

**The challenge of productivity through
innovation in the context of the EU
Green Deal, the case of Slovenia**

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**MACROECONOMIC
PERSPECTIVE**

OUTLINE

**COMPANY
PERSPECTIVE**

**POLICY
PERSPECTIVE**

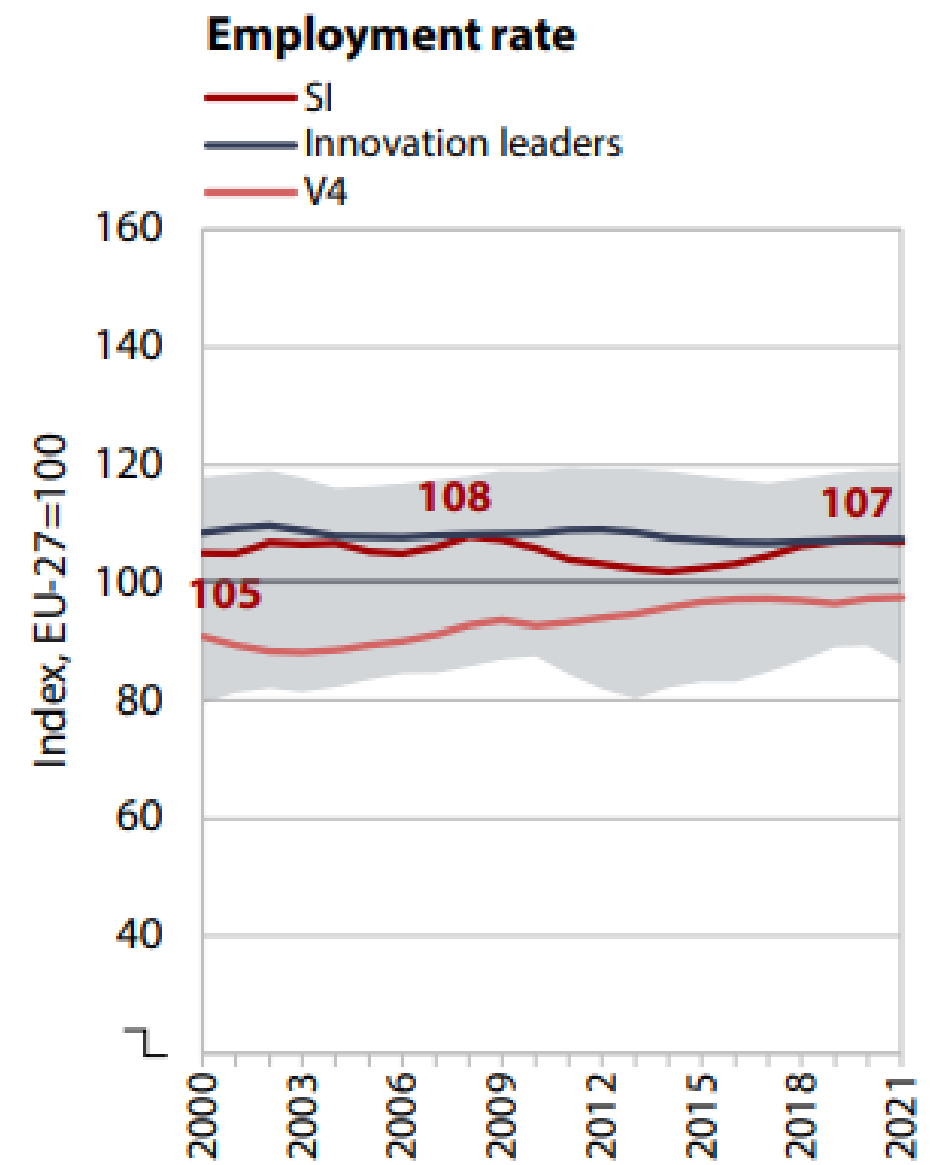
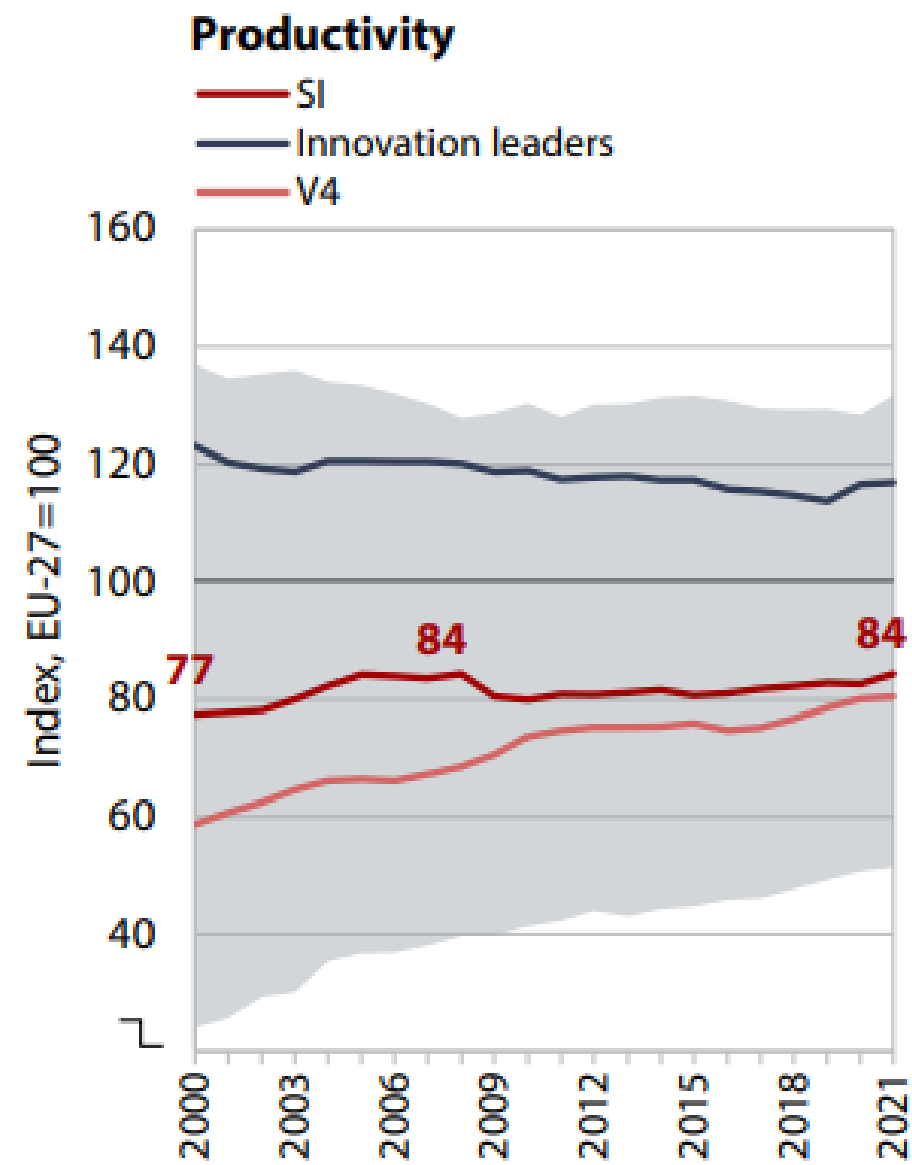
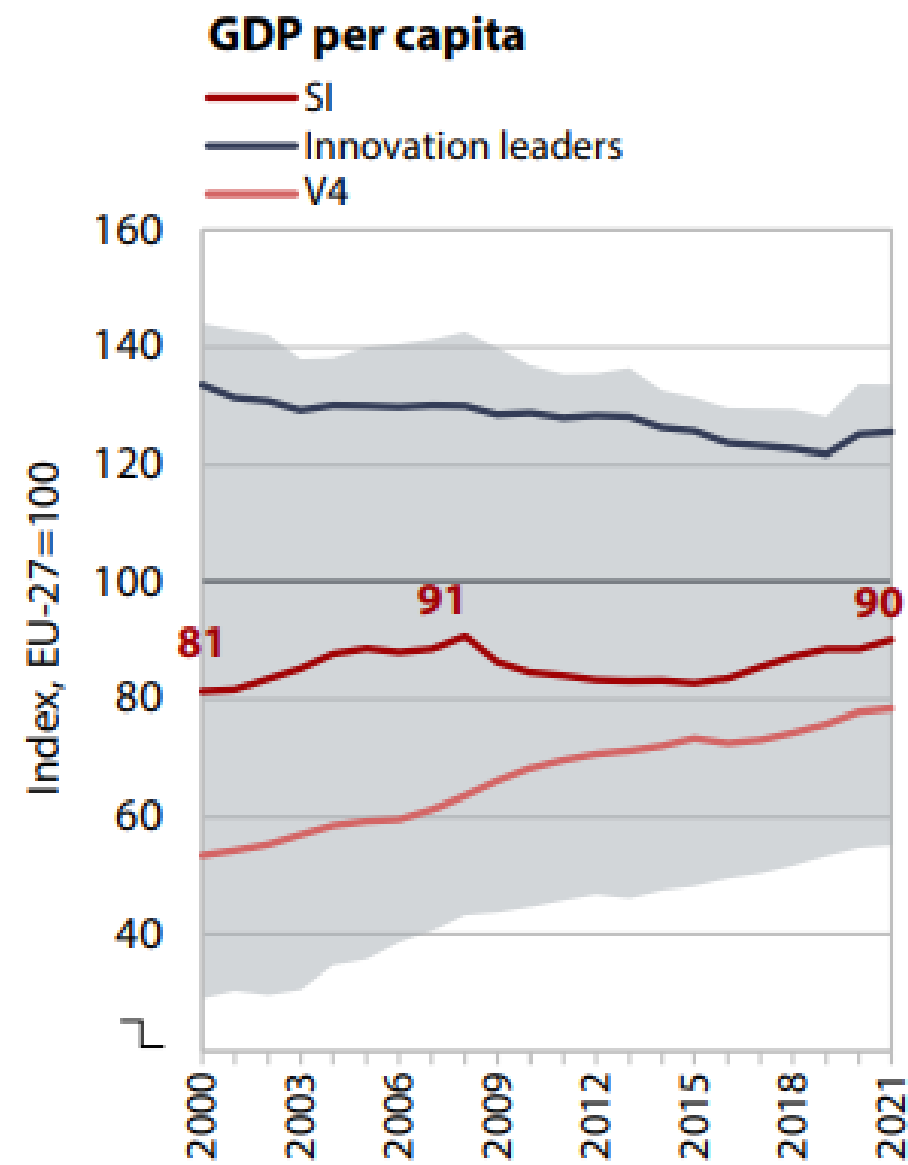




