



# Press Release

## EMBARGO

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## Slovenian Multinationals: Small but Growing Rapidly

*Release of the CIR – CPII 2008 ranking of Slovenian multinational enterprises*

Ljubljana and New York, March 18, 2008

The 2007 ranking of Slovenian multinational enterprises (MNEs), released today by the Centre of International Relations (CIR), Ljubljana, and the Columbia Program on International Investment (CPII), New York, reveals dynamic outward foreign direct investment (FDI) activity by Slovenian firms. FDI outflows from Slovenia have surpassed FDI inflows in three of the past four years, as Slovenian firms look to expand in foreign markets.

The principal findings of the survey are that, in 2006, Slovenia's Top 25 MNEs, ranked by foreign assets, had nearly US\$4bn<sup>1</sup> in assets abroad (*table 1*); had nearly US\$4bn in foreign sales (including exports); and employed 23,616 persons abroad. Their foreign assets and employment each more than doubled since 2004, while foreign sales increased 60%. Foreign assets are concentrated in Europe. The top three firms – Mercator, Gorenje, Krka – account for more than half of the total assets of the Top 25, and the top five firms account for 68% of the Top 25's total foreign assets.

Slovenian MNEs are not large when compared to their counterparts in Brazil and Russia<sup>2</sup> (the foreign assets of the Top 25 are roughly 5% of the Top 25 in Russia and the Top 20 in Brazil), but they play a vital role in Slovenia's economy. "Slovenian MNEs are mostly regionally focused market-seekers, with trade and production affiliates, mostly in Western Balkan countries, dominating. But some of them are also global actors, like Kolektor,"<sup>3</sup> notes Marjan Svetlicic, Director of the Centre of International Relations. "In a country of two million people, foreign growth through FDI means survival. It is a vital engine of growth for Slovenian firms," adds Karl P. Sauvart, Executive Director of the Columbia Program on International Investment.

<sup>1</sup> The following EUR/USD exchange rates, based on XE.com Universal Currency Converter (<http://www.xe.com/ucc/>), were used throughout: 1.31954 (2006); 1.18395 (2005); 1.35338 (2004).

<sup>2</sup> The ranking lists for Brazilian and Russian MNEs were released in December 2007 (see [www.cpii.columbia.edu](http://www.cpii.columbia.edu)).

<sup>3</sup> See *annex case box 1*.

The Centre of International Relations (CIR), an interdisciplinary research centre, and the Columbia Program on International Investment, a joint Columbia Law School-Earth Institute venture at Columbia University, collaborated on the ranking of Slovenian MNEs. This exercise is part of a global effort to rank emerging market MNEs. Ranking lists for Brazil and Russia were published in December 2007 (see [www.cpii.columbia.edu](http://www.cpii.columbia.edu)), and ranking lists for India, Israel and South Africa are to be released soon.

Table 1. CIR-CPII ranking of the Top 25 Slovenian multinationals, in terms of foreign assets, 2006 (Millions of US\$)			
Rank	Name	Industry	Foreign assets
1	Mercator	Retail trade	954
2	Gorenje	Electricity supply, manufacturing	668
3	Krka	Manufacturing	439
4	Droga Kolinska <sup>a</sup>	Manufacturing	352
5	Petrol	Oil supply	307
6	Merkur	Retail trade	203
7	Intereuropa	Transportation	127
8	Helios	Manufacturing	121
9	Iskra Avtoelektrika	Manufacturing	80
10	Elan	Manufacturing	75
11	Unior	Manufacturing	66
12	Lesnina	Retail trade	66
13	Kolektor Group	Manufacturing	59
14	Prevent	Manufacturing	50
15	Trimo	Manufacturing	46
16	Viator & Vektor	Transportation	40
17	HIT	Entertainment	37
18	JUB	Manufacturing	35
19	Hidria	Manufacturing	33
20	Perutnina Ptuj	Manufacturing	32
21	Kovintrade	Manufacturing	28
22	ERA	Retail trade	22
23	ETI Elektroelement	Manufacturing	21
24	Alpina	Manufacturing, retail trade	20
25	Kompas	Travel and related activities	20
<b>TOTAL</b>			<b>3,903</b>

a. Droga and Kolinska merged in 2004.

Source: CIR - CPII survey of Slovenian multinationals.

### *The profile of the Top 25*

- The foreign assets of the **Top 25** Slovenian multinationals represent **86% of Slovenia's total outward FDI stock**.
- Slovenian multinationals are **small compared to their foreign counterparts**:
  - Only five have over US\$300 million in foreign assets, and only four employ over 2,000 people abroad and four of them have fewer than 500 employees (*annex table 1*).

