

Restructuring in Slovenian chemical sector

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Agenda

1. Main development indicators

- Turnover**
- Value Added**
- Exports**

2. Employment

3. Salaries

4. Direct investments

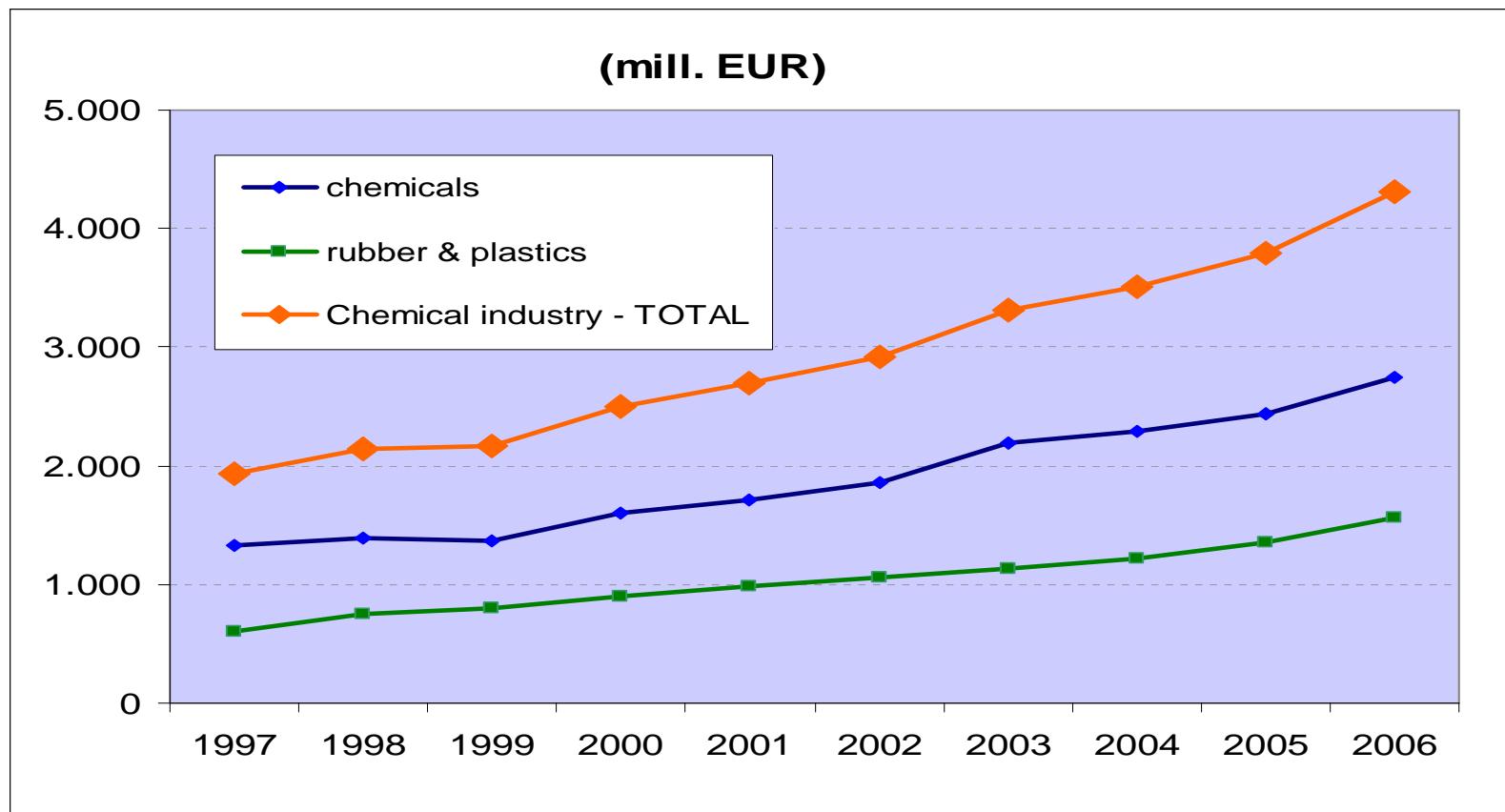
5. Research & development expenditure

6. Social dialogue

