adapted for car-carriers is already growing. The berth consists of individual buffers on which ships can lean and of concrete driving ramps. The surrounding seabed will also need to be dredged. The new mooring will shorten the transport routes and free up the existing moorings where ships with other cargoes can be moored. Work is expected to be completed in the first quarter of 2020. Both the new mooring and the train tracks are among the investments being co-financed by the EU CarEsmatic project.

Considering that cars occupy plenty of space within the port, the only logical solution has been to build a new garage right next to the existing one. The construction of the new one with a capacity of 6,000 parking spaces started last autumn and will be completed within one year. With the new garage, the Port of Koper will meet the growing demand of customers for covered storage areas while increasing storage capacity and improving its internal car-throughput logistics.

A nearly 100-metre longer quayside

The test pile-driving that started in July marked the beginning of construction work on the port’s most important infrastructure project, the Pier I extension. Considering the growing trend of containerization on a global scale, the pier is of vital importance to the port. Nowadays, ports mostly compete in the sphere of container throughput and the Port of Koper, where throughput is approaching one million TEUs, has been at the very top of the northern Adriatic ports since 2010.
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Tourism success stories are mostly connected with local, private ownership

By Tina Droloč, M.Sc.

Marko Pahor is a researcher, full professor and Vice Dean for Finance at SEB, UL. He teaches courses in data analysis, applied statistics and research methods, at both undergraduate and graduate levels, including MBA study. He is also published, with co-authors, in a wide range of business and economics articles, including tourism economics, marketing and finance. Professor Pahor explains the drivers of the tourism industry in Slovenia and points out that not everyone can run a business in tourism. He also comments that, in the long-term, Slovenian rail infrastructure may affect the country’s tourism industry as Slovene rails are among the slowest in the Europe.

Q According to the World Travel & Tourism Council (WTTC), in 2018 the total contribution from tourism to GDP in Slovenia increased by 6 percent and accounted for 12.3 percent of total GDP. Relative to the European average of 3.1 percent, this is a big increase. How do you see it from the tourism economics perspective?

A The increase in tourism is surely the trend of the restructuring of the whole economy which is moving toward service industries. In general, the share of service industries is increasing which includes also tourism. One reason that has allowed Slovenia to be discovered is that enough time has passed since the time of the iron curtain and the socialism that prevented many people form the west to come here, and another is the events in Turkey, South Africa, etc. meaning that people stay in Europe. Slo-
venia has had a steady increase in the number of tourists from the Far East, especially China. As GDP in China is growing tremendously, more and more people can afford to travel and Europe is a popular destination. However, Slovenia is not a priority for Chinese when they come for the first time, but when they return for the second time they for sure visit Bled, Ljubljana and Postojnska jama.

Q The eurozone economy is slowing, however, it seems that the tourism sector has a different dynamic, it is a growing sector. Can that be an important option for the diversification of a business so that it can somehow balance the impact of an economic slowdown?

A I am not sure that is the best strategy! I have spent some time in the supervisory board of a company that is actually combining these two activities – a classical manufacturing activity with tourism activity and I have seen that it has always been a little bit of a struggle. Although tourism presents one third of total revenue of that company, it is basically a break-even activity for them, they never see themselves as a tourist company. Most of the expertise was in their core business. Even in the past we have seen the moves when, for example, the rubber production company, Sava, diversified into tourism; they had a little bit of luck because they hired good directors and at least to some extent they are doing fairly well. An older story was also Istrabenz who diversified into tourism, but these stories in Slovenia are never very happy stories. Because tourism is a serious business and probably one of the challenges is the mentality that “everyone can do tourism, which is something easy”, but that is not true. You need a certain expertise and you have to know how to do it. Therefore, I do not see diversifying into tourism to be such a great idea.

Q In terms of ownership, are the best tourism practices in Slovenia on the private or state side?

A Definitely the success stories that I can recall are mostly connected with local, private ownership where there is integration, because one thing in tourism is that you should integrate different aspects: content, gastronomy and logic. That means that someone who wants to attract tourists to stay in a hotel has to also offer gourmet food or if I take the good practice of the ski resorts in Austria or Italy. Usually, the ski resorts are owned by a holding of local businesses (hotels, guest houses, etc.) and so the logic is that tourists go there because they want to ski, but they need to sleep somewhere and this is a good case of a reinforcing that creates synergies and profit.

Rail could definitely affect tourism long-term. If Europe is going to move towards more sustainable types of transport, and rail is definitely more sustainable than road transport, we do not even have rail infrastructure!

Q Slovenia has huge challenges in the areas of flight connections and rail infrastructure. Could that affect the future growth of total tourism to GDP?

A In terms of air, I believe in the short term we will feel the fact that Adria went bankrupt and even the idea of Slovenia airlines that are appearing right now would not solve this. SEB UL has been organising big conferences and when talking to those people, we ask “but why do not you come to Slovenia” and they say “it is hard to get there”. Even though many Slovenes fly from Zagreb, Venice or Graz, for tourists those are another country and it does not matter if the airport of Zagreb is 10 minutes from the Slovenian border and just one hour to Ljubljana, it is off the map!

And rail could definitely affect tourism long-term. If Europe is going to move towards more sustainable types of transport, and rail is definitely more sustainable than road transport, we do not have very good links, we do not even have rail infrastructure! The rail infrastructure is worse than it was in the time of the Austro-Hungarians. I have seen a map, not long ago, showing the average speed of trains across Europe – I think the average is between 60 and 70km per hour – and Slovenia is one of the slowest in Europe.

Q The International Journal of Hospitality Management published a study of Performance drivers in the casino industry that you prepared together with Professors A. George Assaf and Ljubica Knežević Cvelbar. What has been the main outcomes? How attractive is the casino industry?

A First of all, we wanted to find out how efficient are not just casinos, but all the gaming facilities and what the drivers for that are. When you have a concentration of bigger facilities you can attract gamers from a wider pool. It is like gravity – if you have more mass, you will be attracting tourists form further parts. It is definitely a complementary industry and the most famous locations are Vegas, Atlantic City and then Macao, where there is the biggest concentration for the Chinese. Casinos in Slovenia are traditional – Portorož, Gorica and Lipica, they have been attracting mostly local people from the region, foremost around the Italian boarder. Maybe it is a pity that Ljubljana does not have a proper Casino anymore, because the occupancy rate of Ljubljana hotels is more than 70 percent and there are even periods when you cannot find a hotel in Ljubljana at all.

Q SEB UL has more than 200 exchange agreements with institutions, in more than 40 countries and every year you host more than 700 full-time foreign students. It’s a great news, however the number is growing and it has become challenging from the perspective of housing for these students. How do you approach it?

A This year was, for the first time, when the problem became so serious that we actually started losing exchange students. It happened for the first time that exchange students left after a few weeks because they could not find permanent lodging to stay somewhere. The challenge is because the students’ dorms are run by a separate public institution and their mission is first of all to catch Slovenian students, and in terms of public housing there is definitely not enough capacities in Ljubljana, they cover only two thirds of the capacities and the entity that runs these dorms in 2019 even decreased the number of beds for foreign students, because they needed more beds for Slovenes. Additionally, when the Ministry for Education realised they needed beds for students, they found out they do not have money to build further housing facilities.

Q The University of Ljubljana celebrates 100 years and does not offer housing capacities for students. Do you think it should be reasonable to re-think it?

A The University should definitely do something in this respect. SEB UL is a little bit of a pioneer of internationalisation, but the rest of the universities are following and they are starting to think about these challenges too. Because the students are coming from abroad, they are used to being offered a package and they are willing to pay for it. One good practice comes from the London School of Economics, which owns facilities and every first-year students gets a bed as a part of the package and they treat domestic and international students the same. At least in Ljubljana, the challenges to find appropriate lodging are greater than for Slovenian students, because if a student comes from Macedonia or Kosovo, a lot of landlords do not want to give the housing, although they are a great students who behave nicely – prejudice is stronger.
A global brand that thinks locally

By Urška Lisjak

Mastercard launched a local Slovenian variation of its global sonic brand at the 26th Golden Drum Festival and presented its original melody at The Faculty of Economics. Rose Beaumont, Senior Vice President, Business Enablement and Communications for Mastercard, recently visited Slovenia for the first time, emphasising the importance of a global brand thinking locally.

Rose Beaumont leads the internal and external communications, business experience, interaction and amplification, for Mastercard throughout Europe and internationally. Focused on delivering integrated solutions and experiences that drive business performance and engagement, Ms Beaumont combines excellence in thought leadership and strategic vision with creative execution and story-making.

Interview: Rose Beaumont, Senior Vice President, Business Enablement and Communications for Mastercard

Q. Earlier this year, Mastercard launched its sonic brand, featuring renowned musicians and artists from all over the world. What was its purpose and how did it enhance the evolution of Mastercard?

A Mastercard, as a business, has now been in existence for over 50 years and throughout this time the product and the solutions that we have offered have grown and expanded. In today’s increasingly digital world, we know that the importance of having one front door for your business, one unifying brand that enables you to offer multiple products and solutions behind it, but giving an identifiable piece of real estate for people in the physical and digital worlds is critical. Mastercard has been on a journey to evolve all of the many brands that have popped up over 50 years and behind these beautiful and sleek iconic interlocking circles that are now a symbol only brand. Alongside the understanding that digital continues to evolve and with the number of connected devices, the rise of the internet of things and all-important voice assistants, we realise that branding is no longer just a visual stimulus but increasingly, an audio stimulus when the visual key is taken away. In Slovenia, we launched the sonic brand that is a full brand architecture that is everything from a full melody that creates the DNA of our brand in an audio space. The sonic signature, which is our signal to let you know that this is Mastercard and the point of sale acceptance sound, using the same sonic brand letting you know that your payment has been made safely and securely.

Q. The company’s distinctive tune can be adapted to different genres and cultures, ensuring local relevance while maintaining the sound of the global brand. Why is the local aspect so important for the global company?