- None of the Slovenian Top 25 make it into the top 50 MNEs from developing countries.<sup>4</sup>
- One of the Top 25 started its early development as a foreign-owned firm and became a 100% Slovene firm a few years ago (see *annex case box 1* on Kolektor).
- Slovenian multinationals are **expanding dynamically**: between 2004 and 2006, their aggregate foreign assets doubled to nearly US\$4bn, their foreign sales grew by more than 50% to US\$7.3bn (comprising more than half of the Top 25's total sales), and foreign employment doubled to 23,616 people (*table 2*).

<b>Table 2. Snapshot of Slovenia's 25 largest MNEs, 2004 - 2006</b> (Millions of US\$ and no. of employees)				
<b>Variable</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>% change 2006/2005</b>
<b>Assets</b>				
Foreign	2,068	2,680	3,903	31
Total	9,061	9,407	11,777	12
<i>Share of foreign in total (%)</i>	23	28	33	16
<b>Employment</b>				
Foreign	11,699	18,972	23,616	24
Total	69,655	77,027	81,349	6
<i>Share of foreign in total (%)</i>	17	25	29	18
<b>Sales (incl. exports)</b>				
Foreign	4,730	5,093	7,256	28
Total	11,497	11,045	13,885	13
<i>Share of foreign in total (%)</i>	41	46	52	13

Source: CIR - CPII survey of Slovenian multinationals.

- Foreign expansion is the engine of growth of the Top 25. Domestic sales of the Top 25 were 59% of total sales in 2004, but their relative share dropped to only 48% of total sales in 2006. For the top two manufacturing firms, foreign sales amounted to 86% of their total sales.
- **This foreign growth does not come at the expense of existing home country employment, investment and sales, but is complementary.** Domestic sales and employment have both remained stable. The Top 25 remain among the most important domestic employers, while home country assets of the Top 25 have grown by around 15% from 2004 to 2006.
- The aggregate **Transnationality Index**<sup>5</sup> of the Top 25 **has risen** from 36% to 45% from 2004 to 2006, which reflects the rapid growth of international operations. The Slovenian Top 25 do not lag much behind the largest companies

<sup>4</sup> See UNCTAD, *World Investment Report 2007* (Geneva: UNCTAD, 2007). Data for 2005 are the latest available.

<sup>5</sup> The Transnationality Index is a composite ratio calculated by averaging the relative shares of foreign assets, foreign employees and foreign sales as a percentage of their respective totals. See UNCTAD *op. cit.*.

in the world in terms of their degree of transnationality, and they are more transnationalized than firms from other transition economies. The most internationalized Slovenian company is JUB – a manufacturer of chemical products – with a Transnationality Index of 77%.

- The overwhelming share of outward investment from Slovenia is being made by **private companies**. Only one out of the Top 25, accounting for about 2% of aggregate foreign assets, is majority-owned by the state.
- The Top 25 now have **286 foreign affiliates** (*annex figure 1*) in 53 different countries, for **an average of 11.5 affiliates** in an average of **9 countries** (*annex table 1*). Gorenje is present in 26 countries (with 41 foreign affiliates), followed by Unior and Hidria in 17 countries each (with 21 foreign affiliates each).
- Many of the Slovenian Top 25 are **regional multinationals**. The foreign affiliates of Slovenian MNEs are **concentrated in Europe**, as revealed by the **Regionality Index** (*annex table 2*). More than 80% of foreign affiliates are located in Europe, and nine of the Top 25 MNEs are based exclusively in Europe. The Western Balkans is the most important location for affiliates, although Slovenian firms show a growing interest in Russia, China and other Asian locations.
- **Manufacturing** (food and beverages, chemical and pharmaceutical products, machinery and equipment, electrical equipment, sport apparel, etc.) **is by far the most important sector** of the Top 25, with 16 of the 25 MNEs (54% of foreign assets). The next largest sector, with five MNEs, is **retail trade** (32% of foreign assets). Other activities are: transportation (4% of foreign assets), electricity supply, oil supply, entertainment, travel, and related activities (*annex table 3* and *annex figure 2*).
- Only eight of the Top 25 are **headquartered in the country's capital, Ljubljana**, a reflection of a decentralized type of development strategy that dates back to when Slovenia was a socialist economy. Three out of the top 5 are located outside Ljubljana.
- With the exception of one, all Top 25 MNEs were **established years before the transition to a market economy had begun**.
- The Top 25 **include old and young multinationals: seven firms have pre-transition experience** in outward investment (some, like Gorenje, invested in the 1960s. Krka established a pharmaceutical firm near Nairobi in the mid 1970s, and Elan produced skis in Sweden<sup>6</sup>, also in the 1970s.) Nine made their first investment abroad in the mid-1990s, and nine others established their first foreign affiliate after 1999.
- Ten of the Top 25 are **listed on the Ljubljana Stock Exchange, but no other stock exchange**; fifteen companies are not listed anywhere.
- All MNEs use the Slovenian **language** as their official language; however 15 out of 25 also use foreign languages. Ten out of 25 top MNEs use Slovenian and English as official languages, two companies use 3 official languages (Slovenian,

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<sup>6</sup> The famous Sweden skier Ingemar Stenmark used Elan skis for racing.