7. Resume

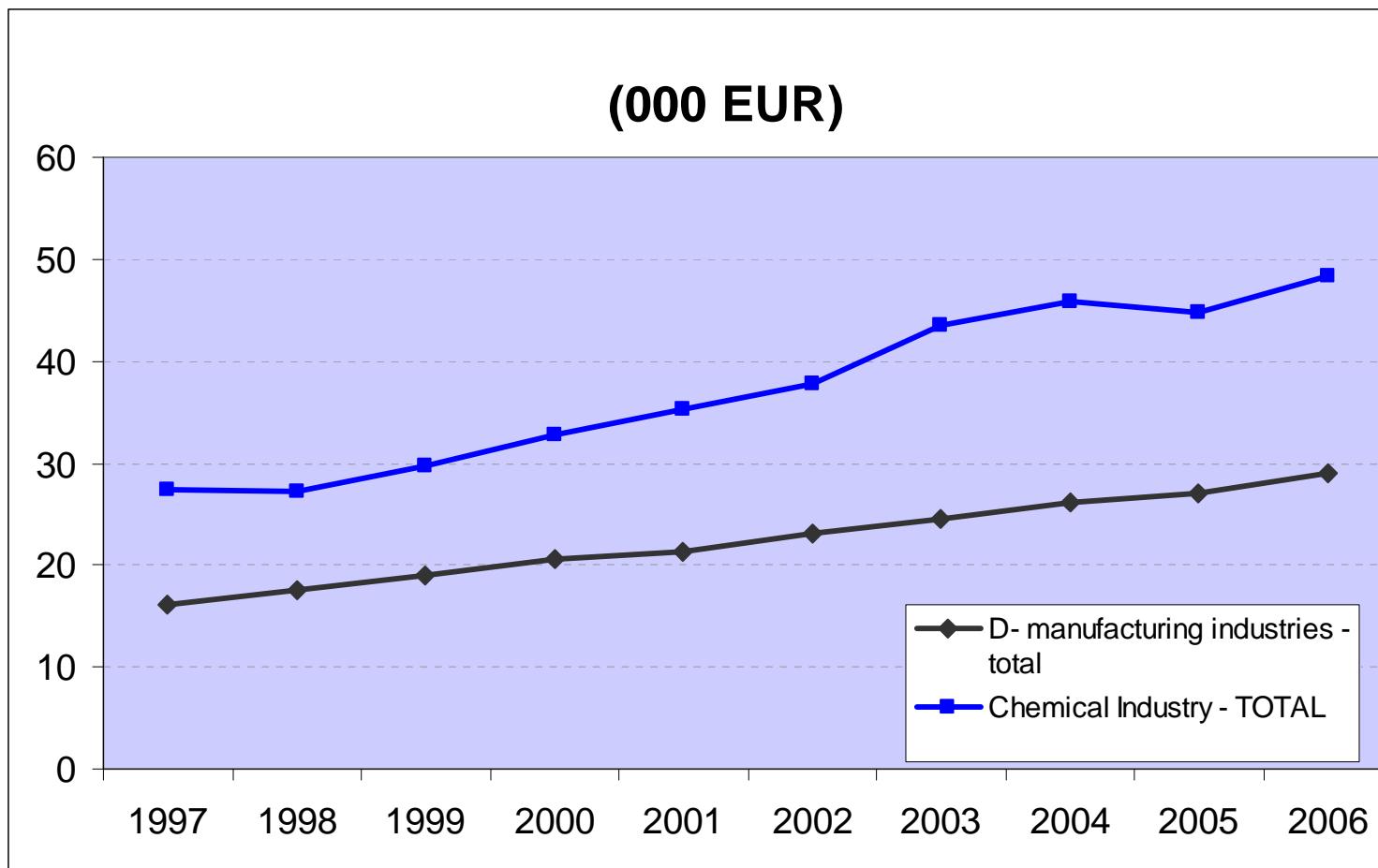
TURNOVER

- **Total: 4,3 billion EUR (2006)**
 - 2,7 billion EUR – chemicals, i.e. 63%
 - 1,6 billion EUR – rubber & plastics, i.e. 37%



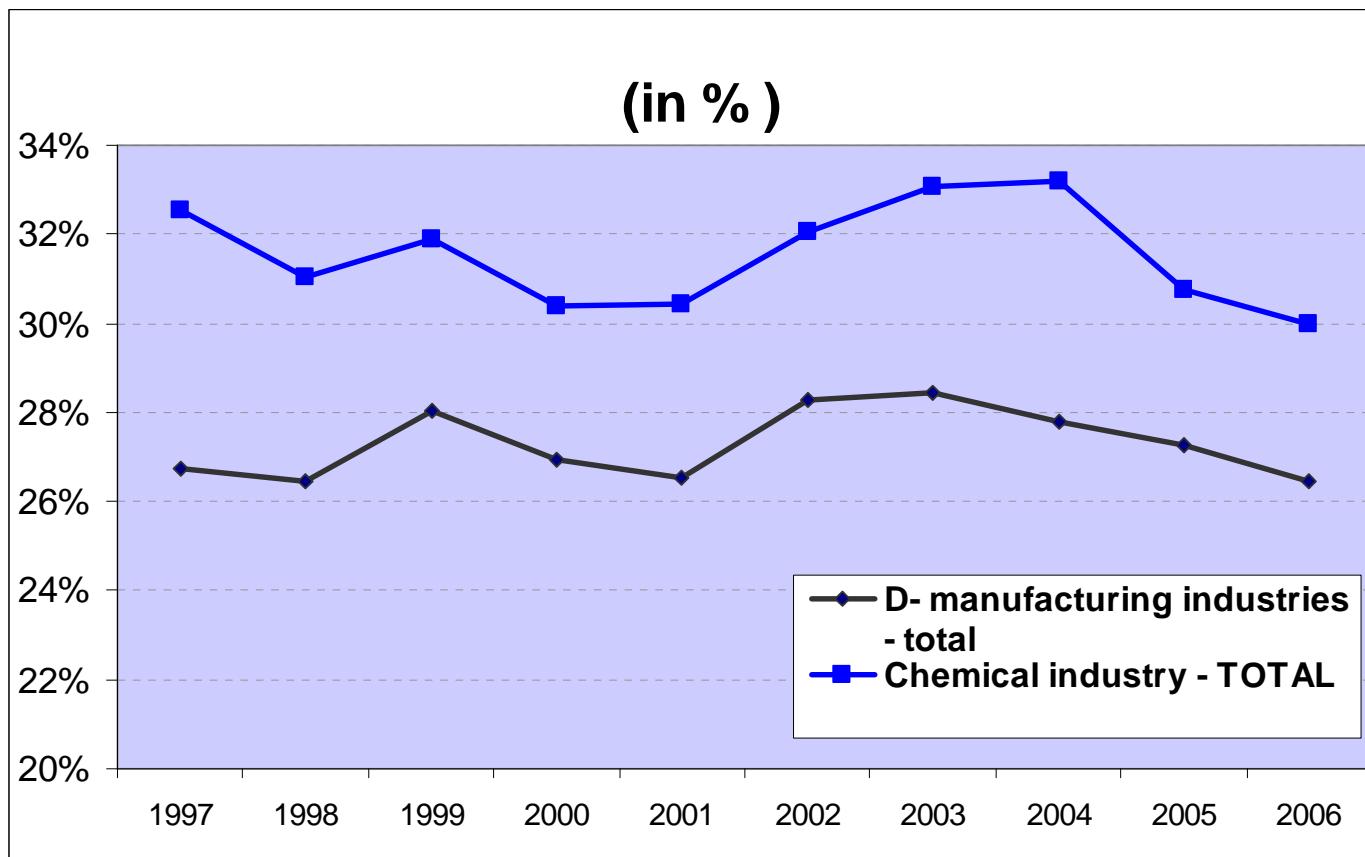
- chemical industry turnover: ±19% of total Slovenian industry
- close to EU chemical industry average