A You may have heard many global organisations around the world say: we’re a global organisation that thinks local. However, very few organisations can deliver on it. Where Mastercard has the point of difference is that our global behaviour is the world class technology that moves your money faster than the blink of an eye in a very secure and simple way. Our local connection is how we partner with your financial institution of choice, whether that is your bank, whether we work with your transit network or your local government to introduce smarter payments, but also how we are locally relevant to you. When creating an audio brand, we realised that music is a very personal thing and has multiple cultural influences around the world that are unique to specific locations. It became something increasingly intuitive for us to say that if we’re going to make Mastercard have a consistent sound, there’s no reason why that consistent sound can’t be locally loved.
The Slovene music tradition was brought to life in the Mastercard global sonic brand for the first time in October. The producer, Dejan Radičevič, created authentic local inputs by adding folk instruments to the original Mastercard melody. The sound was created by zitherist, Tanja Zupanc, percussionist, Petra Vidmar, popular Slovenian singer, Neisha, world champion in diatonic accordion, Anže Krevh and renowned Slovenian clarinet player, Boštjan Gombač, who played a part of the tune on a reconstruction of the oldest flute in the world, found in the cave, Divje babe, near Cerkno in Slovenia. Play it on www.sloveniatimes.com.

and locally relevant. So, around the world we have been working with local musicians to really ensure that where the sound of Mastercard arrives, it has that element that makes it feel instantly at home.

Q: Contactless payments have become an important trend in the everyday customer experience. What are the benefits from the customers, as well as the merchants, point of view?

A: Contactless payments are phenomenal and their adoption is growing incredibly fast. They are primarily used for what we call low value transactions. So, if you’re paying for your tube ticket in London, if you’re going on a bus or if you’re grabbing a coffee. One of the things that contactless payments really deliver is speed. It’s a transaction where you don’t want to stop and consider, and you don’t have to try the product on. First and foremost, contactless is fantastic for driving speed which is such a great transit solution. In Slovenia, about 70 percent of payments are now contactless.

Q: You were talking about a cashless society as a goal to be achieved in the near future. How close is this goal?

A: If you look at it in aggregate, 85 percent of the world’s transactions are still in cash and paper. When you come to countries such as Slovenia and other developed countries across Europe, that number then moves dramatically and we’re moving much more to an electronic payment dominated place. It really comes down to the stage of development and infrastructure. Will we ever see cash truly disappear? I don’t believe so in my lifetime. I think there is a case for it in the future, but we’ll see different form factors co-exist as we do now. I think the emphasis on cash will decrease as people understand the convenience and security that is delivered by electronic payments.

Q: What are the main issues right now when thinking about the implementation of Strong Customer Authentication?

A: Strong Customer Authentication is a part of the European Commission Payments Services Directive 2 and is about giving the people in the online world the same level of security that they are used to in the offline world (e.g. PIN). The new regulation tries to find a solution for that in the online world. That is something that large e-commerce retailers can adapt to quickly, whether it is working with their one-time password generation, but actually we think this is a huge step forward for both banks and retailers in Slovenia and across Europe. It means they can start to embed a consistent check out experience that is incredibly secure. To do this, we believe that they should move to a tokenised transaction where all information is encrypted. But this takes time and that is the challenge that’s been encountered as we’ve seen Strong Customer Authentication roll through. We are working very closely with the banks and the retailers, and we know that now an extension has been granted. We’re hoping that those people who need to install the new infrastructure and have Mastercard Identity check ready will be ready come the new deadline.

Q: What is the future of payments?

A: The future of payments is happening all the time, but the one thing driving it is the problem we’re looking to solve. In some places, the goal is to displace cash and to make it more secure for small merchants or those who are looking to pay or get paid. The solutions are different depending on the infrastructure you’re operating. QR codes for tuk-tuk drivers in India, for example, are something that Mastercard pioneered – to take that cash transaction out of the mix. Will QR codes scale into Europe? No, because we’ve already moved to the NFC contactless enabled terminals that allowed us to move forward. In terms of the future of payments, we think the rise and rise of the mobile device is going to be critical. The other piece I see that is exciting is the growth of the wearable, whether it be a smart watch or a payment enabled ring that you wear when travelling. All these things mean that if I can take some of the friction out of my experience of moving around and still know that my payment is secured and authenticated by a biometric, then it means that I think that the future of payments is already with us. But that means it will continue to evolve. 

Photos 3-5: Žiga Intihar

Neisha Slovenian singer, Tanja Zupanc world champion in diatonic accordion, Anže Krevh and renowned Slovenian clarinet player, Boštjan Gombač, who played a part of the tune on a reconstruction of the oldest flute in the world, found in the cave, Divje babe, near Cerkno in Slovenia. Play it on www.sloveniatimes.com.
Interview: Dr Dominique Turcq, Founder and President of the Boostzone Institute

Human contact will be the new luxury

By Tina Drolc, M.Sc., MBA

Dominique Turcq is the Founder and President of the Boostzone Institute which forecasts how the evolution of our society and in particular the world of work, are affected by major forces such as the emergence of new technologies, new social dynamics and new economic conditions, and whether it will lead to a sea-change in the strategy and management of organisations. Dr Turcq was a permanent professor at HEC, ESCP and at INSEAD; he was a partner at McKinsey in the globalisation, war for talent and family-owned companies areas. He also directed strategy at ManpowerGroup as the SVP Strategy Global and he is closely associated with several multinationals in strategy formulation as it relates to the world of work.
At the IEDC Annual International Presidents Forum 2019 you talked about how neuroscience and biology will change our world, and how leaders should prepare. How are neuroscience and biology correlated with artificial intelligence, and what does it mean for business leaders?

A: I am not sure I would say there is a correlation, at least not an obvious one, except that both neuroscience and biology use a lot of computer power and a lot of artificial intelligence tools for their advancement. One could also say that the neuronal networks of AI are inspired by what neuroscientists have discovered on how our brain works; but frankly the two types of neuronal network, real and AI, are still very different animals. Also, some dreamers are working on using AI to record some elements of what happens in our brain or how to modify some elements of the brain (some memory chips have been used in rats…). One could also say that biology tries to understand how the brain develops and how some biases identified in neuroscience could be linked to biology. But all of these links are a bit artificial and most of them are still more science-fiction than science or are at the very early experimental phases. What I am mostly trying to show is that these technologies, correlated with each other or not (and they are only very slightly), are important for all of us because they collectively change the way society works, the way the labour market will work and therefore how leaders should prepare to integrate them into their leadership practice. In particular, leaders have to be ready to manage the extreme personalisation that these technologies will allow, how they will help to make better decisions, how they will all create new forms of inequalities and injustices, and how they will all require a greater sense of ethics.

Q: You have invented the terms “augmented management” and “augmented leader”. Can you explain them in practice?

A: Just as some tools augment ourselves (glasses for seeing better, a smartphone for all of the apps it allows us to use), we need to augment our mind and our soft skills with new ‘programs’ to put in our mind, like a better immune system against fake news, a better way to use collaborative intelligence, a better way to become more ethical. Augmented management is actually less technical, less digital tools oriented and more human oriented.

Q: Which organisations would you say are the trendsetters in the field of “augmented management” and why?

A: I don’t want to cite any specific organisation, but I believe that all organisations which are trying to clarify their “mission” in society, the social impact of their activities, their relation to the environment and to the various stakeholders, are on a clear path toward creating augmented managers and an augmented management.

Q: The Boostzone Institute’s R&D activities includes “The future of learning” and “The offices of tomorrow”. Can you share the main highlights: what will change in the learning process and the kind of offices we will work from in the future?

A: A short question but it is hard to give a short answer! The most important points, in my view, will be how we will be able to use the knowledge of neuroscience to drastically redesign learning (how, what) and to redesign the work environment. We have to be ready to put into question remote working, e-meetings, flex office, open space offices, etc.

Q: It has been discussed several times that scientists are crossing ethical lines. Which challenges do we need to address from the perspective of today’s rapid socio-technological transformation?

A: Scientists may sometimes cross some ethical lines, but it is not common, far from it! We are in a paradox: it is very hard to know what the consequences of an emerging technology will be and therefore to regulate it correctly when it emerges; and it is very hard to regulate it when it has taken important proportions. Just think of social networks. Nobody was seeing the importance they would take and nobody could think of the early regulation, and so today it is very hard to regulate these because they have taken such an importance. The same is true with every technology. However, it does not mean one should just give up regulating. On the contrary, we clearly need more coordination, more ethical committees, more privacy protection regulation, more protection against fake news. It is possible and all the authorities are working on it.

We need more national and international regulations. They will, however, have to be fast and continuously evolving in order to adapt to the evolution of technology and to the social acceptance of their impact. Assisted procreation was not easily accepted at the start, today it is in many countries. Today, modifying human embryos is not accepted, but no one knows how our society is going to evolve. Ethical and social debates will have to be taken regularly into account.

Q: You already had an idea of the social networks before the Facebook phenomenon. Can you share more about it and why, on the other hand, some social media channels – e.g. Facebook are losing their popularity? Where do you see the next milestone?

A: The explosion of social networks was obvious even before the arrival of Facebook. Remember, some social networks like 6degrees.com were existing well before Facebook. The potential to communicate horizontally and the emergence of the web 2.0 (the interaction) were clearly the signs of a social revolution to come. To me, the weak signs that social networks would change society and corporations (via horizontality and collaboration) were actually very strong signals of major changes to come.

I believe several things will happen with social networks in the near future: some fragmentation (by geographies, by usage and by users); some control on content (in particular fake news) by the networks themselves; some more regulation for controlling, even if only partially, the manipulation of echo chambers and filter bubbles via fake news; and more usage of AI for performing those controls. This does not mean that the negative sides of social networks will disappear, such as political manipulation, but one can hope that they will be better controlled and that users will become more careful about how they use them.

Q: What, in your opinion, is defining the comparative advantage of the companies?

A: To me, the most important comparative advantage, in the near future, is the ability to reinvent human contact. We have been deprived of human contact because of an extreme digitalisation of interactions. We see less humans and too many screens. Human contact will be the new luxury and the new way to provide value to consumers and employees and stakeholders. In some cases, we will be ready to pay for more contacts with humans and, in some cases, companies will have to provide more human contact just to keep their customers. We will not accept talking only to robots and dealing only with apps or machines. Not in all cases, obviously, but in all those where some humanity is needed. It might be in talking to a salesman, a banking advisor; it might be the welcome in a hotel or in a shop or in a gas station. It will be when one needs human care for oneself or for one’s family member, etc. New business models will develop, new schemes of competition will emerge. The extreme personalisation that all those technologies allow should be an incentive to reinvent human contact.
Slovenian employers expect modest hiring plans for the first quarter of 2020

According to the ManpowerGroup Employment Outlook Survey, Slovenian employers report modest hiring plans for the first quarter of 2020 with a Net Employment Outlook of +7%, the weakest reported in more than three years. Hiring prospects decline by 8 percentage points when compared with the previous quarter and are 13 percentage points weaker in comparison with the same period last year.

