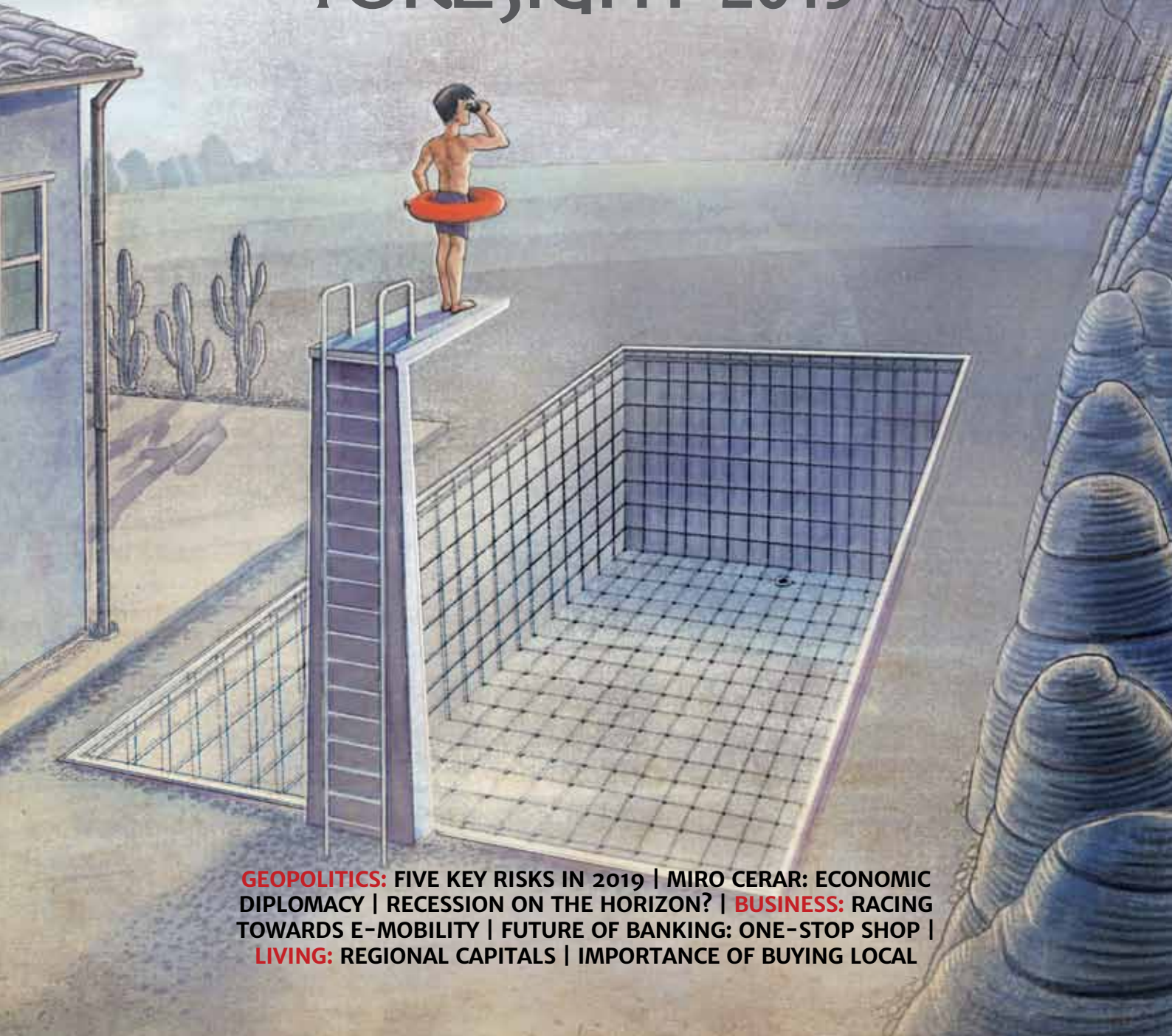


THE ADRIATIC JOURNAL

CORPORATE BRIEF ON GEOPOLITICS & LIVING

ISSUE 7, JANUARY 2019

STRATEGIC FORESIGHT 2019



GEOPOLITICS: FIVE KEY RISKS IN 2019 | MIRO CERAR: ECONOMIC DIPLOMACY | RECESSION ON THE HORIZON? | **BUSINESS:** RACING TOWARDS E-MOBILITY | FUTURE OF BANKING: ONE-STOP SHOP | **LIVING:** REGIONAL CAPITALS | IMPORTANCE OF BUYING LOCAL



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THE ADRIATIC JOURNAL: STRATEGIC FORESIGHT 2019

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ABOUT THE PUBLICATION

This is the Strategic Foresight edition of The Adriatic Journal, a corporate brief on geopolitics and living in Europe's southeast region. The brief is the extended arm of the Institute for Strategic Solutions (ISR). For readers familiar with ISR's prior publications, our subjects will come as no surprise: we endeavour to bring the latest news, analysis and facts from the region to expat and local community in Slovenia and the Western Balkans as well as to those with particular interest in this part of the world.

The Adriatic Journal is based in Ljubljana, Slovenia's capital, but our focus includes the politics and living in other regional centres of power: Zagreb, Belgrade, Sarajevo, Pristina, Skopje and Podgorica. Our expert analysis of political and financial developments helps our readers understand how various aspects impact investments as well as every day living in southeast Europe.

STAYING AT THE TOP

Dear readers of The Adriatic Journal, dear friends of the Institute for Strategic Solutions!

I

In front of you is the first annual edition of The Adriatic Journal: Strategic Foresight 2019. The magazine contains the seventh edition of Strategic Foresight, which has become the leading foresight on Western Balkans. Over the last seven years we noticed there is not enough focus on the region beyond our borders. Thus we have decided to expand our analysis into a format that is more accessible to a wider public. Hence, The Adriatic Journal, a corporate brief on geopolitics and living.

Just as we were finishing our first edition, Slovenia's foreign minister Miro Cerar, whom we feature in the publication, was wrapping up his visit to the USA. It was the first meeting that a Slovenian foreign minister had with his counterpart in Wash-

ington since 2010. We could not agree more when he expressed geostrategic importance of Western Balkans. In our Strategic Foresight section of the publication, we identified five key risks in the region for 2019, amongst which is susceptibility of weak local politics to foreign influence.

But business in the region appears to be in good shape. In the publication, we look at e-mobility developments in Slovenia, which is in full swing. Companies see opportunities in EU's climate-neutral strategy by 2050. Contemporary business models are focusing on services for the end user that allow for better quality of living. The digital revolution has taken over and people are starting to experience it in their homes and everyday activities, such as banking. We expect that the ones who will remain at the top will be those enterprises who seize on the opportunity to bring better services to the public.

One of the main integrators of our increasing quality of life are urban environments. In the living section, we look at the capitals of the region. Belgrade impressed us with its startup culture, Sarajevo with its mix of Western and Balkan charm,

and Zagreb with its Christmas market. Ljubljana remains right in size and attractive for young families with small children.

For more information, I invite you to follow www.adriatic-journal.com and subscribe to our monthly newsletter.

The team at ISR and The Adriatic Journal wish you a successful 2019. Thank you for your support.

TINE KRAČUN



THE STORY OF THE ADRIATIC JOURNAL'S HEADLINE FONT



AUTHOR: JURE STOJAN DPhil

T

This charming example of Art Deco hand-lettering was in use between 16 November 1924 and 23 April 1925. Unfortunately, we still haven't identified the artist. The graphic ran as a masthead to a serialised novel in Jutro. The title is written in low-contrast letterforms with discrete, engraver-like serifs. The author and the original French title are rendered in a smaller sans serif.

The Adriatic is a region overflowing with history. Many contemporary problems have deep roots in the past so in order to understand the present, at ISR we are often found pouring over old newspapers. More often than not, we are just skimming over digitised pages, far away from brittle paper and dusty depots, and safely guided by keyword searches. But every now and then, something catches our eye. Such as the graphic design elements in Jutro, a popular liberal daily newspaper of the roaring 1920s and the nasty 1930s. Printed in Ljubljana.

Notice how the letter R in the sans serif comes in two flavours (in "Aleksander" and in "Monsoreau"). The first form, with an exaggerated bowl, is more representative of its time. The second form works better when paired with its serif counterpart. The letter R also contains a give-away as to the lettering technique. The first draft was apparently executed in pen on paper, using a reds nib.

We decided these were the letterforms we wanted to use for the Adriatic Journal logo. No other font would do. Obviously, this meant we had to create a font from scratch, carefully re-drawing magnified photos of each letter with vector lines. And completing all the missing characters, numerals, accents, punctuation marks ... there's a lot more to a font than a mere alphabet. Choices had to be made.

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Central Europe via Slovenia > SHORTER > SMARTER > PARTNER



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Fast procedures in synergy with the whole port community





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third largest automotive port in Mediterranean 


general & breakbulk cargo specialist 

fifty years of experience of handling perishables 

wide range of dry bulk facilities 

handling fuels & chemicals 

equipped for project cargo handling 

efficient railway connections, modal split: 60 % on rail 

STRATEGIC FORESIGHT

2019: WESTERN BALKANS



FIVE KEY RISKS FOR 2019

1 Increased Meddling by Global Superpowers

As the Western Balkan countries are aspiring to join NATO and the EU, the area is becoming of interest to China, while Russia is amplifying its strategic presence. The Western Balkans are once again becoming an area of contrasting global interests. Hence, we can expect signs of increasing instability, as these outside forces could abuse the fragility of internal politics in the region to foster their own interests.