VALUE ADDED per EMPLOYEE



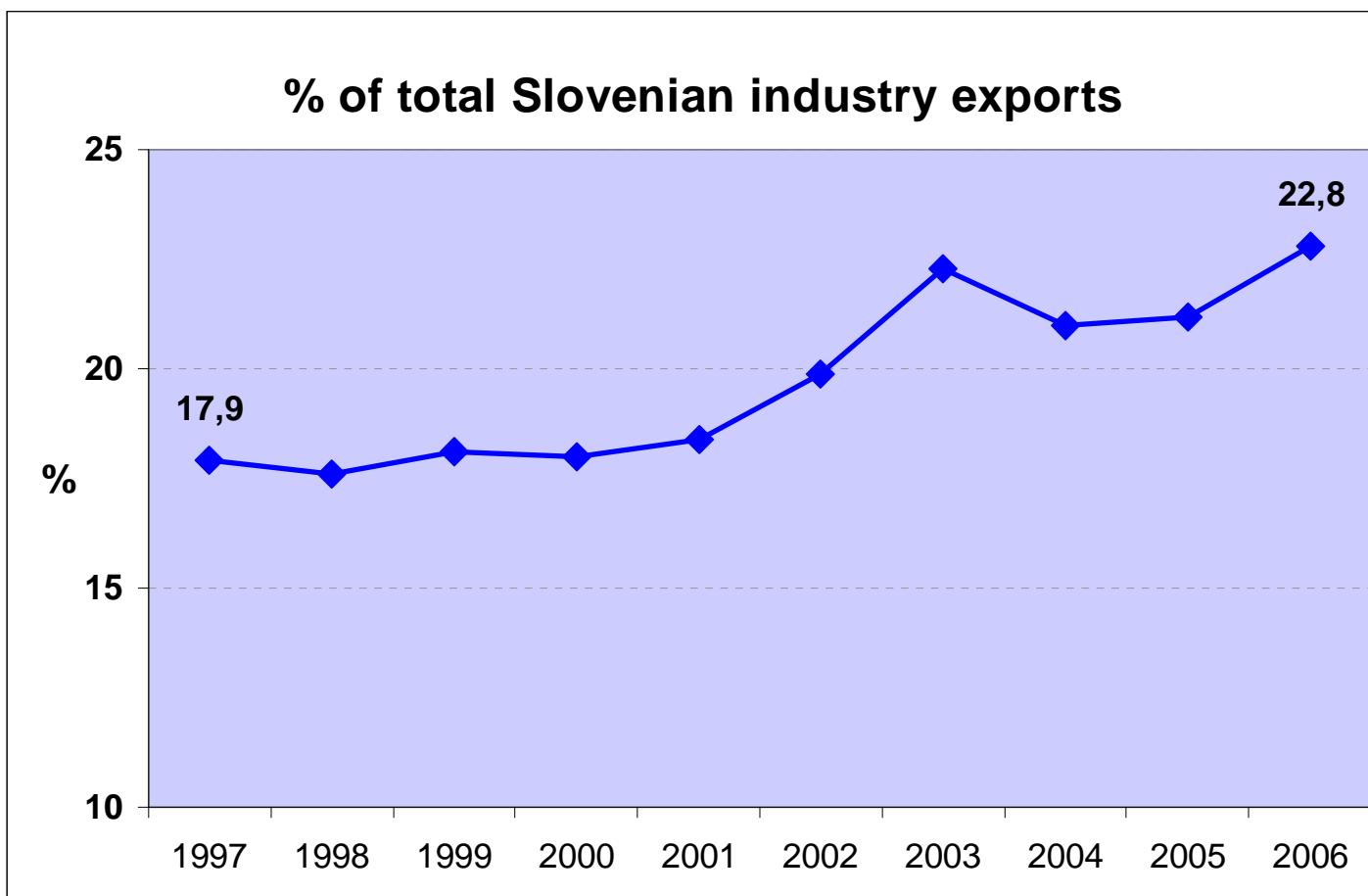
- 67 % higher than Slovenian industry average (2006)
- approx. 1/3 of EU chemical industry average