**MACROECONOMIC
PERSPECTIVE**

INNOVATION-LED GROWTH

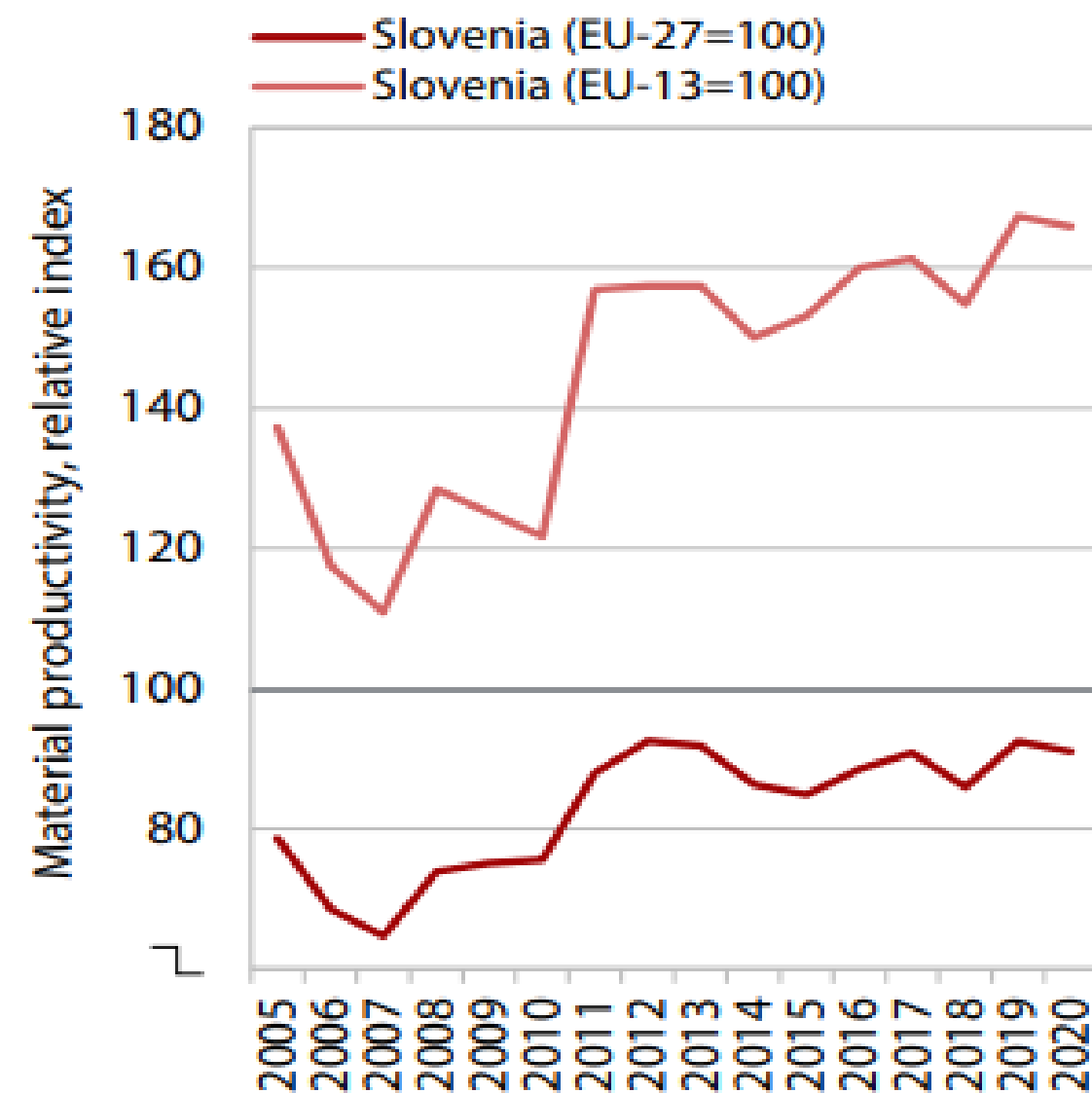
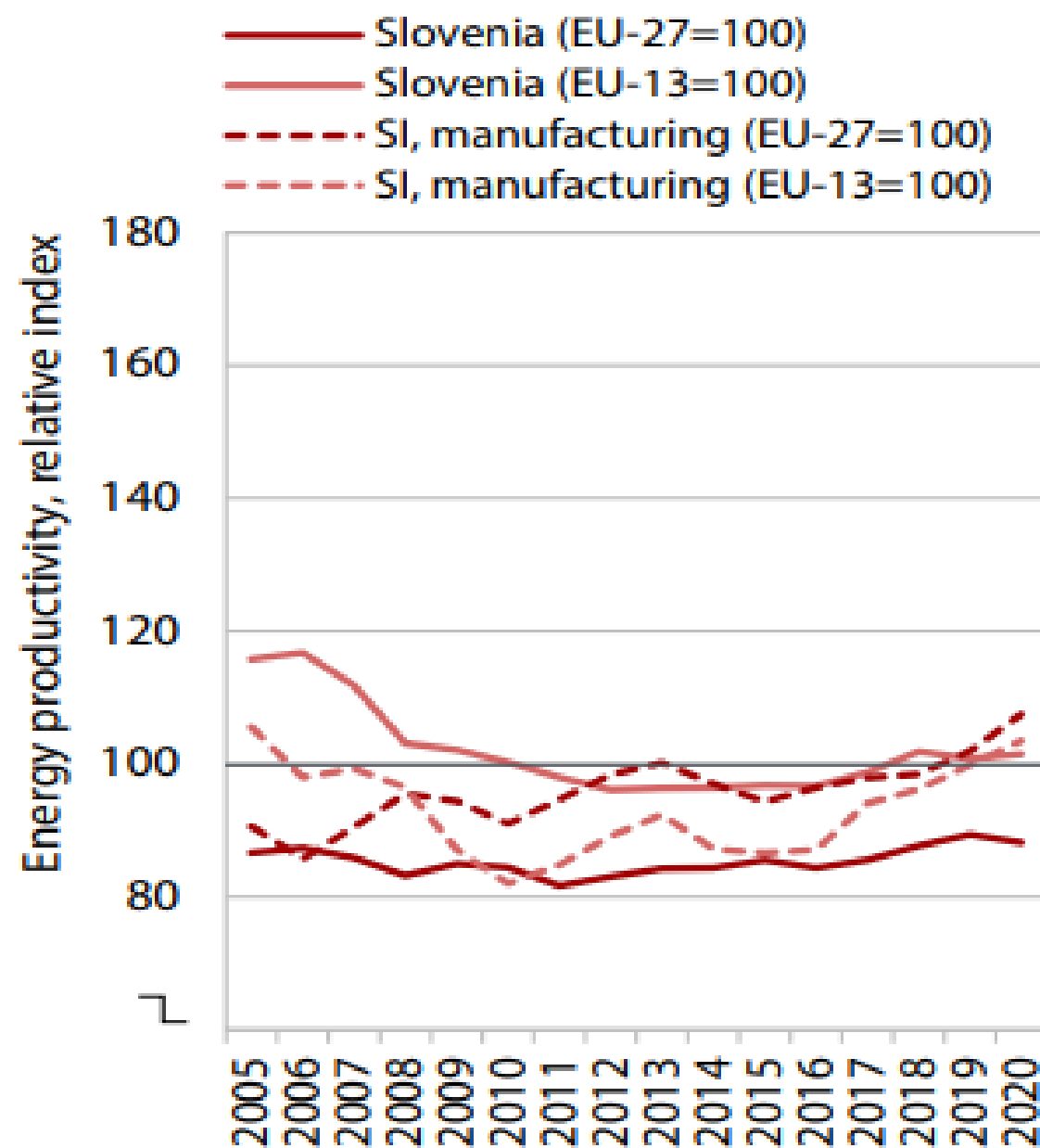
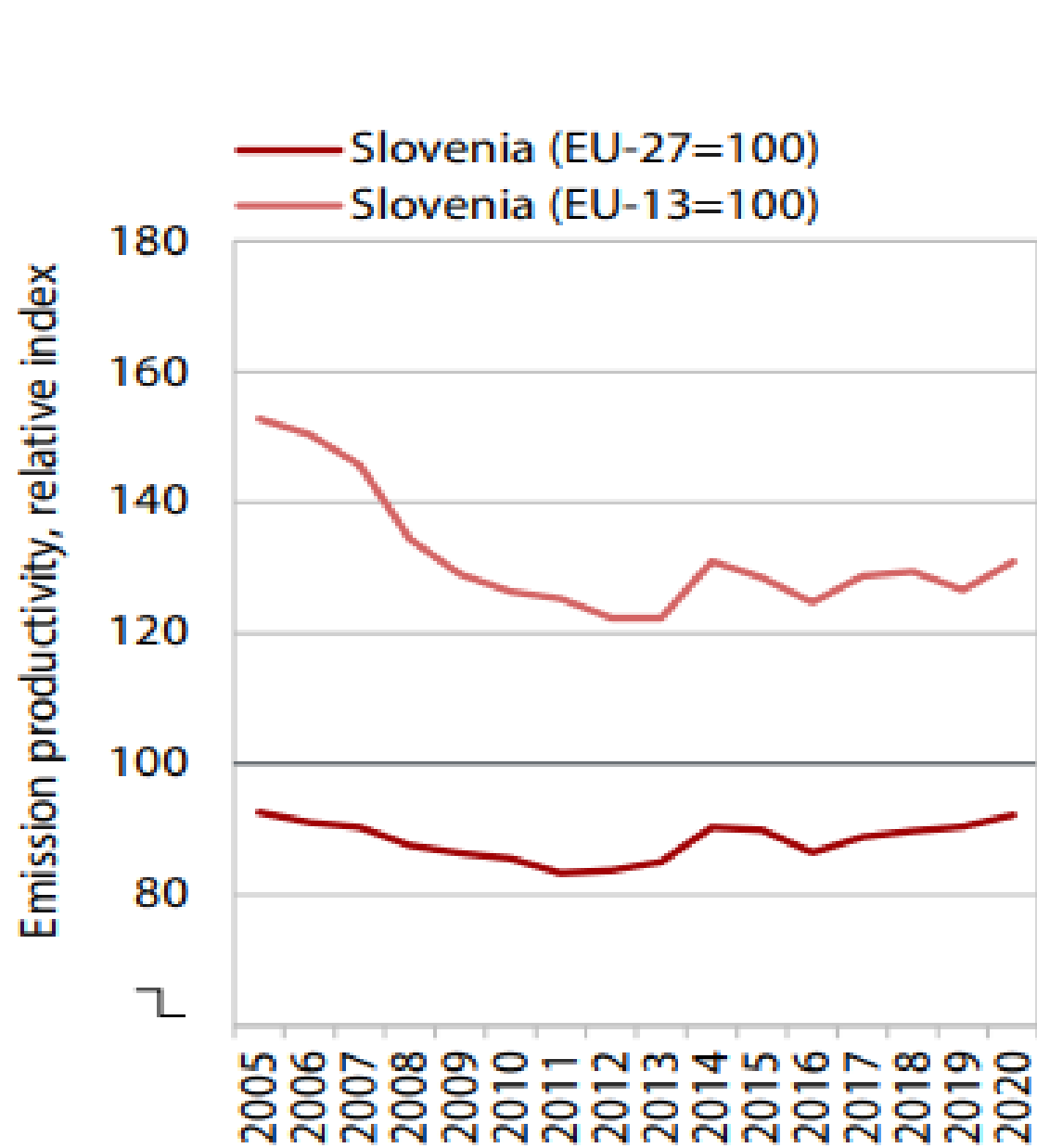
GDP PER CAPITA, PRODUCTIVITY AND EMPLOYMENT



Source: IMAD, 2022.

INNOVATION-LED GROWTH

EMISSION, ENERGY AND MATERIAL PRODUCTIVITY



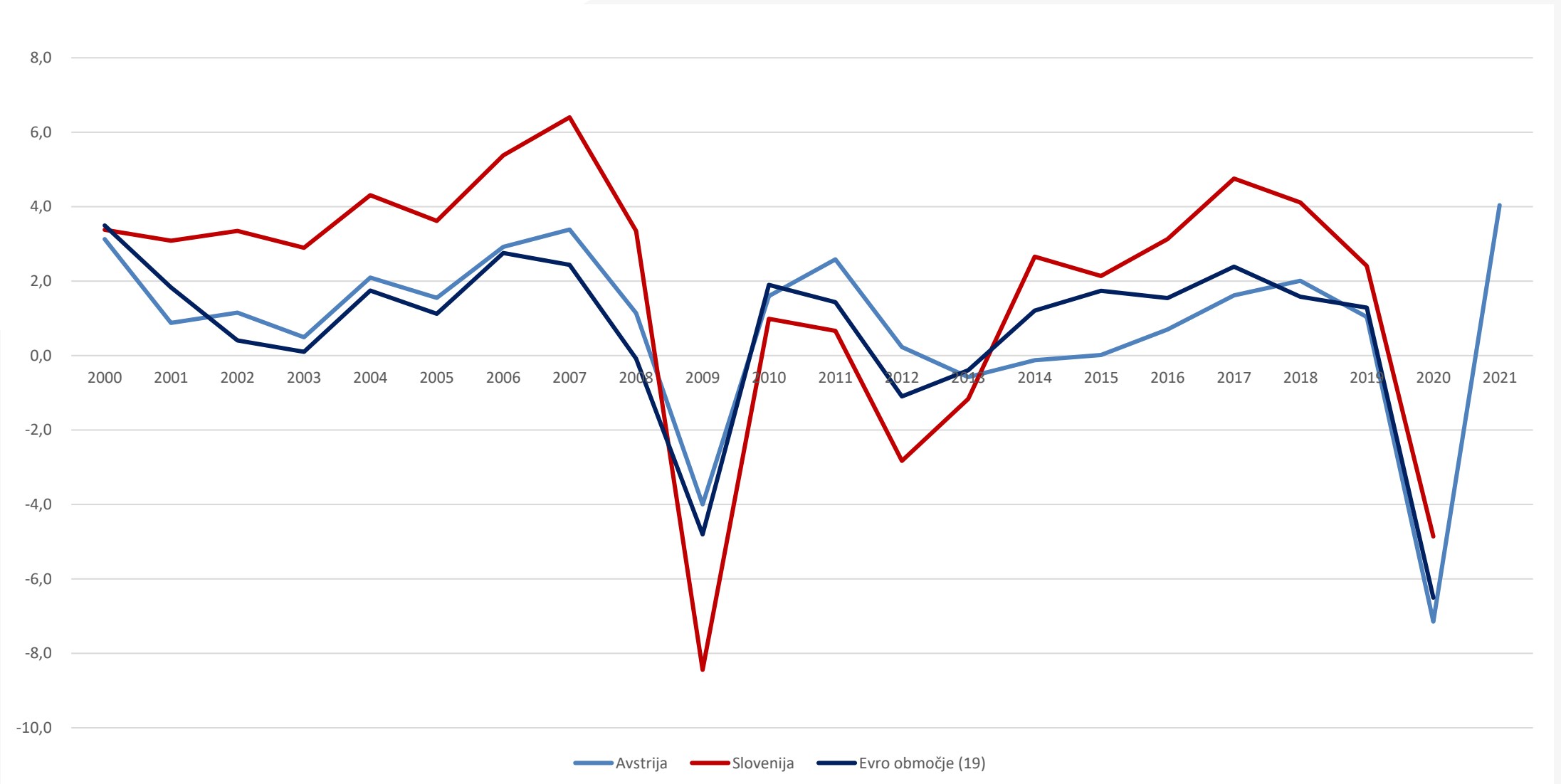
CHALLENGES AHEAD

2000-2019:
Ø SLO = 1,6%
Ø EA19=0,6%
Ø AT=0,5%

- Demographic transition
- Green transition
- Geostrategic conflicts



Productivity growth in Slovenia, Austria and EA-19



Source: Action plan for higher well-being, 2022.

INNOVATION-LED GROWTH

(MATERIAL) WELL-BEING: PRODUCTIVITY + EMPLOYMENT

STATE: soft factors

R&D investment & partnership

Public administration

Corporate governance

Education

Public finance

Financial system

COMPANY: soft factors

Governance

Education and training

New technologies

STATE: Investment in critical infrastructure

Energy sector

Railways

Roads

Health

Research infrastructure

COMPANY: Investment

PARTICIPATION RATE

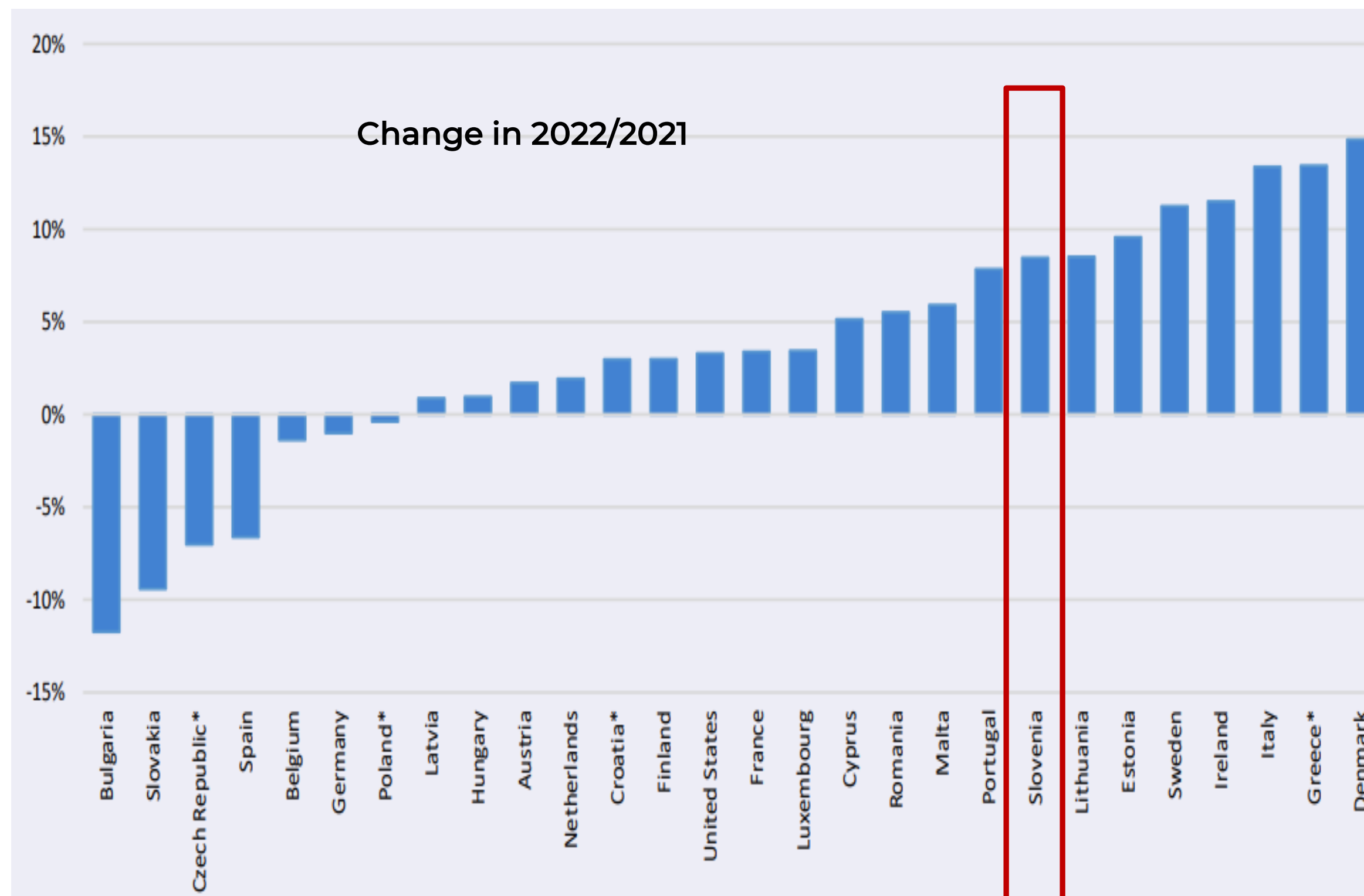
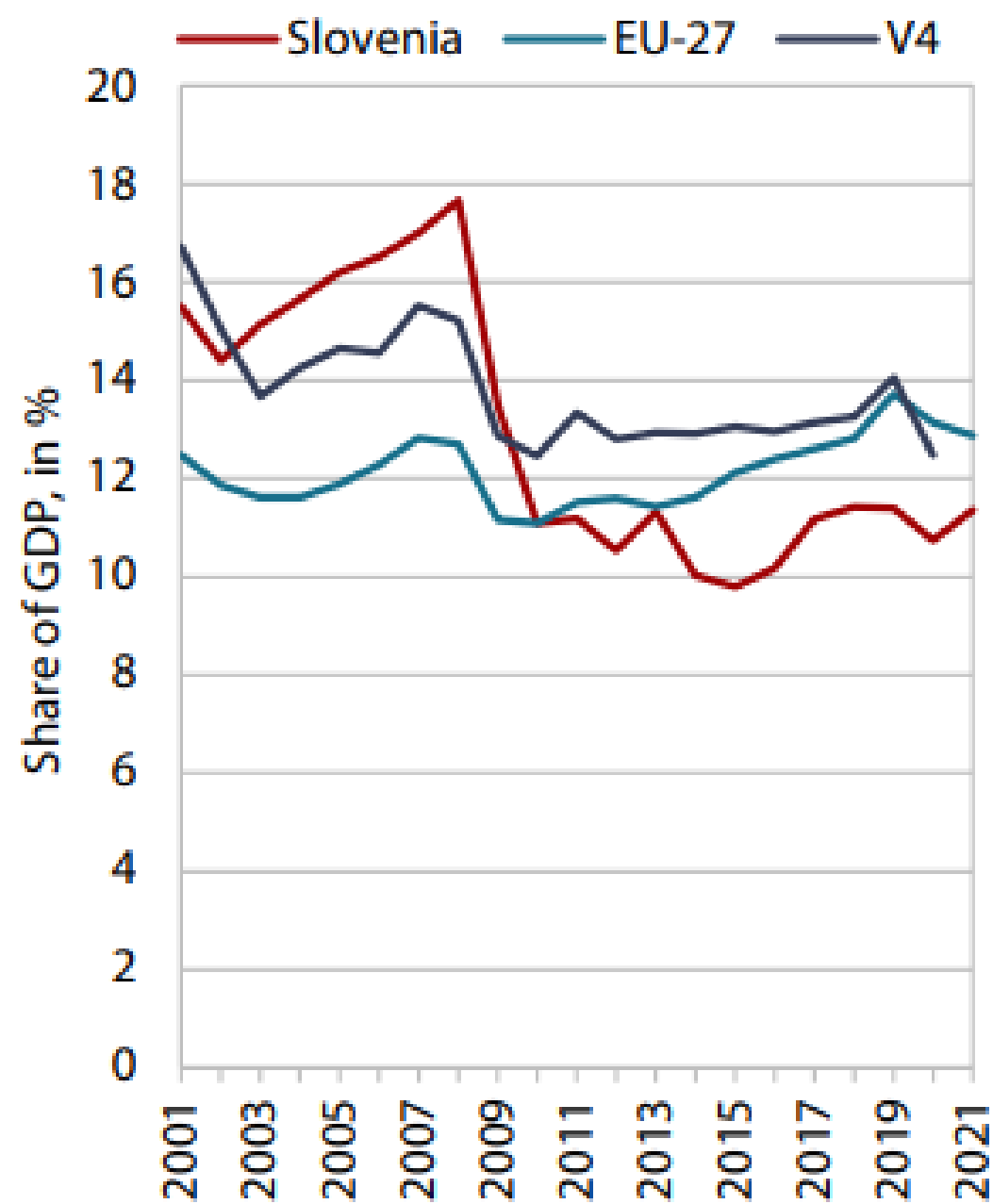
15-29 years

