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Introduction

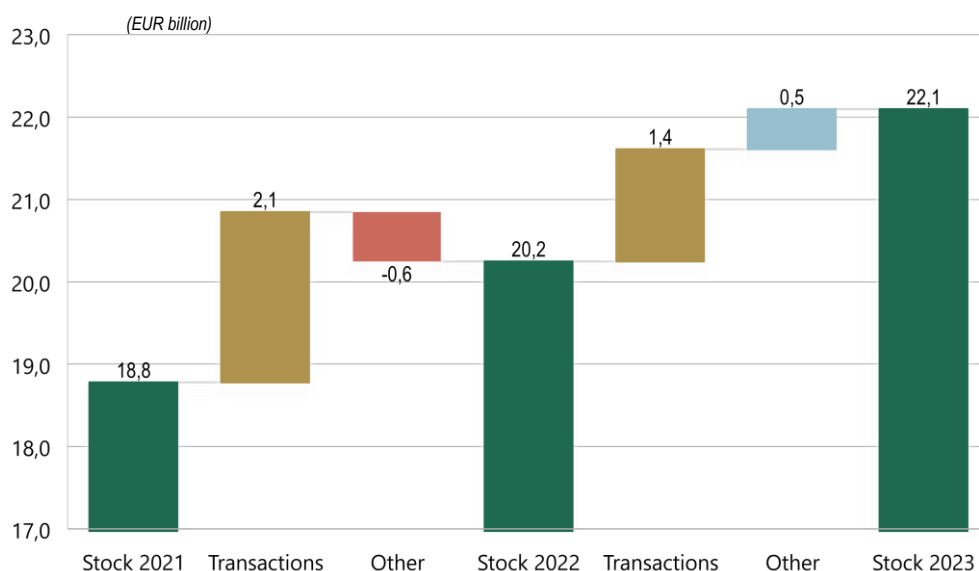
- This publication features the first release of direct investment figures according to the directional principle itemised by country and activity for 2023, and the audited figures for 2022.
- The majority of the figures come from annual and monthly reports on direct investments submitted to Banka Slovenije by residents above the reporting threshold. In addition to the figures in this publication, there are tables of data available broken down by activity sector and activity segment under Direct Investments on the [External statistics \(bsi.si\)](#) page at bsi.si.
- The Direct Investments data series is also available on the Banka Slovenije website (bsi.si) under the Data Series section [PX-Web - Select table \(bsi.si\)](#).
- In line with the projected release schedule for Banka Slovenije publications (on the website), the expanded publication and analysis of the direct investment figures will also be available this year in the Direct Investment 2023 publication, which will be released in the second half of this year.

1

Inward foreign direct investment in Slovenia

The stock of inward FDI in Slovenia amounted to EUR 22.1 billion at the end of 2023, up EUR 1.8 billion or 9.1% compared to the end of the previous year. The largest factor in the increase for foreign owners was reinvested earnings (EUR 0.8 billion), followed by investments in equity (EUR 0.5 billion) and transactions increasing debt financing (EUR 0.2 billion).