English and German), while one of them uses 5 official languages (Slovenian, English, German, Russian and Croatian).

- The **internationalization of management** is relatively low; except for one<sup>7</sup>, all other CEOs are Slovenian. Top management is more internationalized in eight out of the Top 25 companies (in three cases 40% of top managers are foreign, two cases with 30%, two cases with 20%, and one with 10% foreign management), while in 17 companies the management is entirely Slovenian.

### ***Slovenia's outward FDI***

Slovenian companies were **early birds in outward investment among ex-socialist countries** — they started investing abroad even before inward investment was allowed. Originally, outward FDI was mostly focused on trade promotion. Many MNEs turned this sequential strategy into a leapfrogging type of transnationalization.

Essentially, “system escape” investment in the pre-transition period has been replaced by market-seeking, efficiency-seeking and recently also strategic-asset seeking investment. As a result, Slovenia's *outward FDI stock* rose from a low base of US\$0.3bn in the early 1990s, to US\$4.5bn in 2006 (*annex figure 3*).

Investment activity abroad was most intense at the end of the 1990s (although government policy was actually discouraging outward FDI until 1999) and has continued after 2000. Outward FDI stock is expected to continue to rise significantly. FDI outflows have outstripped FDI inflows during four of the past five years (*annex figure 4*), a situation that is predicted to remain for each of the next four years.<sup>8</sup> However government privatization plans (in insurance and telecommunications) may result in higher inward than outward FDI in the next few years.

For Slovenian firms, outward FDI has been a frequent survival strategy. Initially state-owned Ljubljanska Banka (now NLB, see *annex case box 2*) facilitated internationalization by establishing its first foreign office abroad in 1968 in Germany and later elsewhere. Trade companies followed to facilitate trade. Companies from manufacturing industries (with a much longer tradition and export propensity) followed later.

While greenfield investments were prevalent during the 1990s, mergers and acquisitions activity intensified after 2000 (*annex table 4*). Larger acquisitions were undertaken in the financial sector, chemicals (particularly pharmaceuticals), retail trade, electrical appliances and the food industry (*annex case box 3*). Early internationalization made the Slovenian transition less painful, particularly after Yugoslavia was lost as a market when Slovenia became independent. It also facilitated internationalization by knowledge accumulation and the early creation of an internationally experienced management.

Today, more than 2% (around 950) of the almost 50,000 corporations in the Slovenian corporate sector are involved in outward investment activity. However, the vast majority (almost 75%) of these 950 MNEs can be classified as small and medium-sized enterprises.

<sup>7</sup> The CEO of Droga Kolinska, Slobodan Vucicevic, is Serbian.

<sup>8</sup> Laza Kekic and Karl P. Sauvant, eds., *World Investment Prospects to 2011: Foreign Direct Investment and the Challenge of Political Risk*, at [www.cpji.columbia.edu](http://www.cpji.columbia.edu).

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**Emerging Markets Global Players Project**

The CIR-CPII 2007 Ranking of Slovenian Multinational Enterprises was conducted in the framework of the Emerging Markets Global Players Project, a collaborative effort led by the Columbia Program on International Investment. It brings together researchers on FDI from leading institutions in emerging markets to generate annual ranking lists of emerging market MNEs. The MNE ranking for Brazil was released on December 3, 2007 by Fundação Dom Cabral (FDC) and CPII and the MNE ranking for Russia, by Moscow School of Management SKOLKOVO and CPII, was released on December 11, 2007. Check [www.cpii.columbia.edu](http://www.cpii.columbia.edu) for further information or contact [cpii@law.columbia.edu](mailto:cpii@law.columbia.edu).

**Centre of International Relations**

The CIR is an interdisciplinary and independent institution with more than 25 years of experience. The Centre is a constituent part of the Institute of Social Sciences at the University of Ljubljana, Faculty of Social Sciences (<http://www.fdv.uni-lj.si/angleščina/default.htm>). CIR experts are strongly integrated in local and international research networks. They conduct research, consultancy and teaching in International Relations, International Economics, International Business, Political Science, International Organisations, International Security, and European Integration. The CIR has conducted consultancy work for the European Commission, international governmental organizations (such as OECD, WB, UNCTAD, UNDP, UNIDO, Central and Eastern European Privatization Network, International Center for Economic Growth), the national government and governmental agencies, as well as a number of corporations. For more information and contacts, see <http://www.mednarodni-odnosi.si/cmof/>.