30-54 years

55-69 years

INNOVATION-LED GROWTH

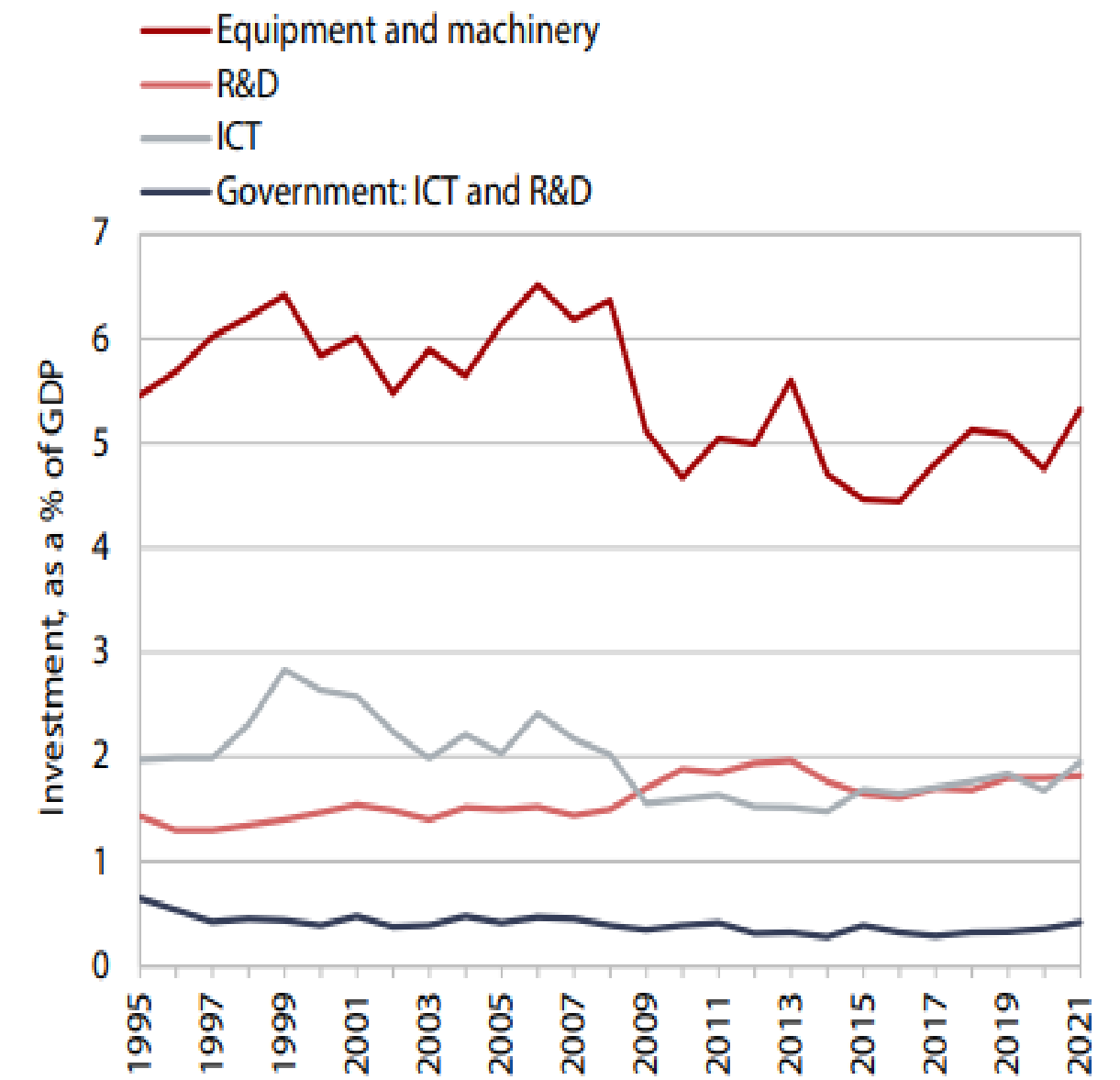
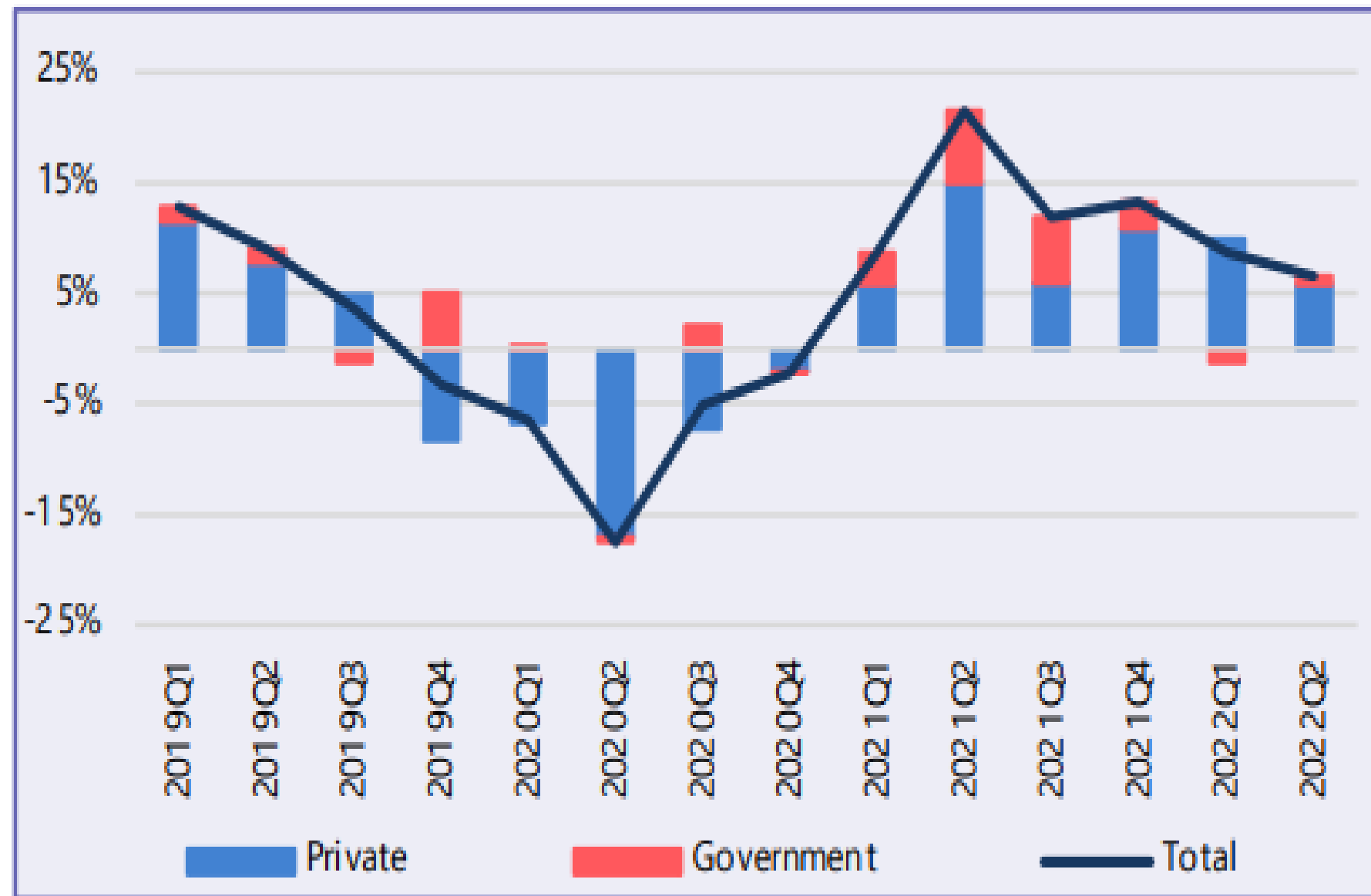
INVESTMENT DYNAMICS, 2001-2021, 2022



Source: Eurostat, 2023, EIB, 2023, IMAD, 2023.

INNOVATION-LED GROWTH

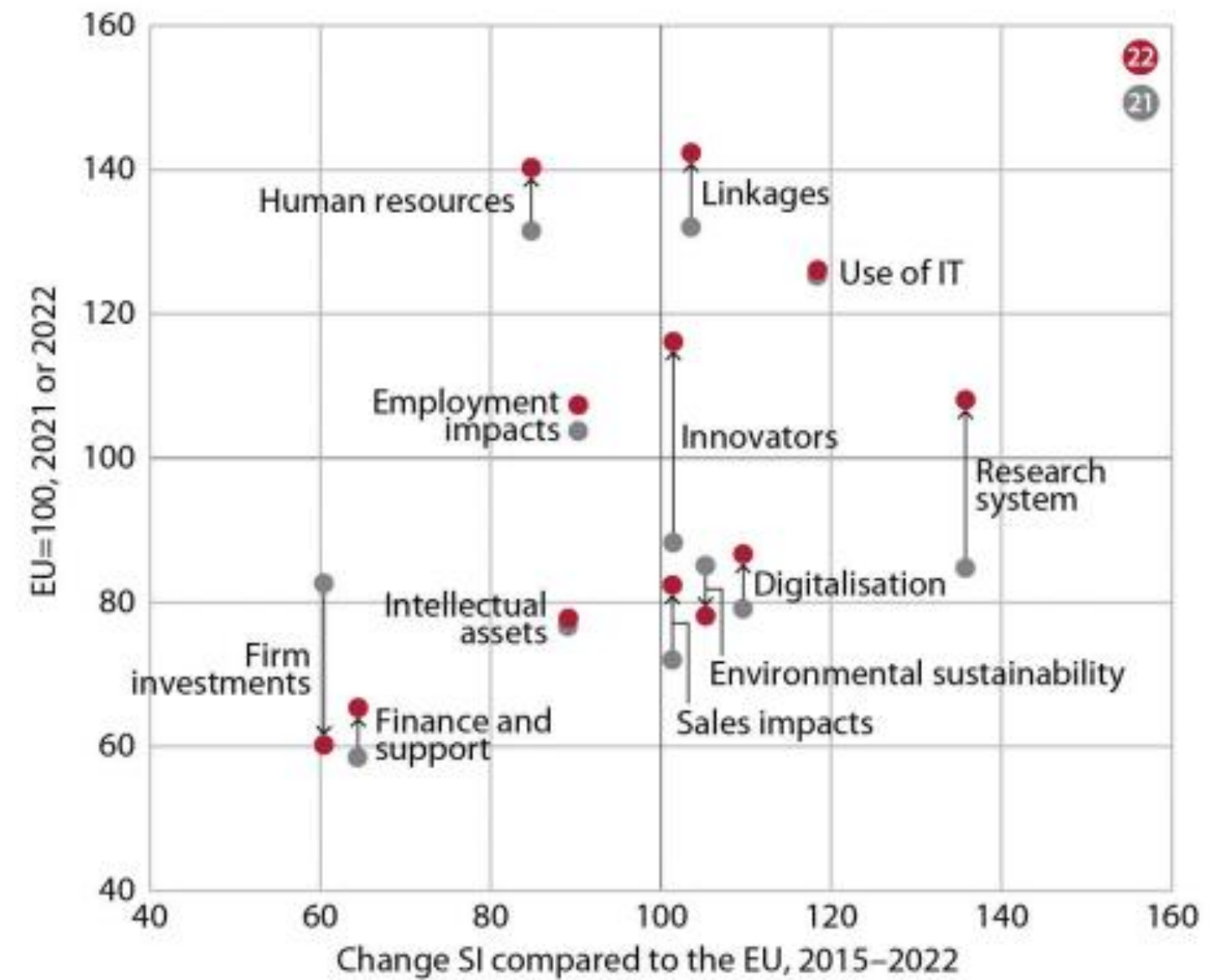
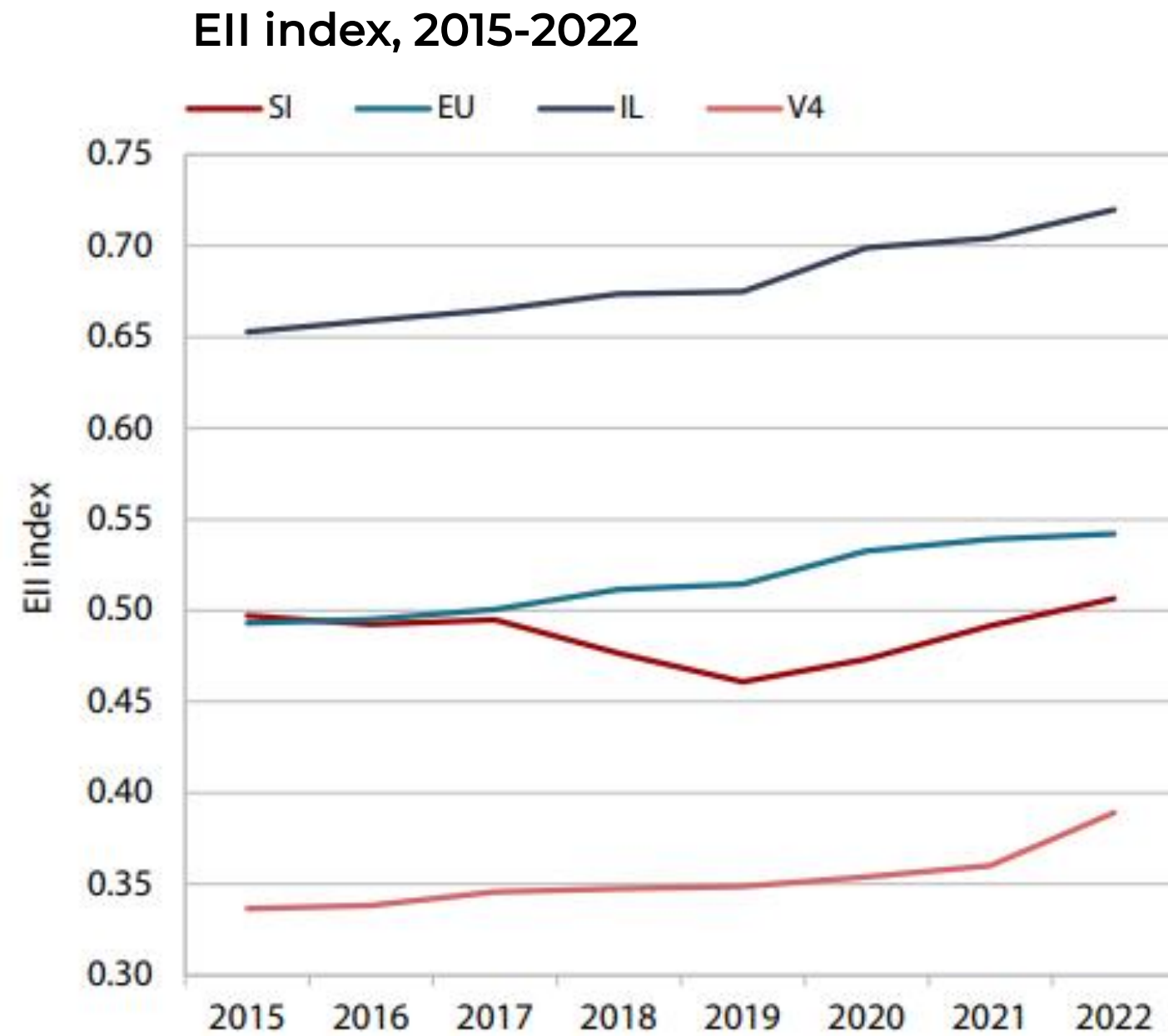
INVESTMENT DYNAMICS, 2019-2022