ManpowerGroup Employment Outlook Survey

Some of the sectors expect the weakest labor market in four years or more

When compared with the previous quarter, hiring sentiment declines in all 10 industry sectors. Employers in Transport, Storage and Communication sector expect the weakest labor market in six years during the forthcoming quarter, reporting a Net Employment Outlook of +8%. Considerable decreases of 17 and 15 percentage points are reported in the Manufacturing sector and the Mining & Quarrying sector, respectively. Furthermore, employers in Manufacturing expect the weakest hiring pace in six years during the coming quarter. Finance, Insurance, Real Estate & Business Services sector employers expect the weakest labor market in four years reporting a decline of 12 percentage points. The Outlook for the Wholesale & Retail Trade sector is 10 percentage points weaker and is the weakest reported in four years.

Greece and Romania anticipate the strongest hiring intentions

Looking at the survey results for the EMEA region, payroll gains are anticipated in all 26 countries surveyed during the first quarter of 2020. Employers in Greece and Romania anticipate the strongest hiring pace during the next three months, while the weakest labor markets are forecast in Italy and Spain.

Overshadowed by Brexit uncertainty, the weakest labor market in seven years is anticipated by UK employers, with hiring sentiment softening in seven of nine industry sectors both quarter-over-quarter and year-over-year. In Italy, employers report subdued hiring plans for the coming quarter, declining slightly in comparison with both the previous quarter and last year at this time. The weak Outlook is in part driven by regional differences – South/Islands employers report their weakest forecast in more than five years, while hiring plans are the strongest in nine years for the North West.
What do customer experience solutions bring to the table?

By Urška Lisjak

Joe Fuster is Global Head of the Customer Experience (CX) Cloud at Oracle. He is responsible for driving the growth for the cloud portfolio of integrated applications across three domains, marketing, sales and service. He is a proven leader in transforming Go-To-Market models from on-premise to cloud. His intense focus on customer outcomes has brought him notoriety for key business transformations in manufacturing, financial services, consumer packaged goods and life science industries.

Q: How are Oracle solutions helping to enhance the customer experience?

Providing a very good service requires coordination across lots of different topics. The way that Oracle is producing better customer experiences is by realising that the individual is common across the experiences. Oracle is doing a very good job recognising the individual and then recording what the individual likes, dislikes, etc. In this way the experience gets tailored to the individual. Oracle has decided that we need to think about the entire spectrum and this starts at the advertising level and continues into the marketing, sales and commerce levels, and then at the customer and field services. Oracle solutions help because the recognition is there – the world is always moving, there is always someone in a different time zone needing something. You must be in the moment; you must be present with service. Oracle is working very hard to be present, in the moment, for the customer. That’s unique.

Q: What industries are you targeting for customer experience solutions?

We are known for our service in B2C and handling the big consumer brands. However, as more and more business people expect the experience at the professional environment to be similar to what they experience as an individual, we see the B2B market changing. The trend is to act more and more like B2C. Oracle believes that, over time, we’re not going to make the distinction. It is going to be that same level of expectation in all markets. Industry wise, in the B2B space, you will get companies that get very high value interactions. If we can get all the different interactions right, we can make sure that the end consumer also has a much better experience. We’ve targeted a lot of the B2B segments which are heavily involved with goods. In the B2C space we are targeting banking, financial, insurance and retailing in particular.

Q: What about the healthcare sector?

This is one of the areas where the new technologies are going to play a huge role. Blockchain technology allows me to take data and safeguard it, but also to distribute it very widely. In doing so, if we were to think about personal data sovereignty, medical records are something to consider. For example, every time I take a loved one to a hospital, there are countless numbers of forms that I must fill out and there is not a lot of coordination between the providers. I think this is an area where having data sovereignty as an individual means that I could carry with me all my medical records in a blockchain format. This means that I could carry with me all my medical records in a blockchain format. The real time sequence. The unstructured is what does not fit your sequence. The unstructured data elements come into your life all the time and it is very easy for a human to comprehend them, but it is very hard in a system to put unstructured data next to all of the structured data. The idea of having to do both is kind of like the brain having a left side and a right side. Humans are very good at being creative and being structured as your brain can process the structured and unstructured. In all these years, computers have been set to only process the structured. We are now at a point where the capabilities are there to start looking at the structured and unstructured just like the brain does. The real time structured and unstructured being processed together is completely new. Oracle is leading in this area and I am very excited for what it can do for everybody. It is equally available if you are a three-person start-up or if you are the biggest bank, insurance company or even the government. Now it is the meritocracy of your idea, the creativity of your strategy, the execution that matters. The barriers when competing as the small guy go away. This makes it very important and exciting.

Q: What would be your advice to a company working on their customer experience strategy?

Be relentless. If you think about the best customer experiences you have across all the different brands that you deal with in your life and then you do a little bit of research and read back about the founders and about the vision of the brand, you will discover that even when they think they got it right, they are still trying to get it better. I welcome the challenge that Walt Disney, Amazon or American Express put up for everybody. They are thinking about your needs, all the time, and even though they are world-class, they are still trying to improve.

In October this year, Oracle Slovenia got a new Executive Director – Julij Božič:

“In September, I attended Oracle OpenWorld 2020 in San Francisco, where I confirmed that I work in a company that strives for change and has both the energy and knowledge necessary to achieve it. In the massive world of Oracle, a country as small as Slovenia will find it hard to rank among the champions considering the limited scope of our projects. We can, however, position ourselves as a country with many innovative projects, good reference stories and a powerful ecosystem. Doing so, we can increase our global recognition and so it is worth working on.”
Foreign direct investment (FDI) benchmarking in the CEE region:

Is FDI still an opportunity for the CEE region?

By Matej Skočir, MSc, Ministry of Economic Development and Technology

FDI has played a significant role in the development of countries in the Central Eastern European (CEE) region. For several years, the CEE region has been a major recipient of FDI flows.

However, globally, there is currently a downward trend in FDI inflows. As the World Investment Report 2019 clearly indicates: “Global FDI flows continued their slide in 2018 falling by 13 percent to US$1.3 trillion.” (UNCTAD, 2019, str. x)

If we compare historical data, we would draw the logical conclusion that FDI global flows are reaching the same value as those in 2009; that was the time of the global financial and economic crisis.

Nevertheless, the decline, which is visible for the third consecutive year, is thoroughly explained in the UNCTAD World Investment 2019 Report - it is mainly due to the large-scale repatriation of accumulated foreign earnings by United States multinational enterprises in the first two quarters of 2018, following tax reforms introduced in that country at the end of 2017 (UNCTAD 2019).

On the other hand, another global trend should not be neglected - the top FDI investors are Asian. Data of FDI outflows by home economies (i.e. the FDI country of origin) indicates that the top investors are Japan, followed by China, France and Hong Kong (China).

How does this impact countries in the CEE region which are major recipients of the FDI flows?

To compare the value of “FDI presence”, the FDI inward stock as a percentage of Gross Domestic Product (GDP in %) is a measure. The EU has an average value at 49.9%, most of the CEE countries have a much higher level: Estonia at 82.9%, Bulgaria 78%, Czech Republic 65.5%, Slovakia 55.3%, whereas Slovenia is at 31.9%, Lithuania 34.3% and Romania, 40.2%.

However, comparing the "FDI presence" in the CEE region since 2011, the countries can be put into a few groups:
1. CEE countries with FDI at constant level (Lithuania, Romania, Slovakia);

Picture 1: FDI inflows, global and by economic group, 2007-2018 (billions of dollars and per cent)
Picture 2: CEE countries: Inward FDI stock as percentage of GDP in per cent, 2011-2018

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2. CEE countries with a mixed trend – an initial increase followed by a negative trend (Bulgaria, Estonia, Hungary, Latvia);
3. CEE countries with stable positive growth (Czech Republic, Poland, Slovenia).

The rationale and challenges in the CEE region are:
• most FDI was financed by retained profits and not from newly transferred equity,
• labour shortages and rising wages have a strong impact on investor decisions,
• Germany and the US are still the most important ultimate sources of FDI in the region,
• some countries in the CEE region, such as the Czech Republic, are becoming increasingly important outward investors.

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Literature:

Slovenia is positioned in the group of the CEE countries with stable positive growth. Although it seems that Slovenia has the lowest share of the FDI in terms of percentage of GDP.
Interview: Thijs Komen, Air France, KLM & Transavia, General Manager, Alps, Balkans & Central Europe

Because we love flying so much, we want to pass it onto future generations

By Petra Godeša

With sustainability issues on the rise, the air industry is facing more challenges than ever. But, in crisis, there is always a place for growth and Air France is expanding, especially in the Alps, the Balkans and the Central European region. Doubling its flights from Ljubljana to Paris, investing in a brand new Airbus A350 XWB fleet and planting trees as compensation for CO₂ emissions, the company courageously looks into the future, where flying will be greener but also accessible to many.

Q. Air France recently presented a five-year plan for reinvention with the primary goal to regain the leadership position in the industry. What are the critical aspects of the strategy?

A. We have had a new group CEO for a year now, Ben Smith. When he started, he had to decide his priorities, a five-year strategy which he recently presented. One of the main concepts of the plan is the emphasis on the three brands, Air France, KLM, and Transavia, focusing on their core values. Air France is strongly related to the image of France, the most visited country in the world, with Paris still being the number one tourist destination and so we want to focus more on this French image, linked to the brand.

KLM will concentrate on connections. KLM has an excellent position in Amsterdam, functioning as a hub to places all over the world. We want to keep this position in the future. Transavia is the low-cost airline brand we have in the group, operating both in France and the Netherlands. In the Netherlands it is already the number one local airline and in France we want to become first in terms of numbers of aircraft and such. One can see steady growth acceleration. We also want to grow our numbers, always focusing on customer appreciation. Every plan for the company involves many aspects around what we want to do for the customer on the cost side. In short, we will simplify the fleet, modernise the aircraft, the fleet will be much lighter and easier to operate. When you have fewer airplanes, you need less of different kinds of pilots, engineers and other experts.

