SLOVENIA: BUSINESS OPPORTUNITIES IN LOGISTICS AND TRANSPORT

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INTRODUCTION

Slovenia’s transportation and logistics is one of the key development priorities of the Slovene government. Due to the strategic geographical position, Slovenia can be a logistic hub. Slovenia is on the crossroad to the Balkan area. The TEN T Mediterranean core network corridor that links the Iberian Peninsula with the Hungarian-Ukrainian border passes as well thorough Slovenia http://ec.europa.eu/transport/themes/infrastructure/ten-t-guidelines/corridors/med_en.htm. The Slovene port of Koper receives a lot of cargo for the hinterland. And the airport of Ljubljana is expecting further development after its recent privatization. With the ongoing investments in the port of Koper, the development of a third axis from Austria to Croatia, the development of an extended motorway in 2020, a railway upgrade and the development of Slovenia as a logistic and distribution HUB, there are a lot of opportunities for business cooperation. The EU funding in the period 2014-2020 stimulates the investments in transportation and logistics.

Largest projects in infrastructure in the period 2014-2020, estimated value EUR 4bn

1. Prolongation of the 1st and 2nd pier in the Port of Koper
2. Modernisation of the railway network
3. Upgrading of the rail connection between Poljcape and Slovenska Bistrica
4. Building of the second rail track Koper – Divaca
5. Development of Logistics and Distribution Hubs

QUICK OVERVIEW OF THE MARKET

The economic growth at international markets had a positive impact on the overall Slovene economy in 2014 (2.6% growth) with a continuation in 2015, as the Slovene businesses are very export oriented. This reflects as well in the transport and logistics sector. In 2014 the sector recorded a 6.4% growth of earnings comparing to the previous year. The main 40 companies in the sector ended last year with a 4% of ROA, which is twice as much as the Slovene average. The main players in the sector are state owned companies: nine out of top ten companies in the sector are owned directly or indirectly by the State. Just to mention first four per income: the motorway company DARS, Post of Slovenia, Port of Koper, and Slovene Railways. The exceptions are BTC and last year privatized Airport Ljubljana, now owned by German Fraport.

The cargo transported on roads, rails, air and see is increasing. Trucks have transported 9% more cargo on roads in the first half of this year than in the same period of 2014. The Slovene Railways transported 18.8 tons of goods and
by that almost achieved numbers of year 2007. The Port of Koper is exceeding the earnings the company was achieving before the crisis. Growth was recorded at the container and RO-RO terminals, while the bulk cargo achieved the record with the 87% growth. The main Slovene airport that is owned and managed by German Fraport, is the fastest growing airport in the region with 7.6% growth in number of passengers. The presentation of investment plans in the new passenger and cargo terminals is expected this autumn.

PORT KOPER
The port of Koper in Slovenia is the leading port in the North Adriatic Sea and it is the shortest route linking the CEE countries with the Mediterranean, Mid-East and Asia. In 2014 the seabed of the container coast was dredged to the depth of -14, continuing with dredging to -15, which will be finished by the end of summer 2015.

In the first half of 2015, Luka Koper increased the cargo throughput by fifteen percent and handled in total over 10.6 million tonnes. The company's income in the amount of 87.8 million euros was also fifteen percent up. The largest growth was recorded in dry bulk cargos. The second largest growth was realised by the container and car terminal where the cargo throughput increased by eighteen percent in the first half of 2014. The company plans primarily investments to increase capacities at the Container Terminal. The documentation for the extension of Pier I and additional handling and storage facilities, is being prepared. Jointly with the extension of Pier II the investment, which will be implemented until 2021, is expected to be 226 million EUR. The Port of Koper also plans to acquire additional equipment and machinery to manage the increase in cargo throughput as well as improve productivity.


AIRPORTS
The biggest Airport of Slovenia, Aerodrom Ljubljana, has been bought by Fraport in 2014. Growth was recorded in 2014 with the passenger numbers up 1, 3% (this mainly because of the expansion of five destinations to Prague, Warsaw, Stockholm, Berlin and Zurich and Air Serbia and Turkish Airlines increased their flights) and the cargo tonnage up 6, 8%. EBIT reached EUR 6,695 thousand, up 12.5%. Growth continues this year: 7, 6% growth in passenger number in the first five months of 2015 and further growth in traffic is expected over summer. The airport invested and is still investing in new routes and capacity which increases/boosts the traffic. [http://www.lju-airport.si/en/press/6375](http://www.lju-airport.si/en/press/6375)

RAILWAYS
The rail upgrade is on top of the list of the EUR 4bn-worth of projects which also includes several other rail upgrades, motorway projects, and construction of hydro plants. Slovenia is seriously counting on the investment in the second rail track between the logistics hub Divača and the Port of Koper, opting for additional funds of the EU to be able to implement the project. The OECD is making an analysis of possible private partnership models, which is to be presented to the Ministry of Infrastructure this autumn. On the basis of the selected model a call for bids to attract private investors is expected to be published by the end of this year.

More info on the status of the project Second Rail Track Divaca – Koper: [www.drugitir.si/en](http://www.drugitir.si/en)

ROADS
The motorway network is managed and maintained by public company DARS. By the end of 2014 DARS, [www.dars.si](http://www.dars.si) was responsible for the management of 607 km of motorways, 166 km of link roads, 22.3 km of turn-offs and 8.1 km of other connecting roads. 1,000 of trunk roads are managed by the public company DDC and local municipalities. The completion of the extended motorway network is scheduled for 2020 when the 3rd development axis running from Austria straight down to Croatia is foreseen to be constructed.

Slovenia has a vignette (toll sticker) tolling system for cars, and an open and closed tolling system for trucks. Efforts have been made to introduce an e tooling system for trucks for the last 10 years, two previous tenders failed; on 13 July 2015 DARS has published the third tender for e-tolling on highways and fast roads.

**Public procurement on e-tolls on highways and fast roads**: deadline 17th September 2015
FREIGHT FORWARDER INTEREUROPA ON SALE

One of biggest Slovene freight forwarders Intereuropa, www.intereuropa.si, is still on sale. Financial advisors NLB and Lazard so far got the offer of Czech based Tuffieh Fund, while also an Israeli logistic group expressed its interest.

EVENTS

14th-15th October 2015, Maribor


RELEVANT INSTITUTIONS

Ministry of Infrastructure  

Traffic and Transport Institute Slovenia  
http://www.railway-research.org/New-IRRB-member-The-Traffic-and

Statistics Office of Slovenia  

Slovene Railways, http://www.slo-zeleznice.si/

DARS, www.dars.si

Port of Koper: http://www.luka-kp.si/

Aerodrom Airport: http://www.lju-airport.si/en/Main

Slovene Logistics Platform, www.slz.si

Chamber of Commerce and Industry  
http://eng.gzs.si/

ADDITIONAL INFORMATION

Transport Development Strategy in the Republic of Slovenia 2014 -2020  
(More specific/concrete measures in infrastructure you can find on page 201-220 of the report)

52 million euros of EU CEF funds for infrastructure in Slovenia  

Statistics about transport: www.stat.si
Development projects Koper: http://seonet.ljse.si/?doc_id=57059

New Transport Services in the Port of Koper:
http://www.fpz.unizg.hr/powa/PDF/4.%20New%20container%20services%20in%20the%20port%20of%20Koper.pdf

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