

CBI MARKET SURVEY

The pipes and process equipment market in Slovenia**Publication date: June 2008****Report summary**

This CBI market survey discusses, amongst others, the following highlights for the pipes and process equipment sector in Slovenia:

- in 2006, Slovenian industrial demand for pipes and process equipment was small compared to the other EU countries, but increased annually by 14% in value between 2002 and 2006.
- Some major trends affecting Slovenian production and industrial demand are environmental awareness, leading to an increased use of innovative production techniques and a growing demand for innovative products, and the forecasted strong growth of the Slovenian economy in 2008 and 2009.
- Large investments are planned for the power and natural gas supply sector in order to make the country less dependent on the import of electricity and natural gas. Among them are the construction of six hydro electric power plants, renovation of the electricity distribution infrastructure, the construction of a natural gas storage facility as well as investments in renewable energy. This will lead to an increasing demand for pipes and process equipment.
- As a result of EU regulations concerning water quality, major investment projects have been planned in Slovenia's water (treatment) industry, such as the construction of many small wastewater treatment plants.
- Slovenia was a small importer, ranking twentieth in the EU, behind Ireland and Greece, but ahead of Bulgaria and Lithuania. Total import value recorded strong growth (12%) in the period 2002-2006. Compared to 2002, the total share of imports from developing countries (DCs) grew from 7% to 22% in 2006, this was mainly due to increased imports from neighbouring countries like Croatia, Ukraine and Bosnia and Herzegovina. These countries were also the main DC suppliers with higher import shares than China in 5 out of 6 product groups. DC shares in Slovenian imports grew rapidly in the product groups pumps, process equipment, valves and instruments.

This survey provides exporters of pipes and process equipment with sector-specific market information related to gaining access to Slovenia. By focusing on a specific country, this survey provides additional information, complementary to the more general information and data provided in the CBI market survey 'The pipes and process equipment market in the EU', which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used as well as information on other available documents for this sector. It can be downloaded from <http://www.cbi.eu/marketinfo>.

1 Market description: industrial demand and production

This section discusses the industrial demand for and production of the six relevant product groups instruments, pipes and fittings, process equipment, pumps, storage equipment and valves. In the subsection on market segmentation the highlights of three important end-user segments are described. Please note that industrial demand is calculated by using Prodcom data for production, exports and imports (demand = production + imports – exports). These are the best detailed data available.

Industrial demand

Table 1.1 shows an indication of the demand for pipes and process equipment in Slovenia. In 2006, total demand for pipes and process equipment in Slovenia amounted to €440 million. Slovenia ranked twentieth in the EU in 2006 with a small share of total EU demand (<0.5%),

behind Portugal and Ireland, but ahead of Bulgaria and Estonia. In the period 2002-2006, demand increased annually by 14% in value, which showed much better growth than in the EU on average. The demand for the various product groups, with the annual increase in the period 2002-2006, is as follows:

Table 1.1 Slovenian demand for pipes and process equipment, 2002-2006, € million

	2002	2004	2006	Change (CAGR*) '02-'06	Share
Total	258	481	440	14%	
Pumps	57	150	184	34%	42%
Process equipment	42	65	63	11%	14%
Instruments	24	74	58	25%	13%
Storage equipment	51	72	51	0%	12%
Pipes and fittings	55	80	46	-4%	10%
Valves	29	40	37	6%	8%

Source: Eurostat Prodcorn (2008)

*CAGR - Compound Annual Growth Rate

In 2006, the largest product group was pumps (€184 million) with a share of 42% of total demand for pipes and process equipment in Slovenia. In the period 2002-2006, pumps recorded the highest annual growth (+34%). Other product groups that saw a strong increase were instruments (+25%), process equipment (+11%) and valves (+6%). The only product group that saw a decrease in demand was pipes and fittings (-4%). This is in line with declining EU demand for this product group in the period under review. In 2006, the share of the different product groups, in total EU demand and compared to other EU countries, was as follows:

- Pumps: seventeenth position with a share of 1% of total EU demand for pumps, behind Finland and Slovakia, but ahead of Ireland and Portugal.
- Process equipment: twenty first position with a small share (<0.5%), behind Greece and Bulgaria, but ahead of Estonia and Latvia.
- Instruments: twentieth position with a small share (<0.5%), behind Ireland and Greece, but ahead of Bulgaria and Estonia.
- Storage equipment: twentieth position with a small share (<0.5%), behind Romania and Slovakia, but ahead of Bulgaria and Latvia.
- Pipes and fittings: twenty first position with a small share (<0.5%), behind Portugal and Bulgaria, but ahead of Estonia and Latvia.
- Valves: twenty first position with a small share (<0.5%), behind Slovakia and Bulgaria, but ahead of Luxemburg and Estonia.

Although it is difficult to predict the influence of the world, EU and Slovenian economy forecasts for 2008 (+3.8%, +1.7% and +4.6% respectively) and 2009 (+3.9%, +1.8% and +4%), the expected growth, in combination with investments in the years to come (refer to 'Market segmentation'), is likely to secure a stable to slightly increasing demand for pipes and process equipment in the country. Please also note that, although the EU is far from the risk of recession, the EU and Slovenian economy is and will be clearly affected by the housing and credit crisis in the United States.

Market segmentation

The Slovenian market is developing slowly and due to the many new projects being planned in the country, opportunities will arise for the pipes and process equipment industry.

Gas and oil

Slovenia has virtually no gas supplies, nevertheless natural gas plays a relatively important role in the country's energy market. In 2006, natural gas accounted for 15% of energy supply in Slovenia. Gas consumption reached an estimated 1.4bcm last year, with up to 0.1bcm

coming from domestic sources. Natural gas is supplied via supply routes from Russia, Algeria and Austria. These connections allow Slovenia to be part of the comprehensive European gas network. In addition to this supply chain, Slovenia transits Russian gas to Croatia. In 2006, Slovenia faced long-lasting restrictions in the supply of natural gas from Russia and other gas supply restrictions in the pipeline network abroad.

Gazprom currently supplies 60% of Slovenia's natural gas and the company has plans to build a new pipeline under the Black Sea with a branch to Slovenia. A leading company in the power sector is the HSE Group (<http://www.hse.si/en>), producing over two-thirds of the country's electricity. In the gas sector, Geoplin (<http://www.geoplin.si>) is the sole supplier in Slovenia. The company's biggest shareholder is the Slovenian government. Geoplin owns the gas grid, has long-term contracts with industrial customers and is responsible for purchasing, transport and wholesale of natural gas in Slovenia.

The Brestanica thermal power plant is one of the larger natural gas consumers in Slovenia, but due to large gas off takes and shortages in natural gas supply, it is practically impossible to power the plant. Slovenia will, therefore, construct a subterranean high pressure natural gas storage with a volume of 91,200 m³. The facility is essential for increasing the reliable supply of natural gas within the HSE Group. Additional goals for this project are to secure storage facilities for Slovenia's national gas reserve, to achieve a more favourable price of natural gas and to establish a natural gas trading market. The value of the project for the period 2007-2023 is €67 million.

Slovenian oil resources are insignificant; there are no operating oil refineries. Oil consumption in the country will reach 83,000b/d in 2011, which will largely be met by imports. Petrol (<http://www.petrol.si>) is the leading Slovenian energy company and the main supplier of oil to the Slovenian market.

Water processing

Slovenia is rich in water resources since available water quantities exceed the country's needs. This puts Slovenia in a better position than most of the EU member states. The water wealth of Slovenia renders a comparative advantage, but investments are needed to maintain this position. European legislation stipulates that in 2015 all surface water and ground water needs to be of good quality. As a result of previous network improvements, water losses caused by deterioration in pipelines dropped from 40% in 2000 to 27% in 2006. The total length of the water supply network increased by 0.3%. For the period 2007-2013, Slovenia will invest €382 million in its water sector. This EU funded investment programme will focus on the construction of wastewater treatment plants, the installation of main water supply systems and long-term protection of existing and potential water sources. The country aims to increase the share of population served by the water supply to 96% in 2013.