Another critical pillar is sustainability, especially for Air France and KLM. We are already number one in the Dow Jones Sustainability Index, which is a leading indicator for a corporation’s sustainability performance; the results have just come out. We are very proud of this position, but we need to keep on going to stay on top. Sustainability is one of the main challenges we are facing as an airline company. What remains is the last point, last year we worked hard together with all our partners, for example, joining forces with Delta Airlines regarding how can we work together. We cooperate on all the flights across the North Atlantic; it doesn’t matter if you fly in an Air France aircraft or a Delta Airlines. Virgin Atlantic will be added soon and we are establishing a connection with Chinese carriers and also in Africa. We invest a lot in cooperation and consolidation of foreign markets.
Q Several airline companies are facing hardships, battling financial losses and personnel issues. Somehow, it seems air transport has changed significantly in its relatively short history. Has the airline business become unprofitable in the new era?

A One can see that the aviation industry is consolidating. I am not sure if it is the most difficult time since aviation is roughly a hundred years old; there have always been difficult times since the beginning. If you look at the 60’s and 70’s when the jet engine, Airbus and the 747 were introduced, many airlines almost went bankrupt! Every decade brings its challenges, but what we have seen in the last five to ten years is a tough time. Competition is fierce and we need to give an excellent customer experience, offering the right price regarding the value. In aviation, size does matter and one needs to provide a large network along with the skillful purchase of aircraft.

Q Are customers today spoilt? Do people even realise how much it takes to run an airline?

A I will never say customers are spoilt! An airline has to make sure to live up to what customers are expecting. I think there is a big difference between what people expect from a short flight, lets say a one or two-hour flight and a ten-hour flight, for example. The low-cost airlines in the past 10, 20 years expanded and made flying much more accessible to a broader circle of people, those who maybe didn’t fly before. We see that on longer flights, people still expect a meal, a proper service; people want to have a choice, including the amount of baggage they take with them.

We offer a big network; it is not just Paris, one can fly from Ljubljana to nearly two hundred destinations, including North and South America and Africa, for example. Connecting flights are something local carriers aren’t offering.

Q Will Air France also focus on cargo traffic?

A I wouldn’t say we will focus more on it, but we already handle cargo, we fill the belly of the aircraft on our flights with cargo. It helps that we already handle cargo, we fill the belly of the aircraft on our flights with cargo. It helps that we have an extensive network and so the possibilities are endless, more and more people are ordering online and expecting fast delivery. One can be very fast sending things around, making use of the passenger network by making use of an aircraft that is already taking a journey. This is undoubtedly a significant contribution to our flights.

Q The company has made the pledge of Air France Horizon 2030, a manifesto of sustainable aviation. What are its main commitments and concerns? Is “Flygskam” – a new Swedish term that is already making waves in the media - meaning “flight shame,” popularised by the teen climate activist, Greta Thunberg, a real threat?

A Every airline that exists was created to connect people to the world. To me, travelling is a fantastic way to experience the world, new destinations and cultures, which is why many people like flying because our universe expands. But, there is also a vital sustainability question; because we love flying so much, we want to pass it onto the future generations. When I think about my children, I hope they will still be able to fly for years from now. Green travel is doubtless the main challenge for aviation now - if we don’t overcome this problem, it will be challenging to do that forever.

Whenever we can stimulate new technology for creating a more sustainable future, we are willing to support the industry. I don’t think electric aircrafts will be the solution for long flights for many people. As we can see now, the electric technology is developing mainly for smaller aircraft and shorter distances, but hopefully new ideas will develop from existing solutions.

Q Will Air France also focus on cargo traffic?

A We announced that we would balance out CO2 emissions for domestic flights in France. We focus on reducing weight, since less weight on board means less fuel used. We try to find smarter ways in the airspace to make the routes shorter by simplifying them. All this is a step in the right direction, but since we can’t nullify the emissions, we try to find other ways to compensate for them. We announced that we would balance out CO2 emissions for domestic flights in France. Trains are a much better alternative to flying, so we cooperate with railroad companies. If one flies to Paris, the passenger can easily connect to other cities with a high-speed train. But for those who still have to take domestic flights, we compensate the emissions by planting trees.

In the longer term, we want to support and invest in technology development since it is not very likely that we, Air France, will build an aircraft in the future. But whenever we can stimulate this innovation and technology, maybe by the electrification of flying or use of...
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Economy

biofuels, we could again reduce CO₂ emissions by 80%. As you can see, we are investing in all different kinds of developments, also trying to set an example for the industry. There are a lot that airlines that can contribute, but some responsibility is also the passengers’ shoulders. Of course, there is also some load on governments to invest in better connections for shorter distances and leave flying for longer ones. This way we will keep enjoying all the beautiful destinations the world has to offer in shorter distances, but now they want to visit South America, for example. People like to explore, so we would like to make it possible for everyone, but definitely in a sustainable way.

Q None of the industries thought much about sustainability until now. Do you think this is probably the main reason why there is so much to change, so quickly?

A True, but we still see that that depends much on where people live in the world. Sustainability became a distinct topic in the Nordic countries; they are leading the way. In Sweden, Norway and Denmark, there is a substantial focus on sustainability. You see it also in the Netherlands and Switzerland. But there are other countries where people are just beginning to travel by plane more, such as China, for example.

In China, many people have never flown and are still waiting to go on their first flight. Initially, they will take an internal trip, but then a journey to Paris or Rome, for example. So, you see, different developments in the world but the demands for air travel are still significant, the numbers are rising every year. In the region of Central and Eastern Europe, many people had never travelled before or only short distances, but now they want to visit South America, for example. People like to explore, so we would like to make it possible for everyone, but definitely in a sustainable way.

Q The brand of Air France stands as a synonym for prestige. How does prestige fit with sustainability, considering the latter often demands to sacrifice comfort?

A Good question! For me, do correct me if you see it differently, prestige is linked to the fine life of France. The wine, the champagne, the cuisine, romantic Paris in all its appeal, this is something we want to excel at. Stepping into the Air France aircraft should feel as if you’ve entered France. We have been rewarded for the best airline wine list; our La Premier class has won several Skytrax World Airline Awards, which is a huge recognition in the industry. We also serve champagne on every continental flight in every passenger category. All this is what prestige means to us, enjoying the good life that France is known for. We apply that special touch to all different types of travellers, regardless of the value of their ticket. This is how I see the prestige. One can sit in the economy class but still enjoys a little bit of luxury. We do want to offer reasonable fares, but we won’t compromise the necessary foundations of the travelling experience; we work hard to make a difference in the customers’ experience.

Q Air France is celebrating the 15th anniversary of the Ljubljana – Paris connection. How well has the company established itself in the area over the past 15 years?

A The Alps region and Central Europe is the fastest-growing region for our company, if we talk about the capacity of people. It is nice to work here, with this consistent progress. In 2019, we reopened the route to Belgrade, Serbia, which was a festive moment. For the two months of summer, we fly to Split, Croatia, since the Croatian coast is becoming more and more popular with tourists. Here, in Ljubljana, we have already increased the number of flights from seven to ten flights per week, but from the winter season, the company will double the number of flights from six to thirteen weekly flights, flying twice per day, except on Saturdays. Growth is happening in both directions; more people are travelling to the world, but also many people visit the region — from both the leisure and business perspectives. The area is developing nicely and I only see further growth possibilities in the future. This is the positive side of aviation, we previously talked about challenges, but there are so many benefits air connections bring to a city, a country or an area.

Q What are the biggest challenges Air France is facing in Central Europe and the Balkan region?

A There aren’t many. Maybe the infrastructure development since the airports have to follow the increasing number of more and more passengers, there are demands for huge investments and renovations of facilities, which is a challenge but also a growth opportunity.

Q Air France supports the French Aeronautical Federation in purchasing the Pipistrel Alpha Electro, a very light, all-electric, single-engine, two-seater. The company is lending the expertise of its mechanics and technicians to this new aircraft. Since Pipistrel is a Slovene company, do you think tiny Slovenia can become an aviation nation in the future?

A Whenever we can stimulate new technology for creating a more sustainable future, we are willing to support the industry. I don’t think electric aircrafts will be the solution for long flights for many people. As we can see now, the electric technology is developing mainly for smaller aircraft and shorter distances, but hopefully new ideas will develop from existing solutions.
Financial Times again ranks the School of Economics and Business among the top 95 European business schools

For the second year in a row, the School of Economics and Business, University of Ljubljana (SEB LU) is ranked alongside the top 95 business and economics schools in Europe, giving further recognition of the hard work and dedication of its employees and students as well as further acknowledgement of its quality in the international environment.
Interview: Meik Wiking, CEO, Happiness Research Institute

Happiness at work and how it can influence employee productivity

By Urška Lisjak

Income is not among the main factors for happiness and satisfaction in the workplace, stresses Meik Wiking, the CEO of the Happiness Research Institute and author of Hygge and Lykke, the global bestsellers on happiness. Wiking visited Slovenia as a special guest of En.Ekonomika & Industrija 019 conference, organised by Montel Energetika.NET and the Slovenia Association for Energy Economics, where he spoke about employee happiness and satisfaction.

Q What are the trends in terms of happiness and life quality that you notice while leading the Happiness Research Institute?

A Globally, there is a surge in interest in happiness. Governments are starting to measure happiness and wellbeing the way we measure progress and the biggest courses in universities such as Harvard and Yale are now on happiness.

Q Are corporations and companies aware of the importance of employee happiness and satisfaction?

A We are seeing corporations becoming increasingly conscious of happiness. In order to be sustainable, the wellbeing of employees must be a priority and to achieve this, corporations must ensure they supply their employees with the necessary resources to complete tasks.

Q What should employers do to achieve higher employee satisfaction?

A Employees will undoubtedly experience stress if they do not have the means to complete that which is being asked of them. Therefore, corporations must assure their employees are clear about their roles, responsibilities and expectations. Corporations have a great responsibility over their employees’ experience at work, and therefore heavily influence the perceptions of their work in relation to their happiness. Structural problems in corporations are an element over which employees have little-to-no control. Interestingly, these problems have the potential to be rectified with happiness research, since it demonstrates where things are not working, and thus gives direction to the areas on which to focus, such as employee satisfaction, as happy employees are also more productive and loyal, says the New York Times bestselling author. Employees must have a sense of purpose and meaning at their workplace. These are the two main factors for job satisfaction. Of course, their satisfaction also depends on stress level and the relationships with management and co-workers, said Wiking, whose Happiness Research Institute aims to bridge the gap between the academic community and the public in order to make happiness research more accessible. To do this, the researchers use data that shapes science as well as stories to spread the science. They wish to determine how to measure something as intangible as happiness.
as: social relationships, kindness, generosity, trust and having basic financial needs met.

