



GOVERNMENT OF THE REPUBLIC OF SLOVENIA  
**PUBLIC RELATIONS AND MEDIA OFFICE**

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**Prime Minister Janez Janša: the economic and political situation in Slovenia is solid and stable**

At a press conference today on the second anniversary of his cabinet's tenure, the Prime Minister of the Government of the Republic of Slovenia, Janez Janša, presented achievements and guidelines for future work, and stressed that the economic and political situation is solid and stable, while the state of the economy is better than ever.

Slovenia has met the stringent Maastricht criteria, which many other new member states have failed to achieve. It has 5 per cent economic growth, which is 2.5 percentage points better than the average in the Eurozone, which the country is to enter next year. "Today, Slovenia has the most favourable ratio between economic growth, inflation and employment in its history," said the PM, stressing that Slovenia will be the only new member state to adopt the common European currency next year. "The Slovenian economy will thereby operate in a substantially more stable macro-economic environment, and business and individual transactions will be simplified, while Slovenia will definitely be more attractive to foreign investment."

The Prime Minister drew attention to Slovenia's Development Strategy, which was the basis for reform measures. "After one year - that is, since we started to enact the implement economic and social reform measures - we have attained 61 per cent of the target programme, which means we are well over halfway." The PM also mentioned some other key documents which ensure the reform process would continue, and outlined the highlights of future reform activities.

The PM focused on the recently adopted tax reform package, which regulates Slovenian taxes in a modern, internationally comparable and socially sustainable way. "It will facilitate the disburdening of the economy, increasing its competitiveness in home and foreign markets, and substantially simplify the tax procedure for all taxable persons. We have introduced tax benefits for research and development, thereby encouraging companies to invest more abundantly in research and achieve higher added value," added the PM.

The PM also focused on the adopted budgets for the next two years, which will lower the budget deficit, while substantially increasing funds for business incentives, active employment policy and investment in science and technological development.

According to Mr Janša, one of the most important projects for the implementation for the reforms is the Resolution on National Development Projects, with which the country wishes to boost and decentralise development. While planning the Resolution, visits to the Slovenian regions were of great help, as the government thus familiarised itself with the situation and problems of individuals, local communities and businesses.

The PM then focused on some key decisions, measures and achievements in other areas.

As to Slovenia's foreign policy, the country has strengthened bilateral relations with some key international players and provided support to Slovenian companies entering foreign markets. We have constructively contributed to shaping policies and standpoints in the international arena. On the basis of this year's successful meeting of defence ministers in Portorož and last year's OSCE presidency, we have been entrusted with the presidency of the IAEA Board of Governors. Slovenia has increased its presence in peace-keeping missions, particularly in the Western Balkans, and will continue to do so in the future. According to the PM, Slovenia has invested a great deal of effort in finding answers to dilemmas and issues which are not the concern of Slovenia alone. We have organised the international conference Caspian Outlook 2008 and successfully established the Centre for European perspective, which will help the countries of the Western Balkans to establish closer ties with the EU, as enlargement of the EU is one of the priorities of Slovenia's presidency.

In conclusion, the PM outlined the guidelines of future government activities. In 2007 the government will conclude reform measures, and counts on consensus with social partners and constructive cooperation within the Partnership for Development. According to the PM, some existing strategies and economic policies will need to be implemented to ensure the long-term stability of public finances in a socially acceptable manner.

Also, preparations for entering the Schengen Information System will continue. Slovenia is one of the best prepared new member states. The PM said he expected the delay - which is definitely not the candidates' fault - will not be substantial. The PM also mentioned imminent adoption of the euro and accelerated preparations for EU presidency. Slovenia, Germany and Portugal, have drawn up a joint 18-month presidency programme which will be presented to the public in the next few weeks.