2 Slowing of Economic Growth

The area has been experiencing high economic growth in the past few years. Although social conditions remain problematic, due to high unemployment and low wages, there has been an upsurge in economic optimism. Due to the region's dependency on global markets, which are showing signs that could lead to a decline in economic activity, we expect a decrease of economic growth in the region.

3 Conflicts Between Countries

In 2018 several conflicts erupted in political relations between Balkan countries. We expect tensions between Serbia and Kosovo to escalate further. Relations between Serbia and Bosnia and Herzegovina will also be subject to the policy towards Republika Srpska by the newly elected representatives in the BiH's presidency. Relations between Slovenia and Croatia will remain under pressure due to disagreements regarding the border arbitration ruling.



4 European Elections will set the Agenda for Enlargement

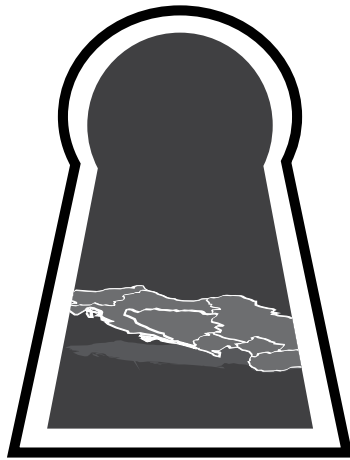
European Union's enlargement into Western Balkans remains the focal point for progress and development of the region. If the next European Commission fails to put enough effort and focus on placing the enlargement process on top of its agenda, rise of nationalist policies in the region can be expected, followed by increased instability.

5 Migration

With the European Union closing its borders tightly to prevent further crossings by illegal immigrants, some Western Balkan countries are effectively becoming the final destination for refugees. Increasing frustration amongst immigrants could escalate and cause unrests and riots. The situation is made even more volatile due to poor living conditions, as countries like BiH do not have enough funds to ensure adequate living conditions for immigrants.



INTRODUCTION



Western Balkans' growing internal problems amid differing superpowers' interests

Population declines while youth unemployment remains high

In February 2018, the European Commission adopted a strategy entitled "A Credible Enlargement Perspective for and Enhanced EU Engagement with the Western Balkans" which confirms investing in the region is of geopolitical importance to the EU in order to have a stable, strong and united Europe based on common values. However, the EU is confronted with different visions about its future and the question remains how these different visions will affect the developments in the Western Balkans. The region continues to be fragile as the external pressure by various actors and internal divisions could again destabilise the region. The regional fragility is based on six contemporary developments that will, based on the analysis by the Institute for Strategic Solutions, with a high degree of certainty continue to be pre-

Public debt in Croatia is highest at **78%** followed by Montenegro **62.5%** and Serbia **61.5%**

sent in the future. These include: 1) population decline and emigration; 2) high unemployment and public debt; 3) underperforming institutions; 4) ethnocentrism and ethnic conflicts; 5) deficient education system; 6) foreign influence.

Most Western Balkan states will experience population decline in the next decade due to low fertility rates - less than 1.5 children are born per couple in all countries bar Kosovo, where the rate is 2.1. In Macedonia, Montenegro, and Serbia, the population is expected to decline by as much as 10% (ibid.). In addition, the region is also faced with emigration of local population caused by past conflicts and poor socio-economic conditions. In 2015 alone, more than 130,000 migrants from Kosovo, Albania, and Serbia were asylum seekers in the EU (Zeneli, 2018). This is expected to continue, especially amongst the younger and more educated parts of the population. The OECD report shows Serbia alone will lose EUR 9 billion in the innovation, technology and science sectors as a direct result of the brain drain. In Macedo-

Ethnocentrism and ethnic conflicts pose additional problems in the region, ISR analysis show.

nia, as many as 69% of university lecturers would leave the country if given the opportunity, according to a report by the Center for Research and Policy Making in Skopje. The emigration is fuelled by the region's poor career prospects and inadequate financial reimbursements. Governments in the region also continue to tackle excessive public debt and high unemployment across the Western Balkans. Public debt in Croatia is highest at 78%, followed by Montenegro (62.5%), and Serbia (61.5%) (Trading Economics, 2018). Although unemployment has been reduced in the last six years (from 23% to 21%), the current rate of job creation still is insufficient. In addition, the high youth unemployment across the region, more than twice as high as unemployment overall (47%), presents a potential security risk (World Bank, 2018). The latter is based on the study by Florence Gaub and Alexandra Laban (2015, p. 14) which showed that 80% of civil conflicts occurring between 1970 and 1999 happened in countries where youth unemployment was higher than 30%.



80%
of civil conflicts occurring
between 1970 and 1999
happened in countries where
youth unemployment was
higher than
30%

Other challenges include the widespread corruption in regional labour markets. Captured political systems, suppression of independent institutions, political influence over the judiciary, and weak law enforcement are all features that accompany corruption and reflect on underperforming state institutions which are jeopardizing democratic consolidation essential in countries aspiring toward EU membership.

This worrisome trend can be observed in the latest Freedom House' Nation in Transit reports where Bosnia and Herzegovina, Kosovo, and Macedonia are understood as 'hybrid regimes', while Montenegro and Serbia are considered to be 'semi-consolidated democracies'. The root causes can be inspected through the prism of powerless civil society and anti-corruption bodies, inadequate administrative capacities, and lack of transparency (Surk, 2018; Barma, Huzbens and Viñuela, 2014). An additional problem in the region, based on the analysis by the Institute for Strategic Solution, derives from ethnocentrism and ethnic conflicts.

This trend is typical in post-conflict multi-ethnic societies and since none of the Western Balkan states is ethnically homogeneous (Muslim Sandžak in Serbia, the Serb enclave in northern Kosovo, Republika Srpska in Bosnia and Herzegovina, Albanian Preševo Valley), the manifestation of populism is more feasible. Even though multi-ethnicity does not inevitably lead to conflict, most politicians in the region resort to ethno-nationalist rhetoric for electoral purposes. Furthermore, the disputes and disagreements over administrative borders

and border recognition create legitimacy problems for governments and pave the way for populist sentiments that aim to exploit ethnic tensions to divert attention from domestic challenges.

This can be observed in Kosovo, Macedonia, Serbia (to some extent), where Kosovo and Macedonia are putting a lot of effort to achieve recognition and Serbia is trying to exploit all the options in order to minimise the (political) damage if and when it recognises Kosovo.



In Montenegro, the percentage of illiterates in mathematics is

60%

while in Serbia

38%

of youth have the same problem

One of the most decisive factors for forecasting future economic development outcomes is education, since it is perceived as a prerequisite for economic competitiveness. Although the share of the population to have completed secondary education is on average higher



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LET'S HOPE FOR AN INDIAN SUMMER

W

What will be the economic growth like next year? As the old year is coming to a close, economists are busy preparing forecasts for the near future. Economic forecasts, however, tend to be as unreliable as they are numerous. So instead of trying to predict next year's growth to the decimal point, it might be more useful to settle for a more modest question – will there be growth at all? In other words, how much do we need to worry about a recession in 2019?

The short answer, given by ISR's experimental market index: there is no economic meltdown on the horizon for at least the first few months of the 2019. The index is based on public communication of several of the world's most important corporations.



AN UPCOMING RECESSION?

Economic growth is entering its metaphorical autumn, but for now, there are no signs of early winter storms for the global economy

AUTHOR: JURE STOJAN DPhil

ASK THE BUSINESSPEOPLE

What is the connection between communication and general movements in the economy? Now, there are many ways to prepare economic forecasts, the modest opinion poll being one of them. It is a simple survey of economic expectations among economic decision makers – after all, businesspeople know very well what is happening to their order book and their workforce, e.g. whether their employees need to work overtime or plan for redundancies. The communication index is based on a similar logic, but without the use of survey questionnaires.

Instead, our analysts follow what corporations communicate on their own, specifically, in the form of press releases and information released to investors. But instead of focusing on the intended message, ISR is “reading between the lines”, focusing on the emotional valence of the words chosen by corporate communicators. The vocabulary used – often unconsciously – tends to reflect the deeper situation in the wider economy.

READING BETWEEN LINES

Corporate messages usually closely follow standard patterns and templates – not because corporate employees were boring and unimaginative, but because the format, content, and, last but not least, the date of publication, are precisely defined by laws and stock exchange rules.

However, corporate messages have yet another dimension: the emotional charge of the words they use. Often, communicators do not even notice what kind of signal they are sending merely by having chosen a particular word out of the many synonyms available. ISR monitors all the messages posted by leading corporations, and measures how emotional their vocabulary is. The deviations from long-term averages and predictable monthly fluctuations are signals that indicate changes in the real economy.

WESTERN BALKANS

Corporate messages in the Western Balkans display interesting long-term patterns. At the beginning of the second millennium, the excitement in corporate vocabulary was growing year on year, with regional companies reaching the peak of their optimism just before the outbreak of the global economic crisis in 2008. Then, during the crisis, press releases became increasingly pessimistic until the bottoming out towards the end of 2012. Corporate optimism was again on the rise in the succeeding months, but the respite was short-lived. From early 2015, pessimism is on the rise again.