Q Can happiness at work lead to higher productivity?

A Happy employees are more productive and more loyal employees. Caring for your employees makes good sense – also good business sense. If employees are happy at work, they are more capable of focusing on solutions and problem-solving, which is of course good for companies, since, as a result, the company is more productive. This makes sense especially in countries where people are not happy at work, they will invest their resources elsewhere.

Q How do you measure such a subjective thing as happiness?

A When we are measuring happiness, we are focussing on three dimensions: life satisfaction, affective happiness and purpose. Evaluative life satisfaction is the cognitive scale. To measure this dimension of happiness we use the Cantril Self-Anchoring Scale which asks people to imagine a ladder with steps numbered from 0 to 10, with 0 being the bottom and 10 being the top. Considering zero being the worst possible life for you and 10 being the best, participants are asked to evaluate where on the ladder they feel they stand at this time. The second dimension we measure is the affective scale, which asks the individual the emotions they felt that day, the day before, the last two weeks and so on. This dimension is where we see the most fluctuation. These two scales provoke much discussion about what is more important: overall satisfaction or day-to-day feelings. Finally, we have eudaimonia, which asks individuals about the sense of purpose they feel about their life. Having those three things gives me a better impression of how someone is doing than just one, and they also tell me different things.

Q Why are some societies happier than others and which are the happiest countries in the world?

A According to the World Happiness Report we can explain 75% of the differences in happiness levels with GDP per capita, healthy life expectancy, freedom to make life decisions, good governance, generosity and social support. These factors give a comprehensive understanding of the areas in which countries are doing well and those in which they are not. In addition to these factors, each country has cross-cultural nuances which also contribute to differences in happiness. All five Nordic countries are consistently ranked within the top ten of the World Happiness Report. I believe Denmark inspires other countries to increase the quality of life for their citizens, since we are exceptionally good at decoupling wealth and wellbeing. After our basic needs are met, we realise that more money is not conducive to more happiness. So, instead, we focus on the things which increase our quality of life. In other words, it is the small things that really matter. These include spending more quality time with friends and family and enjoying the good things in life.

Q Which are the unhappiest countries in the world and why?

A There are many societies who have failed to convert wealth into wellbeing; at a country level, and also very much at an individual level. I see that a lot with South East Asian countries. For instance, South Korea has experienced tremendous growth and wealth increases but continues to struggle to convert that into quality of life.

Q How about Slovenia – where do we stand?

A The most up-to-date findings available are Slovenia’s ranking in the World Happiness Report 2019. Of 156 countries, Slovenia falls into the top 50, ranked at number 44.

Q Is there a recipe for happiness?

A Unfortunately, we do not yet have an ultimate happiness manifesto. However, we do have the six factors which are used to explain countries’ happiness ranking in the World Happiness Report, in addition to the four factors which explain variances within a group: mental health, physical health, safety and trust. The combination of these factors gives us direction for increasing happiness globally.

Q In your first bestseller, Hygge, you focussed on the Danish way of living well. Can you describe what hygge means?

A Hygge is the art of creating a nice atmosphere. A pursuit of everyday happiness. It is about feeling safe and secure and ultimately, you know it when you feel it; it can also be cuddling up to a loved one on the sofa or sharing comfort food with your closest friends. This was a Danish concept but has now been embraced globally.
The world must become more circular to reach its climate goals

Bringing Circular Change to COP25

By Niko Korpar, Circular Change

The most important (conference) of the year, COP25 in Madrid, did not bring the results everyone has been waiting on, due mainly to the lack of cooperation of a select group of countries, and to the failure in dialogue between the developed countries and the Global South.

Another much needed dialogue, however, has developed in a much more positive way. In 2019, climate change strategies became part of the mainstream. Less talked about, but no less important, was the realisation that unsustainable resource use and greenhouse gas emissions work hand in hand to reinforce each other’s negative impacts on the environment. Through a circular economy, we try to address the issues connected to resource use in manufacturing, in the way we use everyday products and what we do with them after we no longer need them. Putting circular economy business models in place, and learning how to use products and services in a more “circular” way, has a direct impact on greenhouse gas emissions. The Ellen MacArthur Foundation connect around 45% of potential CO₂ emissions cuts to the production and use of products and food. This is why it is critical for organisations and individuals who work on delivering the transition to a circular economy to connect more with the climate change community and plan mutual strategies for greening (and improving) our societies.

Fortunately, this year’s COP proved that this alliance is starting to kick-off. Ladeja Godina Košir, the Founder and Director of Circular Change, the Slovenian stakeholder engagement platform for the circular economy, and the elected Chair of the coordination group of the European Circular Economy Stakeholder Platform (ECESP), established by the European Economic and Social Committee, was invited to speak at two different side events to share her perspective on collaboration for sustainability and the role of civil society networks, such as the ECESP.

The consultation, titled “Combining circular economy principles with GHG-reduction strategies” took place in the EU Pavilion and was opened by Director General Daniel Calleja Crespo who emphasised the central role of the ECESP network for the upcoming Green Deal by the new Commission. The event aimed to demonstrate how countries can find more comprehensive solutions to meet the 1.5°C goal, provide examples of Central European good practices and a forum for discussion to help Central European practitioners deal with the challenges they come up against. The European Circular Economy Stakeholder Platform serves the role of a ‘network of networks’, open to everyone who wishes to become engaged in the circular economy, emphasised its current Slovenian Chair.

The second event was dedicated to the building of an alliance of a different sort: to strengthen the cooperation between Europe and Latin America. The EuroChile foundation invited Ladeja to participate in their Circular Economy Forum and Brokerage Event on 11 December. As enablers of the circular economy who work across Europe, being sensitive to different environments is key to the approach used by Circular Change. Ladeja thus emphasized the need for understanding of different cultures and for adjusting solutions to different social contexts based on shared values. No one has all the ideas, but we have each other. COP25 proved that much more has to be done to bridge the gap between the understanding of responsibility and willingness to take action to reach the goals set in the Paris agreement.

For Circular Change, a busy year which featured presentations at over 45 conferences, workshops, seminars and plenary meetings in 12 countries, from North Macedonia to the USA, is coming to an end. However, the efforts to bring greater awareness on the potential of the circular economy to decrease greenhouse gas emissions will continue in 2020. January will feature a speech at the Cradle2Cradle Congress 2020 in Berlin, and the International Workshop on Targets for a Circular Economy, organised by the Platform for Accelerating the Circular Economy, established by WEF, in The Hague. With the second Circular Economy Action Plan being foreseen as a key part of the European Green Deal, 2020 is shaping up as another “circular” year.
FranklinCovey spent more than two years learning what organizations and businesses need from their leaders today and in the future. The 4 Essential Roles develop leaders who can master skills consistently, within FranklinCovey’s unique framework that focuses on developing who a leader is as well as what a leader does.

**The 4 Essential Roles are:**

1. **Inspire Trust:** Be the credible leader others choose to follow—one with both character and competence.
2. **Create Vision:** Clearly define where your team is going and how they are going to get there.
3. **Execute Strategy:** Consistently achieve results with and through others using disciplined processes.
4. **Coach Potential:** Unleash the ability of each person on your team to improve performance, solve problems, and grow their careers.
Best of the Best 2019 are Danfoss Trata and Petrol

The Best of the Best 2019 award for the best business practice was given to Danfoss Trata and Petrol with their practice ‘Slovenia, Connected through Energy: Showroom of Global Trends’.

Within the Best of the Best project, AmCham Slovenia has been highlighting, presenting and rewarding best business practices for five consecutive years. Exceptional projects and best business practices, with their innovative approaches, bring new knowledge, approaches, products, processes and business models to the Slovenian business environment. With their creativity and energy, they not only motivate employees in companies, but the entire business community, and they spread knowledge, experience and optimism through networking, collaboration and trust. The winner was chosen from among the three finalists at the AmCham Business Breakfast “Best Stories from the Best”.

The winner of the networking category, one of three categories in the competition, “Slovenia, Connected through Energy: Showroom of Global Trends”, has three goals. It organises an international summer school on district energy for established professionals and talents, or future creators of new technologies. It provides information about smart solutions in district energy, thus raising awareness about emission reduction. The third goal is to bring together district energy experts engaged in creating energy-efficient solutions from around the globe. Last year its summer school was attended by over 40 energy professionals from 10 European countries, who helped develop innovative technological solutions. Milan Jungič from Danfoss Trata and Amer Karabegović from Petrol said it proved that by working together, companies could turn competition to their mutual advantage. They believe the project could develop into a platform for development breakthrough.

The British-Slovenian Chamber of Commerce – BSCC

The British-Slovenian Chamber of Commerce concluded 2019 with the third Christmas gala in London, where 180 business leaders, from Slovenia and the UK, joined us for an evening to celebrate UK-Slovenian trade, which continues to grow. The keynote speaker was Nigel Higgins, Chairman of Barclays Group, a traditional bank that has been adapting to open-banking with innovative FinTech solutions. The gala also included a two-day program, focused on digitalisation in banking and insurance at FinTech accelerator, Level39 and Lloyd’s of London, the largest insurance market in the world, a visit to the famous London Stock Exchange, the British Parliament and the Foreign and Commonwealth Office.

We’re excited to announce big British brands in 2020, such as Wimbledon, Christie’s auction house and the premiere of the new James Bond movie, which we will combine with events and topics relevant for business. We continue to support business on Brexit relevant questions and help companies in trade and investment between Slovenia and the UK.

We wish our members and partners a Merry Christmas and all the best in 2020!
2019 marks the 30th anniversary of the fall of the Berlin Wall, the moment when not only Germany, but Europe, turned a new leaf in realisation of the idea of uniting and connecting the countries of the world's oldest continent. Although, in recent years, the economic environment has been much less encouraging given that the German economy has grown for almost 10 years in a row, the projections for 2020 are modest but optimistic.