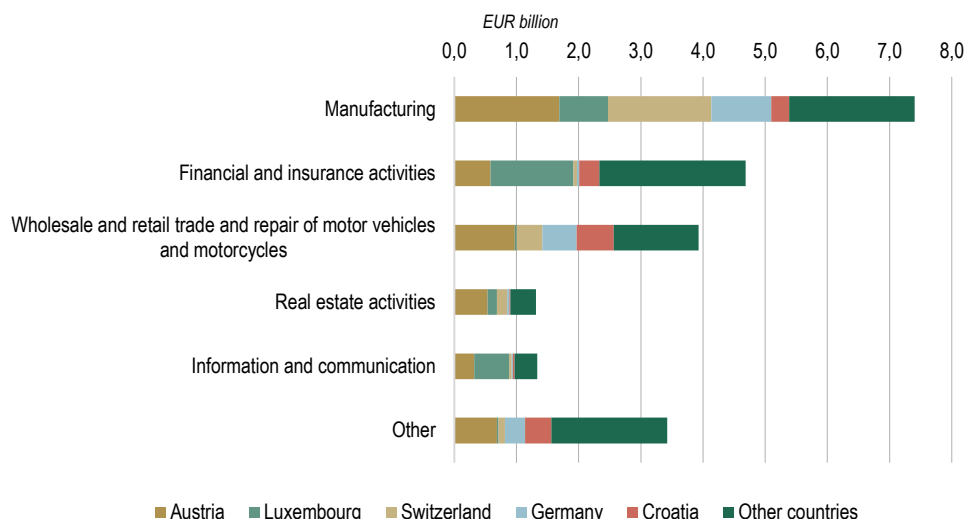
Figure 1a: Inward FDI in Slovenia



Source: Banka Slovenije

Profit distributions to foreign owners amounted to EUR 1.0 billion in 2023, which is slightly less than the year before.

Figure 1b: Inward FDI in Slovenia in 2023, by activity and country



Source: Banka Slovenije

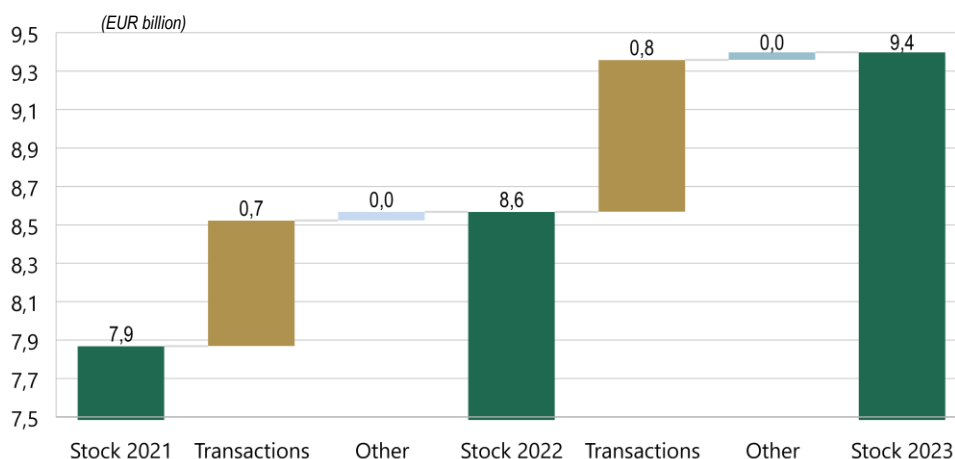
In terms of the stock of FDI, the largest investor in Slovenia at the end of 2023 was Austria (21.6% of the total), whose main holdings were in manufacturing, wholesale and retail trade and the repair of motor vehicles and motorcycles. It was followed by Luxembourg (13.1%), whose main holdings were in financial and insurance activities, and Switzerland (11.0%), whose main holdings were in manufacturing. The fourth largest investor in Slovenia was Germany (8.7%), most of whose holdings were in manufacturing, wholesale and retail trade and the repair of motor vehicles and motorcycles, while Croatia (7.6%) was the fifth largest, with a majority of its holdings in wholesale and retail trade and the repair of motor vehicles and motorcycles.

2

Slovenian outward foreign direct investment

The stock of Slovenia's outward FDI amounted to EUR 9.4 billion at the end of 2023, up EUR 0.8 billion or 9.7% on the end of the previous year. Slovenian investors recorded EUR 0.8 billion of transactions in 2023 that increased their holdings of FDI, mostly in the form of reinvested earnings (EUR 0.4 billion), investments in equity and increases in the financing of firms in the rest of the world (EUR 0.2 billion individually).