Source: Eurostat, 2023, EIB, 2023, IMAD, 2022.

INNOVATION-LED GROWTH

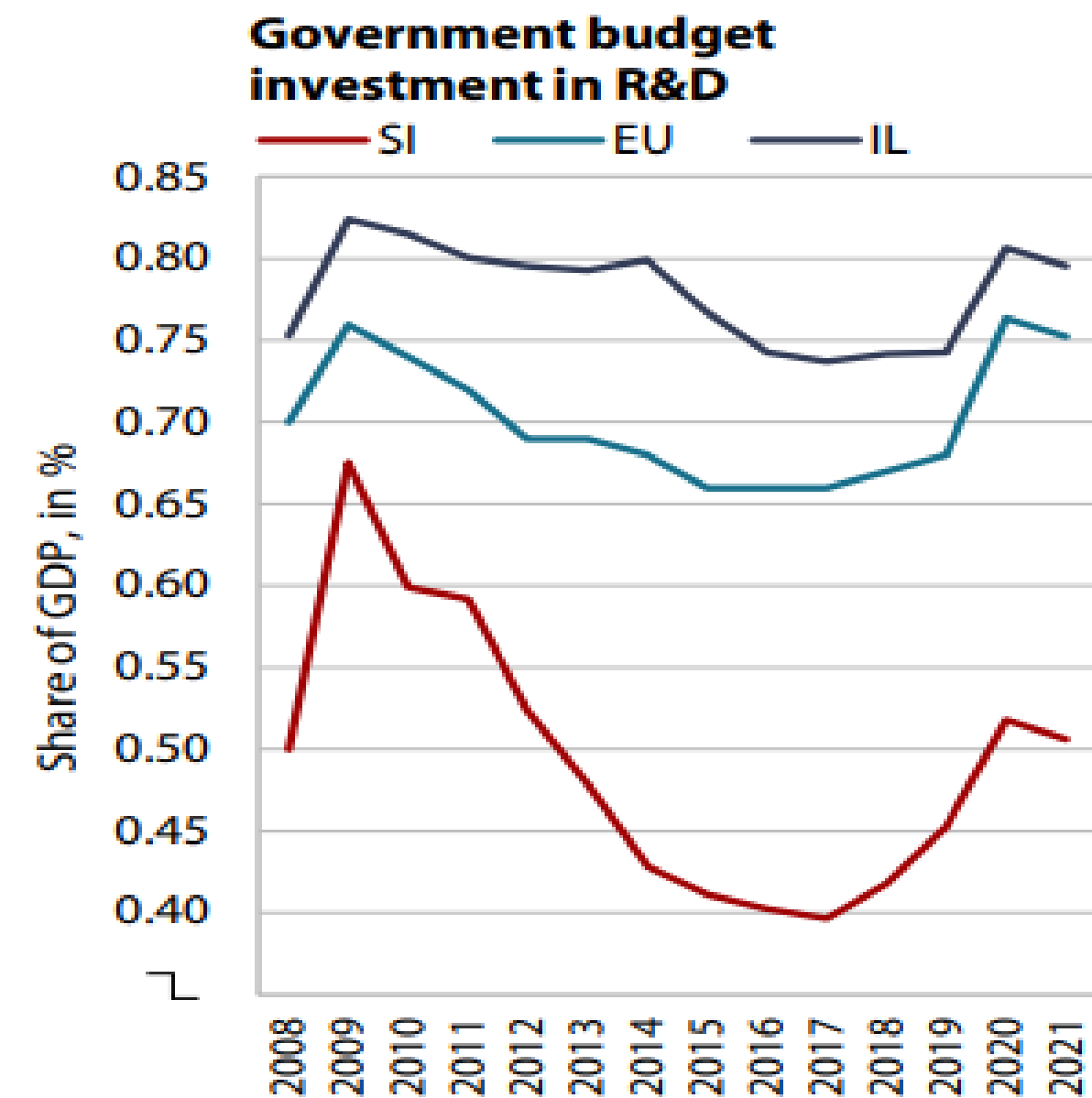
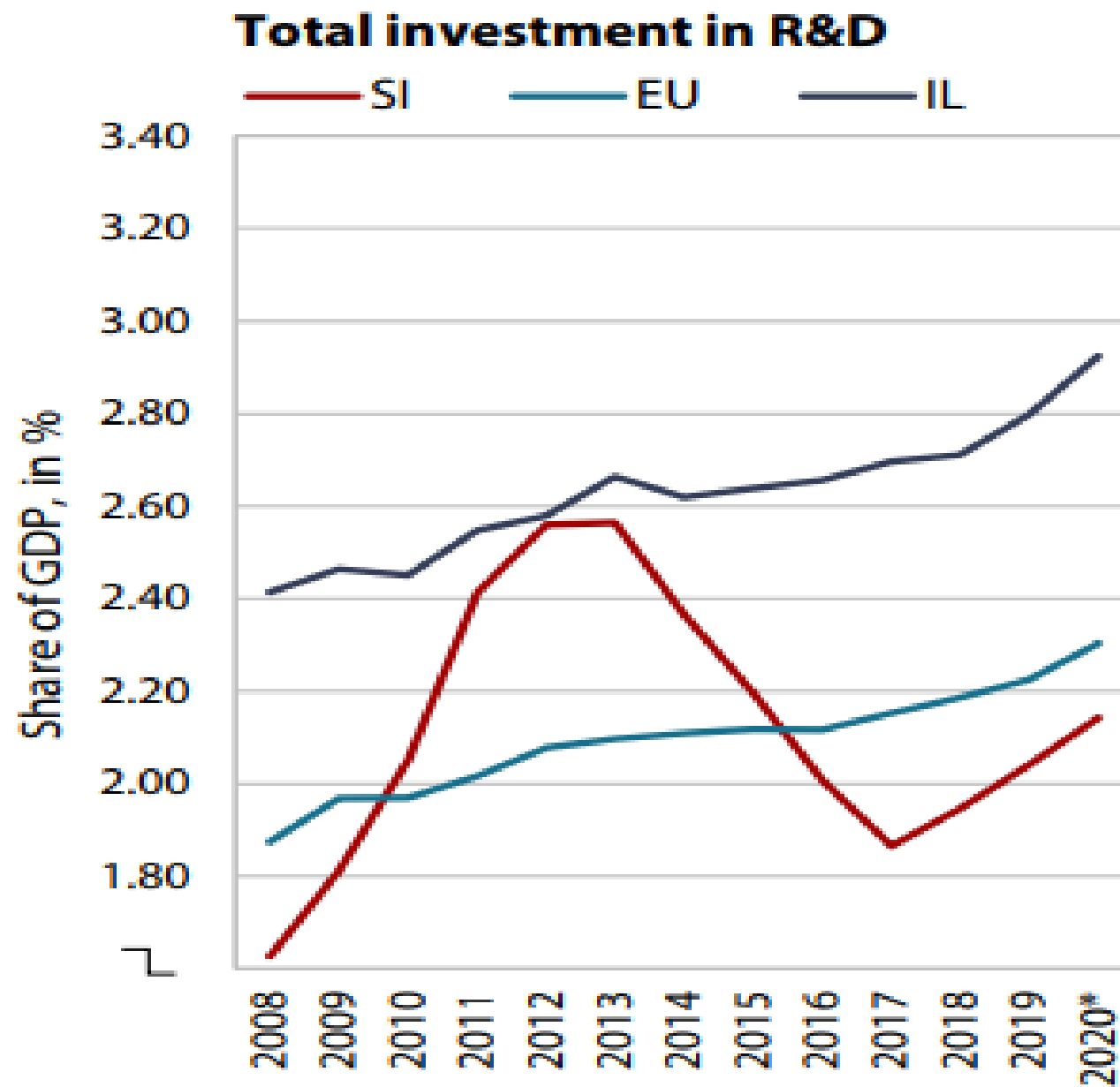
EUROPEAN INNOVATION INDEX



Source: EC, 2022, IMAD, 2022.

INNOVATION-LED GROWTH

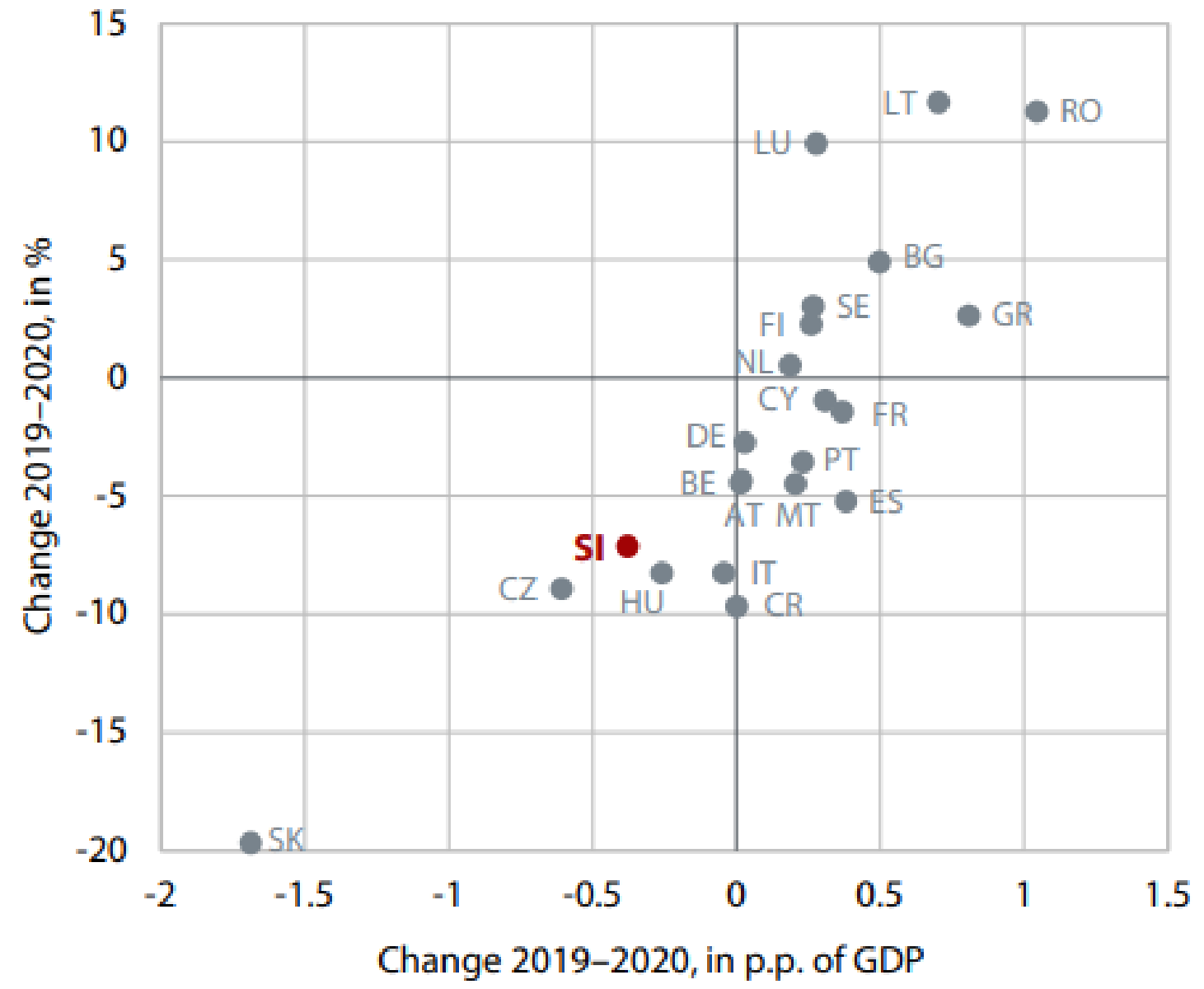
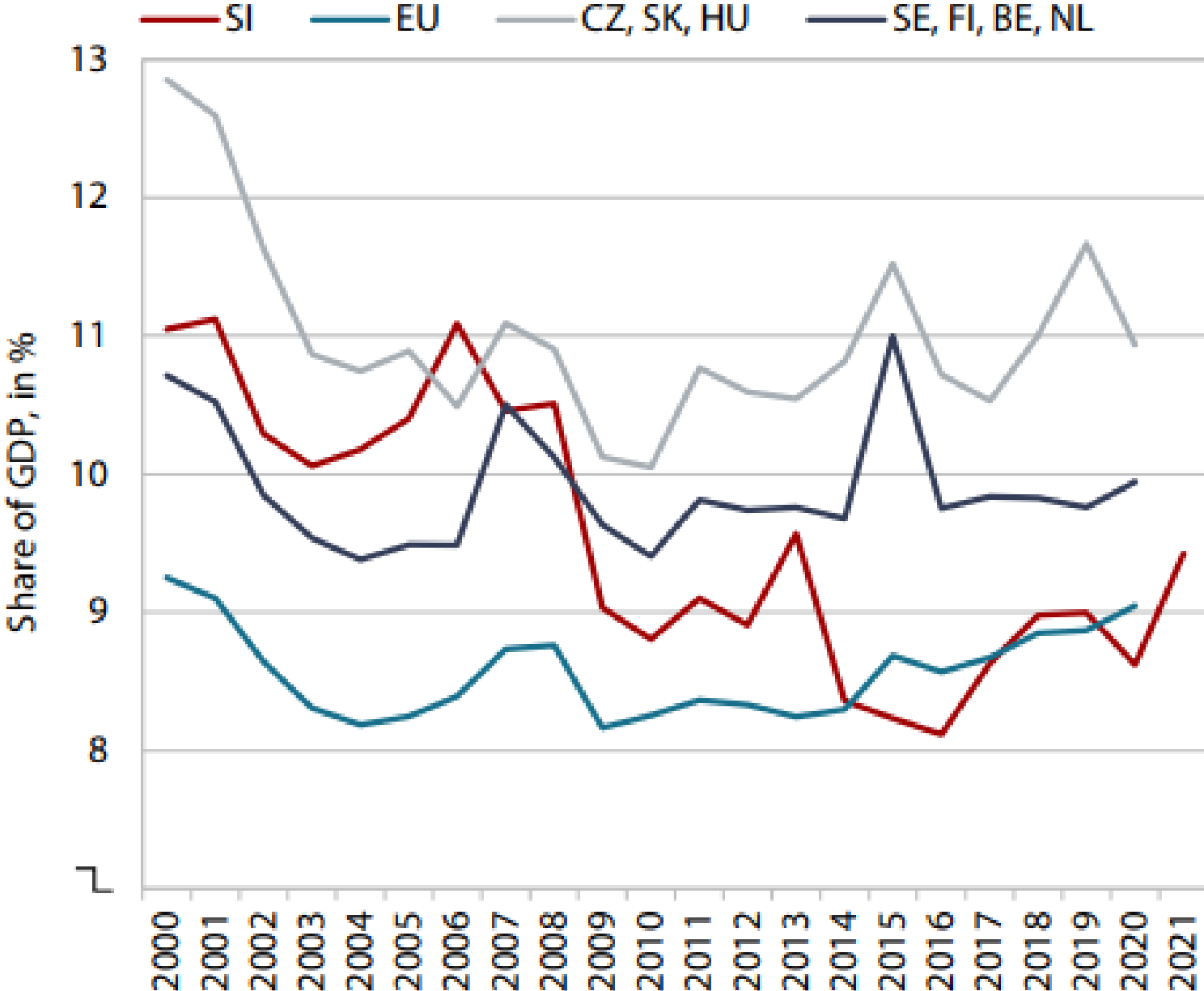
R&D INVESTMENT