Share of VALUE ADDED in TURNOVER



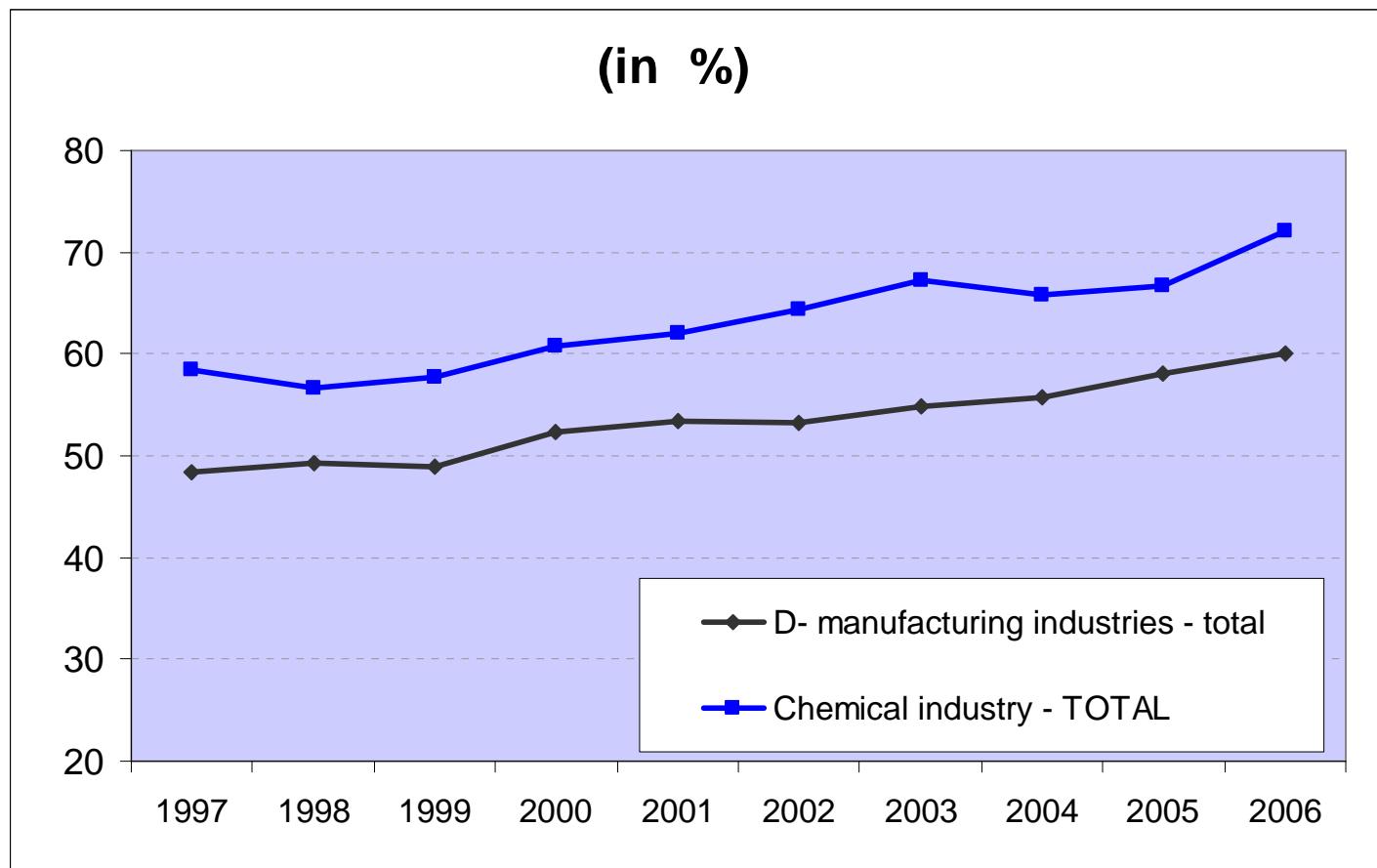
- value added share in turnover is approx. 30%
- the share is 13% higher than the average of Slovenian industry

EXPORTS in total Slovenian industry exports



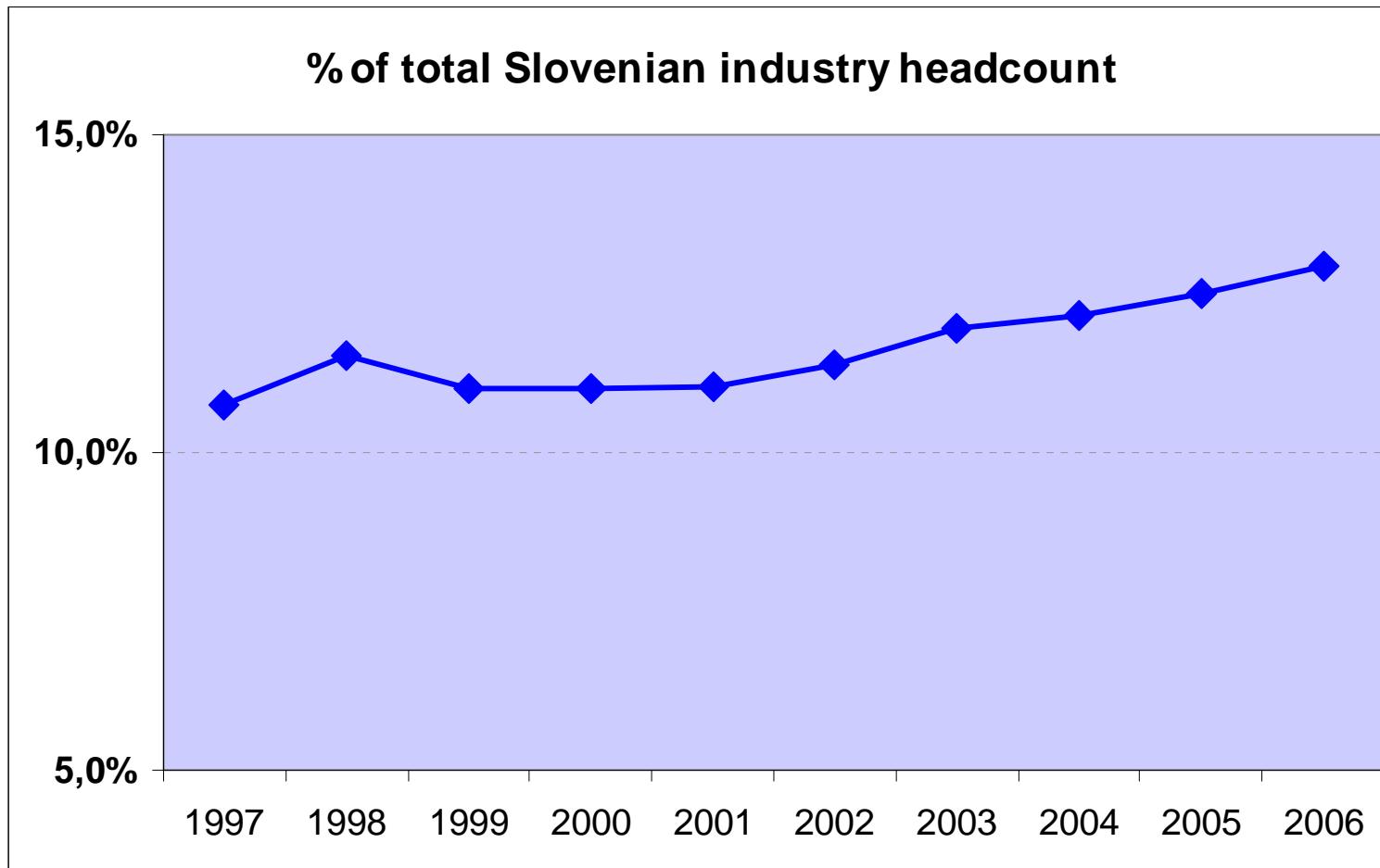
- exports of chemical industry represent ±23% of total Slovenian industry exports (2006)
- constant growth of exports share