Of course, for a given month, corporate messages can be very far from the long-term trend. That's exactly the signal we are looking for. Recently, the corporate tone in the Western Balkans was abnormally bleak in September 2017 (which turned out to be a false alarm) and, almost undetectable, in September 2018. Since then, the largest corporations in the region have been communicating without breaking their long-term patterns – there is no signal that the underlying economic situation would drastically turn to the worse. The general decrease in optimism in communication indicates a gradual cooling of economic activity. This is precisely the situation where the economies are most sensitive to the shocks emanating from geopolitics.

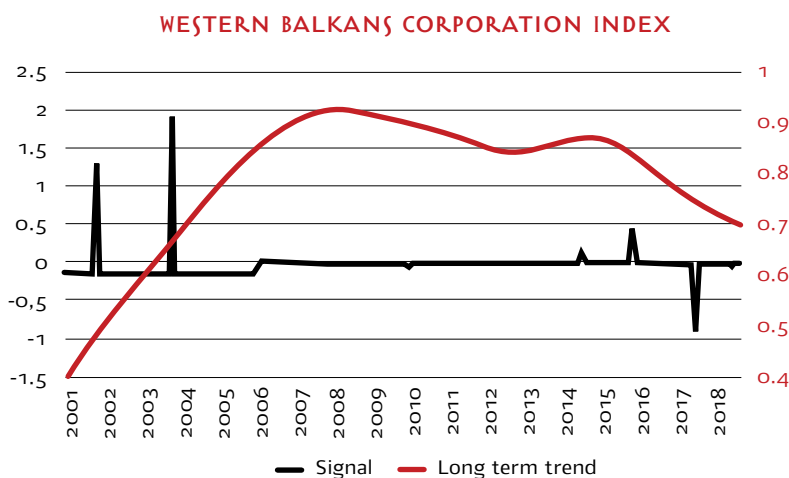
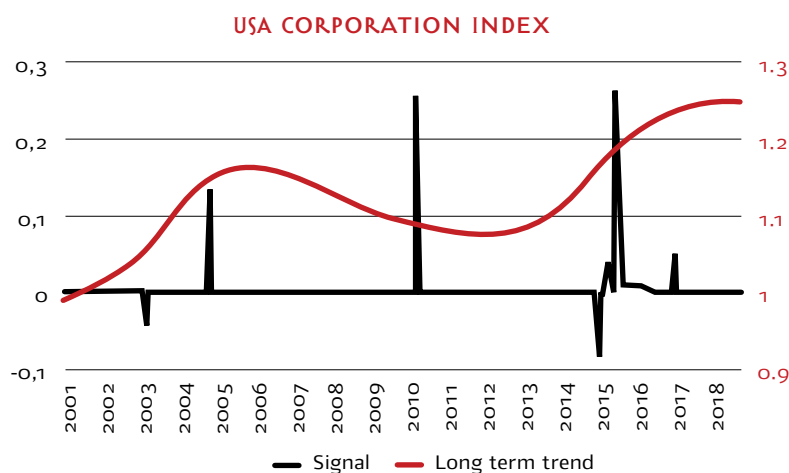
CORPORATIONS ALSO HAVE MOOD SWINGS

As summer predictably follows spring, and winter follows autumn, so does human activity follow seasonal patterns – that is, predictable fluctuations throughout the calendar year. Thus, the largest corporations in the Western Balkans are usually at their most optimistic in October and December, while August and November tend to be the bleakest months.

One of the main threats to economic growth will undoubtedly be posed by the further developments in the US-China trade war. The largest corporations in both countries are currently commu-

nicating in subdued terms, so the communications indices have not issued any warning signals as of late. As early as June 2017, US corporations have shifted to a regime of bland vocabulary, although they are still close to the long-term trend of rising optimism. Chinese corporations appear to make efforts to communicate as neutral as possible in their language, so the long-term trend of rising pessimism

has been partly offset. The last shock in Chinese communications (that is, when corporations are abnormally optimistic or pessimistic) was positive and it happened already more than a year ago, in November 2017 (after the Party Congress wrote the name and thought of President Xi Jinping into the constitution). This shows that Chinese corporations have joined ranks behind their government.





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Photo: Voranc Vogel/Delo



MIRO CERAR PhD

ECONOMIC DIPLOMACY AS A SERVICE TO BUSINESSES

In times of dynamic globalisation, rapid change and ever growing international competition, Slovene diplomacy helps its companies go global. The Slovenian foreign minister Miro Cerar explains why economic diplomacy plays such an important role in Slovenia's economy.

AUTHOR: MAJA CEŠTNIK

MIRO CERAR with Serbian prime minister Ana Brnabić in Ljubljana in February 2018



Photo: Leon Vidic/DELO

E

Economic diplomacy is not a new governmental policy in Slovenia, but it is now on the government's top priority list. It serves as much more than simply promoting Slovenia as economically prosperous. The main mission of economic diplomacy is internationalisation of Slovene economy - this means offering practical guidance and know-how for Slovene businesses going global.

For a long time, different economic internationalisation policies were divided among several ministries, institutions and state agencies. In the wake of Europe's debt and sovereignty crisis, markets shrank and

the government felt the need for a more integrated approach in helping Slovene exports survive the turbulent times.

Uniting different economic internationalisation policies under the Directorate of Economic Diplomacy at the Ministry of Foreign Affairs was at the time of the crisis a move that demonstrated political will to help the strongly export-oriented Slovene economy survive.

The former Prime Minister and newly appointed Minister for Foreign Affairs Miro Cerar emphasises that economic diplomacy must and should always act as a strong service to businesses. "Only with coordinated effort we can achieve efficient transfer of Slovene's economy accomplishments to foreign markets. Ministry of Foreign Affairs is doing everything it can to provide quality support to companies who want to expand their business to foreign markets", explains Cerar.

TOWARDS THE DIVERSIFICATION OF SLOVENIAN EXPORTS

In recent economic crisis, it became apparent that poor market diversification

“Only with coordinated effort we can achieve efficient transfer of Slovene's economy accomplishments to foreign markets.”

was one the main shortcomings of the Slovenian export economy, exposing its over dependence on markets within the European Union. To be better prepared for future economic oscillations, Slovene exports must diversify by entering new markets and industries.

United States, China, Japan, South Korea as well as some Gulf, Sub-Saharan and South American states, are such "new markets", says Cerar, adding the government would support Slovene companies to penetrate those

markets. New industries - such as high technological companies - are the ones the government wants to prioritise because of their added value to the society. "Economic diplomacy will also direct its activities at internationalisation of innovative companies as well as technologically and scientifically advanced companies", explains Cerar.

The Directorate of Economic Diplomacy is also working closely with other state's offices on strengthening the brand I feel Slovenia in order to promote the country as a tourist destination and economic partner.

To better execute all these activities the Ministry needs additional finance and personnel and Cerar confirms the Ministry is already planning to gradually increase the number of economic advisers at consulates around the world.

A less common way to conduct economic diplomacy, is businessmen accompanying highest state representatives, such as Prime Minister or President, on state visits abroad. The challenge, however, is that this type of economic diplomacy works only in some parts of the world. In western democracies, it does not have a real impact especially for SMEs. Information about local legislation, bureaucracy, trends and other useful "tips" are more helpful to medium and small size companies, and embassies and consulates can provide them with practical knowledge when needed. "The lesser the unknowns, the bigger the possibilities for

success. Our representatives at embassies and consulates can be most helpful in addressing any issues as they are familiar with the situation on the ground and its possible implications for doing business", says Cerar.

“Slovenia believes the enlargement policy is the most effective tool for peace and stability in the Western Balkans.”

Economic stability and prosperity of the country and peace and stability in the region have always been in Slovenia's national interest. The country still follows these basic postulates when considering entering different international alliances. It is exactly due to these shared basic principles that Slovenia entered the European Union almost 15 years ago, Cerar emphasises. Now it is also in this respect that Slovenia relies strongly on European Union's common foreign and security policies. "Slovenia, as a small country, is aware that a strong and common foreign and security policy of European Union is in our interest," he concludes.

Slovene diplomacy traditionally dedicates a lot of attention to important and sensitive human rights issues - such as the rights of women, children and elderly. Within multilateral forums, says Cerar, Slovenia is working hard on national minorities issues. It is supporting multilateralism within United Nations and intercultural dialogue. In international climate policies, Slovenia's main interests are closely linked to the country's natural resources. Conservation of bio diversity, forests and waters are the country's top priority.

FOCUS ON STRONG TRANSATLANTIC RELATIONS

Among other top national priorities remains a strong Europe and good transatlantic relations with the USA and Canada. Cerar recently paid an official visit to the United States of America, the first Slovene foreign minister on a state visit to the country in eight years. During the visit, Cerar urged Washington to be more present in Europe. In a comment to this publication, he also emphasised that having a strong economic US presence in Europe is not enough. "It is a fact that partnership between Europe and USA is still irreplaceable for both sides. Political, economic and security relations between EU and USA are unique also on global scale. There are many more things that unite us, than those that divide us", Cerar stated unambiguously. He added that all the current differences on multilateralism and international trade should be dealt with consensually.

"Historical friendship ties Slovenia and the United States", he added further, pointing to close political, economic and defence alliances between the two countries. Economic cooperation continues to grow, with the United States being the third biggest investor in Slovenia.