Source: EC, 2022, IMAD, 2022.

INNOVATION-LED GROWTH

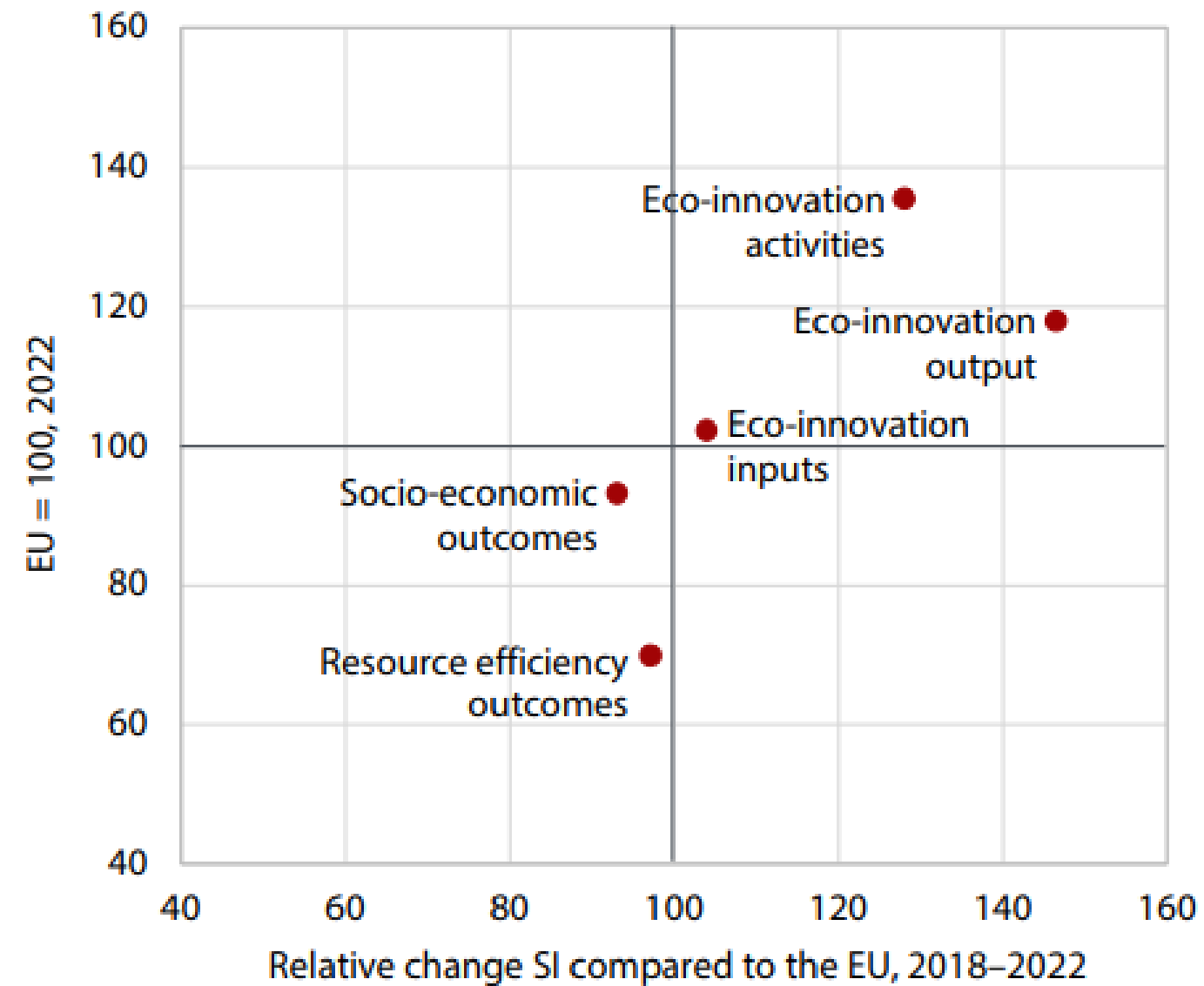
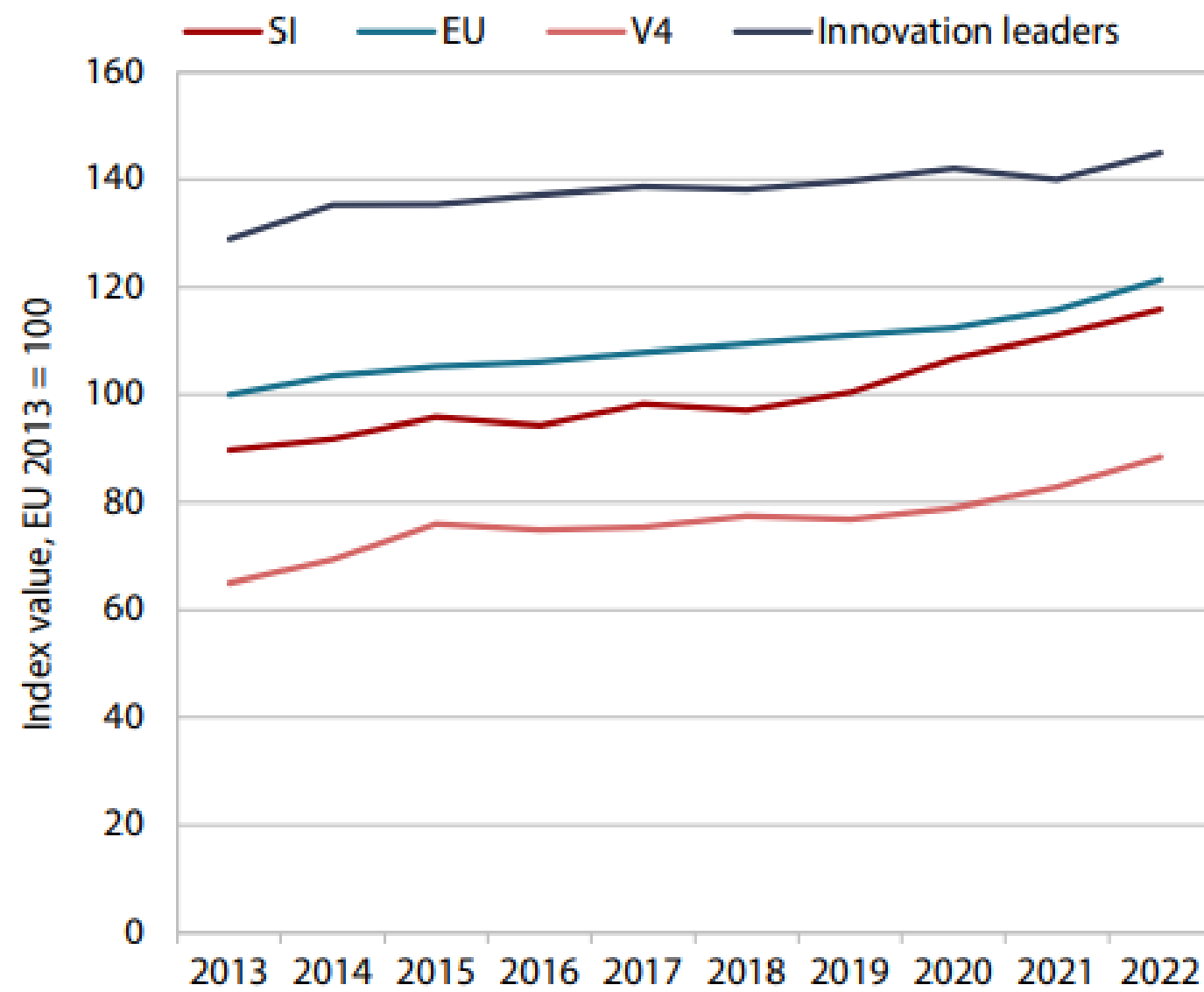
INVESTMENT IN R&D, ICT AND TANGIBLE CAPITAL



Source: EC, 2022, IMAD, 2022.

INNOVATION-LED GROWTH

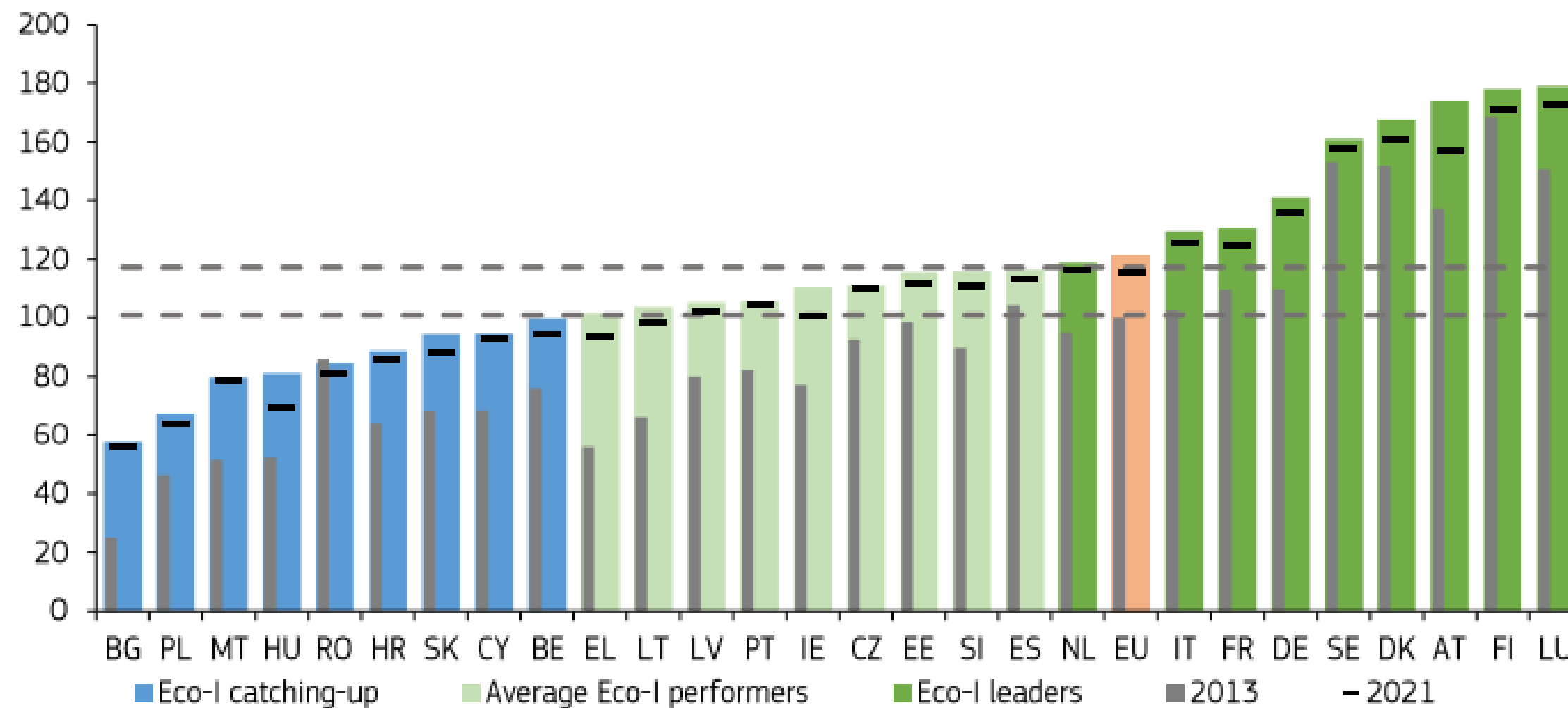
ECO-INNOVATION INDEX, 2013-2022



Source: IMAD, 2022, EC, 2022.

