



UK Trade  
& Investment

## UKTI MARKET BRIEF: SLOVENIA



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### **MILITARY OVERVIEW**

Slovenia is a parliamentary republic with a healthy economy and a stable democracy. Having declared independence from Yugoslavia in 1991, it successfully joined the EU and NATO in 2004, and became an active player in the international arena.

The Slovenian Armed Forces consists of about 7,500 professional members and 1,600 reservists. Their key capabilities are: one motorised infantry battalion group, one CBRN battalion, one field hospital. Slovenia has no combat aircraft capability and its airspace is secured by Italy in the NATO air policing role. The Army also plays an important role in civilian protection.

Slovenia contributes around 350 military personnel to international operations in the Balkans and a 90-strong Operations Mentoring and Liaison Team (OMLT) in Regional Command West in Afghanistan.

In 2010 Slovenia adopted a Resolution on General Long-Term Development and Equipping Programme of the Slovenian Armed Forces up to 2025, but significant reductions in the defence procurement budget since the onset of the economic crisis have delayed its implementation.

Resolution on General Long-Term Development and Equipping Programme of the Slovenian Armed Forces up to 2025

[http://www.mo.gov.si/fileadmin/mo.gov.si/pageuploads/pdf/ministrstvo/ReDP\\_ROSV25\\_slo\\_en.pdf](http://www.mo.gov.si/fileadmin/mo.gov.si/pageuploads/pdf/ministrstvo/ReDP_ROSV25_slo_en.pdf)

The Ministry of Defence (MORS): <http://www.mo.gov.si/en>

The Slovenian Armed Forces: <http://www.slovenskavojska.si/en>

## DEFENCE & SECURITY OPPORTUNITIES

The major planned defence procurement programmes, according to the MORS review, are: 8x8 wheeled vehicles, various other armoured vehicles, anti-armour missile systems, C-IED equipment, self-propelled artillery, enhanced air surveillance and control, short-range air defence systems and unmanned aerial vehicles. However, this is subject to sufficient funding being made available and a successful implementation of the long-term development and equipment review of the Slovenian armed forces.

## ECONOMIC BACKGROUND

*Source: IMF World Economic Outlook Database*

	2010	2011	2012
<b>GDP (\$BN)</b>	47.247	50.33	45.421
<b>Per Capita GDP (\$)</b>	23,407.25	24,900.13	22,460.94

## DEFENCE ECONOMICS

Defence Budget

*Source: British Embassy Ljubljana*

Year	2011	2012
(€m)	448	393

## THE SLOVENIAN DEFENCE MARKET AND HOW TO DO BUSINESS

The following general information is intended as a preliminary guide to help UK defence companies understand the Slovenian defence market. It is not intended to be exhaustive.

### **Fundamentals Needed to Succeed in the Slovenian Defence Market - Routes to Market**

British companies looking to do business in Slovenia are advised to find local representation in the form of an agent or distributor, as direct sales to the market may prove to be more difficult. British companies can also set up a business in Slovenia, a joint venture or any other form of business. There are several types of companies that can be set up in Slovenia.

There are certain legal provisions that bind foreign companies to enter into an agreement on industrial participation (=offset), involving supplying to the

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Slovenian Defence Ministry. The Slovenian Government has issued a document called "Directives for Offset Programs", that defines the country's offset policy. The general rule of thumb is that the amount of offset obligation is determined as 100% of the contract value. For equipment exceeding €400,000, bidders are requested to submit offset programmes.

In Slovenia, trading on defence equipment is regulated by the law on Defence and other legal acts requiring manufacturers of military equipment and weapons to register with the Slovenian Defence Ministry.

### **HMG Support**

For the Slovenian defence market, advice, support and assistance to UK companies is provided by UKTI DSO RD West in London, the British Embassy in Ljubljana, and the Defence Attaché for Slovenia based at the British Embassy in Vienna.

We encourage the companies interested in opportunities in the country's defence and security sectors to contact the UKTI Trade & Investment Team at the British Embassy in Ljubljana for advice and practical support.