Due to more strict (EU) legislation, quantities of released wastewater in industry have been decreasing as well as the quantities of treated wastewater. In 2006, just 2% of industrial wastewater was released into the public sewage system.

Food processing

Rising environmental consciousness in the EU is also influencing the food and beverage industry. Companies are being stimulated or even being forced to utilise technologies that are clean, produce less sludge as well as offer the option of re-use. Since Slovenia joined the EU in 2004, many investments in areas such as food safety and legislation have been made. In 2005, the production of food and drinks contributed 1.7% to GDP, which was the first time the share had fallen below 2%. Ever since 2000, the number of people employed in the food processing industry has been declining fast and the growth in the number of companies has slowed down. Positive trends in the Slovenian food processing industry are increasing exports of mostly milk and meat products, as well as oil and milling products.

Trends in industrial demand

These are the major trends and characteristics that influence demand for pipes and process equipment in Slovenia:

- **Investment in water distribution and treatment.** At present, Slovenia has poor networking with respect to water distribution and wastewater treatment. In order to meet the requirements of the EU Water Framework Directive by 2015, many small wastewater treatment plants will be built in the coming years in Slovenia as all communities with more than 2,000 inhabitants must be connected to a water sewage installation. Furthermore, the Slovenian investment programme is focusing on the installation of main water supply systems and long-term protection of existing and potential water sources.
- **Optimisation within power and natural gas sector.** Some large investments are planned for the power and natural gas supply sector in order to make the country less dependent on the import of electricity and natural gas. Among them are the construction of six hydro electric power plants, renovation of the electricity distribution infrastructure, the construction of a natural gas storage facility as well as investments in renewable energy.
- **Growing environmental awareness.** The demands of the environment today require new measures, technologies and services, as well as specialist knowledge and skills. The number of activities, which are either directly or indirectly involved in environmental protection is rapidly growing.

Production

Table 1.2 shows an indication of the production of pipes and process equipment in Slovenia, as derived from Eurostat. In 2006, total production value of pipes and process equipment in Slovenia amounted to €638.3 million. In 2006, Slovenia ranked twentieth in the EU with a small share of total EU production (<0.5%), behind Portugal and Greece, but ahead of Luxemburg and Bulgaria. Higher industrial demand and a large increase in exports has led to a production growth of 19% annually in value in the period 2002-2006, which showed much better growth than in the EU on average.

Table 1.2 Slovenian production of pipes and process equipment, 2002-2006, € million

	2002	2004	2006	Change (CAGR) '02-'06	Share
Total	322	481	638	19%	
Pumps	125	216	330	27%	52%
Instruments	107	134	131	5%	21%
Valves	27	45	62	23%	10%
Process equipment	11	22	56	49%	9%
Storage equipment	18	38	41	23%	6%
Pipes and fittings	33	27	18	-14%	3%

Source: Eurostat Prodcom (2008)

The most important product group was pumps (€330 million) with a share of 52% of total production and a thirteenth position in the EU. Production of pumps increased by 27% in the period 2002-2006. In terms of value, pumps was followed by instruments (€131 million) and valves (€62 million). Between 2002 and 2006, process equipment recorded the strongest annual growth (+49%). The other product groups that saw a strong increase were valves (+23%) and storage equipment (23%). These groups recorded a better growth than in the EU on average. The only product group that saw a decrease in production value was pipes and fittings (-14%). In 2006, the position of Slovenia in the EU, with respect to production in the several product groups, was as follows:

- Pumps: thirteenth position with a share of 1% of total EU production, behind Sweden and Spain, but ahead of Slovakia and Romania.
- Instruments: twelfth position with 1% share, behind Sweden and Finland, but ahead of the Czech Republic and Ireland.