INNOVATION-LED GROWTH

ECO-INNOVATION INDEX



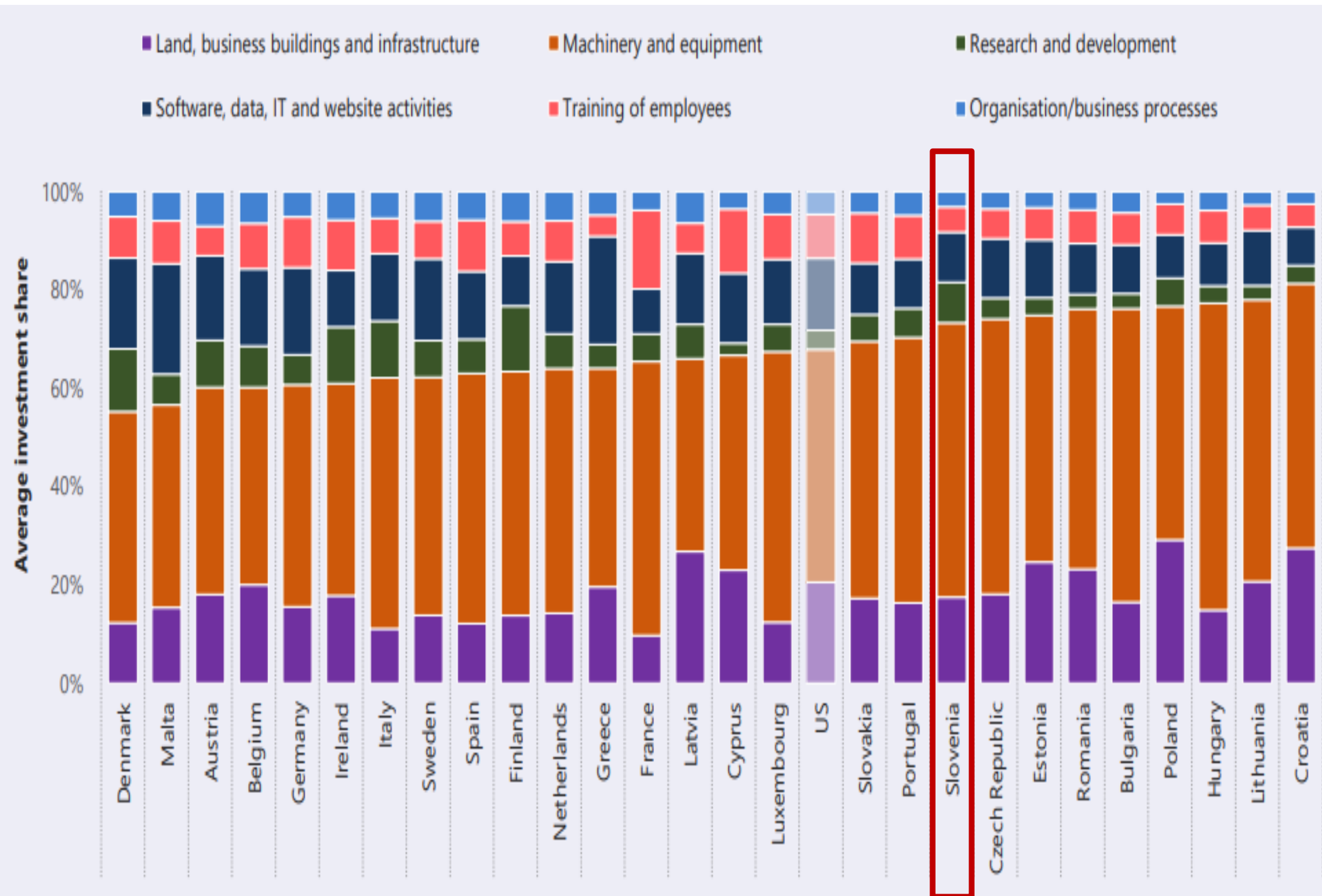
- Resource efficiency:**
- Material productivity
 - Water productivity
 - Energy productivity
 - GHG emissions

- Socio-economic outcomes:**
- Export eco-industries
 - Employment
 - Value added

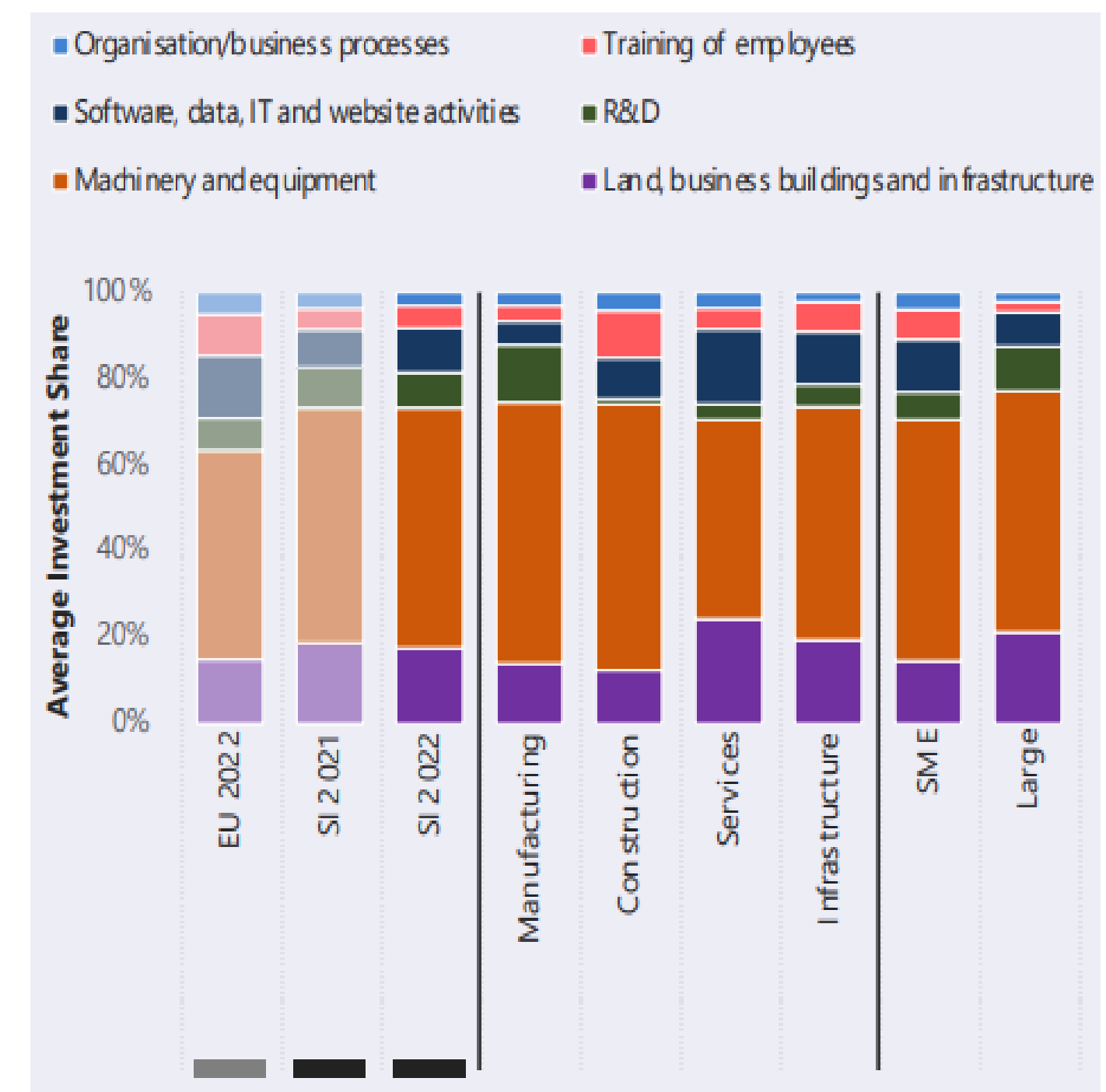


**COMPANY
PERSPECTIVE**

INNOVATION-LED GROWTH INVESTMENT AREAS, 2022

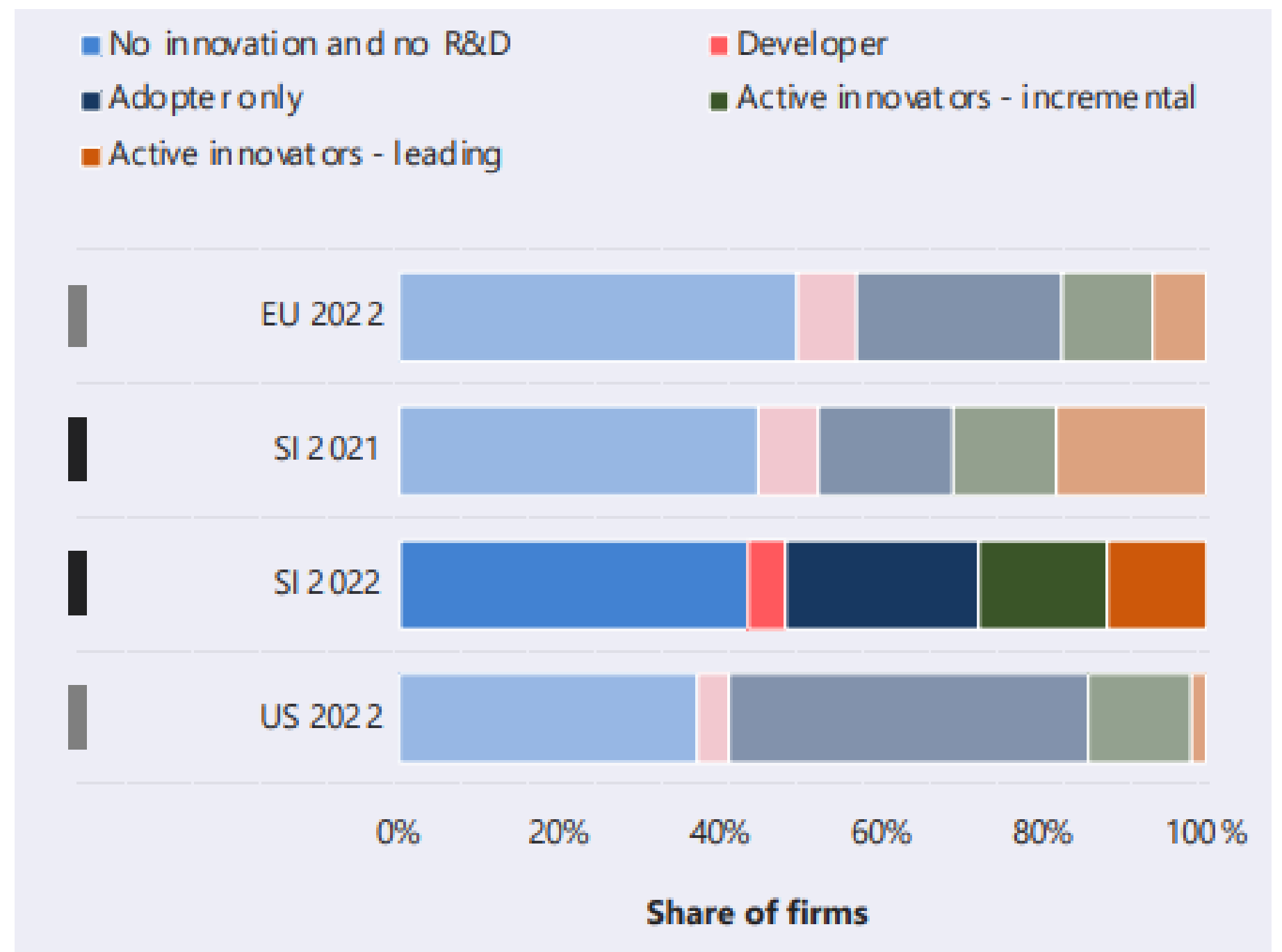
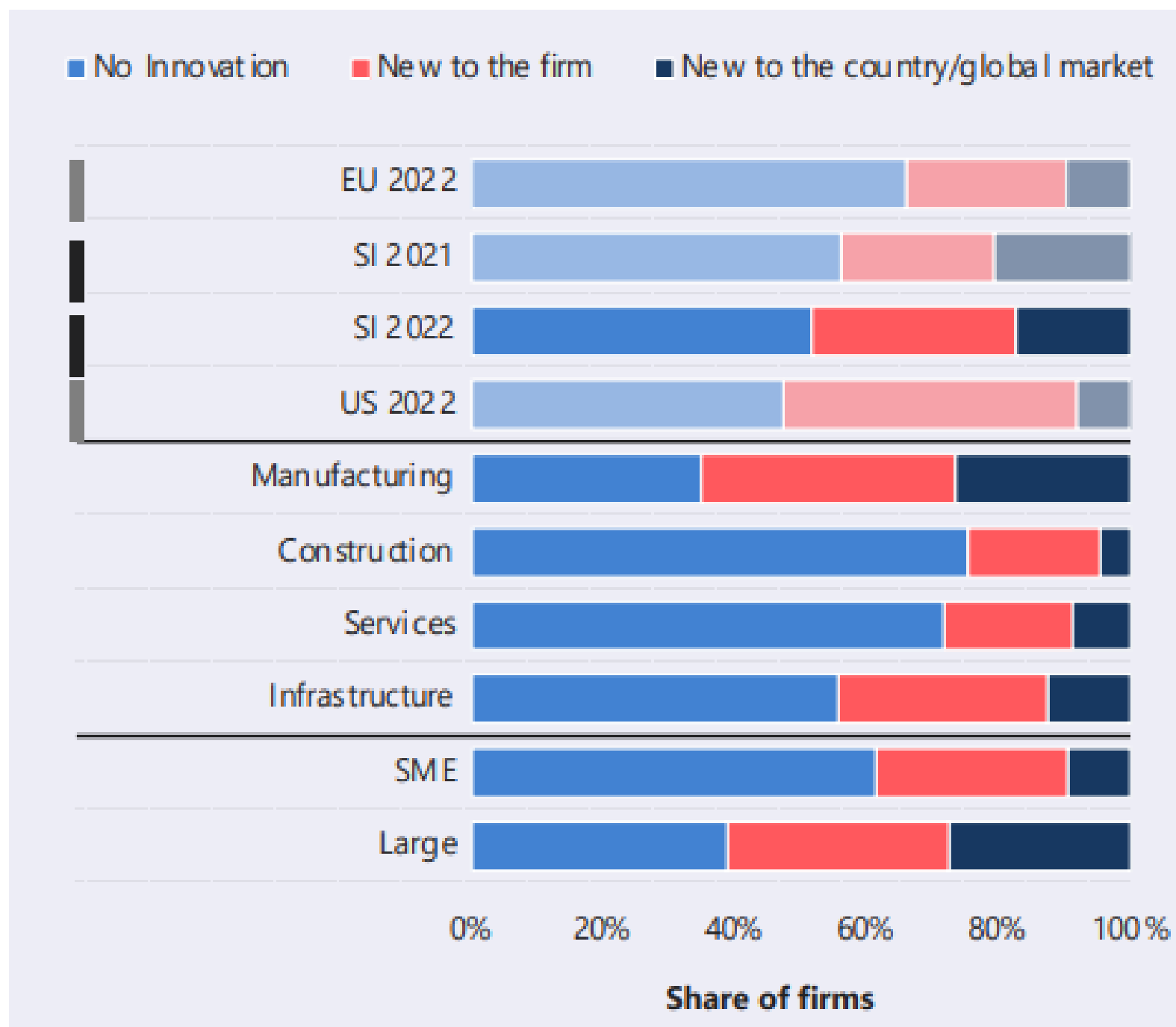


Source: EIB, 2023.