EXPORTS in TURNOVER



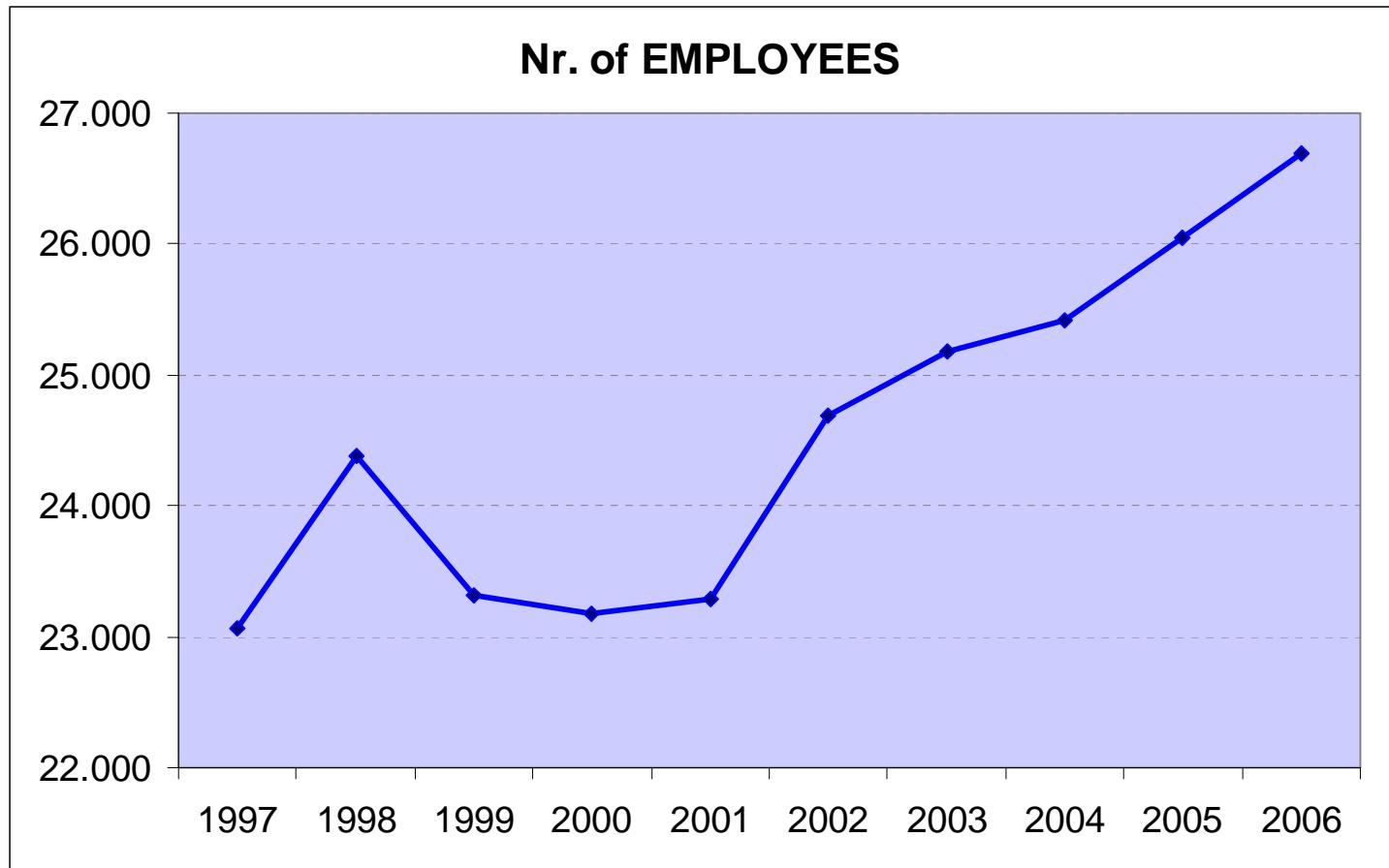
- the share of EXPORTS value in TURNOVER is 72% (2006)
- constant growth