- Valves: seventeenth position with a small share (<0.5%), behind Luxemburg and Ireland, but ahead of Romania and Portugal.
- Storage equipment: twenty first position with a small share (<0.5%), behind Bulgaria and Romania, but ahead of Latvia and Estonia.
- Process equipment: nineteenth position with a small share (<0.5%), behind Portugal and Greece, but ahead of Romania and Estonia.
- Pipes and fittings: eighteenth position with a small share (<0.5%), behind Belgium and Ireland, but ahead of Luxemburg and Estonia.

Interesting players

Some interesting Slovenian producers in the pipes and process equipment industry are:

- Elko Maribor - <http://www.elkomb.si> - pumps
- IMP Pumps - <http://www.imp-pumps.com> - pumps
- Impol - <http://www.impol.com> - pipes
- Kovinoplastika Lož - <http://www.kovinoplastika.si> - metal fittings
- Le Tehnika - <http://www.le-tehnika.si> - pumps, pipes, fittings and valves
- Litostroj EI - <http://www.litostroj-ei.si> - equipment for hydroelectric power plants, pump stations and related industrial equipment
- MDM - www.mdm.si - pipes, tubes, valves, fittings and taps.

Although consolidation and rationalisation lead to fewer independent manufacturers, it is still not uncommon for a single plant belonging to a large multinational supplier to have – at least to a large degree – its own purchasing function.

Trends in production

The major trends in and characteristics of pipes and process equipment production in Slovenia are:

- **Slovenian government encourages competitiveness.** The Slovenian government has developed an incentives system that will improve the business environment. The measures are expected to boost the country's economic development and result in more competition among producers in the pipes and process equipment industry.
- **Increased use of innovative and efficient production.** Growing environmental awareness has led to a search for energy efficient production in companies such as Elko Maribor (see text box) with a limited emission of CO₂ and NO_x. Moreover, increasing energy prices, raw material prices and environmental taxes are also encouraging the industry to improve production efficiency and generate less waste.

Practical Example

The increasing demand for better and less costly products has forced Elko Maribor to update their product lines as well as develop new products. They are now focusing more on the production of energy-efficient, environmentally friendly and especially high-quality electric motors and pumps. Their research and development department is constantly searching for improvements to existing products that meet the needs and demands of customers.

Opportunities and threats

Trends and market developments offer opportunities and threats to exporters. A given trend can be a threat to some and an opportunity to others at the same time. The following trends should, therefore, always be analysed in relation to your specific circumstances. The main opportunities and threats for DC exporters are the following:

- + Slovenia showed a strong increase in industrial demand for pipes and process equipment as a result of some major trends, such as the fact that Slovenia moves to comply with EU energy and water directives.
- + Economic growth and the improving business climate are driven by incentives from the Slovenian government. Furthermore, economic growth in Slovenia is much stronger than the average economic growth in the EU.
- ± DC exporters can expect competition from Slovenian producers, although Slovenian wage costs are growing fast, which weakens the country's competitive position. The increasing

wage costs could make it more interesting for Slovenian companies to outsource (part of) their production to DCs.

- Growing demand for more sophisticated products which require advanced technological skills, also driven by environmental legislation.
- Relatively strong competition from Slovenian manufacturers in pumps.

Refer to Section 7 of the CBI market survey covering the EU market for more information on opportunities and threats.

Useful sources

- Eurogas - <http://www.eurogas.org>
- European Committee for the Valve Industry - <http://www.ceir-online.org>
- European Confederation of Iron and Steel Industry - <http://www.eurofer.org>
- Eurostat - official statistical office of the EU - <http://epp.eurostat.ec.europa.eu>
- International Tube Association - <http://www.itatube.org>

2 Trade channels for market entry

Trade channels

The most common distribution channels in the industry are importers, subcontractors and system suppliers, agents and direct sourcing. The role of the importer is less important with regard to complex products than standard products, but still remains the most important channel for DC exporters. A major trend is the changing focus of importers. Their activities are increasingly focused on additional services around the product itself, in a way to compete with the system suppliers who are increasingly offering service packages. One example of an intermediary is Aniton (valves, fittings, process equipment) - <http://www.aniton.si>. Refer to the CBI market survey covering the EU market for a detailed explanation of relevant trade channels in this market.