### **Slovenia Export Controls**

UK defence manufacturers must first obtain a F680 licence, in order to be able to export, but should also ensure that none of the items are controlled, or appear on the Military List. This also applies to UK security companies.

For more information, contact the Export Control Organisation of the Department of Business, Innovation and Skills, at <http://www.bis.gov.uk/exportcontrol>.

### **Visit Security Clearance**

This is obtained from the UK Ministry of Defence's (MoD) International Visits Control Office, which is located at Abbey Wood in Bristol.

Further guidance and the required forms are at:

<https://www.gov.uk/defence-equipment-and-support-principal-security-advisor#inward-visits>

### **ARMED FORCES - MILITARY STRENGTH**

*Source: Slovenian Ministry of Defence*

**Active:** 7,578

**Contracted Reserve:** 1,621

Combat Forces are composed of 3 motorised battalions, 1 mountain battalion, 1 armoured battalion and a special operations unit.

Combat support forces are comprised of 1 CBRN battalion, 1 engineer battalion, 1 artillery battalion, 1 naval division, 1 air defence battalion and 1 military police battalion.

It should be noted that there is no separate army, navy or air force (as would usually be the case in most countries).

## **SECURITY ISSUES**

According to the 2010 Resolution on the National Security Strategy, threats to public law and order, natural disasters, degradation of environment, limited access to resources and epidemics present the Slovenia's greatest threats.

For more see:

[http://www.mo.gov.si/fileadmin/mo.gov.si/pageuploads/pdf/ministrstvo/RSNV2010\\_slo\\_en.pdf](http://www.mo.gov.si/fileadmin/mo.gov.si/pageuploads/pdf/ministrstvo/RSNV2010_slo_en.pdf)

## **DOMESTIC DEFENCE INDUSTRIAL CAPABILITY**

Relative to its size, Slovenia has a well-developed defence industry. Major defence companies include Skupina Viato, Fotona and Rotis. Products manufactured include opto-electronic equipment, light armoured vehicles, telecommunications equipment, small arms and light weapons, ammunition, artillery systems and demining equipment. In addition, the production of military trucks was recently re-established at TVM in Maribor. A prototype of a new military truck, manufactured in compliance with the NATO standards, has already successfully passed the Slovenian Army tests, and the first orders have been placed.

Arex manufactures biodegradable plastic ammunition, of various calibres, for training purposes, whilst KIK Kamnik can also provide replicas of mines. Such training tools are very much needed for demining training and are used by some armies and demining organisations. Another Slovenian company, Vilpo, developed one of the most cost-effective mine clearing vehicles, which has been used effectively for the demining of Croatian minefields.

See also the official catalogue on Slovenian defence products:

[http://www.gzs.si/KATALOGI/SLIKOVNI\\_MATERIAL/KATALOG042/KATALOG\\_WEB.PDF](http://www.gzs.si/KATALOGI/SLIKOVNI_MATERIAL/KATALOG042/KATALOG_WEB.PDF)

## DEFENCE IMPORTS & EXPORTS 2007-2011

*Source: UKTI DSO Survey of Defence Exports & Various Open Sources*

### Identified Slovenian Defence Import Procurement:

Total: \$116M

### Identified Slovenian Defence Exports:

Total: £9.171m in 2011

## COMPETITORS

Russia and Turkey appear to be the major competitors. However, Slovenia also has a link to the Austrian company Steyr-Daimler-Puch; its Pandur light armoured vehicle is manufactured under licence in Slovenia.

## PROCUREMENT ORGANISATION

Defence procurement is carried out by the Procurement Division of the Logistics Directorate of the MORS.