While the future of mobility is taking place in Germany, in accordance with the mission of the Slovenian-German Chamber of Commerce (AHK Slovenia) and in cooperation with the German Economic Development Agency, Germany Trade and Invest and other partners, a delegation was organised in November. Topics such as the future of mobility, a user experience at Volkswagen’s innovative Gläserne Manufaktur plant and a look at Porsche’s state-of-the-art car production were undoubtedly the highlights for the delegation.

As part of AHK Slovenia’s activities, it is important to highlight our mediation in German investments in Slovenia. With investments of EUR 1.86 billion, Germany is among the top foreign investors in Slovenia. In addition, AHK Slovenia is part of the worldwide network of German Chambers of Commerce (AHK), celebrating 125 years in 2019. To date, the network has expanded to include 140 Chambers in 92 countries, with more than 50,000 members. As the network connects members and businesses locally and internationally, with their worldwide operations build bridges among the nations and therefore, in particular, in Europe, the network plays an important role in strengthening the single European market.

Austria & Slovenia - World Class Neighbors

“More than 1,000 subsidiaries and an investment volume of EUR 3.5bn make Austria the largest foreign investor in Slovenia” says Dr Peter Haslacher, Director of Advantage Austria Ljubljana. ADVANTAGE AUSTRIA Ljubljana is one of 110 offices in over 70 countries, providing a broad range of marketing and business development services, as well as events, for both Austrian companies and their international business partners. This year’s event highlight was the international business conference, AUSTRIA CONNECT Southeast Europe 4.0. The 2-day event, in May, gathered 180 participants, including executives of Austrian subsidiaries, investors, business partners and high-ranking politicians from the region, to discuss how to push the economies forward through digital transformation, new business models and leadership competence. For 2020, ADVANTAGE AUSTRIA Ljubljana is planning a broad portfolio of events and delegations in sectors which offer the most potential for further cooperation: logistics, automotive, medical technology, IT & AI, recruiting, tourism, organic foods, green tech and many others.

The most noteworthy networking events of 2020 will be the traditional Austrian Business Circles, as well as the International Business Drink, organised in partnership with the other Chambers of Commerce and Embassies in Slovenia.

Advantage Austria

Drink, organised in partnership with the other Chambers of Commerce and Embassies in Slovenia.

Further information about the upcoming events can be found on the website www.advantageaustria.org/si.
On 28.1.2019, the roundtable “Boosting internationalisation from Slovenia is a strategic imperative” was hosted by the French-Slovenian Business Club (FSB) in cooperation with Slovenian Chamber of Commerce, Ministry of Economy and agency SPIRIT Slovenia. The roundtable shared the insights of experts on Slovenia’s competitiveness, FDI dynamics and the geopolitical situation in Central Europe and the Western Balkans region. As a counterpart to the global context presentations, good practice and the challenges Slovenia faces in attempting to progress in the global value adding chains were presented. As Leon Lozar, President of the FSB Club stated: “The presentations of Ljubljanske Mlekarne, Renault-Nissan Adriatic and of Steklarna Hrastnik have shown that Slovenian and French companies are doing the right things and also doing things right when practicing the internationalisation of business from Slovenia. Aiming to catch-up with the new demands in global value chains, high technology, the digital economy, environmental transition, Slovenia needs to increase FDI and combine sufficient FDI with its inherent competitiveness to provide missing skills and strategic partnerships. Slovenia also needs to improve the weak components of its competitive profile, aiming to neutralise the weakest elements of its competitiveness profile, which is the small size of the domestic market.”

The next roundtable being prepared by FSB Club will be held in the second quarter of 2020 and will address logistic challenges Slovenia is facing in short term.

In the ever more digitalised world, where information quality is becoming redundant and the information flood is making it practically unverifiable, LSBC is building on the personal touch of one-on-one meetings, growing a community with real engagement and the winning–by-sharing mentality. A recent, successfully co-organised economic trade mission from Luxembourg to Slovenia again confirmed the LSBC beliefs when talking about systematic ways to connect SMEs through pre-scheduled B2B meetings, information exchange and significant collaboration between small countries such as Slovenia and Luxembourg, which has proven to be more symmetrical than with large countries. We will keep focusing on small, well-prepared events, quality instead of quantity, and enable effective internationalisation of SMEs and freelancers. LSBC’s ambition is to contribute to the shaping of the enterprise of the future, and will focus particularly on remote co-working communities and systematically promote and support the growth of co-working spaces and the bigger density of such services in urban areas. We invite like-minded professionals and companies, who are willing to invest their marketing budget in new ways of doing business and for internationalisation, to join us.
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Sonja Klopcic in Conversation with Ravi Chaudhry

AEIOU of Leadership
Fostering a Holistic Ethos of Conscious Leadership

During his recent visit to Slovenia, Ravi Chaudhry, the celebrated author of *Quest for Exceptional Leadership: Mirage to Reality*, and an acknowledged leadership guru, was most impressed by Sonja Klopcic’s new book, *The AEIOU of Leadership*. He called it “an outstanding book – full of precious nuggets - that deserves to be widely read by business and societal leaders”. The following is a transcript of his dialogue with Sonja Klopcic on the essence of the book.

Ravi Chaudhry: May I begin by sharing the first thought that came to my mind when I read your brilliant book: *Wow, here is a new leadership guru from the Julian Alps!*

My sincere compliments on this enlightening book on how to transition from being a good leader to a great leader. In a way, it is a continuation of the themes outlined in your first book: *The Energy inside Leadership*, in which you focused on ‘employees first’, ‘collaborative leadership’, and the importance of ethics and integrity to transform a company’s top line as well as bottom line. In this book, you explore further to vividly outline the attributes of ethics and integrity in such a holistic way that they are universally applicable. Could you share the salient high points in your illuminating quest?

Sonja Klopcic: Coming from the sunny side of the Julian Alps, from Slovenia, the only country in the world that carries love in its name, I feel the need to bring love into
the business context. I am not talking about romantic love, but love towards everyone and everything, about love as a way of relating to the world, about caring, nurturing and supporting. A leadership attitude stems from an individual’s intimate, internal attitude to the world. A leader’s internal world is mirrored in the external world, in the development of his or her relationships with co-workers, business partners and other stakeholders of the organisation. Love, in the business context, is expressed with responsibility, collaboration, respect, encouragement, support, compassion, inspiration and enthusiasm.

Leadership based on the energy of love, the comprehension of how everything is interconnected, creating meaningful work to accomplish the organisation’s mission, taking the responsibility for the well-being of everyone and on developing relationships based on trust, represent the five dimensions of holistic leadership, all condensed in the acronym AEIOU.

Ravi: I am most charmed by your discovery of five ancient words, from five different continents, that represent the essence of human wisdom, so simply and yet, so compellingly. I am sure this must have been a very exciting adventure, you have deftly described the various stages in this evolutionary flow — in what you call the DUMO wheel of evolution. Do you think more and more leaders in business and society are ready to imbibe these precepts and start practising these naturally, in their day-to-day work?

Sonja: I certainly observe signals of leadership transformation and new role models, embodying the principles of the AEIOU of leadership. Research shows that the manner of management importantly affects the development of organisations. We can spin the DUMO wheel of evolution towards thinking and conscious organisations only by employing both masculine and feminine principles. By using approaches of modern leadership, we can activate the potential and talents which are lying dormant in our employees. By including people more and strengthening their commitment, our achievements can be significantly greater.

Sonja: I deliberately wanted to find vibrant words, starting with vowels, to describe each of the five dimensions of leadership for tomorrow. Vowels vibrate and resonate, as leaders should do. Together with consonants/co-workers they create meaningful words/solutions. It took me almost three years to find these powerful words: Aroha – Eb – Ikigai – Oikos – Ubuntu. Aroha comes from New Zealand, Eb from Mexico and Guatemala, Ikigai from Japan, Oikos from Greece, and Ubuntu from South Africa.

By linking the selected words aroha, eb, ikigai, oikos, and ubuntu into the AEIOU of leadership, we can also symbolically interconnect the entire world, just as the interlaced Olympic rings united the five continents under the guidance of Pierre de Coubertin. The interlocked rings of the Olympic symbol represent coexistence, mutual respect and friendship among the nations from the five continents depicted in different colours. Blue is Europe, black is Africa, red America, yellow Asia and green Australia with Oceania. These are also the continents whence originate the words that convey the ancient wisdom of their first, indigenous inhabitants. The words aroha – love, eb – interconnectedness, ikigai – mission, oikos – responsibility for the well-being of everyone, and ubuntu – relationships, united in AEIOU represent a universal collection of five dimensions for heartfelt leaders from around the globe. I hope that the AEIOU acronym connects leaders just like the Olympic symbol unites athletes.

Ravi: Another great feature of the book is that you have supported each concept with credible examples and case studies, clearly demonstrating that these are not just theoretical notions, these are astute pointers to one’s growth as a person and success as a leader. You have deftly described the various stages in this evolutionary flow — in what you call the DUMO wheel of evolution. Do you think more and more leaders in business and society are ready to imbibe these precepts and start practising these naturally, in their day-to-day work?

Sonja: The book calls for action to attain the 4P’s in business: people-purpose-planet-profit. Conscious leaders know that the profit is a consequence of investing in people. They do not manage their organisations solely as business ventures, but also as platforms for fulfilling their mission and the mission of their employees, thereby contributing to the welfare of the community. They know that their responsibility extends far beyond the limits of the organisations they manage. Their striving for the 4P’s springs from leading with the energy of love towards everything and everyone. ➤ I

We can spin the DUMO wheel of evolution towards thinking and conscious organisations only by employing both masculine and feminine principles.

By using approaches of modern leadership, we can activate the potential and talents which are lying dormant in our employees.

Under the auspices of the Managers’ Association of Slovenia we carried out a survey on how modern leadership is in Slovenian organisations. The survey included 153 companies of all sizes. The results show that Slovenian companies, being firmly entrenched in a learning environment, generally still bet on productivity and quality. The survey results also showed that the excellent companies, those who show above-average business results in various fields, are also well-managed, with more than half of those already in the thinking phase. Service companies are particularly prominent in this regard since their representatives are already in the conscious phase of the DUMO wheel.

Ravi: You have spoken on your book to various people in many countries. What have been the discernible reactions from the audiences? Do they relate to your validation that the ethos of conscious leadership that emerges from the book is indeed universally applicable?
Connecting the borders on foot

By mag. Jasmina Kozina Praprotnik

The Slovenian coastline is 44km long, one of the shortest European coasts. Only shorter are the coastlines of Bosnia and Herzegovina and Monaco, at 21km and 8km respectively. Slovenia’s coastline has three bays: the bays of Koper, of Strunjan and of Piran, and some picturesque small towns that can all be seen in a day’s walk, or even better, a run!