Some examples of end-users who may be interesting to DC exporters are:

- Droga Kolinska - <http://www.drogakolinska.si> - food processing
- Energetika Ljubljana - www.energetika-lj.si - largest heat supply system in Slovenia and natural gas provider.
- Geoplin - <http://www.geoplin.si> - gas
- Holding Slovenske Elektranarne - <http://www.hse.si> - power

Price structure

It is very difficult to give a general idea of the price structure in this industry, as prices and margins differ to a great extent. Firstly, the margin depends on the type of product. For one thing, standardised products have lower margins than customised products. Furthermore, important factors will be the price agreement made, the size of the order, and the terms of delivery. Bearing this in mind, some rough indications of margins in the chain can be given. As a rule of thumb, importers mark up their landed cost price by 10-35% when they sell a product. The mark up of agents generally varies between 1 and 8%.

Selecting a suitable trading partner

There are many ways to find potential trading partners in Slovenia. In this section, the focus will be on country-specific sources. Refer to Section 3 of the CBI market survey covering the EU market for a list of general sources and sources in your own (DC) country. Refer to Section 6 for main sales promotion tools.

- BORZA - www.borza.org - click on 'search' and select 'metal branche' for a list of Slovenian business partners.
- Chamber of Commerce and Industry of Slovenia - http://www.gzs.si/register_eng - possibility to search the company database.
- Sloexport - www.gzs.si/sloexport - database of Slovenian exporters.

Furthermore, the websites of relevant trade fairs often contain a list of exhibitors. An example is the exhibitor list of the Slovenian trade fair MEGRA (<http://www.pomurski-sejem.si>) which is held annually (March) in Gornja Radgona. Refer to Section 6 for other relevant trade fairs.

3 Trade: imports and exports

Imports

In 2006, Slovenia was a small importer of pipes and process equipment, ranking twentieth in the EU, behind Ireland and Greece, but ahead of Bulgaria and Lithuania. Between 2002 and 2006, total import value increased annually by 12% to €548 million in 2006 (EU: +8%). The product group shares were as follows:

- Pumps: 37% of total imports. Annual increase in import value of 20%.
- Pipes and fittings: 18% of total. Annual increase of 13%.
- Instruments: 14% of total. Annual increase of 19%.
- Process equipment: 13% of total. Annual increase of 7%.
- Valves: 9% of total. Annual increase of 10%.
- Storage equipment: 8% of total. Annual decrease of 6%.

Of all intra EU imports a small part may be re-exports, but the exact value of re-exports is unknown because Eurostat does not allow for such detailed analysis.

Table 3.1 Imports by and leading suppliers to Slovenia, 2002 - 2006, share in % of value