Slovenia's relations with Russia were seen by some as being better than would be appropriate for an EU member state, but Cerar dismisses the allegation, saying that political relations are in line with the European Union policy. "Slovenia is conducting a constructive dialogue with Russian delegations. To provide transparency



Photo: Shutterstock



Photo: Shutterstock

and strengthen the atmosphere of trust, we need an exchange of opinion on current issues.”

However, Cerar points out that Russia is Slovenia’s important economic partner. Indeed, economic cooperation between the two countries is thriving with an increase in exports and direct investments.

WESTERN BALKANS ARE OF GEOSTRATEGIC IMPORTANCE

Western Balkans is historically important market for Slovenia and Cerar be-

lieves there is a lot of room to further strengthen economic cooperation with countries in this region. A number of Slovenian largest companies have their branches across the Western Balkans but Cerar believes that the government should also help other companies enter the market. “More micro, small and medium size companies should be encouraged and supported to expand to Western Balkans,” says Cerar.

Peace and stability in the region is a top priority and Slovenia strongly sup-

ports European integration of Western Balkans. Following European Commission’s positive opinion on Macedonia and Albania to start accession negotiation process with the European Union, Cerar is firm in his belief that when standards and obligations are met, the EU should be credible and take political decisions. “Slovenia believes the enlargement policy is the most effective tool for peace and stability in the Western Balkans,” says Cerar.

There is much need for cooperation in the Balkan region on many other issues, too. Fight against organised crime and fight against terrorism as well as cooperation on prevention of radicalisation and recruitment of foreign fighters which is also taking place in the region. The Balkan migration route is not closed, therefore managing migrations cannot be one-sided – cooperation among all states on the Balkan route is needed. In all of these respects – from economical issues to security challenges - peace and stability of the Western Balkans is crucial not just for the region, but for Slovenia and Europe as a whole.



MIRO CERAR at the conference on risks and opportunities for Slovenian exports last October, organised by Delo and ISR

Photo: Jože Suhradovnik/Delo



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MODERN WARFARE IN UNCERTAIN TIMES

Under the leadership of the first female head of staff, Slovenian Army's role remains crucial for preserving stability and peace in the Western Balkans.

AUTHOR: FARIŠ KOČAN



Photo: Jure Eržen/Delo



Photo: Bruno Toich



Photo: Tomi Lombard/Delo

T

The dynamic and rapid geopolitical changes have contributed to a new, radical and complex international security environment, in which regional instability and conflicts shake both the eastern and the southern neighbourhood. This paradigm, which can best be described as stabile instability, is something that Slovenia, as part of Euro-Atlantic constellation, can't escape. In the last few years, however, new threats are more sophisticated than ever. Scholars and politicians call them hybrid threats (since they encompass cybernetic risks), which is the reason why the dividing line between peace and conflict is less perceptible. In such times of uncertainty, Slovenia recently appointed a new army chief of staff, Alenka Ermenc, who became the first woman to assume the top military position not only in Slovenia but also in NATO. Alenka Ermenc, who replaced Major General Alan Geder, will face challenges that arise out of a fundamentally changed contemporary security paradigm. Focusing on the region of Western Balkans, Slovenia will continue with its efforts to preserve regional peace.

- Slovenia's military tradition dates to the times of Carantania, the first Slovenian state established in the 7th century.
- Slovenian popular memory still recalls the battles with Turkish invaders which raged between the end of the 14th century and the great victory over Turks near Sisak in 1593.
- In the Austro-Hungarian army, Slovenian regiments and soldiers were highly appreciated and recognised. In 1918, they constituted the base for the first army



Photo: Bruno Toich

in modern Slovenian history, which was composed of approximately 12.000 men. This army defended Maribor, Slovenia's second largest city, and its surrounding countryside, as well as the region of Eastern Carinthia (Koroška in Slovenian).

□ In 1919, the Slovenian army was disbanded and replaced by the Yugoslav army. During the years of occupation between 1941 and 1945, an almost completely autonomous Slovenian partisan army was formed. It was disbanded quickly after the war.

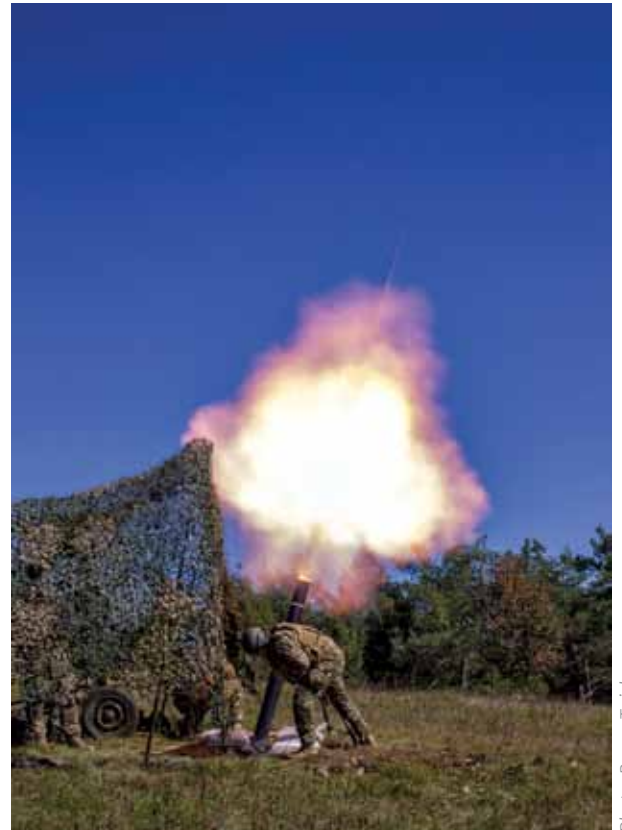


Photo: Bruno Toich

□ In 1968, when the countries of the Warsaw Pact attacked Czechoslovakia, the Yugoslav authorities established semi-autonomous Territorial Defence forces to protect member republics of the federation.

□ In October 1990, in a raid on the headquarters of the Slovenian Territorial Defence in Ljubljana, the Yugoslav People's Army for the first time used weapons against the new Slovenian Armed Forces.

□ The next attempt to impose the will of Yugoslav People's Army was on 23 May 1991, when it unsuccessfully tried to seize the Territorial Defence training centre in Pekre (near Maribor) and take over the conscripts.

□ On 25 June 1991, Slovenia declared Independence. On the same day, the Yugoslav People's Army launched an armed attempt to occupy Slovenian border crossings. The war ended on 7 July 1991 with the signing of the Brioni Declaration.

□ Battle dress is worn by military personnel during all activities and tasks related to military training, as well as during combat assignments.

□ In addition to class insignia for soldiers, non-commissioned/petty officers, officers, and generals/admirals, the Slovenian Armed Forces also use class insignia for junior and senior military specialists.

□ The reserve component of the Slovenian Armed Forces is composed of citizens who have signed a voluntary contract with the Ministry of Defence. Since the abolition of conscription, the Slovenian Armed Forces provide citizens with the possibility of voluntary military service.



Photo: Blaž Samec/DELO



Photo: Tomi Lombard/DELO

□ Since 29 March 2004, when Slovenia joined the North-Atlantic Alliance, the Slovenian Armed Forces have taken an even more active part in supporting international peace.

□ With the Alliance strengthening its readiness and responsiveness, Slovenia continues to contribute to the adjustment of the Alliance command structure and assists the most vulnerable allies in the east.

□ In accordance with the Alliance's unity and solidarity, 50 members of Slovenian Armed Forces are part of the multi-national battalion group in Latvia.

□ In October and November 2018, 250 members of the Slovenian Armed Forces participated in the largest Allied exercise after the end of the Cold War in Norway (Trident Juncture 2018).

□ In 2015, members of Slovenian Armed Forces participated in numerous exercises in Spain, Italy and Portugal.



Photo: Blaž Sarnec/DELO

□ In November 2018, there were 7.469 permanent members of Slovenian Armed Forces and 811 Army Reserve members. 16.5% of them are women.

□ The structure of the permanent members of Slovenian Armed Forces is as follows: soldiers (38.8%), non-commissioned officers (29.6%), officers (16.2%), military personnel (8.8%), and civilian personnel (6.6%).

□ Defence expenditure remains at around 1% of GDP. By 2023, the spending will increase by an average of 43 million euros to reach 679 million euros (1.11% of GDP).

□ By 2024, Slovenian Armed Forces plan to establish its first mid-battalion battle group.

□ Slovenia participates in 12 international peacekeeping missions under NATO, the EU, UN, OSCE, and other international frameworks. 350 members of Slovenian Armed Forces have participated in the NATO Enhanced Forward Presence Battle Group in Latvia.

□ With more than 5% of the permanent composition of the Slovenian Armed Forces, Slovenia is among NATO allies with the highest percentage of deployed soldiers.

□ The most demanding missions in which the members of Slovenian Armed Forces participate are in Afghanistan, Iraq, Mali, and Lebanon.

□ The largest number of deployed members of the Slovenian Armed Forces are recorded in Kosovo (241), while the smallest number is in Ukraine (1) under the OSCE Special Monitoring Mission.



Photo: Bruno Torčič



Photo: Jure Eržen/Delo

PERŚISTING ALLURE OF THE WESTERN BALKANS

W

What developments in 2019 are likely to make a mark in the Western Balkans?