EMPLOYMENT



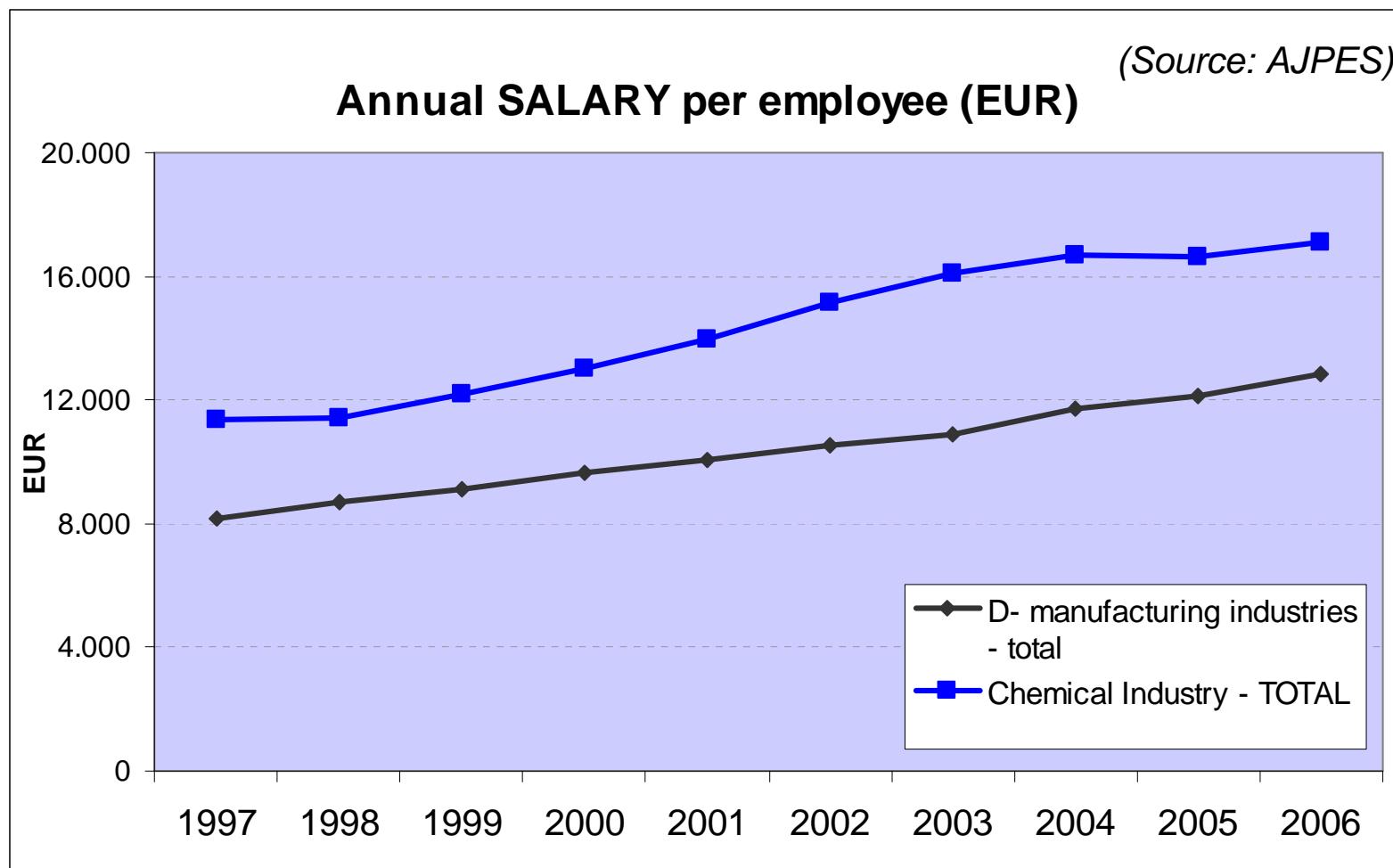
- 13 % in total Slovenian industry headcount (2006)
- constant growth of share, which is also the result of dropping headcount of total Slovenian industry