**Columbia Program on International Investment**

The Columbia Program on International Investment (CPII), headed by Dr. Karl P. Sauvant, is a joint undertaking of the Columbia Law School and The Earth Institute at Columbia University. It seeks to be a leader on issues related to FDI in the global economy. The CPII focuses on the analysis and teaching of the implications of FDI for public policy and international investment law. Its objectives are to analyze important topical policy-oriented issues related to FDI, develop and disseminate practical approaches and solutions, and provide students with a challenging learning environment. For more information, see [www.cpii.columbia.edu](http://www.cpii.columbia.edu).

**Annex table 1. CIR-CPII ranking of the Top 25 Slovenian multinationals, key variables, 2006**  
(Millions of US\$ and no. of employees)

Ranking		Name	Industry	Assets		Sales		Employment		Trans-nationality index	No. of foreign affiliates	No. of host countries
Foreign assets	Trans-nationality Index			Foreign	Total	Foreign	Total	Foreign	Total			
1	20	<b>Mercator</b>	Retail trade	954	2,456	585	2,725	5,892	19,539	30	5	5
2	6	<b>Gorenje</b>	Electricity supply, manufacturing	668	1,194	1,254	1,466	2,109	10,556	54	41	26
3	7	<b>Krka</b>	Manufacturing	439	1,160	759	881	2,113	5,759	54	14	12
4	2	<b>Droga Kolinska</b>	Manufacturing	352	577	315	446	2,605	3,577	68	11	6
5	24	<b>Petrol</b>	Oil supply	307	1,112	354	2,561	363	2,768	18	6	5
6	23	<b>Merkur</b>	Retail trade	203	1,153	464	1,318	661	4,075	23	8	7
7	13	<b>Intereuropa</b>	Transportation	127	383	194	290	1,018	2,310	48	12	10
8	3	<b>Helios</b>	Manufacturing	121	340	416	342	920	2,211	66	21	13
9	17	<b>Iskra Avtoelektrika</b>	Manufacturing	80	223	199	261	443	2,534	43	12	11
10	4	<b>Elan</b>	Manufacturing	75	161	145	162	337	1,267	54	7	6
11	19	<b>Unior</b>	Manufacturing	66	513	255	376	645	3,796	33	21	17
12	12	<b>Lesnina</b>	Retail trade	66	129	94	182	303	683	49	6	2
13	10	<b>Kolektor Group</b>	Manufacturing	59	235	302	327	1,110	2,879	52	10	9
14	11	<b>Prevent</b>	Manufacturing	50	285	468	435	1,143	3,817	52	5	5
15	5	<b>Trimo</b>	Manufacturing	46	162	231	222	278	979	54	12	12
16	15	<b>Viator &amp; Vektor</b>	Transportation	40	289	322	315	549	2,554	46	11	9
17	25	<b>HIT</b>	Entertainment	37	400	25	300	236	2,548	9	3	3
18	1	<b>JUB</b>	Manufacturing	35	68	84	116	136	342	77	9	9
19	18	<b>Hidria</b>	Manufacturing	33	238	182	243	330	2,400	34	21	17
20	21	<b>Perutnina Ptuj</b>	Manufacturing	32	249	98	219	625	2,289	28	5	3
21	16	<b>Kovintrade</b>	Manufacturing	28	146	166	235	134	294	45	10	9
22	22	<b>ERA</b>	Retail trade	22	91	12	107	163	371	27	2	2
23	14	<b>ETI Elektroelement</b>	Manufacturing	21	83	84	94	431	1,745	47	10	10
24	8	<b>Alpina</b>	Manufacturing, retail trade	20	80	62	75	866	1,625	54	8	7
25	3	<b>Kompas</b>	Travel and related activities	20	51	152	216	206	431	52	16	16
TOTAL				3,903	11,777	7,256	13,885	23,616	81,349		286	53

Source: CIR-CPII survey of Slovenian multinationals.