Let’s start at the Slovene – Croatian border in Sečovlje. Running along the old path of the Porečanka, originally Parenzo hence the Italian name Parenzana, rail station, a defunct narrow gauge railway that operated between 1902 and 1935, between Trieste and Foreč, bringing economic progress to towns along its route. It was used mainly to transport agricultural products, fish and salt, to the Trieste market. Although the tracks have been removed, a significant part of the rail infrastructure remains – tunnels, embankments, bridges. Some stones with the inscription, ‘T.P.C.’ still stand along the former route.

In Sečovlje, the run passes the saltworks which are still active today and in late August the process of salt extraction can be seen. In other months, it is an exceptional land of peace, an area where rare plants and nests of rare birds can be found.

Leaving the salt land behind, we run to Cape Seča, with its wild beach and a nice path above it that will lead to the nearby Camp Lucija. From there, we enjoy a beautiful view of Portorož and its surroundings, while on the hill above there is Forma Viva, where the collection of stony sculptures from Istrian stone, situated in a nice olive park, can be seen.

The footpath leads to Lucija and its marina. We run with boats on our left and soon come to the entrance to the Portorož sandy beaches. As we run along them, passing all the hotels, the salt magazines and enter Bernardin, with its small harbour and many hotels, we slowly see the adorable view of the Piran peninsula.

Soon we enter this town of fishermen, with its Venetian Gothic architecture, inspiring us with the wish to return. We stick to the coast and run along the sea side around Pirans punta, where we take the stairs to Pirans main church. From here we take another gorgeous sea path to Fiesa, passing a saltwater lake only a few metres from the sea and then we take a steep street up to Facug from where we go down to the salt pans of Strunjan.

Here, we step on the Porečanka path again and run to Izola. Another picturesque harbour town, at its time an island, shows its seaside beauty. Passing the marina to a special sports area – the sea lane between Izola and Koper that three years ago was closed to motor traffic - where we can enjoy the views of Koper and its harbour, then enjoy the view of Cape Debeli rtič, passing Ankaran where there is only a few kilometres to our finish line – the Slovene - Italian border.

On 12 January 2020, Urbani tekači, the Urban runners, are organising a non-competitive run from border to border. Around 100 participants will divide into groups of different speeds, from 5 min/km to 7 min/km, combined with some walking in between. Every five kilometres there will be a stop with some homemade food and beverages, and there will also be organised a bus for those who do not wish to continue. The 44km will take from 5 hours to 7.5 hours and everyone will be greeted at the end with a hot meal. We invite everyone to join us!

More information:
Urbani tekači, Jasmina Kozina Praprotnik, jasmina.kozina@gmail.com, 041 936 056

2019 highlights:
https://youtu.be/nvZbZL9zIS8
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Because life is full of opportunities worth discovering.
Oh, those irresistible lovely bubbles! Icon of joy!

By Tonja Blatnik

Since the early years of the 18th century, when champagne was drunk by the aristocracy in the French court, it has been "a must" for all kinds of celebrations and has become a popular luxury item all over the world. There are moments when pouring a glass of bubbly is almost a tradition - can you, for example, imagine toasting in a new year without it?

Of course, sparkling wine isn't just champagne, and if it were, even champagne has quite a bit of diversity in style.

There are obviously many types of bubbly. Since sparkling wines were first introduced in the mid 1500’s, several processes have been developed and each results in a sub-style of sparkling wine. The major production methods are the traditional and the tank methods, and apart from champagne, only produced in the champagne region in France, sparkling wines include Cava, Crémant, Lambrusco, Sekt, Franciacorta and the large range of bubbles from anywhere in the world. What do they have in common?

People tend to think its elite. When the French regent, Philip, Duke of Orléans, adopted champagne, it became a feature of his lavish parties. The hedonistic image of champagne continued into the 20th century as Hollywood stars such as Marilyn Monroe, famously bathed in it – in her conviction that bubbles were good for her skin. Well, the idea of bathing in champagne is an old fantasy and it is still on the menu. The Cadogan Hotel, in London’s Knightsbridge district, is pampering their guests - for the modest sum of £4,000, someone will pour 122 bottles of champagne.

Sparkling wines, a symbol of a lavish lifestyle and prestige, go along with late night entertainment such as Christmas and New Year’s parties. When on the hunt for a good sparkling, consumers are sometimes surprised by the prices. High quality sparkling is expensive for many reasons … because of the very restrictive rules and regulations to produce it, because of the lengthy method etc. First, it’s fermented in steel barrels and then undergoes a second fermentation in the champagne bottle. The most iconic sparkling wine in the world is a blend of grapes including Chardonnay, Pinot Noir and Pinot Meunier. The most treasured Champagne wines age for a minimum of three years. Most of us can expect to spend upwards of $40 a bottle for basic, entry-level champagne.

Extreme sparkling wines are an art

Winemakers want people to take bubbles seriously, but without putting them on a pedestal. Bubbles may feel special, but sparkling wine shouldn’t only be for high-end celebrations. "They most certainly stimulate a desire for playfulness, joy and companionship. The more selected they are, the more personal, perhaps even intimate, they affect us. They can be a real emperor of love,” stresses Matjaž Lemut from the TILIA estate – House of Pinots in Vipava Valley. They are well-known for Pinot Gris and a selection of Pinot Noirs, and yet they are creating a brand of new sparkling wine, titled EL (Emperor of Love), which will personify their identity - less ordinary, less mundane, full of fine details, yet always drinkable and very memorable. "Extremely early-picked chardonnay gives clarity and purity of taste, also the freshness, while pinot noir adds just the right shade of colour - not too gritty like some young roses, not too decadent like some rose sparkling wines." Seems like a sparkling wine might just be the most technical of all wines. Lemut explains that its uniqueness lies in the on-going quest for perfection in all details. From the grapes in the vineyard, to choosing the time for the harvest, the details of the secondary fermentation and the length of the creeping yeast, to rounding the taste with liqueur d’expedition. "So many small details are associated with fine, precise choices like no wine!"

An esoteric juice of nature

On the other hand, Miha Istenič has a long tradition and commitment to sparkling wines. They were the first private company in Slovenia and in federal Yugoslavia to produce sparkling wine using the traditional method, and later developed a successful form of wine tourism. Miha stresses that sparkling wine is not just a drink. "In fact, it is not at all. It is a beverage that is not drunk but consumed. Sparkling wine is a pleasure in itself. It is an esoteric juice of nature, given to the human being, in order to honour the special and to transform it into joy," Istenič’s main difference from champagne is obviously that they use different grapes. They are known for their production of fresh wines, with a nice, prominent acidity and not too much sugar, ideal for making sparkling wines. "Bizeljsko also had a good stock of the old indigenous variety, rumeni plavec, which is a welcome component of sparkling wines, giving them a pleasing acidity and freshness,” adds Miha. They also place great focus on the culture of drinking sparkling wines, so they organise tastings in Stara Vas na Bizeljskem, that lies very close to the Croatian border.

The reputation of bubbly is a double-edged sword. On the one hand it enjoys a reputation as the celebration wine, all about elegance and prestige, on the other hand, sparkling wines bring joy – something that we should not feel only from to time, but … always. So, perhaps entering 2020 is just the right occasion to pair with bubbles magically. Bubbles may be lighter, like a silky white ocean, or sharper, like little bombs cracking in your mouth, so take time to appreciate this and "fly to the moon."
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Festive December in Ljubljana

Romantic and magical. This is the best description of Ljubljana during the days of December.

There is always a vibrant atmosphere, with a Christmas market and countless free events held in the festively decorated historical city centre. Ljubljana Castle turns into a fairytale-like setting, and the historical city centre’s public squares, churches, bridges, and creations by the famous architect Jože Plečnik come to shine in a whole new light. Ljubljana is known for having one of the most original lights displays in this part of Europe. The universe-themed Christmas lights display which is developed in new directions year after year, really makes the capital stand out. The lights celebrate science with geometric forms, math equations, galaxies, planets, comets, shooting stars and also images of microcosms that are invisible to the naked eye, such as those of atoms, chromosomes, DNA helices, etc. The visitors can join the guided Tour of the festively decorated Ljubljana and treat themself in a renowned pastry shop with mulled wine and honey cookie. The tour is available until 6 January 2020, every day at 17.00. Bookings: Tourist Information Centre TIC.

Ljubljana’s Festive Fair, accompanied by food and drink stalls, becomes the centre of the city’s social life in December, while its nearby squares host a vast programme of free music concerts and other events for adults and children. Several smaller fairs, such as the Christmas Art Market and ARTish further contribute to the range of Christmas offerings. Ljubljana offers excellent opportunities for Christmas shopping. At the markets, the visitors are able to shop for small gifts such as gloves and mittens, hats, scarves, various fashion accessories, products by Slovenian designers, local arts and crafts products, and traditional Slovenian delights such as honey, schnapps, and various sweet treats. Music concerts and other entertainment for the whole family take place in most of the city centre’s public squares. If you start feeling cold, you can always warm yourself up with a cup of mulled wine or fragrant tea at the nearest Christmas stall. The festivities culminate with the New Year’s Eve celebrations held in Ljubljana’s centrally-located public squares.
Apart from open-air events, festive Ljubljana also offers a whole lot of other Christmas attractions, from tourist boat cruises along the river Ljubljanica to unique ice sculptures on display at the Land of Ice.

The end of the year is fast approaching but a vast programme of festivities is not over yet. Here you can find a list of the most attractive events:

**Christmas Markets**
*(until 5 Jan 2020)*
This year, the Christmas markets are held **at six locations**, namely at the Breg embankment, Gallusovo nabrežje embankment, Cankarjevo nabrežje embankment, Kongresni trg Square, Prešernov trg Square and at the Petkovško nabrežje embankment. They are accompanied by catering stalls, scattered all over the city centre, offering mulled wine, warm tea, liqueurs, sausages, various grilled dishes and other foods.

**Concerts at Novi trg square**
*(until 28 December, 19:00; except 24 December)*
The programme of festive concerts, taking place at the Novi trg square will feature pop singers and bands.