## KEY PERSONALITIES

<b><u>Defence Minister</u></b>	<b>Aleš Hojs</b>
<b><u>State Secretary</u></b>	Peter Stavanja
<b><u>Armed Forces</u></b>	Chief of General Staff – Brig-Gen. Dobran Božič  Deputy Chief of General Staff – Brig-Gen. Andrej Osterman
<b><u>Minister of Interior</u></b>	<b>Dr. Vinko Gorenak</b>
<b><u>State Secretaries</u></b>	Barbara Brezigar Robert Marolt

## Further Information:

If you require further information/clarification on anything in this Fact Sheet, please contact:

UKTI Defence & Security Organisation  
BD Market Analysis  
1st Floor  
1 Victoria Street  
London SW1H 0ET  
Telephone: 020 7215 8209

E-mail: [dso.businessservices@ukti.gsi.gov.uk](mailto:dso.businessservices@ukti.gsi.gov.uk)

## Next steps - How UKTI can help

British companies wishing to develop their business in the Slovenian market are advised to undertake as much market research and planning as possible in the UK. UKTI's team in Slovenia, with its wide local knowledge and experience, can provide a range of services to British-based companies wishing to grow their business in global markets.

This can include:

- Provision of market information
- Validated lists of agents/distributors
- Key market players or potential customers in the Slovenian market
- Establishment of interest of such contacts in working with you
- Presentation of companies' products/services hosted either at the Embassy or at HM Ambassador's residence
- Business lunches, dinners or receptions with targeted top management from Government and/or private entities

This work is available via our [Overseas Market Introduction Service \(OMIS\)](#) a chargeable service which assists British-based companies wishing to enter or expand their business in overseas markets.

To find out more about commissioning this work, or accessing other UKTI services and specialist advice, please visit the UKTI website to find [contact details for your local UKTI office.](#)

## **Other Useful Contacts:**

### **Slovenia Desk, UKTI Defence & Security Organisation**

RD, Desk Officer for Central & Eastern Europe  
UK Trade & Investment Defence & Security Organisation  
1 Victoria Street  
London SW1H 0ET  
T: +44 (0)20 7215 8234

### **Slovenian Embassy London**

Embassy of the Republic of Slovenia  
10 Little College Street  
London SW1P 3SH  
Tel: 020 7222 5700  
Fax: 020 7222 5277

E-mail: [vlo@gov.si](mailto:vlo@gov.si)  
Internet: <http://london.embassy.si/index.php?id=34&L=1>

### **British Embassy in Slovenia**

British Embassy Ljubljana  
4th Floor  
Trg Republike 3  
1000 Ljubljana

Tel: 00386 1 200 3924  
Fax: 00386 1 425 0174  
[jana.verk@fco.gov.uk](mailto:jana.verk@fco.gov.uk)

Internet:  
<http://ukinslovenia.fco.gov.uk/en/>

### **Other Useful Websites:**

Government of the Republic of Slovenia: <http://www.vlada.si/en/>

Ministry of Defence: <http://www.mo.gov.si/en/>

Ministry of the Interior: <http://www.mnz.gov.si/en/>

GOIS Slovenian Defence industry cluster (defence and security trade association): <http://sdic.gzs.si/slo/>

Slovenian Police: <http://www.policija.si/eng/>

Customs procedures:

[http://www.carina.gov.si/en/businesses/customs\\_treatment\\_of\\_goods/](http://www.carina.gov.si/en/businesses/customs_treatment_of_goods/)

### **Slovenia Travel Advice**

Travel information and general Embassy contact details can be found at:

<http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/europe/slovenia>

<http://ukinslovenia.fco.gov.uk/en/>

### **Foreign Consular Offices in Slovenia**

Media, travel, careers, business and state links/information can be found at:

The Slovenia Times (in English): <http://www.sloveniatimes.com/>

RTV Slovenia: <http://www.rtv slo.si/>

Slovenian Press Agency (in English): <http://www.sta.si/en/>

Tourism: <http://www.slovenia.info/>

### **Visa Services and Links**

<http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/europe/slovenia>

(UK Nationals do not require visas for Slovenia unless for visits of more than 3 months' duration)

### **BBC Country Profiles**

[http://news.bbc.co.uk/1/hi/world/europe/country\\_profiles/1097296.stm](http://news.bbc.co.uk/1/hi/world/europe/country_profiles/1097296.stm)



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