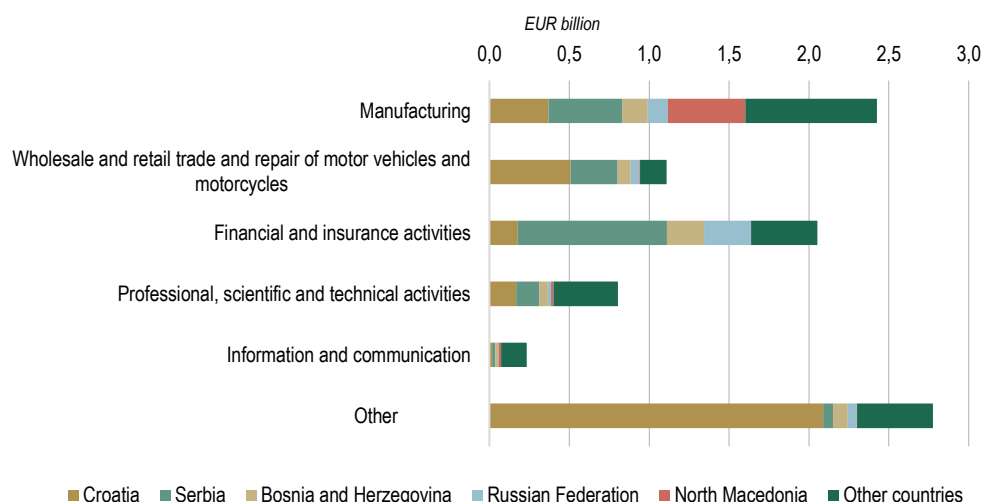
Figure 2a: Slovenian outward FDI



Source: Banka Slovenije

Firms in the rest of the world made profit distributions in the amount of EUR 276 million to Slovenian owners in 2023, up just over 42% on the previous year.

Figure 2b: **Slovenian outward FDI in 2023, by country and activity**



Source: Banka Slovenije

Slovenian investors' largest holdings of FDI at the end of 2023 were in Croatia (35.4% of the total), where the prevailing investments were in the form of real estate held by Slovenian households, and holdings in wholesale and retail trade and the repair of motor vehicles and motorcycles. It was followed by Serbia (20.4%) and Bosnia and Herzegovina (6.7%), where holdings in financial and insurance activities were the most notable investments in both. The fourth largest recipient of Slovenian outward FDI was North Macedonia (5.9%), mostly in financial and insurance activities, followed by Russian Federation (5.6%), where Slovenian investors' largest holdings were in manufacturing.

3 Direct investment according to the directional principle (year-end stock)

Table 1: **Direct investment according to the directional principle**

	<i>EUR billion</i>	2017	2018	2019	2020	2021	2022	2023
Inward FDI in Slovenia		14,0	15,3	16,2	16,7	18,8	20,2	22,1
1.1. Equity		12,6	13,9	15,0	15,7	17,3	18,6	20,2
1.2. Debt instruments (liabilities minus assets)		1,4	1,3	1,2	0,9	1,5	1,7	1,9
a) Assets		2,0	2,3	2,8	2,9	3,4	3,7	3,8
b) Liabilities		3,3	3,6	3,9	3,8	4,8	5,3	5,7
Slovenian outward FDI		6,0	6,1	6,8	7,0	7,9	8,6	9,4
1.1. Equity		4,3	4,8	5,6	6,0	6,8	7,4	8,1
1.2. Debt instruments (assets minus liabilities)		1,6	1,4	1,2	1,1	1,0	1,2	1,3
a) Assets		2,0	1,8	1,9	1,8	1,9	2,0	2,0
b) Liabilities		0,4	0,4	0,7	0,7	0,9	0,8	0,7

Source: Banka Slovenije

The figures for direct investment are disclosed according to the directional principle, which entails the separate disclosure of inward FDI in Slovenia and domestic outward FDI. The methodological basis of the directional principle is based on the reference definition of foreign direct investment issued by the OECD (BD4).

