



SLOVENIA – Natural trading hub

A modern industry with roots

Slovenia, with a population of approximately 2 million, is sometimes described as a "mini Switzerland." With GDP per capita of approximately €17,076, it is one of the wealthiest of the new EU member states.

The Slovenian car industry has been around for some time. Buses were the first vehicles to be mass produced in Slovenia: the first plant was set up in Avtomontaža in Ljubljana before the Second World War. After the war, trucks and buses were also manufactured in Maribor (Tovarna avtomobilov Maribor, TAM) Slovenian automobile producers established links with foreign companies' right from the start, some of which remain active to this day. The production of personal vehicles in 1959 started in Novo Mesto, from 1972 they are producing RENAULT vehicles. Since 1960 in CIMOS Koper personal vehicles have been assembled until 1985, after that extensive production of parts began, first for Citroen and later for other global vehicle manufacturers and system suppliers.

During the transition, a number of companies, including TAM, were forced to close down, but some parts of the automobile industry flourished, their successor is now company TVM, where airport and MIDI bus have been developed and produced for NEOPLAN.

Slovenia has a mature automotive market. Car density stands at an impressive 615 cars per 1,000 people, which brings it close to that of many Western European countries. Primarily due to its location, Slovenia was the trading hub of the former Yugoslavia, with most manufacturing taking place in Serbia, Croatia and Montenegro. From the point of view of the automobile industry, this makes the country an attractive gateway to the other former Yugoslavian countries. The port of Koper is used extensively, particularly by Asian automotive manufacturers.

Slovenia's automotive industry is highly-technologically developed and operates according to a number of modern organisational principles such as lean production, benchmarking and multifunctional production.

Small but well developed

Although Slovenia is small, its automotive sector is relatively extensive, with more than 90 companies and total employment of over 24,800 people. Total revenue amounts to €4 billion. Vehicles, automotive components and other related equipment represent 20% of Slovenian goods exports. In 2007, vehicle exports were up 31% on 2006 figures.

Through an agreement with local manufacturer Revoz, Renault has been present in the country since 1972. The company's Novo Mesto plant today produces approximately 200,000 passenger cars per year. Revoz is Slovenia's biggest car producer.

Direct automotive employment*	24,800
as share of total manufacturing	2.67%
Production of motor vehicles	235,320
of which production of passenger cars	200,164
Car fleet (in 1,000)	1,235
Car density (per 1,000 population)	615
* total employment depending on automotive sector is around five times higher	

Suppliers

Slovenian automotive suppliers industry includes about 85 producers that can be mainly defined as Tier 2 and Tier 3 suppliers. There are also Tier 1 system suppliers of pedal boxes, gear shift mechanisms, braking systems and other assemblies at CIMOS, auto-electric equipment for engine and steering systems at Iskra Avtoelektrika, engine ignition systems and electronics at Hidria AET, seats at TPV, bowden cables at TBP, headlights at Hella Saturnus . The buyers of components for the first implementation from Slovenia are VW, BMW, Audi, DC, MAN, Bosch, Ford in Germany, Renault, PSA, Brose in France, Lombardini, Landini, Fiat in Italy, Magna Steyr, Grammer in Austria and many others, also in England, the USA, Spain, Hungary and many other countries (40% Germany, 21% France, 8% Italy, 6% Austria, 6% UK, 4% USA, 3% Spain). Most of these companies are part of the Automotive Cluster of Slovenia (ACS – see below).

ACS - A national automotive hub

The manufacturers that control the majority of the production of car assembly parts have become associated in the Automotive Cluster of Slovenia (ACS). The association also involves six research institutes and faculties which are in a large extent, connected into the automotive industry. In order to acquire the necessary resources for research activities, it is important that the synergetic effects of vertical and horizontal integrations (between companies, knowledge bearers, etc) are fully utilized. Its success is therefore strongly connected with knowledge and competences management and integration.

Today ACS has become the central communication point between manufacturers, suppliers, research organizations and the government with innovative infrastructure support for Slovenian automotive industry. The Automotive Cluster of Slovenia has 59 members, from those 53 industrial companies and 6 R&D institutions (of which 5 faculties), employing more than 18,600 people, with summarized income estimated to €2.87 billion. This means that ACS has become the meeting point of all the three spheres.

ACS is a business interest association joining together Slovenian automotive suppliers in metal processing, mechanical, electrical and electronics, chemical, rubber, textile and transport equipment industries as well as partners from RTD institutions and support services.