The Western Balkans lie very much at the intersection of different interests, economic, political and social. What will happen in the region in 2019 will be a very specific and local reflection of global economic trends and tensions between major global players. In this sense, Western Balkans will be very much affected by the rise of populism, protectionism, and US president Donald Trump's agenda in general, in addition to the long-standing Russian ambitions, decreased levels of trust in the EU, and general economic slowdown. These global trends will result in risks particular to the region.

We can already see the rise of populism resulting in rising tensions between different national communities. Serbia and Kosovo are stuck in increasingly conflicting bilateral relations. Even in Macedonia, where hardliners lost the last election, we can see the highly ambiguous results of a referendum being exploited by populist forces.

The most important factor is prob-



Photo: Leon Vidic/DELO

His business is taking risk off businesses. After a career in re-insurance and a stint as head of Slovenia's insurance watchdog, Sergej Simoniti is the CEO of Sid – First Credit Insurance Company, the country's leading credit insurance provider. Here, he is sharing his experiences on the risks in the Western Balkans, and his expectations for 2019.

AUTHOR: JURE STOJAN DPhil

ably the declining trust in the EU and its institutions. The EU accession process has been the strongest common denominator, in some cases the only one, between these countries. Now with the EU crisis, connected with Brexit, migration flows etc., there is a growing frustration with the EU. In some cases, EU leaders are even heaping fuel to this feeling of resentment. For example, Angela Merkel only visited Macedonia in order to give

support to one side before the recent referendum on the country's name. Speaking with locals, I have heard lines like: 'We're only interesting to Merkel when the EU wishes to meddle in our internal affairs.'

The next factor is that the region has been heavily burdened with migration issues in the past few years, resulting in populism. The region has not been known for its tolerance lately, and it has been increasingly taking hints from Hungary, Austria, the Czech Republic, Italy, and other hardliners on migration issues.

And, of course, there is also Russia, as probably the US as well, albeit to a slightly lesser extent. Both powers are trying to turn the instability in the region to their own advantage.

What are the main risk factors for the companies in Western Balkans?

Taking the region as a whole, I believe that we will see a slowdown in all the attempts put in place so far towards integrating the markets of the Western Balkans. Secondly, I fear that trade between the countries of Western Balkans will be burdened with more customs, tariffs and similar protectionist measures arising from heightened political tensions. Basically, countries in the region are working on increasing isolationism.

What can be done to mitigate the risks?

There are several things that investors or exporters can do to mitigate the risks in the Western Balkans. Firstly, there is diversification. Because of the small



size of these markets, it is not uncommon for exporters and/or investors to rely on a single local partner. With the possibility of a change in government, the balance of power in local economic communities may change, and the local partner may no longer be the best choice. The businesses should try to work with more than a single local partner, and to be active on more than one market in the region. The business case for entering the Western Balkans should be robust enough to weather a local storm.

Secondly, by entering the Western Balkans, there is high probability of incurring compliance risks in these markets. These risks might be purely local but may also show up in the home country of exporter or investor. I am not only speaking about corruption, which poses a significant risk but, in my opinion, not as widely spread as believed. Jurisdictions in these countries have, in some cases, extremely complex legal frameworks stemming from the socialist past, from ad-hoc local legislation, and the real or perceived requirements of the EU, IMF, or some other player in the international community. Furthermore, courts and regulators usually have very specific views on how to interpret such conflicting regulations. It is very hard to navigate in such legal environment and any mistake, which is bound to happen because of conflicting regulations, can be used by competition or by other stake-

holders. My advice is to be as transparent as possible when talking to the local regulators and not underestimate the value of local legal advice.

“Experiences from a holiday on the Adriatic coast from thirty years ago are no longer valid for mitigating risks in 2019.”

Thirdly, businesses exporting to the region should protect their financial interests by using the standard instruments offered by professional providers in the financial industry. I am coming from the credit insurance industry, but I believe what I am saying is also the case with other instruments. For example, if a Slovenian business exports to the Western Balkans, trade-credit insurance covers the losses of non-payment by local buyers. We can afford to underwrite such risks because we have built vast business intelligence machinery to properly evaluate such risks.

Last but not least, probably the most important risk-mitigating tool is to have a healthy respect for the local communi-

ty: business partners, clients, regulators, governments, court system, competition and the general public. Experiences from a holiday on the Adriatic coast from thirty years ago are no longer valid for mitigating risks in 2019. Furthermore, just because a country has ambitions to join the EU, it does not mean the EU law or business practices are already observed. Investors must communicate with local stakeholders as much as possible, understand what their interests are, and try to align those with their own.

Are there any unrealised potentials in the region?

I might sound pessimistic but I see the prospects for the region as bleaker than a year ago. However, I do believe it also presents some rare opportunities for investors and exporters.

Firstly, most of the region is still vastly underserved with products and services. In this sense, Western Balkans are probably the region closest to the EU where we can still expect organic market growth across many market segments, both products and services. In this respect, I see a big potential in the region. Moreover, the Western Balkans are easily accessible from the EU.

The biggest challenge is probably how to cover a diversified region of many different jurisdictions with some common platform, and how to achieve economy of scale. A company can achieve a valuable niche position as a supplier or an investor if it positions itself properly and makes sure it has a viable business model for serving such markets.

I also see great potential in tourism. We see a veritable tourist boom in Ljubljana, Zagreb, Belgrade, on the Adriatic coast and elsewhere. However, I believe the whole region could be very interesting for leisure travellers. The region is still perceived as relatively safe and it can offer very diverse attractions for modern tourists, hungry for alternative and new experiences. Nevertheless, much investment into infrastructure is needed, and potential ethnic and political tensions might drive the tourists away.



INTERVIEW: KATJA GERŠAK

SUPERPOWERS VIE FOR INFLUENCE IN A FRAGILE REGION

W

What are the risks for countries in Western Balkans?

In the long run the biggest risk for countries in Western Balkans is that they will become a region where powers will compete for political and economic influence. Western global predominance is on the wane. The center of global power is moving east to China and Russia has become our strategic competitor in the region. Turkey is also exerting its influence and China is looking at various maritime ports in the Balkans as an alternative route to enter Europe.

Weak economies, corrupt political establishments and volatile relations make countries in Western Balkans more vulnerable to foreign interference. Russia, always interested in access to warm waters, would like to see the EU and NATO weakened, thus has an interest in sowing instability in the region. Turkey, another rising regional power is interested in strategically projecting power in the Balkans, especially in BiH



Photo: Centre for European Perspective

Katja Geršak, Executive Director at Centre for European Perspective discusses current risks in the Western Balkans and European perspective of the region.

AUTHOR: JAN TOMŽE

and that could come at the expense of EU influence (depending on Turkey's relations with the EU). China does not yet have any strong political interests, apart from trading routes, but these are likely to develop as China and Russia are bound to become strategic competitors in the coming decades.

How important is the European perspective for the countries in Western Balkans in managing those risks?

I believe the EU is still 'the only game in town' for the Balkan region. The Europe-

an perspective is vital for prosperity and stability of this region in the coming decades. The EU's focus on good governance and its large market are crucial for the development of Western Balkan countries. The more integrated these countries are, the more stable the region, and consequently Europe, will be (this is of course preconditioned on Western Balkans taking responsibility to reform their corrupt political structures).

Does the EU have a strategic and decisive approach in the dialogue with Western Balkan countries? Do you see any leverage that could reduce risks, such as security risks or growth of nationalism, where negative consequences could transcend beyond the region?

From geostrategic point of view NATO and EU integration are very sound moves for security of the Balkans and Europe as a whole. And looking at it very pragmatically, the EU should speed up the integration of the region and start addressing the hard issues one by one within the process of negotiating each chapter. Europe is tied to Western Balkans geographically, but for our own future security, and I'm speaking as a Slovenian here as well, we also need to strongly tie the region to the EU economically and politically.

Centre for European Perspective is based in Ljubljana, Slovenia.

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ONE STEP CLOSER TO BALKANS FREE OF LANDMINES

Landmines – the silent killers laying in the ground, waiting in secret to harm the lives of people, are finally being removed in the Municipality of Ilidža near Sarajevo, Bosnia and Herzegovina (BiH). During the war years between 1991 and 1995, Ilidža was heavily affected. The locals found themselves caught in the middle of a tragic armed conflict, which left serious consequences and limited opportunities for the future. Among them, landmine contamination.

A

Twenty years ago, the international community stepped in, with non-profit organizations like Slovenia's ITF Enhancing Human Security providing help with funds and expertise. Since then through 48 projects of demining just in the Ilidža municipality near Sarajevo, over 570 mines and 300 ordnance were found. Then, last November, the area was declared free of mines.

In the struggle to free BiH from mines, Ilidža gives a reason to celebrate. The Mayor of Ilidža, Senaid Memić, hosted a group of BiH government officials, am-

bassadors of several foreign countries, and representatives of non-profit and humanitarian organizations that have worked together in the area since the late '90s. After a total 17.5m² million square meters in this municipality alone had been contaminated during the four years of war, the area took almost twenty years to clear. Now, the task is completed. Between 1998 and 2018 more than 3.5 million dollars were raised for the municipality of Ilidža just through ITF (with key donors being the Municipality of Ilidža, United States of America, Norway, Germany, Belgium, the project Adopt a Minefield, and Ministry of Urban Planning

MINE RISK
EDUCATION
in Bosnia and
Herzegovina

and Environmental Protection - Sarajevo Canton), with which over 8.1m m² of mine-suspected and contaminated land was cleared. Ambassador Tomaž Lovrenčič, ITF director, stated: "Each of this explosive ordnances was a dangerous threat to the locals and the visitors, and now they are gone. Ilidža is a case of excellent work in humanitarian demining, with ongoing support from donors, which resulted in greater human security. At ITF, we look at this achievement with great pride."