EMPLOYMENT



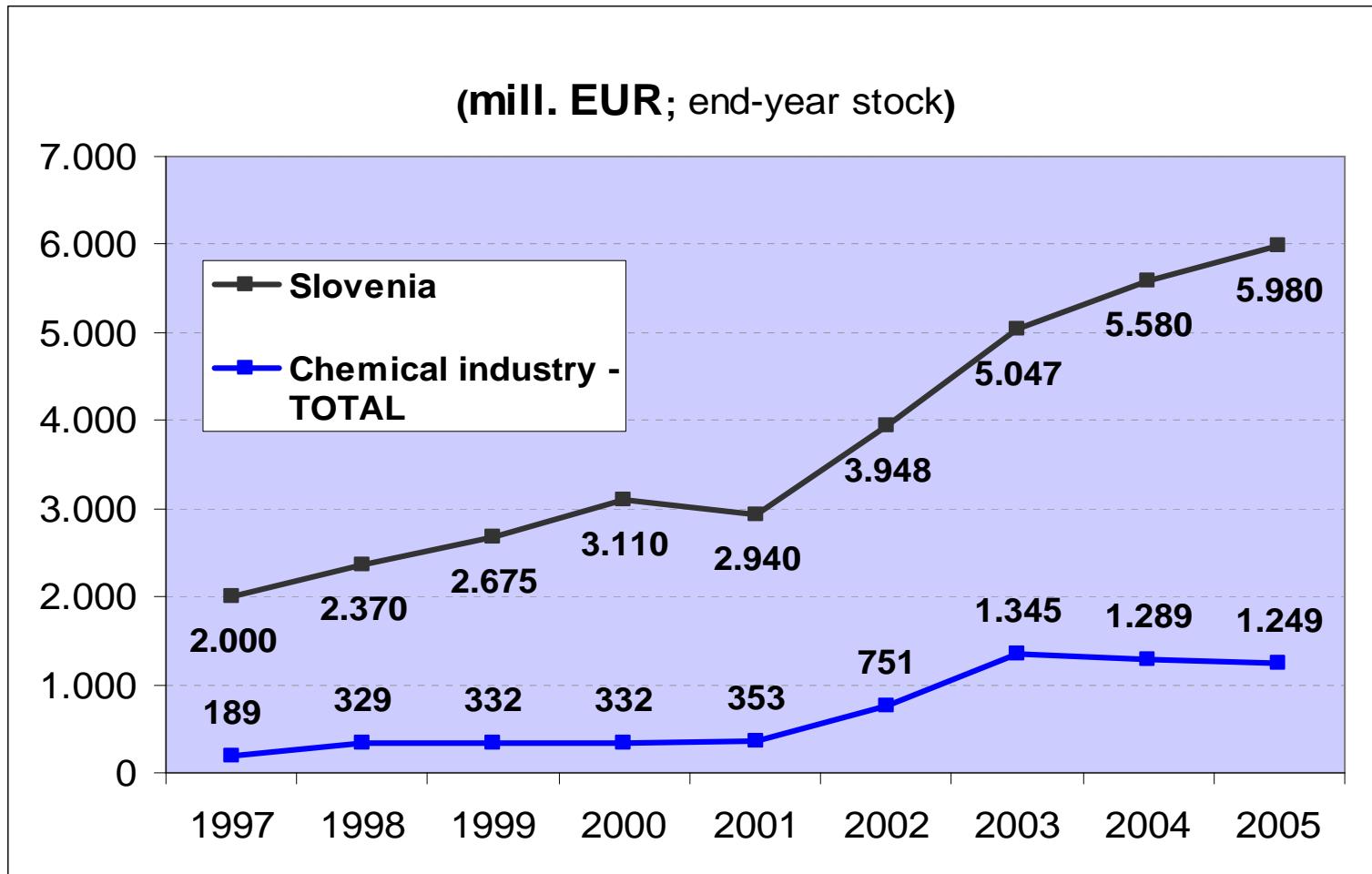
- nearly 27.000 employees (2006)
- dropping the headcount till 2001 and constant growth after

SALARIES



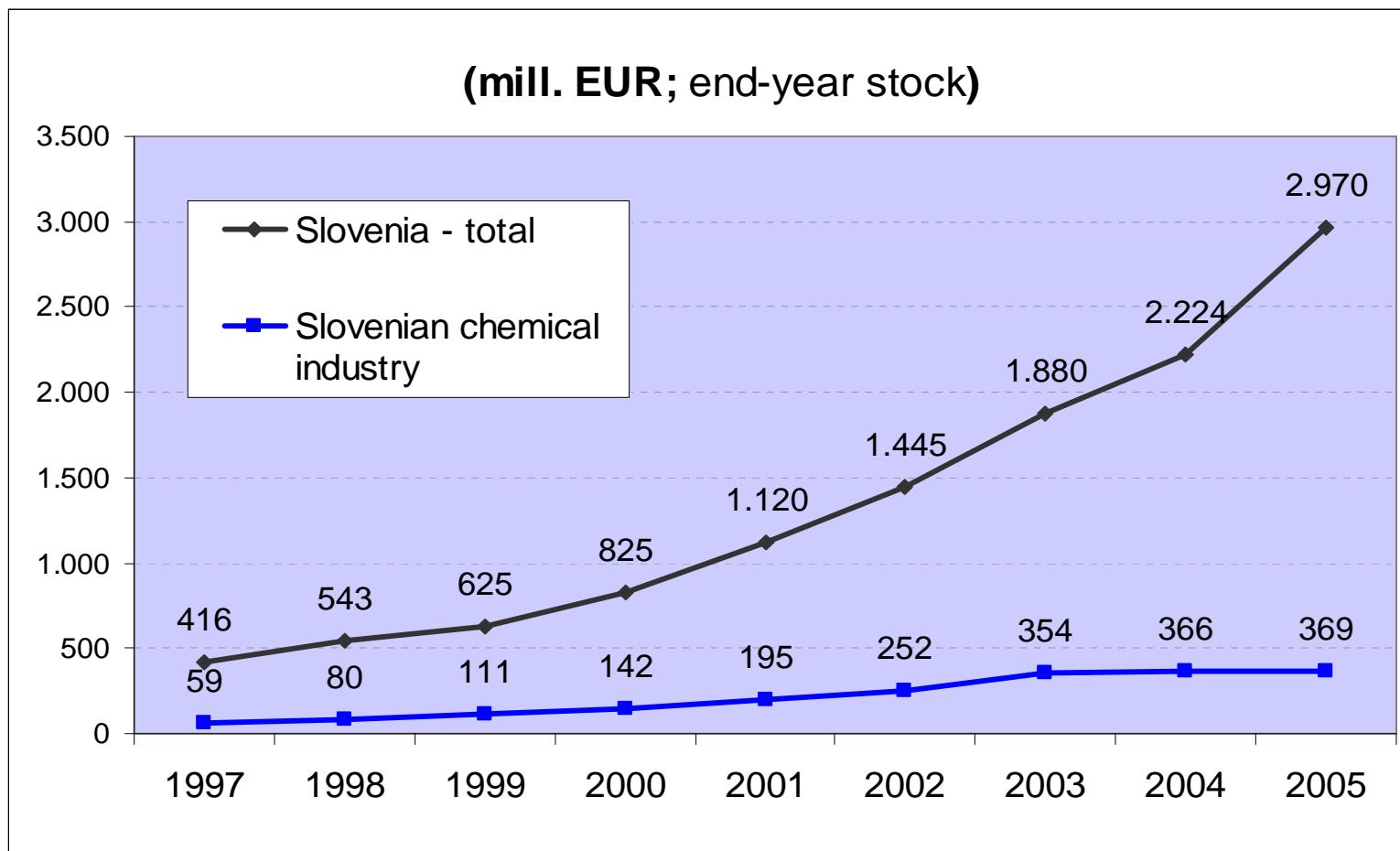
- 33% above average salary in Slovenian industry (2006)