INNOVATION-LED GROWTH

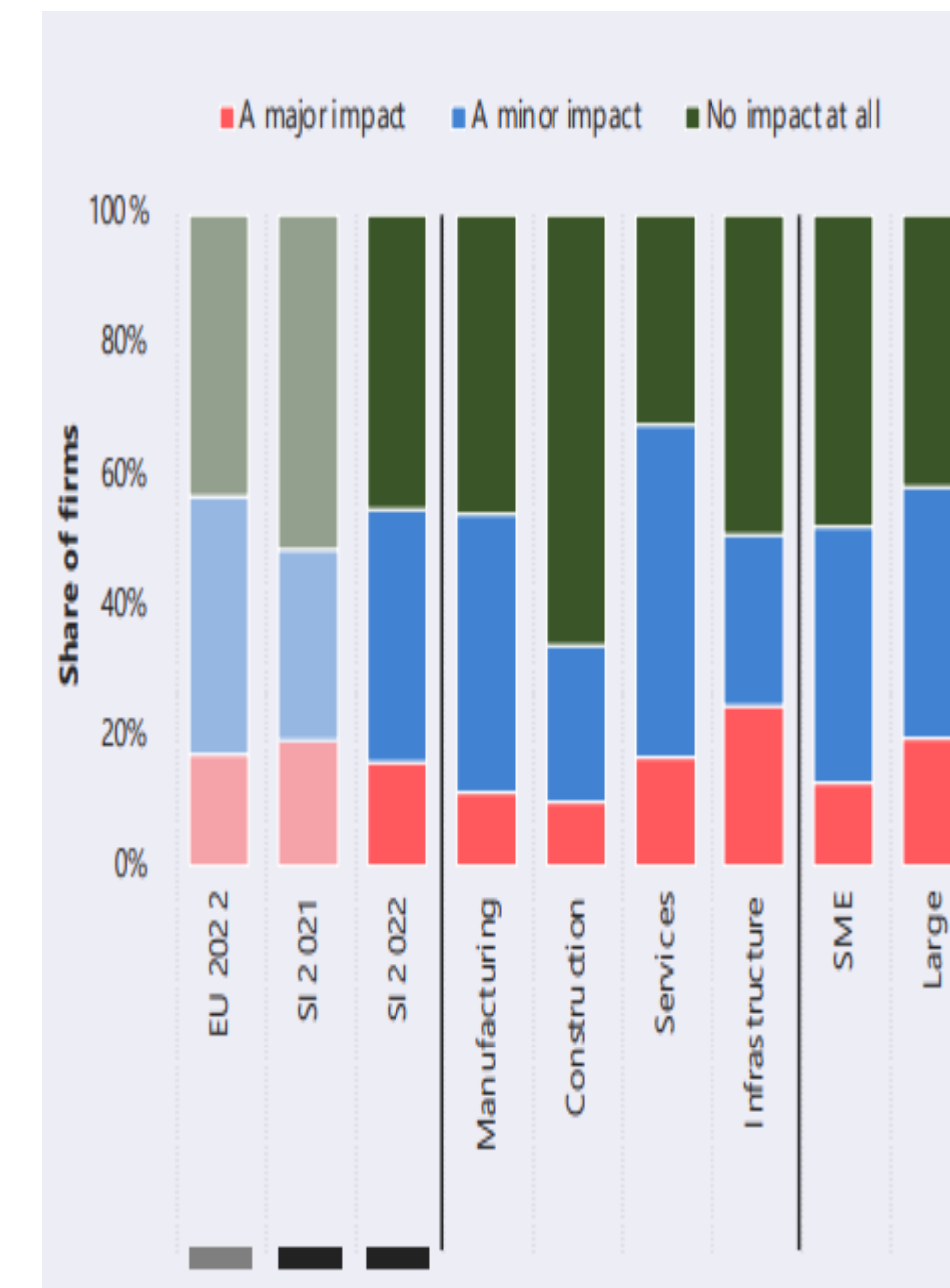
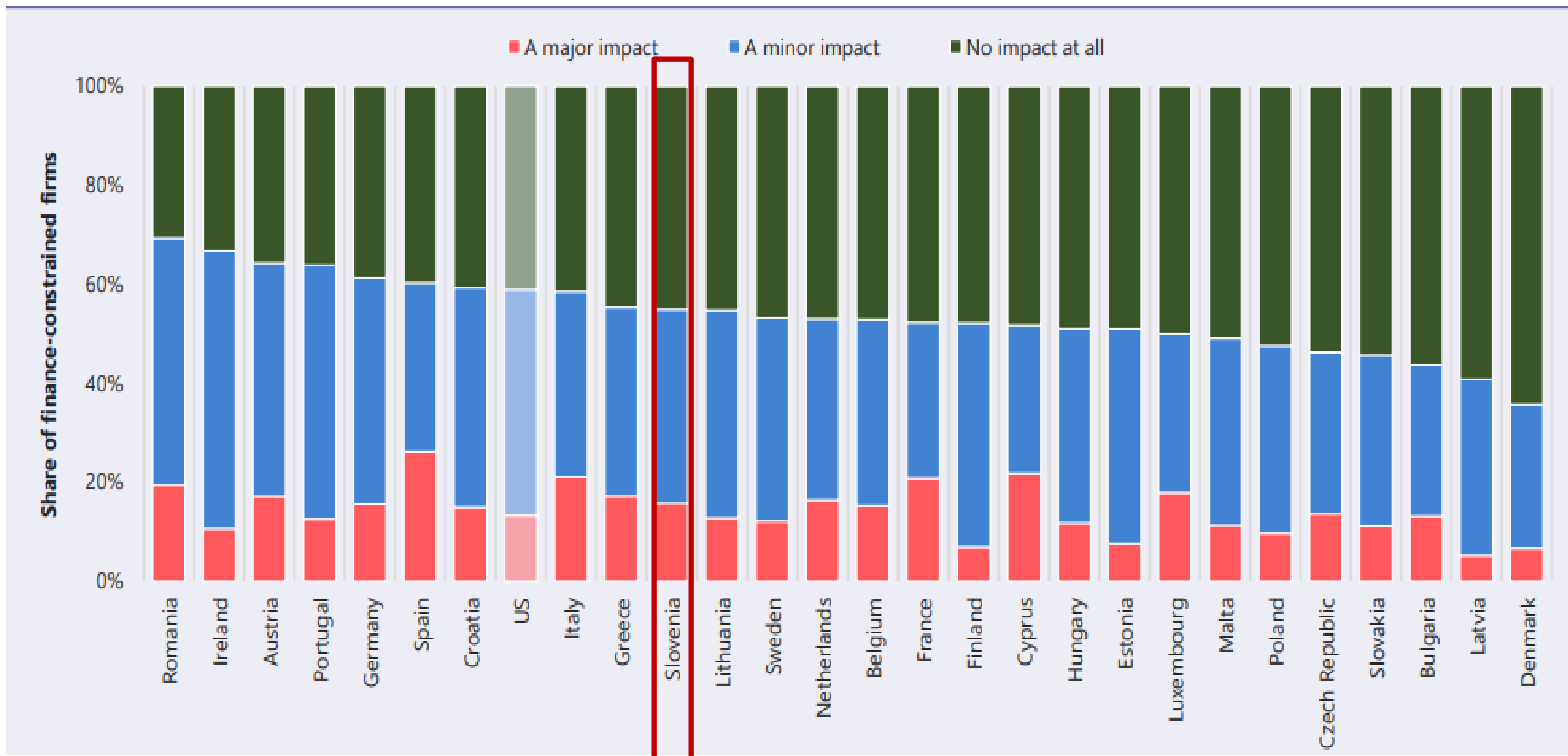
INNOVATION ACTIVITY AND PROFILE



Source: EIB, 2023.

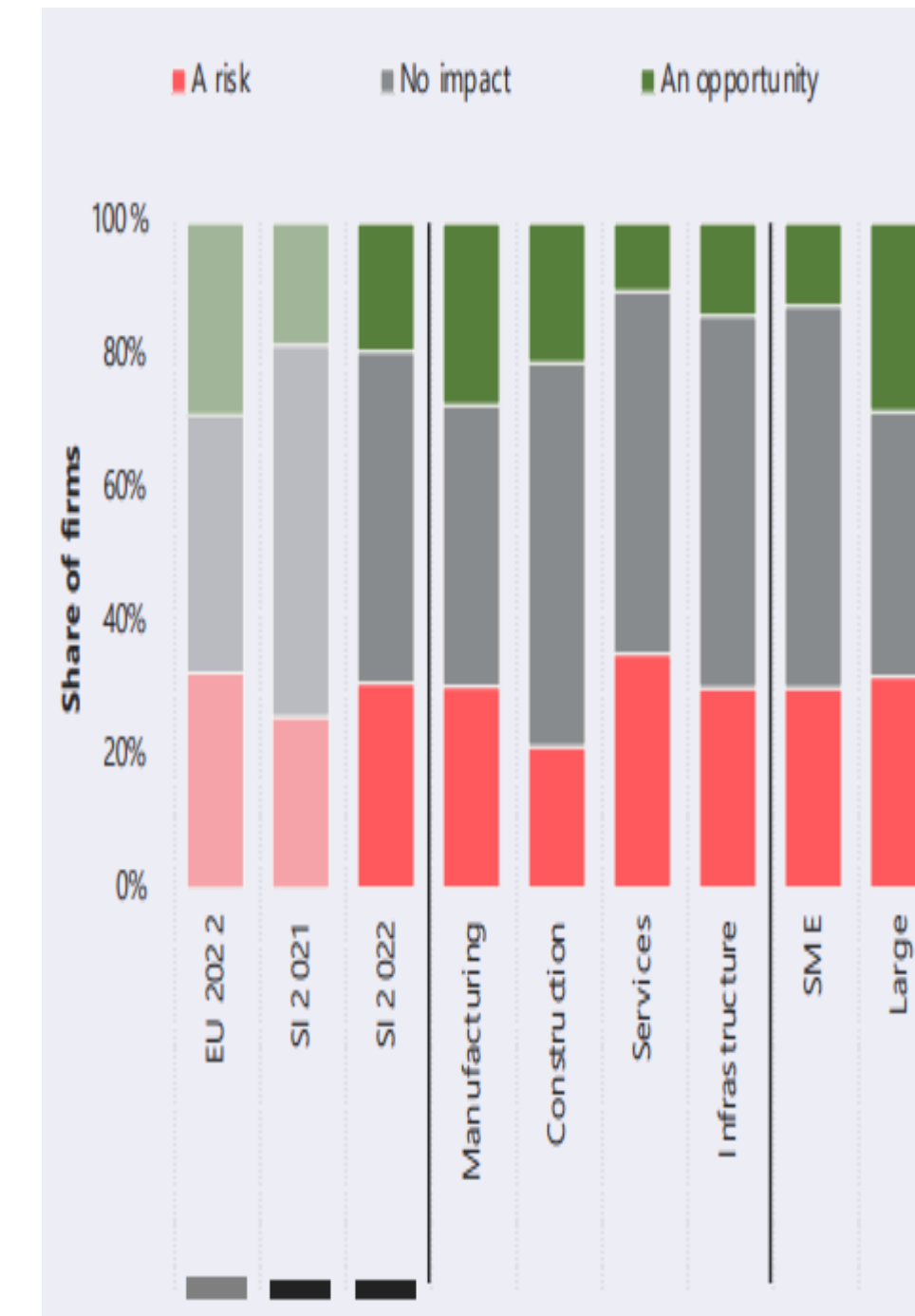
INNOVATION-LED GROWTH

IMPACT OF CLIMATE CHANGE - PHYSICAL RISK, 2022



INNOVATION-LED GROWTH

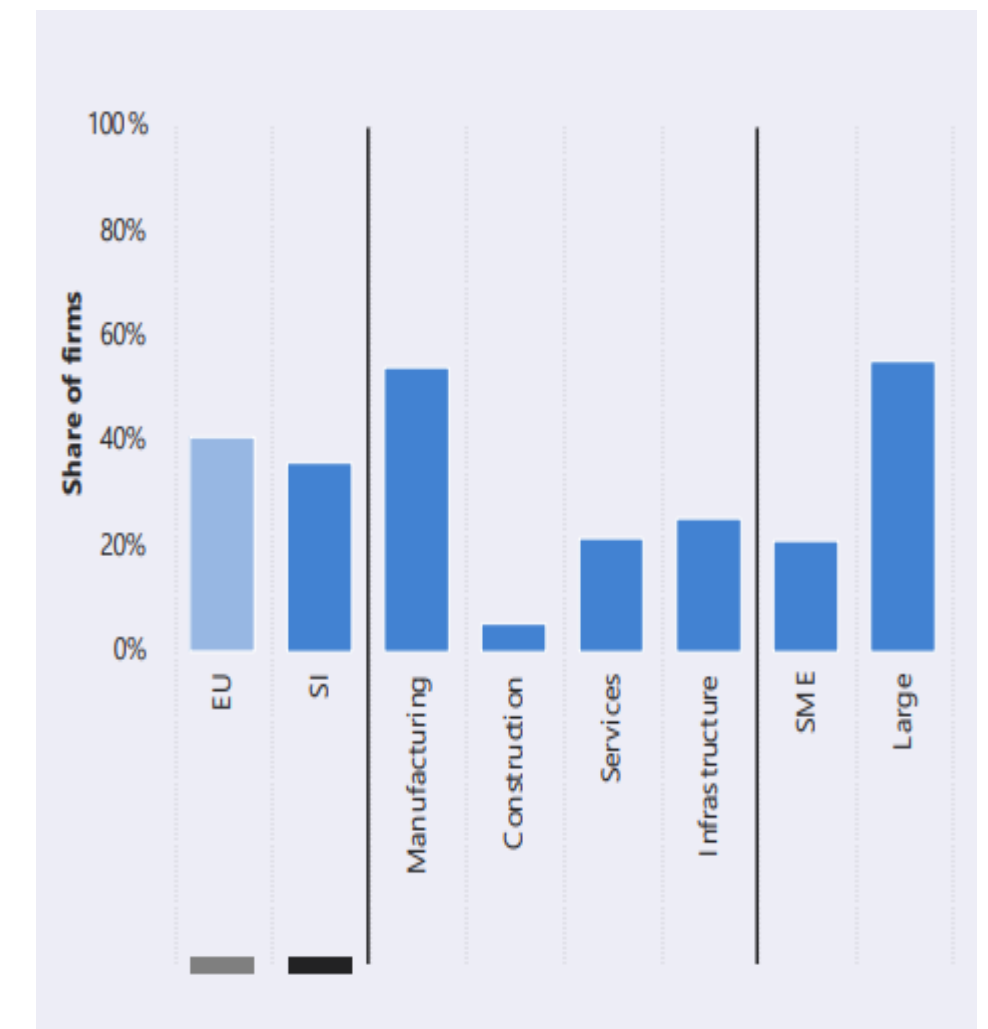
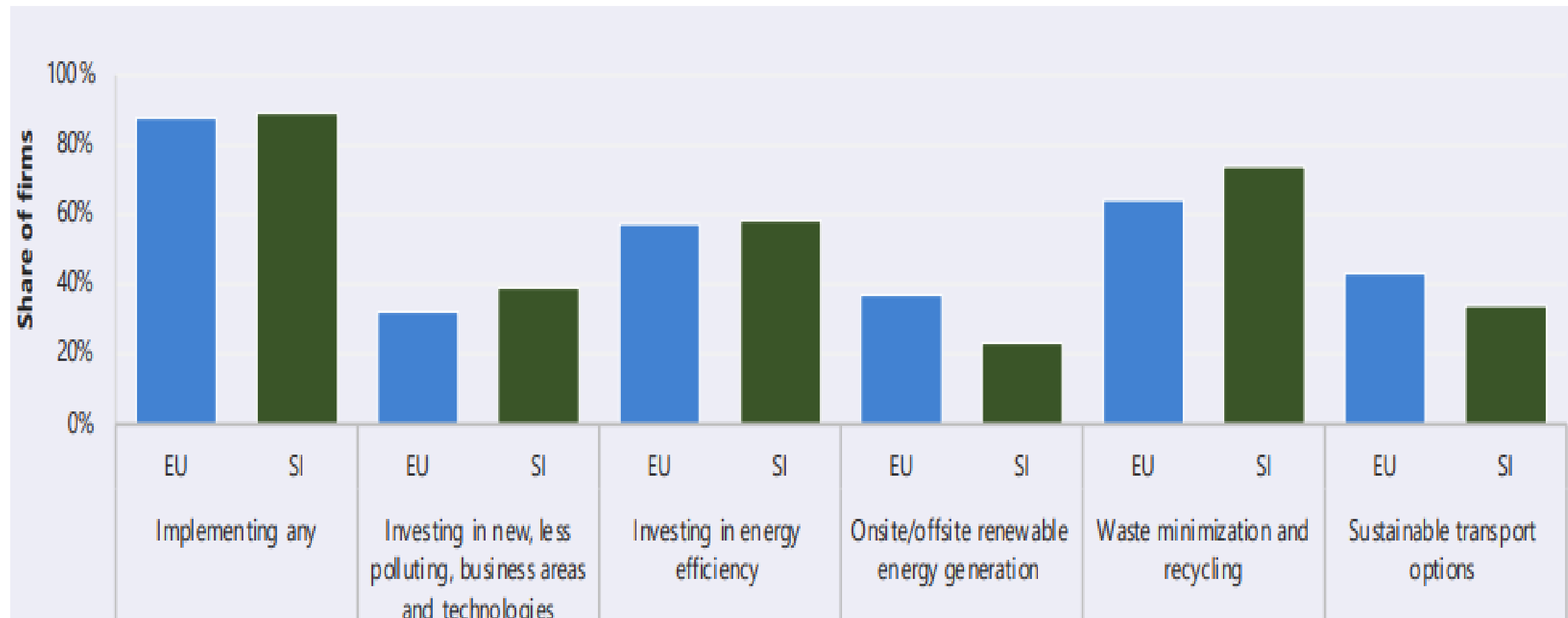
IMPACT OF CLIMATE CHANGE – TRANSITION TO ZERO NET EMISSION ECONOMY RISK 2022



Source: EIB, 2023.