Product	2002 € mln	2004 € mln	2006 € mln	Leading suppliers in 2006 (share in %)	Share (%)
Pipes and pipe related process equipment	280	373	411	Intra EU : Italy (21), Germany (18), Austria (12), France (8), Slovakia (5)	75
	42	22	16	Extra EU ex. DC : Switzerland (<0.5), USA (<0.5), Singapore (<0.5), South Korea (<0.5), Israel (<0.5)	3
	25	35	121	DC : Bosnia and Herz. (12), Croatia (5), Serbia (2), China (1), For.JRep.Mac (1), Ukraine (1), Turkey (<0.5), Brazil (<0.5), Mexico (<0.5), India (<0.5)	22
Pumps	75	105	115	Intra EU : Italy (15), Austria (12), Germany (12), Slovakia (7), Portugal (3)	56
	12	9	5	Extra EU ex. DC : Singapore (1), South Korea (1), USA (<0.5), Switzerland (<0.5), Japan (<0.5)	2
	12	18	83	DC : Bosnia and Herz. (31), Croatia (6), Serbia (2), China (1), Turkey (1), Brazil (<0.5), Mexico (<0.5), For.JRep.Mac (<0.5), Egypt (<0.5), India (<0.5)	41
Pipes and fittings	48	73	81	Intra EU : Italy (31), Germany (21), Austria (15), Czech Rep. (5), Slovakia (4)	81
	10	4	5	Extra EU ex. DC : Switzerland (1), Israel (<0.5), USA (<0.5), Russia (<0.5), Taiwan (<0.5)	5
	4	6	14	DC : Ukraine (4), For.JRep.Mac (3), Croatia (3), Bosnia and Herz. (2), Serbia (2), China (<0.5), India (<0.5), Pakistan (<0.5), Turkey (<0.5), Belarus (<0.5)	14
Instruments	31	60	66	Intra EU : France (35), Germany (24), Italy (9), Austria (6), Denmark (3)	85
	4	2	1	Extra EU ex. DC : Switzerland (1), USA (1), Japan (<0.5), South Korea (<0.5), Taiwan (<0.5)	2
	4	7	10	DC : Croatia (10), Bosnia and Herz. (2), China (<0.5), Turkey (<0.5), India (<0.5), Serbia (<0.5), Brazil (<0.5), Ukraine (<0.5), Moldova (<0.5), For.JRep.Mac (<0.5)	13
Process equipment	43	47	62	Intra EU : Italy (27), Germany (22), Austria (15), France (12), Czech Rep. (3)	89
	8	3	2	Extra EU ex. DC : USA (1), Israel (1), Switzerland (<0.5), Australia (<0.5), South Korea (<0.5)	3
	1	3	6	DC : Croatia (6), China (2), Bosnia and Herz. (1), Serbia (<0.5), Turkey (<0.5), Ukraine (<0.5), For.JRep.Mac (<0.5), Mexico (<0.5), Indonesia (<0.5), India (<0.5)	8

Product	2002 € mln	2004 € mln	2006 € mln	Leading suppliers in 2006 (share in %)	Share (%)
Valves	30	38	45	Intra EU : Germany (29), Italy (28), Austria (14), Spain (8), France (3)	89
	4	2	2	Extra EU ex. DC : USA (1), Switzerland (1), Israel (1), South Korea (<0.5), Taiwan (<0.5)	4
	1	1	3	DC : China (4), Croatia (2), Serbia (<0.5), Bosnia and Herz. (<0.5), Turkey (<0.5), Mexico (<0.5), India (<0.5), For.JRep.Mac (<0.5), Montenegro (<0.5), Ukraine (<0.5)	7
Storage equipment	52	50	42	Intra EU : Italy (31), Slovakia (14), Germany (12), Poland (12), Austria (6)	90
	4	3	1	Extra EU ex. DC : Switzerland (<0.5), USA (<0.5), Singapore (<0.5), South Korea (<0.5), Canada (<0.5)	1
	2	1	4	DC : Serbia (5), Croatia (4), Bosnia and Herz. (<0.5), Pakistan (<0.5), India (<0.5), China (<0.5), Turkey (<0.5), For.JRep.Mac (<0.5), Montenegro (<0.5), Afghanistan (<0.5)	9

Source: Eurostat (2007)

Imports from DCs

Between 2002 and 2006, imports from DCs increased annually by 49% in value. Compared to 2002, the total share of DCs in total import value increased from 7% to 22% in 2006. This large share was mainly due to large imports from neighbouring countries such as Croatia, Ukraine and Bosnia and Herzegovina. DC shares in imports of some product groups showed better growth compared to other product groups, as can be seen below:

- Pumps: growing from 12% to 41% in value.
- Process equipment: growing from 2% to 9%.
- Storage equipment: growing from 3% to 9%.
- Valves: growing from 3% to 6%.
- Pipes and fittings: growing from 6% to 14%.
- Instruments: growing from 10% to 13%.

China accounted for only 6% of all pipes and process equipment imports coming from DCs and for 1% of total imports. The DCs that saw a much larger share were Bosnia and Herzegovina (59%) and Croatia (26%). China was followed by Macedonia (3%), Ukraine (3%) and Turkey (1%). The Chinese share of DC exports to Slovenia showed similar growth as in the EU on average (97% compared to 100%). The DCs that saw a larger increase in their share to the country were Ukraine and Bosnia and Herzegovina.