BOŠNIA AND HERZEGOVINA IS AN ONGOING PROJECT

The reality of landmines and other unexploded ordnance (UXO) preying on human victims is, more than twenty years after the end of armed conflict, still a part of everyday life in BiH. Mines and minefields still hinder socio-economic

Around
2%
of the territory of BiH is still
suspected to be contaminated
by mines





Photo: Arne Hodalič



MINE DETECTION
DOG AT WORK

Photo: Arne Hodalič



development and prevent a steady and continuous post-conflict reconstruction in the country.

Around 2% of the BiH territory is still suspected to be contaminated by mines, making BiH the most mine-affected country in Europe, and one of most mine-contaminated countries in the world. Around 75,000 mines and UXO still remain in the ground, and 500,000 residents live in affected communities.

MINE VICTIMS REMAIN EVEN AFTER THE MINES ARE GONE

Mine Victim Assistance is of growing importance, so further funding is crucial to address this problem. Explosions have many damaging consequences - terrible physical injuries and deaths, as well as psychological traumas on victims and their families. After the land is cleared of mines, victims remain. They face many

difficulties in returning to normal life. The infrastructure and system capacities that could provide them with help are, many times, very limited, or difficult to access.

Most of the victims are men (84 % in 2016 worldwide). Many times, they are their families' sole providers. This is why mine accidents have dire consequences for entire families.

"Because of physical and psychological traumas, the victims are limited in their involvement in society," say Lovrenčić. "They have difficulties finding work and can be stigmatised. Without proper support, civil population can remain disabled for decades." That is why victim assistance is vital even after an area has been cleared of mines, he adds. "Mine victim assistance takes into account the long-term perspective and must be a part of public policy, especially in health, education, employment, etc."

THE FUTURE FREE OF MINES

Armed conflicts in South East Europe during the 1990s and the early 2000s had also affected Albania, Croatia, former Yugoslav Republic of Macedonia, Serbia, and Montenegro. Landmines are not the only remnants of war to threaten human security. Ensuring a safe and reliable storage of weapons and ammunition is an equally important segment of ITF's work of ITF in these countries.

"Clearing the region of landmines is an objective which we are working towards with our donors", say Lovrenčić. "But the region still has a lot of other security issues to deal with. We have to address the risks of poorly-secured and deteriorating stockpiles of weapons and ammunition, while mostly helping people to facilitate safe, long-term development, and to build resilience in affected countries".



Photo: Žiga Živalovič / BOBO



2

Photo: Arne Hodalič

1 A DEMINER working in the mountains surrounding Sarajevo

2 ALBANIA The photo shows remains of the series of explosions in a weapons facility in Gerdec in 2008, which left 10 people dead and over 200 injured.



3

Photo: Arne Hodalič

3 AFTER THE LAND IS CLEARED OF MINES, life returns to old tracks from before the war. The land is used for farming, and people are again creating new opportunities for the future.

AMBASSADOR
TOMAŽ
LOVRENČIČ,
ITF director



Photo: Borut Živalovič / BOBO

ABOUT ITF

ITF Enhancing Human Security (ITF) is a humanitarian, non-profit organisation specialising in landmine clearance, the eradication of explosive remnants of war, and in other impacts from conflict. Established by the Slovenian government in March 1998 to help Bosnia and Herzegovina in the implementation of the peace agreement and to provide assistance in post-conflict rehabilitation, ITF today has a wide scope of activities in various geographical areas. Taking into consideration both the needs of beneficiary countries and the priorities of donor community, ITF is addressing many different aspects of human security and post-conflict rehabilitation, including risk education, surplus arms reduction, and capacity building.



B
E-MOBILITY

RACING TOWARDS AN ELECTRIC MOBILITY FUTURE

While newspaper headlines are mostly evoking doom and gloom scenarios for humanity's lack of action on combating climate change, behind the scenes there are already a lot of initiatives tackling this very threat.

AUTHOR: MAJA DRAGOVIĆ

T

Take e-mobility. Tesla's at the forefront of driving the transition to electric cars but other renowned car manufacturing brands are catching up. BMW has recently announced its investment in new electric and autonomous technologies could reach EUR 7bn in 2018, almost EUR 1bn more than it spent last year. By 2025, Volkswagen plans to build and sell up to

3 million electric cars per year. But when it comes to e-mobility, production of electric cars is not enough to help reduce the greenhouse effect - changing our travelling habits and our mindset about car ownership is a huge part of the deal.

"At the moment, having a car is a lifestyle, a status statement but this is changing," says Miha Valentinčič, director of innovative business models at Petrol, Slovenia's biggest energy provider. "For younger generations getting a driving license and a first car is not as important as it was for us. Now it is more about optimising and making the most of the things that are really important in your life."

"We are in the middle of the third mobility revolution and we are fortunate to be living through this transition", adds Valentinčič. Petrol has fully embraced the revolution, becoming involved in a variety of projects to prepare for the future.

PREPARING THE MOTORWAYS

In the NEXT-E project Petrol partnered up with its competitors E.ON, MOL and Hrvatska privreda in Croatia, as well as BMW and Nissan, to set up the infrastructure for electric cars on the motorways along the Central European corridors. The project involves placing fast and ultra-fast chargers on petrol sta-

Preparing cities for e-mobility is a priority since electric cars are more likely to be prevalent in urban areas than on motorways



Photo: Shutterstock

tions that can charge a car in 15 minutes or less to be able to drive for 150km.

The company is also the coordinator of the Multi-E project aimed at electrifying urban and regional bus routes and launching mobility with supporting infrastructure and IT platform. The project includes the Baltic-Adriatic corridor, with an extension to Zagreb along the Mediterranean Corridor, and the Rhine-Danube in Slovakia. It involves a deployment of publicly accessible electric and CNG recharging networks for a variety of urban and corridor travel needs with 16 CNG stations, 24 Ultra Chargers, 349 AC chargers, 5 charging hubs and 6 e-bus charging stations, for a total of roughly 1,000 supply points. In the city of Ljubljana, Zagreb and Koper almost 1,000 electric cars will be deployed for car-sharing or e-taxi services.

“With this project, the region will see the biggest number of electric cars deployed on the streets of its cities while

simultaneously be well prepared for it,” says Valentinčič.

URBAN DEPLOYMENT

So, in the near future, preparing cities for e-mobility is a priority since electric cars are more likely to be prevalent in urban areas than on motorways. That is what the URBAN-E project, headed by Petrol, aims to do. In fact, this is the first project where the EU will finance the whole urban-e mobility concept, not just the setup of the infrastructure. In the project, Petrol partnered with several cities,

including Zagreb and Ljubljana, as well as Slovenian railways and GoOpti, a car transfer service.

The first phase includes placing hundreds of AC chargers with 22Kw capacity around the cities. ACs charge a car for 8-9 hours to enable it to drive a distance of 100-150km. Once the first phase is completed, the company will embark on establishing mobility services. This will include providing cars and e-taxis to transport people from the airport to the city, from the train stations to the airports or to the city centres. This is about giving passengers an option to use different types of zero-carbon emission transportation when travelling from A to B.

“For example, to get to work, one might start with a bicycle, then use a train, and then change to e-taxis”, says Valentinčič. “To plan this type of travel, you need to reserve your transportation, vehicle or method and, of course, you need to pay for all of it. For that,

ACs charge a car for
8-9 hours
to enable it to drive a distance
of **100-150km**



Photo: Petrol archive

you need a great tool, an intermodality platform like a mobile app.”

That is the third part of the project – developing digital services that will support the future mobility. “The idea is that a mobile app or a portal will have all the data about the public transportation and also information on alternative model of transportation like e-taxis, car sharing, ride hailing, electric bikes and so on,” Valentinčič explains.

The pilot will run until 2022 and will include up to 50 electric cars and about 6 mini vans in each of the cities involved. The aim of the project is also to develop algorithms and work out how to run a fleet of e-cars in an economical way, how to charge them, and position them around the cities.

A WINDOW OF OPPORTUNITY

Switching to electric mobility is a great opportunity for energy businesses, Valentinčič says. “The energy use for transportation and the classical energy business such as power have in the past been two different worlds. Now, with electric vehicles, we have direct connections.”

There is a lapse
between when we
need the power and
when it is produced
electric cars can help
close that gap

Currently the biggest problem with renewable energy is that there is a lapse between when we need the power and when it is produced. Electric cars can help close that gap, explains Valentinčič. “We need storages and an electric car can be a great storage, too. At certain times it can take the power from the grid or from the roof of the home – from photovoltaics. At other times it can provide electricity from the batteries to the grid or to the heating pump.”

“Here we have a chance to reinvent business models on this new possibility.”

And Petrol is certainly not wasting time. In the last few years, the company has added 300 employees to its workforce, and those are mostly engineers, mathematicians, physicists, meteorologists, and IT experts.

“We are expanding the staff proposition to prepare for the future”, says Valentinčič. “We are also putting a lot of resources in the renewable power production because, if we are talking about the green mobility, we have to know where the energy is coming from. If we continue to use traditional fossil fuel power plants, then we are not doing anything to protect the Earth, we’re just changing the place where the pollution is happening.”