**Annex table 2. The Top 25 Slovenian MNEs: Regionality Index<sup>a</sup>, 2006**

Name	Europe	CIS	Middle East	Africa	North America	Latin America	South-East Asia	Australia
<b>Mercator</b>	100	-	-	-	-	-	-	-
<b>Gorenje</b>	98	-	2	-	-	-	-	-
<b>Krka</b>	79	14	-	-	7	-	-	-
<b>Droga Kolinska</b>	100	9	-	-	-	-	-	-
<b>Petrol</b>	100	-	-	-	-	-	-	-
<b>Merkur</b>	100	-	-	-	-	-	-	-
<b>Intereuropa</b>	83	17	-	-	-	-	-	-
<b>Helios</b>	81	19	-	-	-	-	-	-
<b>Iskra Avtoelektrika</b>	42	17	8	-	8	8	17	-
<b>Elan</b>	71	-	-	-	14	-	14	-
<b>Unior</b>	71	-	-	-	5	-	19	5
<b>Lesnina</b>	100	-	-	-	-	-	-	-
<b>Kolektor Group</b>	50	-	-	-	20	10	20	-
<b>Prevent</b>	40	-	-	-	-	20	20	-
<b>Trimo</b>	75	25	-	20	-	-	-	-
<b>Viator &amp; Vektor</b>	91	9	-	-	-	-	-	-
<b>HIT</b>	100	-	-	-	-	-	-	-
<b>JUB</b>	89	11	-	-	-	-	-	-
<b>Hidria</b>	67	5	-	-	5	14	10	-
<b>Perutnina Ptuj</b>	100	-	-	-	-	-	-	-
<b>Kovintrade</b>	100	-	-	-	-	-	-	-
<b>ERA</b>	100	-	-	-	-	-	-	-
<b>ETI Elektroelement</b>	80	-	-	-	-	-	20	-
<b>Alpina</b>	63	13	-	-	13	-	13	-
<b>Kompas</b>	88	6	-	-	6	-	-	-

Source: CIR-CPII survey of Slovenian multinationals.

<sup>a</sup> The Regionality Index is calculated by dividing the number of a firm's foreign affiliates in a particular region of the world by its total number of foreign affiliates and multiplying the result by 100.



**Annex table 3. Breakdown of the Top 25's foreign assets, by industry<sup>a</sup>, 2006**

<b>Industry</b>	<b>No. of firms</b>	<b>Foreign assets (Millions of US\$)</b>	<b>Share in the total foreign assets of the Top 25 Slovenian MNEs (Percentage)</b>
Manufacturing	16	2,125	54
Retail trade	5	1,265	32
Transportation	2	167	4
Electricity supply	1	668	17
Oil supply	1	307	8
Entertainment	1	37	1
Travel and related activities	1	20	1

<sup>a</sup> *Some of the firms engage in manufacturing and retail trade at the same time.*

*Source: CIR-CPII survey of Slovenian multinationals.*

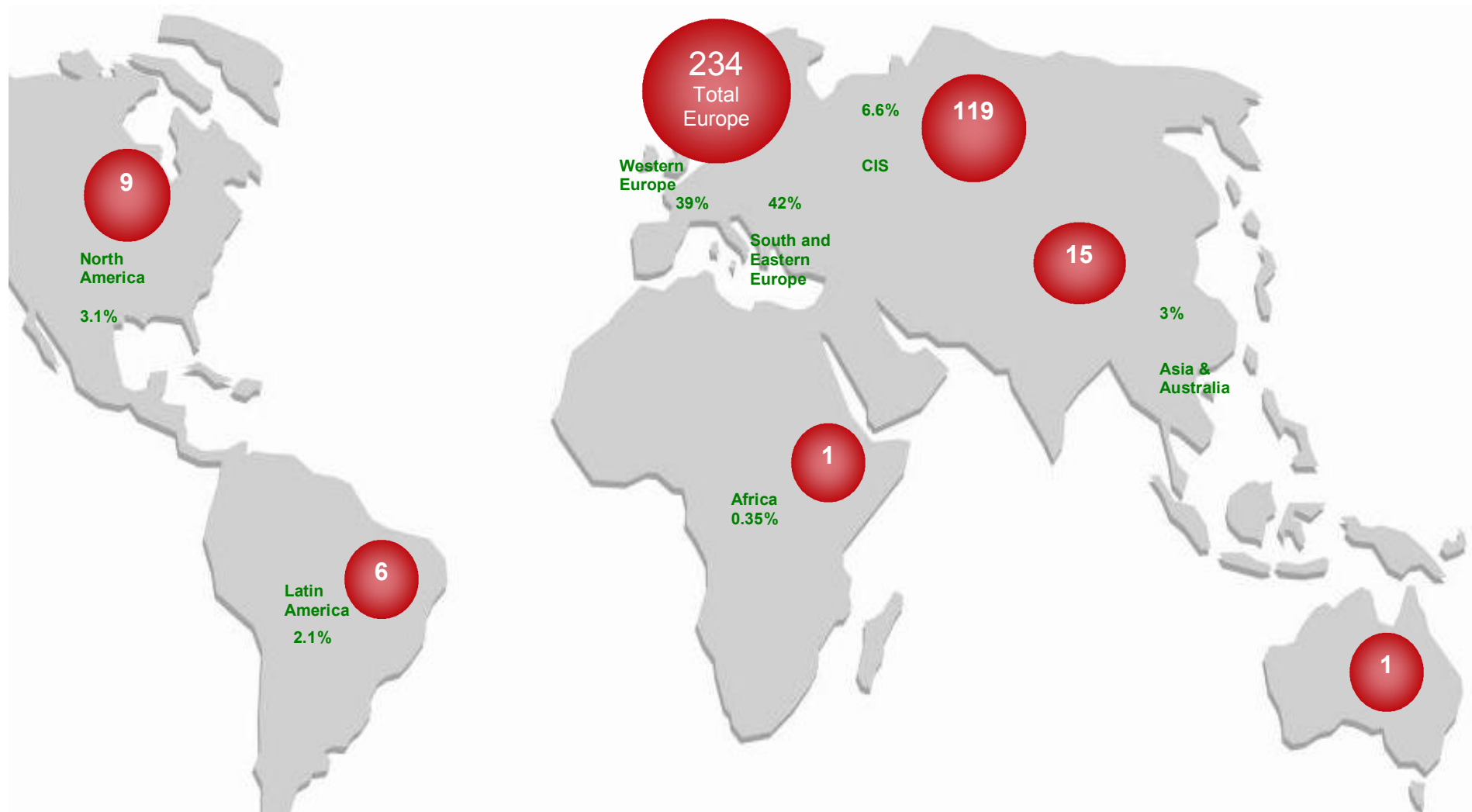
**Annex table 4. The top 10 Slovenian outward merger and acquisitions, 2005-January 2008**