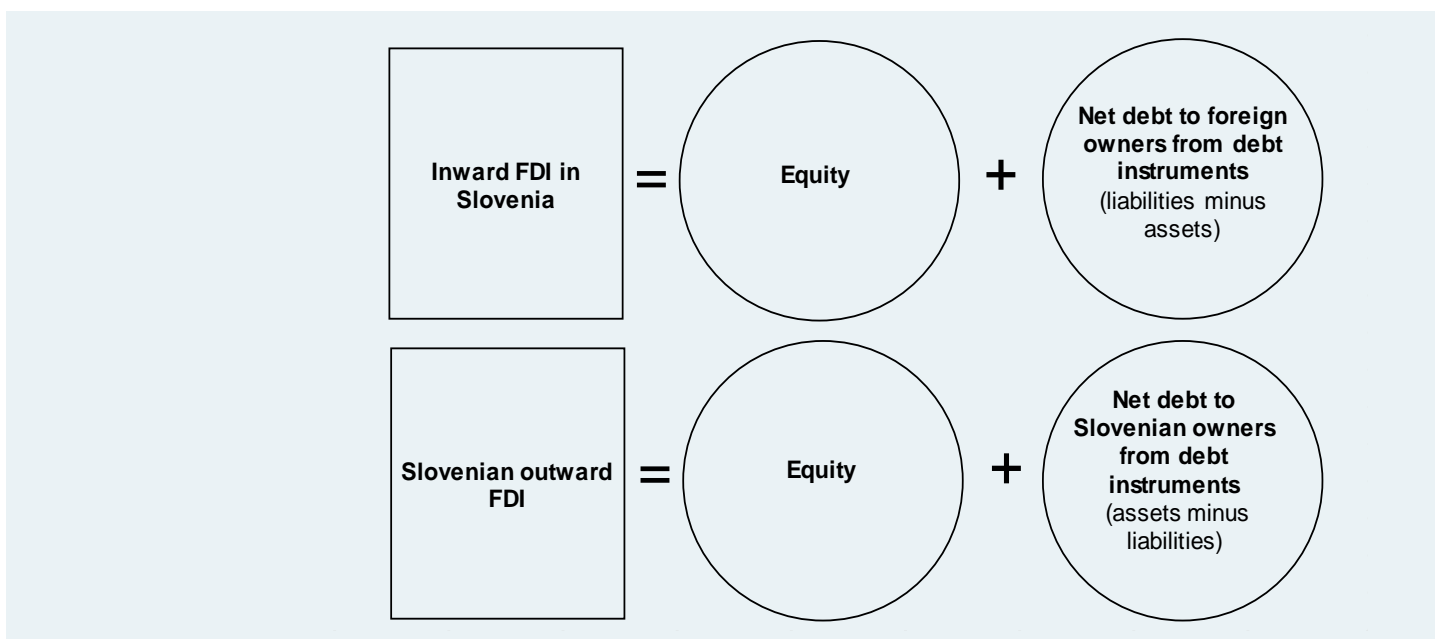
The criterion for classification as a direct investment, which ensures the international comparability of data, is participation of at least 10% in equity or voting rights. Direct investors may be individuals, firms, groups of individuals or firms, and governments or government agencies that hold direct investments in firms in the rest of the world.

Direct investments comprise equity and debt instruments between direct and indirect affiliates and between fellow enterprises. The figures for investments in real estate are included under equity. Debt instruments comprise assets and liabilities between affiliates and fellow enterprises, and include financial loans, trade credits, deposits, and other assets and liabilities.

The figures for transactions in FDI equity have been compiled at market value, while the figures for the stock of investments are valued at book value in accordance with the equity method. The exception is investments in public limited companies quoted on an exchange, for which the stock is also disclosed at market value. The figures for debt instruments are stated at nominal value.

The figures for direct investment are disclosed as stocks (as at a specific date). Changes in stocks are explained via transactions and other changes (over a specific period). Inward FDI in Slovenia is calculated as the sum of equity and net debt to foreign owners. Slovenian outward FDI is calculated as the sum of equity and net debt to Slovenian owners.

Box 1: Illustration of composition of direct investment according to the directional principle



Plus/minus sign of figures:

- **Transactions**

Transactions in equity and reinvested earnings and transactions in debt instruments alike may be positive or negative over the period.

Positive transactions in equity over the period arise when the sum of contributions of equity and positive reinvested earnings is greater than the sum of withdrawals of equity (divestments), negative reinvested earnings and negative equity.

A positive figure for net debt to foreign owners arises when the increase in liabilities from debt instruments is greater than the increase in assets. It is the reverse in the calculation of net debt to Slovenian owners. A positive figure arises when the increase in assets from debt instruments is greater than the increase in liabilities, and vice-versa.

- **Stocks**

Stocks of direct investment may be positive or negative. A negative stock means that the net debt to the owner is greater than the owner's holding in equity. The equity itself may have a negative value (for investments measured at book value because they are not quoted on an exchange).