INNOVATION-LED GROWTH

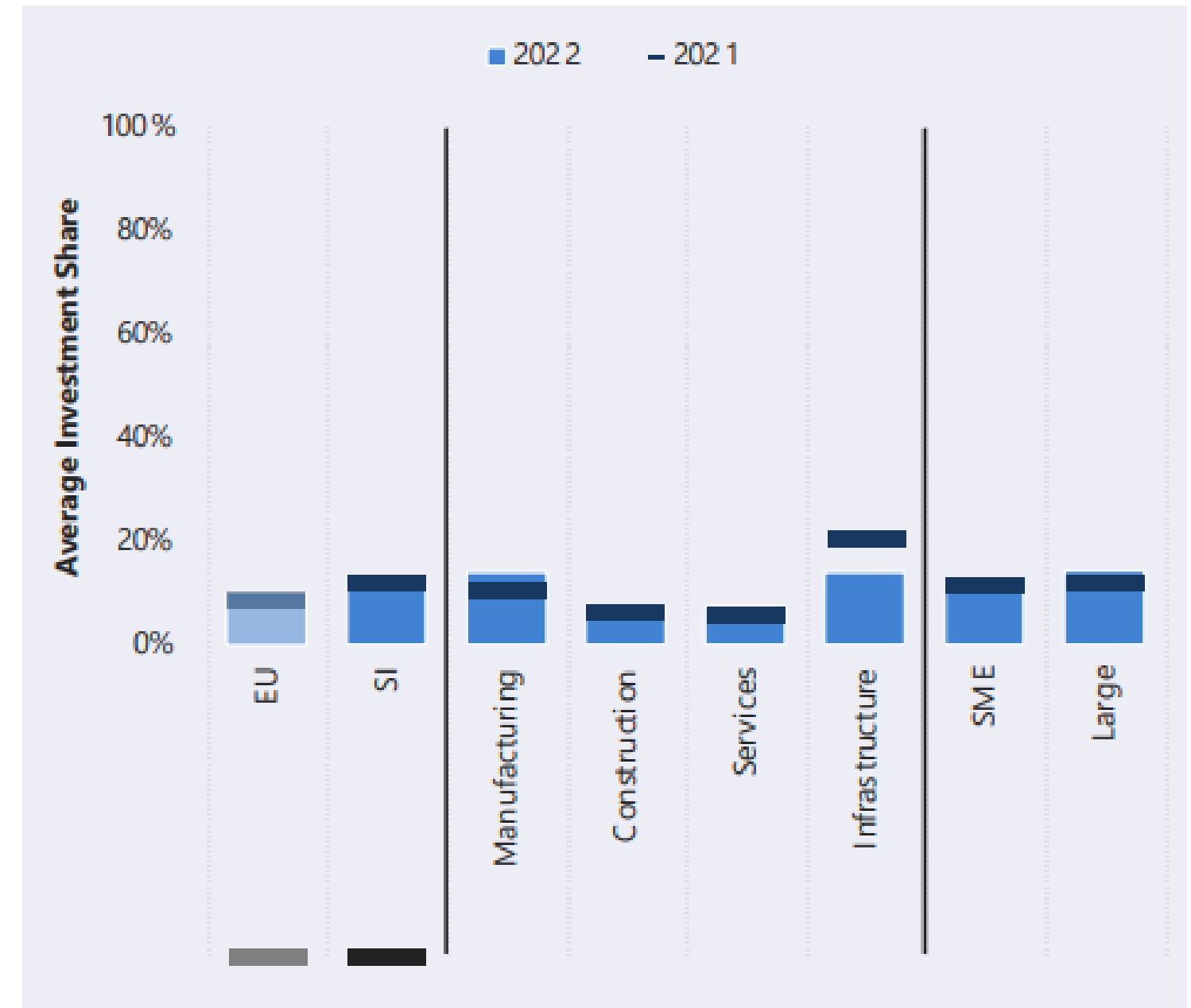
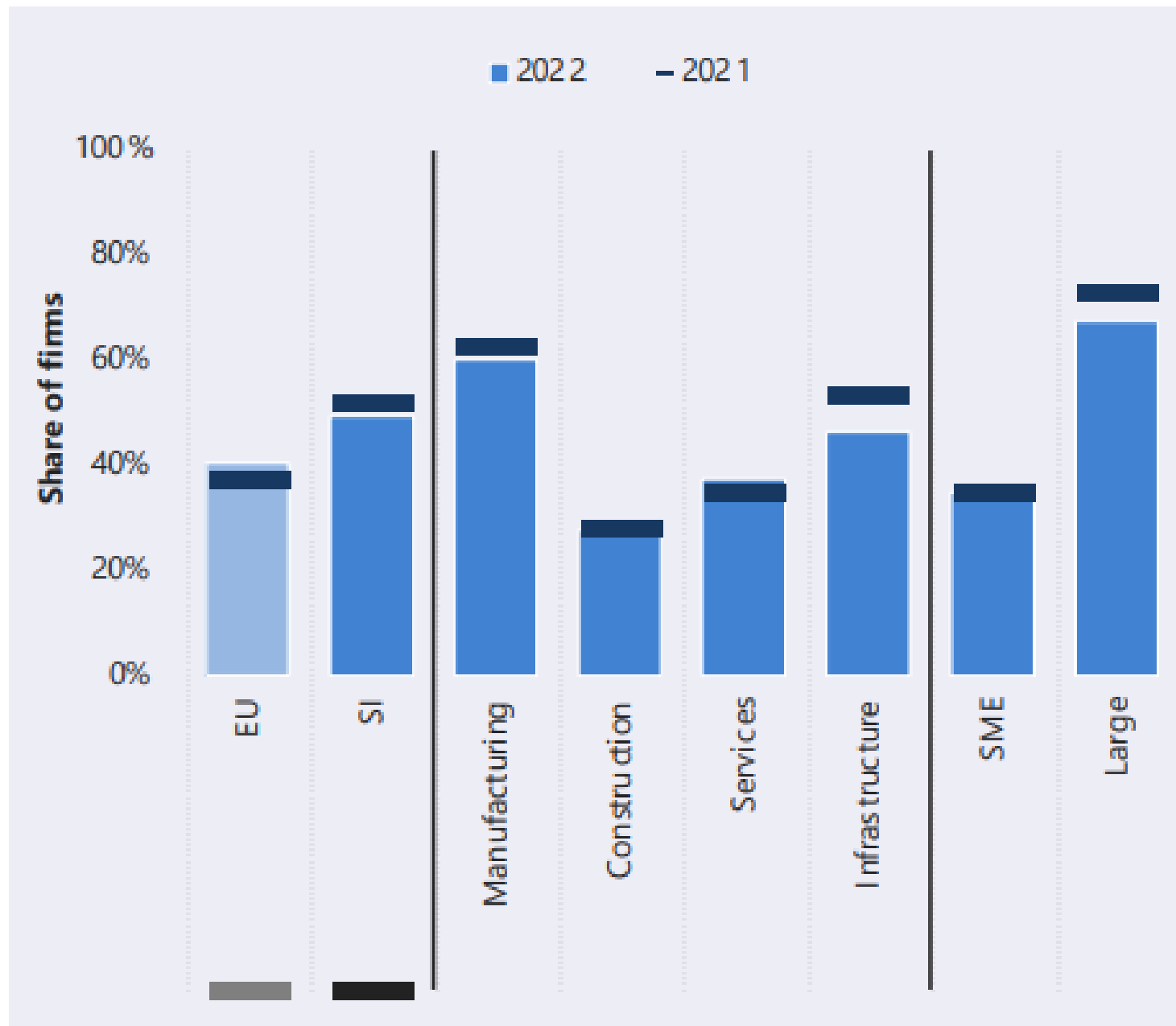
ACTIONS TO REDUCE GHG EMISSIONS AND TARGETS SET



Source: EIB, 2023.

INNOVATION-LED GROWTH

INVESTMENT TO IMPROVE ENERGY EFFICIENCY



Source: EIB, 2023.



**POLICY
PERSPECTIVE**

INNOVATION-LED GROWTH

NEXT GENERATION EU: LAYING THE FOUNDATIONS FOR RECOVERY

KEY MEASURES TO SECURE SLOVENIA'S GREEN TRANSITION



€ 2.5 billion

€ 1,8 bn in grants

€ 0,7 bn in loans

42% of the plan's total allocation for reforms and investments supports climate objectives



▶ **Energy efficiency and seismic renovation of buildings:** financing large-scale renovation programmes to increase the energy efficiency of public buildings, including schools. **€230 million**



▶ **Decarbonisation of transport through investments in railway infrastructure:** upgrading congested railway lines, refurbishing railway stations, increasing capacity, speed and safety of rail transport and digitalising rail infrastructure to reduce travel time. **€292 million**



▶ **Improved drinking water supply and water saving projects:** building and renovating ageing drinking water supply systems to reduce water losses by more than 20%. **€54 million**



83 measures:

33 reforms and

50 investments

INNOVATION-LED GROWTH

NEXT GENERATION EU: LAYING THE FOUNDATIONS FOR RECOVERY

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2.2 bn

~~€2.5~~ billion

~~1.8~~ bn in grants

€ 0,7 bn in loans

1.4 bn

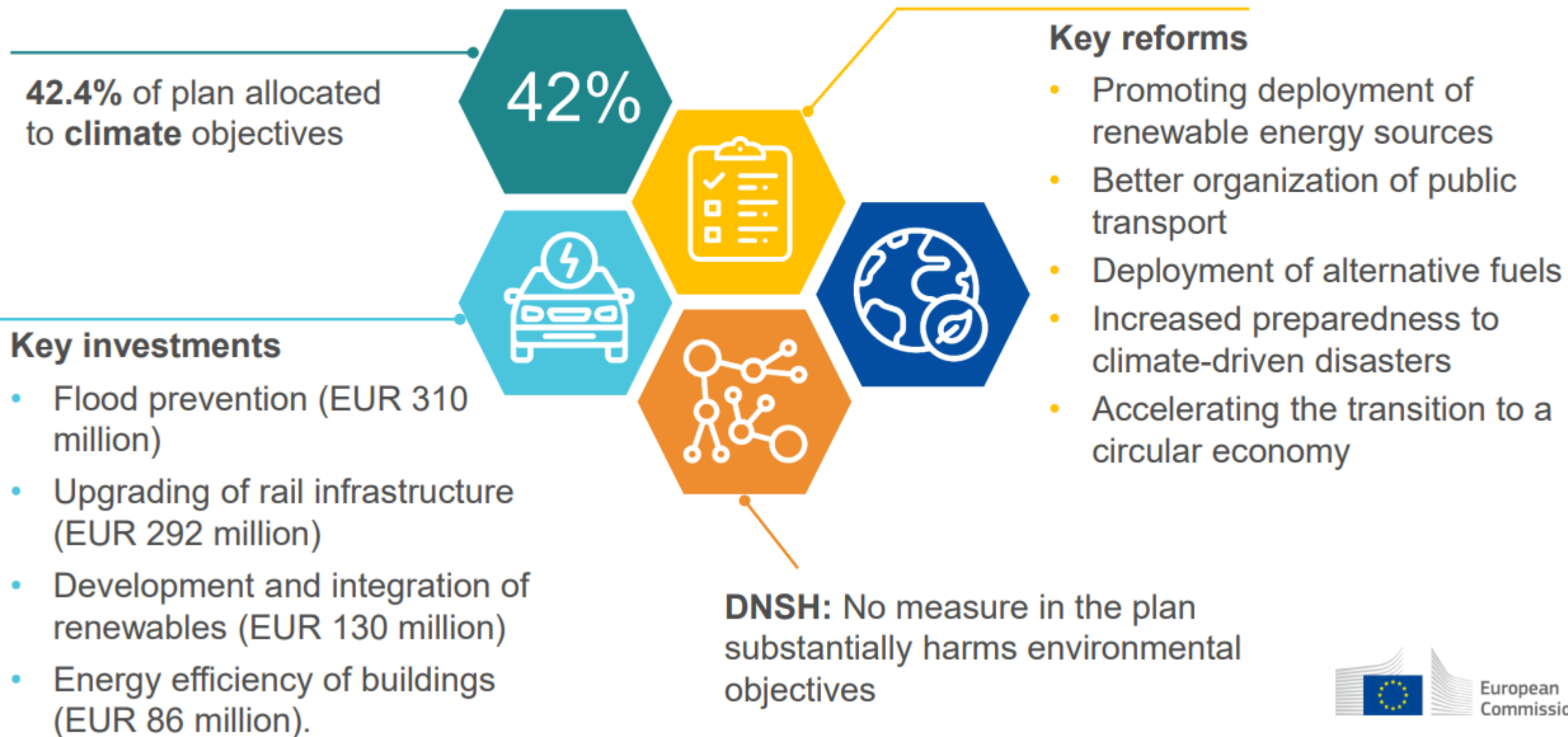


83 measures:

33 reforms and

50 investments

Green transition



POLICY PERSPECTIVE

MACRO-LEVEL CHALLENGES

- Significant structural redistribution
- Reforming EU-ETS system
- Reskilling and upskilling
- Move to resource efficient agriculture sector
- (Clean) energy independence
- Increased risk of energy poverty
- **The gap between necessary investment and available resources:**
 - 520 bn eur per year until 2030 in EU
 - **5 bn eur** in Slovenia to meet targets in 2016-2020 and **11.6-12.3 bn euro** for 2021-2030 targets (Fiscal Council, 2022)

FIRM – LEVEL OPPORTUNITIES

- New competitive advantages based on knowledge
- Circular business models
- Digital transformation complement sustainable transformation
- Unprecedented pace of change and first mover advantage
- Innovation upgrade with ecosystem approach throughout the value chain
- Comprehensive redesign of the processes and organizations.

THANK YOU!

Q&A