(Millions of US\$)

<u>Date</u>	<u>Acquiror name</u>	<u>Target name</u>	<u>Target industry</u>	<u>Target economy</u>	<u>% of shares acquired</u>	<u>Value of transaction</u>
Oct-2006	Mercator	Rodić Trgovina	Retail	Serbia & Montenegro	100	198
6-Jul-05	Nova Ljubljanska Banka dd	Continental Banka	Banking	Serbia & Montenegro	98.43	59.08
Jun-2007	Mercator	Presoflex, d.o.o	Retail	Croatia	100	50,79
24-Apr-07	Telekom Slovenije dd	Gibtelecom	Telecommunications	Gibraltar	50	49.97
28-Aug-07	Holding Slovenske Elektrarne	Toplofikatzia Ruse EAD	Electricity and heating	Bulgaria	100	46.70
7-Nov-07	Adria Mobil doo	Sun Roller SA	Mobile homes	Spain	80	13.75
19-Oct-06	Pozavarovalnica Sava dd	Polis Osiguranje	Life insurance	Serbia & Montenegro	100	13.58
27-Mar-06	Investor Group	MAIB	Banking	Moldova	19.66	9.80
5-Jan-07	Pozavarovalnica Sava dd	Tabak Osiguranje	Life insurance	Macedonia	53.65	9.08
20-Mar-06	Telekom Slovenije dd	On.net	Internet service provider	Macedonia	76	5.71

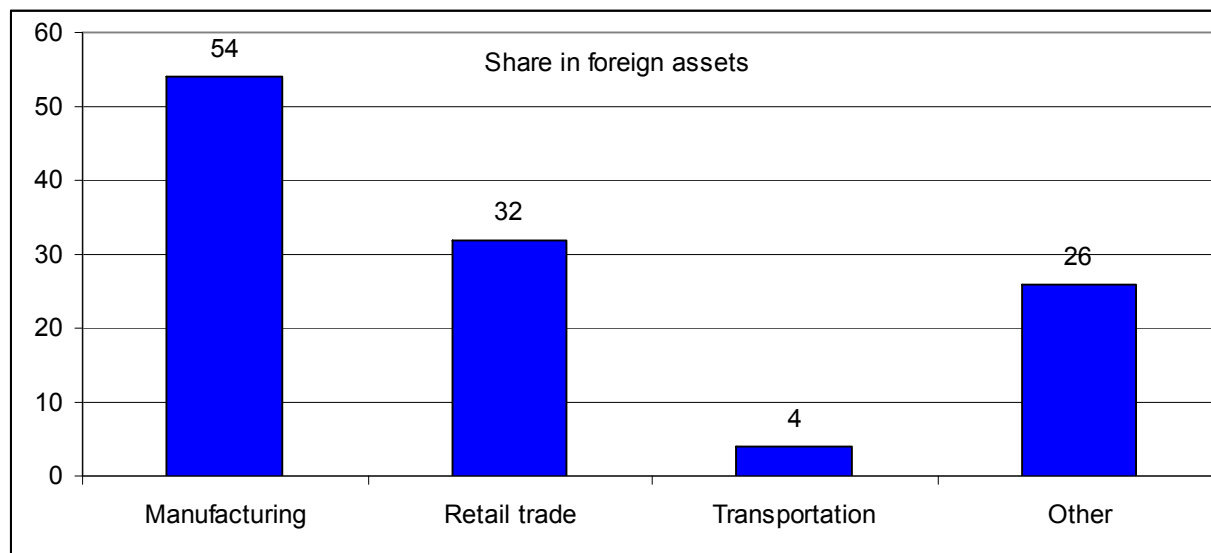
Source: Thomson Financial and SEO net.