FOREIGN DIRECT INVESTMENTS in chemical industry



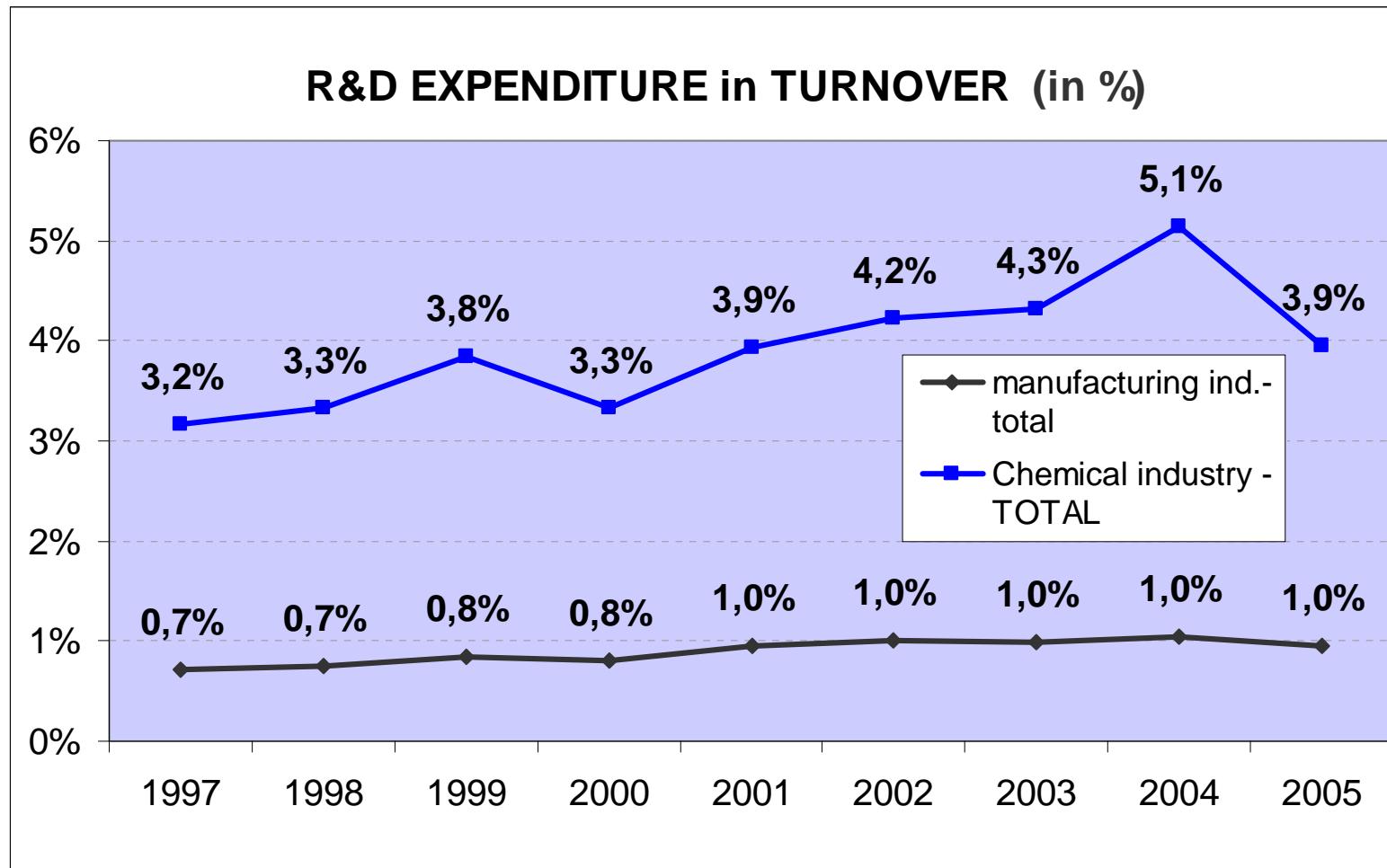
- two most significant and biggest FDI into rubber (1998) and pharmaceuticals (2002)

DIRECT INVESTMENT ABROAD (DIA)



- in 2005 chemical industry holds 370 mill. EUR DIA
($\pm 12,5\%$ of total Slovenian DIA)
- DIA of chemical industry increasing -
concentrating mainly in East-European and ex-Yugoslavian territories

R & D expenditures



- compared to average industry R&D expenditure, chemical industry “invests” 3-4 times more
- chemical industry R&D expenditure: 3-4 % of total turnover

SOCIAL DIALOGUE IN THE SECTOR

History in brief:

- 1991 – first branch collective agreement
- 1994 – branch collective agreement (BCA)
- 1998 – branch collective agreement (BCA)
- 2004 – new tariff part of BCA (BCA)
- 2007 – new normative part of BCA following the new Labour Law of 2003

Main characteristics:

- chemical industry is very heterogeneous what required 3 groups in tariff part of BCA
- the dialogue has always had the goal to reach the balance between
 - competitiveness of the industry and
 - demands and motivation of employees

KEY SUCCESS FACTORS in SLOVENIAN CHEMICAL INDUSTRY

- Fast and rational reactions to changes in the business environment
- High investments in technology, development and in people
- Open to foreign investment and active expansion in the markets of Central and East Europe
- Professional leadership and good management
- Employment policy following business needs and market situation
- Professional approach in collective bargaining on the branch level.
- Stable labour relations.