Exports

In 2006, Slovenia was a small exporter, ranking nineteenth in the EU, behind Ireland and Portugal, but ahead of Greece and Luxembourg. Total export value of Slovenia showed an annual increase of 18% in the period 2002-2006, totalling €673 million in 2006. Exports consisted of:

- Pumps, accounting for 52% of total exports (€348 million). Annual increase in export value of 18%.
- Instruments, 12% of total exports (€78 million). Annual increase of 18%.
- Valves, 11% of total exports (€74 million). Annual increase of 21%.
- Process equipment, 11% of total exports (€71 million). Annual increase of 24%.
- Pipes and fittings, 10% of total exports (€66 million). Annual increase of 13%.
- Storage equipment, 5% of total exports (€36 million). Annual increase of 9%.

A small part of exports may consist of re-exports to other EU countries, but the exact value of re-exports is unknown because Eurostat does not allow for such detailed analysis.

Opportunities and threats

- + Total import value of pumps, pipes and fittings, instruments, process equipment and valves increased rapidly in the period 2002-2006.
- + Slovenia ran trade deficits (more imports than exports) for storage equipment (€10 million) and pipes and fittings (€34 million).
- + The import share of DCs increased fast (from 7% in 2002 to 22% in 2006), far above the EU average (9%). This was due to large imports from neighbouring countries.
- ± China accounted for only 6% of all imports coming from DCs, much lower than in the EU on average (33%). However, both Bosnia and Herzegovina as well as Croatia accounted for a much larger share of DC imports (63% and 26% respectively).
- Slovenia was a small importer in the EU in 2006.
- Total import value of storage equipment decreased in the period 2002-2006.
- In 2006, Slovenia was a net-exporter, running trade surpluses for pumps (€145 million), valves (€23 million), process equipment (€2 million) and instruments (€0 million).

Useful sources

- EU Expanding Exports Helpdesk - <http://exporthelp.europa.eu> → go to: trade statistics
- Eurostat - official statistical office of the EU - <http://epp.eurostat.ec.europa.eu> → go to 'themes' on the left side of the home page → go to 'external trade' → go to 'data – full view' → go to 'external trade - detailed data'.
- Understanding Eurostat: Quick guide to easy comext → http://epp.eurostat.ec.europa.eu/newxtweb/assets/User_guide_Easy_Comext_20080117.pdf

4 Price developments

Prices and price developments in Slovenia are the same as in other EU countries. 2000-2004 saw a period of heavy price pressure which has eased since then. Upward price pressure from increasing wage costs, energy and raw material prices was already visible in that period, but became really serious in 2005 and the following years. On average, manufacturers have been able to pass on the higher cost prices to their customers, especially as regards customised products. However, the global competitive pressure remains very strong with regard to standard products. Importers, agents, subcontractors and system suppliers will continue to keep on looking for opportunities to reduce sourcing costs for these standard products.

Useful sources

Sources of prices include, among other things:

- Eurofer – <http://www.eurofer.org/statistics/scrap.htm>
- European Engineering Industries Association – <http://www.orgalime.org>
- Eurostat - official statistical office of the EU - <http://epp.eurostat.ec.europa.eu>. By comparing import value and volume, it is possible to get an idea of the development of import prices.
- London Metal Exchange – <http://www.lme.co.uk>

Furthermore, section 5 of the CBI market survey covering the EU market offers links to websites with price lists.

5 Market access requirements

As a manufacturer in a developing country preparing to access Slovenia, you should be aware of the market access requirements of your trading partners and the Slovenian government. Requirements are demanded on legislation and on labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns. You need to comply with EU legislation and have to be aware of the additional non-legislative requirements that your trading partners in the EU might request.