**Annex figure 1. Foreign affiliates of the Top 25 Slovenian multinationals, by region, 2006  
(Number of foreign affiliates and percentage of foreign assets)**



Source: CIR-CPII survey of Slovenian multinationals.

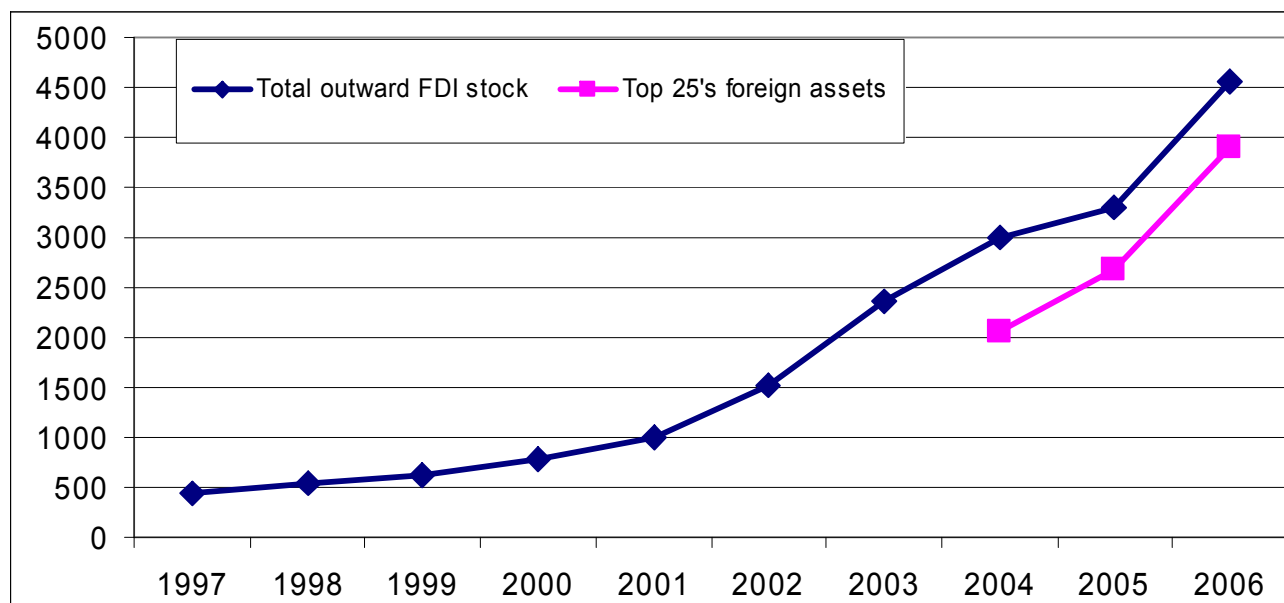
**Annex figure 2. Breakdown of the Top 25's foreign assets, by industry<sup>a</sup>, 2006  
(Percentage)**



<sup>a</sup> As some of the firms engage in manufacturing and retail trade at the same time, the sum of percentages exceeds 100.

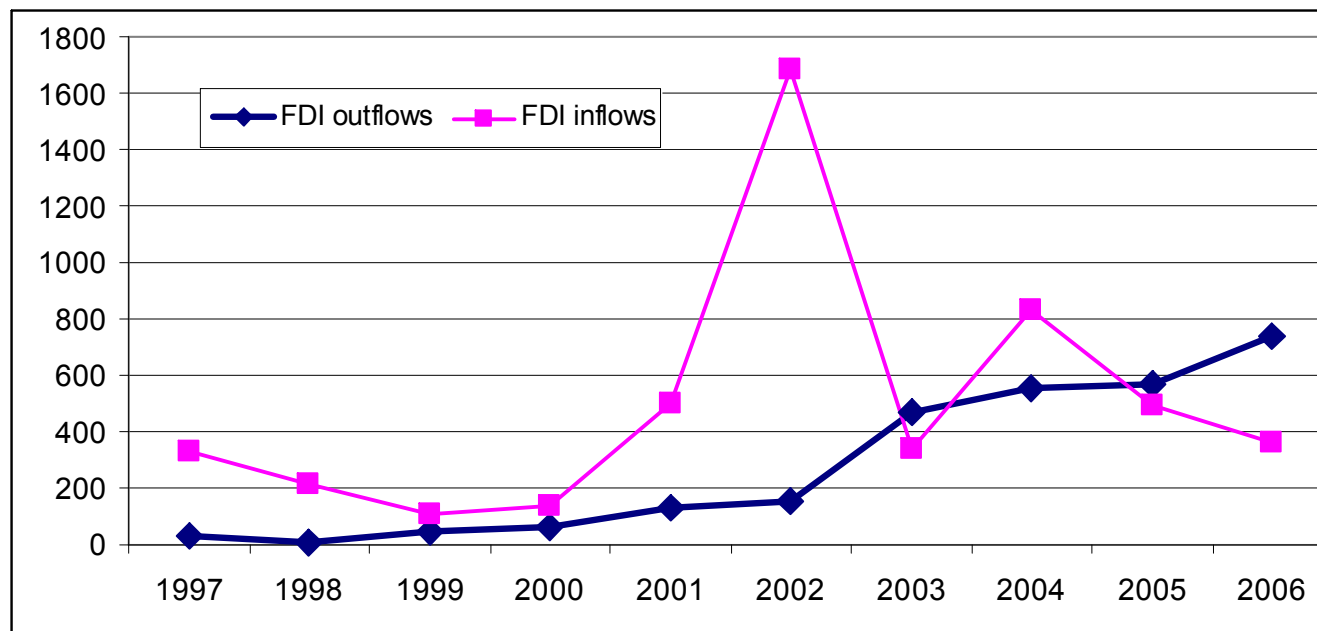
Source: CIR-CPII survey of Slovenian multinationals.

