SLOVENIA CAN BE JAPAN'S PRODUCTION HUB

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Despite its small domestic market of about 2 million people, Slovenia, a central European country that was part of the former Yugoslavia, has been attracting Japanese manufacturers seeking a production hub for the European market. Slovenian Finance Minister and Deputy Prime Minister Andrej Bertoncelj expressed his hopes for stronger ties between Slovenian and Japanese companies in an interview with The Japan News in Tokyo on Wednesday.

Surrounded by such countries as Austria and Italy, Slovenia is known as a manufacturing nation with an export-oriented economy. The country joined the European Union in 2004 and the eurozone in 2007.

In recent years, Japanese companies have begun to grow their businesses in the central European country to boost production for the European market and increase their presence in the area. This year alone, Kitakyushu-based Yasukawa Electric Corp. launched its first European industrial robot manufacturing facility in Slovenia, and Kobe-based Sumitomo Rubber Industries launched a new production site there to manufacture rubber parts for medical equipment.

Yasukawa Electric said that accessibility to highly educated workers, efficient sea and ground transport, and a welcoming business environment created by the Slovenian government were among the reasons it chose the country to host its first industrial robot production site outside of Japan and China.

Bertoncelj said of the countrys business advantages: We have a very highly skilled and educated workforce. Sixty percent of young people go to universities ☀ As a small nation, each of us speaks one or two foreign languages to some extent.

Its a country that can serve well as sort of a hub for neighboring counties, like Austria, Italy and Hungary. We have the Port of Koper, he added.

He encouraged cooperation between Slovenian and Japanese companies, saying, I would be pleased to do whatever I can do in my capacity as a deputy prime minister or finance minister to support that cooperation.

Asked if the nation or Europe as a whole is feeling the impact of Brexit, he said: Its always opportunity and threat. Like any divorce, it has a certain economic impact.

He said opportunities include the possibility of more foreign companies entering or increasing their presence in the country.

As for negatives, he described Brexit as a threat to the European economy, adding, I hope both sides will find amicable, good solutions that will work for the economies and for the people on both sides, the U.K. and the EU.

The minister expressed his opinion that Brexits impact on Slovenia will likely be limited, saying, Slovenia is not so much involved in trade with the U.K., but [rather] indirectly, because 20 percent of our exchange goes to Germany. Germany is the most important trading partner for us. Germany is the most important trading partner to the U.K., I assume.

The minister was visiting Tokyo to discuss Slovenias achievements in public debt management at a forum being held by the International Monetary Fund in Tokyo through Friday.

The country reduced its public debt by 12.5 percentage points of GDP from 2015 to 2018, the fastest debt reduction rate among all 19 eurozone member nations, according to the government. After reaching an all-time high of 82.6 percent of GDP in 2015, the nation reduced its debt to 70.1 percent of GDP last year and is planning to reduce it to 65.4 percent in 2019, according to the Slovenian finance ministry. Meanwhile, Japans public debt has exceeded 230 percent of GDP each year from 2013 to 2018.

The minister said fast economic growth, tax reform and privatization of state-owned enterprises were behind the achievement. He said that the nations banks are being privatized and 10 percent of proceeds from selling banks go to the pension fund and 90 percent of proceeds go to lowering public debt.

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