For information on legislative and non-legislative requirements, go to 'Search CBI database' at <http://www.cbi.eu/marketinfo>, select pipes and process equipment and Slovenia in the category search, click on the search button and click on market access requirements.

Useful sources

- Additional information on packaging can be found on the ITC website under export packaging: <http://www.intracen.org/ep/packaging/packit.htm>
- Information on tariffs and quota can be found at <http://exporthelp.europa.eu>

6 Doing business

General information on doing business, such as approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment, and terms of delivery) can be found in CBI's export manuals 'Export Planner' and 'Your image builder'. Furthermore, cultural awareness is a critical skill in securing success as an exporter.

Sales promotion

For DC exporters, trade press, trade fairs and website promotion are among the most important promotional tools; they are briefly discussed below. For more information, also refer to CBI's Export Planner and Your Image Builder – <http://www.cbi.eu>, as well as the CBI market survey covering the pipes and process equipment market in the EU.

Trade fairs

Visiting and participating at a trade fair abroad can be an efficient means to communicating with prospective customers. It provides more opportunities to convey one's message than any other promotional tool. It can also be an important source of information on market development, production techniques and new product applications. Relevant trade fairs in Slovenia are:

- International Trade Fair (MOS) - <http://www.ce-sejem.si> - metal working and industrial equipment, held annually (September) in Celje.
- MEGRA - <http://www.pomurski-sejem.si> - construction and building materials, held annually (March) in Gornja Radgona
- Plagkem - <http://www.ce-sejem.si> - process equipment, held biennially (uneven years in April) in Celje.

An important fair in Germany is Tube - <http://www.tube.de> - held biennially (even years in March/April) in Düsseldorf, March/April. An interesting fair for the valve industry is Valve World (<http://www.valve-world.net>), which is held biennially (even years in November) in Maastricht, the Netherlands. In addition, visiting trade fairs in neighbouring countries could be an option as well. Find more trade fairs at <http://www.eventseye.com> and <http://www.auma.de>.

Trade press

An interesting story about your company or new product introduction will boost the company's image and increase user awareness. In that respect, building up contacts with the trade press will be helpful and should be used whenever possible.

Some relevant trade magazines in Slovenia are:

- Slovenia Business Week - <http://www.gzs.si/eng/news/sbw>
- Slovenia Times - <http://www.sloveniatimes.com> - newspaper with a business section.

Website promotion

These days, it is an absolute must to have a professional website aimed at your main target groups. Make it interactive and promote it in the right way. More information can be found in the CBI Export Manual 'Website Promotion', available at <http://www.cbi.eu/marketinfo>.

Business culture

Cultural awareness is a critical skill in securing success as an exporter. Information on cultural differences in the EU can be found in Section 3 of CBI's export manual 'Exporting to the EU'. These manuals can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications. Furthermore, refer to Kwintessential for practical tips on business culture and etiquette in Slovenia: <http://www.kwintessential.co.uk>. Click on 'Country Profiles' at the section 'Intercultural resources and tools' and click on 'Slovenia'.

Other useful sources

In addition to a number of relevant sources already mentioned in previous sections, other useful sources that contain information on doing business in Slovenia are:

- Chamber of Commerce and Industry of Slovenia – <http://www.sloveniapartner.com> - metal processing association.
- Institute of metals and technology - <http://www.imt.si>
- Pumps Directory - <http://www.pumps-directory.com>
- SIJ - Slovenian Steel Group - <http://www.sij.si>
- Slovenian Association for Refrigeration & Air-Conditioning - <http://www.drustvo-sdhk.si>
- Slovenian Press Agency - <http://www.sta.si> - website offers business news.
- Slovenian Trade and Investment Promotion Office (TIPO) - <http://www.investslovenia.org>
- Tubenet - <http://www.tubenet.org.uk> - industry news on pipes.
- UNECE Gas Centre - <http://www.gascentre.unece.org>
- University of Ljubljana Faculty of Mechanical Engineering - <http://www.fs.uni-lj.si>
- University of Maribor Faculty of Electrical Engineering - <http://www.fs.uni-mb.si/en>

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