The EU has recently published its latest strategy that sets out to achieve net-zero emissions by 2050. While some believe it to be quite ambitious, there are a lot of companies out there such as Petrol with the right vision who are willing to adapt, expand and take on the challenge to ensure that such ambitious plans achieve their target.

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INTERVIEW: JULIEN MARCILLY

EU MEMBERSHIP SHIELDS FROM POTENTIAL ECONOMIC RISKS

Chief economist at the insurance company Coface discusses current risks in the business markets and impact on Slovenia and the Western Balkans.

AUTHOR: JAN TOMŽE



Photo: Jože Suhadolnik



Slovenia is predominantly connected to the EU market. In terms of new opportunities, what are in your opinion the biggest risks Slovenia could possibly face in unfamiliar markets?

Today business currents are facing very different and very significant risks in the emerging economies. The first one is due to political uncertainties in an increasing number of places. At Coface we have built our own indicator which is showing a global increase in this respect. For example,

businesses that want to export to emerging markets in some cases face problems of repatriating profits due to currency issues. This is also part of protectionism that is right now gaining momentum which can be issue for businesses that are used to exporting to certain places. There are also some risks that are always present when contemplating export to less familiar countries, such as corruption, risky business environment, sometimes lack of information on some businesses and lack of reliability in local judicial system.

What is in your opinion the best way to tackle those risks?

We try to offer solutions in our country assessment where we include the macroeconomic environment, our payment experience, our assessment of political risks, and our assessment of the business environment. Regarding the business environment, we ask our credit analysts in each country very basic questions about

“At this stage protectionism is not a key risk for businesses in this area.”

business. For example, in Slovenia we ask them if businesses publish their financial statements. If so, do they think these statements are reliable or not. If I have a problem with a customer, can I get reparation through judicial system or not. We try to combine a lot of these to get an assessment on a country.

Can you name any countries outside the familiar markets that might be a good opportunity for Slovenia to cooperate with?

I think there are still a lot of places in the world where markets are doing well

and the level of risk is not really increasing. Southeast Asia is one such opportunity. Similar opportunity is also Sub-Saharan Africa.

With protectionism becoming ever more prevalent, how is it going to impact investments in countries such as Slovenia and other ex-Yugoslavia countries that altogether comprise a market of 20 million?

At this stage protectionism is not a key risk for businesses in this area. It is due to the fact the risk mainly comes from the US. Unless businesses export a lot to the US, this is not a big risk. But there are some concerns the risk could spread to the rest of the world. The good news is that EU acts like a shield. For those who export a lot to the EU, they are protected from protectionism. However, if protectionism spreads to the rest of the world this could be one more uncertainty for businesses. On a global level, we have seen more and more businesses being seriously worried about protectionism meaning they are postponing invest-

ments and this trend could continue in the coming months.

How do you perceive the business environment in Slovenia and the rest of the Western Balkans?

Slovenia has a pretty good assessment with quite a low risk for business which is very much in line with the country's good macroeconomic environment. Banking issues have been resolved quite fast. The economic catch-up with the rest of the European Union is not completely done which is good news in the short-term as there is still room for improvement.

In one of your tweets you said: "Good times come to an end for businesses in Central and Eastern Europe, because of labour shortages, strong competition, higher oil prices and less dynamic demand in the Euro area." This includes Croatia and Slovenia. How serious is this problem?

In Central and Eastern Europe we have crossed the peak of the cycle. Growth has been very good in the recent years, so

there are, in some cases, signs of overheating meaning that labour shortages are starting to become an issue for an increasing number of businesses. But I would say this is a good problem to some extent. In certain Western European countries, including France, we are currently facing very different problem. Businesses in Central and Eastern Europe are facing very strong competition today so their profits can be hurt, but all in all the outlook in the region remains quite good.

What is your take on Slovenia as a hub for investors looking to expand to other countries in former Yugoslavia?

It is a pretty good opportunity due to Slovenia's knowledge of the market - information is very important, especially regarding credit insurance. Slovenia has quite favorable business environment compared to its neighbours so it can definitely be a hub in this regard. In some sectors, for example the automotive sector, it is already becoming a hub as some companies have already invested in Slovenia and profited from its business environment.

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THE FUTURE OF BANKING: TECHNOLOGY WILL TAKE OVER MANY TASKS, BUT NOT HUMAN ADVICE

T

Technological development we have been witnessing in recent years fundamentally changed many industries and the way of doing business. This includes most traditional industries, such as banking, that have not changed in decades. Digitalisation, however, is transforming the industry in a way that was unimaginable only a few years ago. Once mandatory visits to a branch are gradually being replaced by web and mobile applications that offer an increasing number of services. When banks contemplate customers of today, they have in mind a digitally literate, informed and an increasingly demanding client, who expects a service that suits his or her needs and habits.

Banks around the world are becoming more aware of the importance of digitalisation. In the last year alone, tens of billions of dollars were invested in the sector's technological development. Those that have adjusted quickly are already seeing positive outcomes. Bank of America, for example, now has more deposits via mobile channels than at banking branches. Investing in digitalisation has been proven to be a good strategy as it also achieves greater customer satisfaction, says the bank's executive director Brian Moynihan.

B

DIGITALISATION IN THE BANKING SECTOR

Banks of the future will become platforms where customers will receive comprehensive solutions in one place.

AUTHOR: JAN TOMŠE

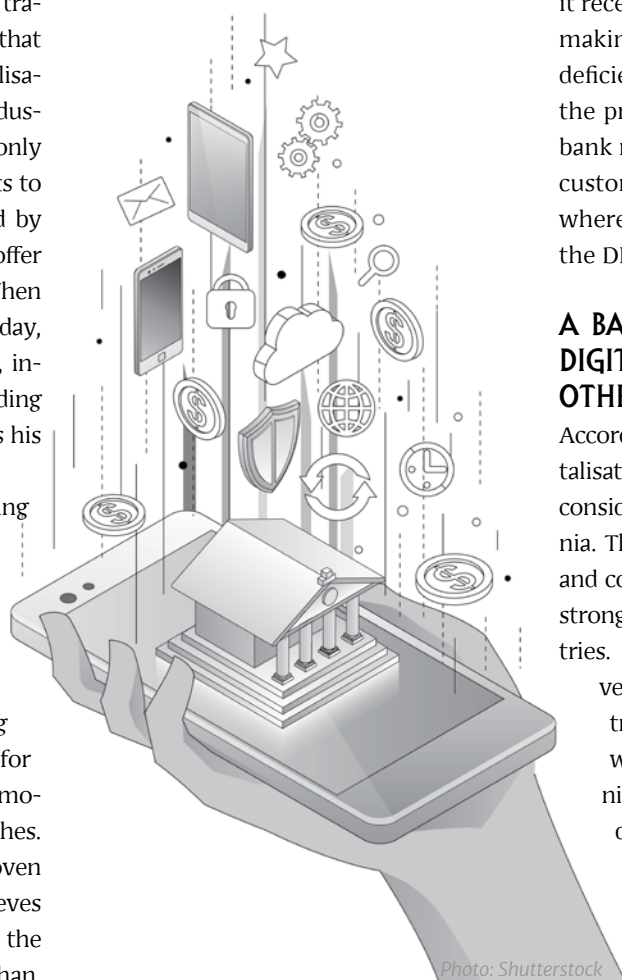


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The most digitally advanced banks today offer most of their services in the form of online and mobile banking. Euromoney survey, which analyses banks around the world and lists the best each year, has confirmed that more digital services mean a more efficient business model. DBS, the Singapore bank, which, according to Euromoney's choice in 2018 makes the best use of digitalisation in the world, is focused on disruption and technology, and their approach is highly technological. New digital products are first introduced in beta versions, tested on a limited market where it receives exhaustive feedback and after making improvements and eliminating deficiencies, the bank then implements the product as part of its services. "The bank needs to offer useful services to its customers, otherwise they will go elsewhere," says Piyush Gupta, director of the DBS.

A BANK THAT IS ONE DIGITALISATION STEP AHEAD OF OTHERS

According to a Deloitte survey on digitalisation of banking services, there is still considerable room for growth in Slovenia. This is due to the fact that pressures and competition in the market are not as strong as in some other European countries. Nevertheless, several banks in Slovenia are successfully following global trends.

At the very top is NLB, a bank with the largest share in the Slovenian market. E-Laborat conducted independent research last year, where they analysed websites, mobile sites and online banks in terms of functionality and content.

The results showed that NLB

is ahead of others, thanks to KlikIn's digital service. Following international trends, the bank successfully uses advantages of digitalisation and puts new and improved versions on its platforms. NLB is also the only bank to receive better results than the foreign average in the analysis of websites and can compare the quality of its mobile platforms with the quality of other foreign banks.

KlikIn Mobile Bank offers the most content and functionality and provides the best user experience. In addition, it belongs to a group of mobile banks that provide the most ways of interaction between clients and the bank. NLB is the only bank that provides online chat and video calling with a specialist via a mobile bank, 24 hours a day, every day of the year.

(From the E-Laborat research, 2018)

"In the development and digitalisation of KlikIn's mobile and online bank, we consider two things", says Tanja Piškur, director of development and sales management at NLB.