**Annex figure 3. Stock of outward FDI from Slovenia, 1997-2006  
(Millions of US\$)**



Source: Bank of Slovenia, and CIR-CPII survey of Slovenian multinationals.

**Annex figure 4. FDI outflows from, and inflows into, Slovenia, 1997-2006  
(Millions of US\$)**



Source: UNCTAD, *World Investment Report*.

### **Annex case box 1. Kolektor: from local, to foreign owned, to a Slovene multinational enterprise**

Kolektor, now a leading producer of commutators in the world (20% of worldwide and over 50% of European demand), started as a small Slovene company in 1963. It entered into a joint venture agreement with a German firm, Kautt & Bux, in 1968. In 2002, Kolektor bought out its parent firms and acquired the K&B factory in Germany, becoming a Slovene multinational enterprise. It started transnationalizing production in 2000. Now it is producing commutators in a number of major markets: Germany, USA, China (one greenfield, one joint venture), the Republic of Korea, Brazil, and Iran. Cost considerations also have motivated the relocation of production to Bosnia and Herzegovina.

### **Annex case box 2. NLB Group among the largest Slovene multinationals**

If banks were included in the ranking list, the second largest MNE in terms of employees abroad and the third in terms of invested capital abroad (probably the first if investment by its firms abroad were included) would be Slovenia's largest bank, NLB Group. NLB is partially owned (34%) by KBC (Belgium) and EBRD (5%). NLB Group's total assets (2006) were US\$25 billion, and it employed abroad 3,009 (38%) out of a total 8,009 employees. Its transnationalization began in the 1970s when it was 100% Slovene. It now has 40 affiliates in 16 countries. Sixteen of the 40 are banks in which US\$624 million was invested by the parent firm, mostly by way of acquisitions from 2003 – 2007. Most of them are located in South East and other Central and Eastern countries, but also in the EU. NLB aims to become one of the leading financial groups in its target markets.

### Annex case box 3. Selected recent M&A purchases by Slovenian firms

Slovene firms have been on a buying spree abroad. Larger acquisitions were undertaken in the financial sector, pharmaceuticals, retail trade, electrical appliances, and the food industry. They include:

- NLB acquired a 91.5% stake in a Montenegro bank, 80.3% of Euromarket bank (Montenegro), 65.6% stake in Tutunska bank (Skopje), 65.6% stake in LHB Bank Beograd; 98.4% stake in Continental bank Novi Sad; 100% stake in CBS Bank Sarajevo; 63.5% stake in LHB Banka; and an 81% stake in Nova Tuzlanska Bank. An agreement was signed in August 2005 for the acquisition of a 92.4% stake in Nova Razvojna banka (all 3 in Banja Luka), 24.5% stake in the West East Bank, Sofia, 56.% stake in LHB Frankfurt and 28.5% stake in Adria bank Vienna (2005).
- Mercator took over Sloboda (2000) and Era's (a trading company) in Croatia to become the second largest retailer in the host country (2005).
- Gorenje bought Mora Moravia in the Czech Republic (2004).
- HIT acquired Hotel Maestral in Montenegro for US\$24 million (2006).
- Istrabenz expanded into the energy sector through Entrade Energetika in Bosnia and Herzegovina (2005).
- Triglav insurance increased its share in Lovčen insurance (Montenegro), adding to the network in Montenegro, Croatia, B&H and Czech Republic (2005, 2006).
- Other Slovenian companies such as Mobitel had jointly bid with local firms such as Mobikos in Kosovo to be the second mobile operator in the host country. Telekom is bidding for a 51% share in Telekom Montenegro. Petrol is planning an expansion in S&M and B&H following the privatization of the oil sector in these countries (transactions pending).

*Source:* Media reports.