**Christmas Concert in front of the Town Hall**
*(24 Dec 2019, 17:00 - 18:00, Town Hall Mestni trg 1)*
The annual free Christmas Concert will once again offer an opportunity to enjoy performances by top Slovenian musicians amidst the festive atmosphere of the beautifully decorated Ljubljana. Concert will be performed by: Maja Keuc - Amaya & Soul Out

**Concerts at Pogačarjev trg square**
*(25 - 30 Dec 2019, 17:00)*
The programme of festive concerts, taking place at the Pogačarjev trg square will feature pop and traditional folk music singers and bands.

**Concerts at Kongresni trg square**
*(26 - 30 Dec 2019 and 1 Jan, 20:00)*
During the days before the New Year’s Eve, the Kongresni trg square will host a programme of concerts featuring various pop singers and bands.

**Outdoor New Year’s Eve celebrations**
*(31 Dec 2019, 21:00, Kongresni trg square, Mestni trg square, Pogačarjev trg square, Trg francoske revolucije square)*
The programme of New Year’s Eve celebrations held in city centre squares is intended for people of all ages and tastes. A minute after midnight, a fireworks display will set the skies above Ljubljana alight and announce the beginning of a new year.

You can read more about free open air events on [visitljubljana.com](http://visitljubljana.com).
Tree of 2019

On 28 November, a day marking the efforts of people who are taking care of trees in cities, we presented the tree of 2019 in Ljubljana. People who took part in a web survey have chosen the sycamore tree on the corner of Streliška Street and Strossmayer Street.

The sycamore, Platanus x hispanica, is exceptionally big and old. With its circumference of 596 cm and 33 metres of height it is one of the broadest trees of this species in Ljubljana and in Slovenia. It is also one of the oldest trees in the city. Because of its exceptional dimensions and indicative importance, it is protected as a natural value of national significance.

Chatbot Ljubo from now on also for tourists

Ljubljana Tourism has upgraded the existing chatbot Ljubo from Ljubljana and designed it as a personal guide in the capital city to make communication easier and more efficient. Ljubo, a programme simulating human conversation using artificial intelligence, is communicating with its users in English and Italian, and is quickly and easily accessible in the Facebook application Messenger.

Chatbot Ljubo offers users suggestions for one- to three-day itineraries in Ljubljana and provides them with directions to landmarks, restaurants, adventure activities and cultural experiences.

Ljubljana Tourism is monitoring user feedback to upgrade the contents of the chatbot and by doing so improve user experience. For instance, Ljubo can also give advice on using buses and bikes, and it is going to encourage tourists to buy the Ljubljana Tourist Card as well as to pay for tours and trips in the Ljubljana Tourism web store.

Recognition to Kinodvor for best programming

At the 21st conference of the international network Europa Cinemas in Lisbon, Kinodvor received the prestigious Europa Cinemas Best Programming Award 2019.

The cinema network Europa Cinemas, focused on European film, unites almost 3000 screens in over 1100 cinemas in 43 countries.

We are proud of the international recognition of quality and innovativeness of Kinodvor placing us at the very top of European cinemas.

For more quality films in Ljubljana

In the centre of Ljubljana we are going to build a city cinema miniplex as we want to increase the number of screenings, films screened and film spectators. The construction of the city cinema miniplex is going to significantly contribute to the revival of the Ajdovščina underpass, and the box office results for Kinodvor programmes show a need for a new, bigger and more modern film venue in the city.

The miniplex is going to provide spatial conditions in which a concept of a city cinema as a creative cultural centre for all generations can come to life, with an emphasis on attracting a new, and especially young audience.

Support of Novi Sad for the ECC 2025 candidacy

On Saturday, 23 November 2019, Mayor Zoran Janković met with Mayor Miloš Vučković in his home city Novi Sad and they signed an agreement on the support for Ljubljana’s candidacy for the European Capital of Culture 2025.

Mayors Zoran Janković and Miloš Vučković signed an agreement expressing support for the candidacy of Ljubljana for the title European Capital of Culture 2025. The agreement foresees the cooperation of both cities in the cultural area and organisation of joint cultural projects of Novi Sad, the European Capital of Culture 2021, and Ljubljana, candidate for the European Capital of Culture 2025.

The support of Novi Sad complements the support from Rijeka and Chemnitz, two cities with which we also signed similar agreements.
In the Footsteps of the first Postojna Cave explorers

By Tjaša Janovljak

We’ve put on the red caving suit, stepped into caving boots, placed helmets on heads and checked the headlight for the third time. In an underground a cave light is essential. We were ready. Ready to celebrate a friend’s 40th birthday with a special experience.

It is not news anymore, travelling makes us much happier than any material wealth. Investing money into experiences is investing into long-term happiness and satisfaction. Following that motto, we decided to try one of, at the moment, 11 Slovenian Unique Experiences. That is a label for the most unique, 5-star tourist experiences. Every holder of the Slovenia Unique Experiences label, awarded by the Slovenian Tourist Board, ensures that its offer is local, authentic, unique, boutique, sustainable and of premium quality.

We headed towards Postojna cave. Boutique Postojna cave? Yes! The ‘In the Footsteps of Luka Čeč’ tour is carried out in the ‘non-tourist’ parts of the Pivka Cave and the Black Cave as the last underground stations of the Pivka River. Only three of us, accompanied by an experienced speleologist, descended the 317 steps to the abyss, the ultimate darkness, surrounded by complete silence, only if we had managed to be quiet, the urge for loud appreciation of the beauty of the caves was constant.

Apart from admiring the underground for almost four hours, we tested our capability at underground orienteering, had a bit of a rise in the adrenaline level as we descended on a rope, did a bit of climbing and then exited the cave comfortably on the famous cave train. We were lucky to see those little baby dragons in the nature, by baby dragon I mean one of the most special and interesting Slovenian animals that can live up to hundred years and we actually call them human fish. But beware, this animal is not a human nor a fish, it is amphibian that never exits the water.

An important part of this special experience is also the food. Before entering the cave, the guide greeted us with a welcome snack and after the tour we had a feast. Our taste buds were blasted for almost two hours of local delicacies in the Jama hotel. The four-course menu was nicely accompanied by the excellent choice of only Slovenian wines.

A bit of an adventurous experience accompanied with great food was an excellent birthday present, that we might repeat. As a birthday gift or for any other day.
8 festive events in Slovenia not to be missed

The Living Nativity Scenes in Postojna Cave

It is definitely one of the most magical Christmas experiences that you will remember for years to come. You can see the biblical story, staged in the awe-inspiring setting of Postojna Cave and enjoy the one-of-a-kind magical atmosphere. The mysterious underground world provides a dazzlingly beautiful backdrop created patiently by Mother Nature over millions of years. Year after year, more than 150 local actors, performing alongside top musicians, put on a wonderful Christmas performance far below the earth’s surface. Sixteen biblical scenes are staged along a five kilometre route illuminated by 2,100 coloured lights. This year’s Living Nativity Scenes will again include some outstanding audio-visual effects and costumes of the Magic Theatre Serpentes.

New Year’s Eve celebration in Maribor

This year, for the seventh time, a new city will be built inside Maribor’s city centre; a city made of good will and imagination, where everyone is welcome, and nothing is impossible! A place of joy, socialising, creativity, and imagination - A Fairy City! A festival of light, socialising, and creating! Maribor also boasts the largest square in Slovenia! The Leon Štukelj Square is famous for its hospitable, relaxed, open and cheerful people. Several thousand people gather in the old city centre to enjoy entertainment from the best Slovenian musical performers. The New Year’s Eve celebration in Maribor has the longest tradition in Slovenia. Numerous open-air concerts and parties energise the Leon Štukelj Square. The children’s programme takes place at the Elf city.

Castle Festive Fair in Ljubljana
29.11.2019 - 6.1.2020

This December, Ljubljana Castle is organising its very own festive fair, with a series of diverse events including live concerts at the castle’s own Jazz Club, a festive dance, performances for children, a Christmas Mass, a nativity scene, several exhibitions and lots more! And since it’s the Christmas season, all of these happenings will be made all the more festive by the decorations in the castle courtyard where visitors can taste festive cuisine, hot drinks and other tasty treats. Perhaps best of all, admission is free, so you can use your hard-earned euros to purchase some Christmas gifts for loved ones from the special holiday line available at the castle shop.
Romantic December on ice in Bled
Outdoor skating rinks in the centre of numerous towns give a special charm to the Advent season. In Slovenia, you can skate under the stars. Get your skates on and treat yourself to a cream cake! Visit a romantic ice rink – the ice rink on the terrace of Park Café in Bled. Enjoy an unforgettable day filled with delectable original Bled cream cakes, on an open-air ice rink, with a view of the most beautiful lake in Europe. Skate to the beat of dance music under the guidance of professional ice skaters.

Hike with torches in Lendava
Before we jump into the New Year celebrations, let’s hit the road to the hills of Lendava. The event is called Hike with Torches: the illuminated “snake” of walkers in the magical light of torches slowly winds its way through the city and the snow-covered hills in Lendava. A pleasant atmosphere accompanied by hikers from all over, the two-hour hike is appropriate for those who wish to spend the last days of the year a little bit differently.

Fairy-tale Celje
In December, Celje transforms into a true Christmas fairy-tale with fairy-tale heroes, horses and a Christmas fair. It is adorned with thousands of festive lights to welcome Santa Claus, dwarves, fairies and wondrous heroes. Christmas dreams come true among the fairytale houses of the Christmas market, open-air concerts, horse and carriage rides, ambrosial potions and exquisite delicacies. Children’s wishes will come true in the Fairy-Tale Land, a unique place in Slovenia, which also hosts a New Year’s Eve party for children.

Exhibition of various Nativity scenes in Vipavski Križ
Around 110 Nativity scenes, made from various materials in different techniques, will be on display. The exhibition can be visited daily between December 20, 2019, and January 6, 2020 from 2 pm to 8 pm. You’re also welcome to visit the outdoor Nativity scenes set by the locals in front of their homes and in the hidden corners of the alleys.

Fairytale Kamnik
Kamnik, one of the one of the most beautiful medieval towns in Slovenia, is particularly magical in December, as it dresses up with thousands of lights and becomes alive with the programme under the name of Fairytale Kamnik. Various events take place at the Main Square, which offers visitors to Kamnik a magical and sparkling festive atmosphere.
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