"First, we know our customers and we know what they want, so we offer solutions according to their needs. And second, we know where we want to bring the customers in the future. When we first introduced contactless payment on the market years ago, consumers did not know about it. Today, we find that contactless payment is very well received. The clients have their own needs, but on the other hand, as a bank, we shape these needs by introducing useful innovations to the market."

According to Piškur, the same will happen with NLB Pay service, which enables payments with a phone instead of a card, and can be used by clients in the same way as the card. "Now it's a novelty, but in two years time this kind of payment will be quite normal. We therefore respond to the needs of the clients, which we try to understand as much as possible. But at the same time, we strive to create needs while following the most advanced trends in the world."

USE OF ATMS AND GOING TO A BANK IS STILL COMMON, BUT DIGITAL SOLUTIONS ARE INCREASING

It is critical that banks understand their customers' needs. In its latest analysis of digital banking, Deloitte notes that its popularity in the world is rising rapidly. Consumers still use ATMs and visit banks regularly, but the use of mobile and online banking services is increasing. In a survey conducted on a sample of nearly 14,000 users of banking services, Deloitte found that almost half of all are so-called online consumers. They are characterised by the fact that they use online and mobile banking primarily to review the balance on the account, pay the bills and transfer funds.

A key challenge for the banks will be to combine digital and traditional parts into an integrated experience that will offer the best of both worlds

For more demanding banking tasks, such as taking a loan or financial advice, most mobile and online banking users still use traditional approaches, notes Deloitte. Piškur says that NLB is aware of this, but when it comes to small amounts, users want the convenience that intelligent technological solutions can offer. Within its KlikIn platform, NLB was the first bank in Slovenia to develop and offer the possibility of a quick loan. "A loan without a visit to a branch is what other banks generally do not offer," adds Piškur. Customers can get a loan within a few minutes. The money is transferred to a customer's account literally immediately."

"There are several consumer profiles and we have specifically developed this



TANJA PIŠKUR, director of development and sales management at NLB

service for those consumers who do not want to visit our branches."

Equally important are solutions that banks develop for their business users. Most advanced digital banks in the world are aware of this and the NLB is no exception, stresses Piškur. The bank focuses specifically on small and medium-sized enterprises, which it had in mind last year when it upgraded the online KlikPro Bank with the possibility of a quick loan and overdraft. Companies also have the possibility of video calling and online chat. "With the aforementioned services, we are among the leading banks in the field of digitalisation on the markets where we are present. These services are being introduced by our subsidiary banks in Serbia, Macedonia, Bosnia and Herzegovina, Montenegro and Kosovo - and thus successfully adapt to market conditions," explains Piškur.

THE BEST CONTINUE TO ADD TO THEIR SERVICES IN MOBILE AND ONLINE BANKING

Studies confirm it makes sense for banks to offer as many useful services on digital platforms as possible. These have shown that increasing the number of services available increases trust and frequency of using mobile and online banking. Data shows that most advanced banks today offer up to 90% of their banking services on mobile platforms and online.

In addition to transaction functions and balance information, these also include enabling electronic signatures, additional offers, good web integration and access to a bank consultant via mobile application. "NLB is the only bank in Slovenia that enables online chat and video calling with an expert through a mobile bank, 24 hours a day, every day of the year," stresses Piškur.

An important role for increasing the use of mobile and online banking lies also in the quality of security solutions in digital banking. Risks related to cyber security are now at the top of the scale of risks in financial sectors, which are strongly founded on trust. Research shows the awareness of cyber risks is still relatively low, not only in Slovenia, but also in the wider European area. However, according to Piškur, NLB pays special attention to security risks - from the first step when they start thinking about the new service, to the performance and presentation of the product on the market.

"NLB manages its risks very well", states Piškur. "The fact is that the more we become global and technologically advanced, the more we are vulnerable and there is more possibility that something could go wrong. Therefore, it is very important that we have systems in place to check in advance potential vulnerabilities of the solutions that we are developing. To determine whether or not there are any open windows and that these windows can be protected at all times." Hence, the bank has security in place both during the development process and the production itself, she adds.

FUTURE CHALLENGE: HOW TO CONNECT THE DIGITAL AND TRADITIONAL PART OF THE BANK

The Boston Consulting Group highlights that in the future, a key challenge for the banks will be to combine digital and traditional parts into an integrated experience that will offer the best of both worlds. Banks will have to think even more about their distribution models, about the value they will offer to customers, on how to

“Technology cannot replace people with whom you can talk, emphasise with, be listened to. That is even truer for banking, which is based on trust.”

provide a comprehensive experience, at the heart of which will be the customer. The challenge for them will be the connection of digital and traditional services into a comprehensive system that will allow customers to coordinate multi-channel experience, from connected mobile and online to traditional banking and call centres. The digital experience will respond to the needs for speed and convenience. The human experience will be a solution when customers need advice on more demanding tasks, for example when making investments or mortgages, or when they have a problem or a complication occurs, predicts Boston Consulting Group.

Piškur agrees and adds that, in the future, technology will take over certain business tasks, while others will remain in the people's domain. "Bots, for example, will assume tasks in contact centre in the future, where automation and technology can get the job done. But people will continue to be present on the consulting side. This means a shift from the

transactional part, which means a lighter, technologically feasible part, to an advisory work that will remain personal."

According to Deloitte, human contact will remain when important decisions are to be made. "Technology cannot replace people with whom you can talk, emphasise with, be listened to. That is even truer for our business, which is basically based on trust," believes Piškur.

TRADITIONAL BANKING SERVICES WILL ALWAYS BE AROUND, BUT BANKS WILL ALSO BECOME PLATFORMS WITH USEFUL LIFE SOLUTIONS

Piškur sees the future of banking as much more than just a mixture of digital and traditional. She emphasises this will primarily include providing comprehensive solutions not only in the form of products but also things that customers need, such as business services, notary services, and equipment purchases – areas where customers need a lot of time to sort out, because they have to make numerous calls, visit locations, and so on.

"Nowadays things are regulated at different ends and separately. In the future, these services will be available in one place. Once we establish such solutions and we do not offer just banking services, it's much easier for everyone. We get a one-stop shop, one platform where customers can arrange everything. An additional advantage is that this does not bring higher costs due to all services being in one place. By linking into partnerships, we can gain from economies of scale and offer customers solutions at more favourable prices."

What will be the future of the banks' core business? Banking will remain the core business but digitalisation will push it to the next stage, Piškur believes. "By this I mean relationships with other service provider will have to be strengthened. This will be done in a way that within the business segment you will find a participant who will be a true partner and will launch an initiative. Other partners will follow and build useful platforms, which will in turn offer customers exactly what they need.

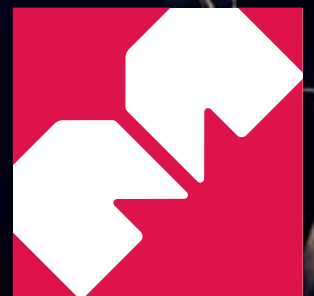


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POOR LEGAL FRAMEWORK KEEPS FOREIGN INVESTORS AT BAY

E

Egon Zakrajšek, senior adviser and a member of the Federal Reserve Board (Fed) in Washington, warns that the global environment in 2019 can be marked by potential negative scenarios that could have a significant impact on global developments in markets: chaotic brexit, trade tightening between the US and China, a slump in China's real estate bubble, and also a recession is an always possible option.

Zakrajšek sees the Western Balkans as an above-average exposed region, which has several geopolitical and economic challenges ahead. A political uncertainty and related political instability is one of them. This is present to a certain extent today in Serbia, and even more so in Bosnia and Herzegovina, Macedonia, and Kosovo.

Other problems include improperly established legal framework, such as insufficient regulation of property rights that largely lack sufficient guarantees to be able to attract foreign direct investment. "As an investor, you have to be sure that what you have bought really becomes your property," says Zakrajšek. "This is one of the serious problems in some countries of the Western Balkans, as it is causing a



Photo: Centre for European Perspective

Western Balkan countries need to put more effort into attracting foreign capital to help strengthen their economies.

AUTHOR: JAN TOMŠE

setback in terms of foreign direct investments." Some countries in the region do not have enough of their own financial capacity that is needed to incentivise domestic consumption and boost their economies. "These countries need know-how brought by foreign direct investments in different industries due to long-term positive effects these investments have on the economy," explains Zakrajšek.

ATTRACTING FOREIGN KNOW-HOW

"With a normal, transparent business environment that has reasonable taxes and expected stability for investors. These countries need a so-called slow-moving capital, not instant investors, who quickly collect their money and leave the country," Zakrajšek warns. In this regard, long-term structural reforms and stable governments with the necessary competence

to carry out proper reforms are important. "Countries need to be aware of the need to invest in infrastructure - roads, railways, telecommunications, networks ... all of which contribute to openness, which attracts foreign private capital."

Another problem are so-called "national champions", the ineffective state-owned companies that would be best to get rid of, Zakrajšek indicates. "They are exhausting budgets, which has a long-term negative effect on the business environment."

In spite of all this, Zakrajšek sees one of the countries far ahead of the others. "Slovenia is small, but this is an advantage that can be used. It can become a springboard for this part of the world. In exercising its role in the Western Balkans in the past years, however, Slovenia could have been more ambitious and aggressive. Especially after the adoption of euro, it would have been possible to make an even better use of its comparative advantage over others in the region" says Zakrajšek. He adds that a relatively large number of innovative Slovenian companies, many of them family-owned, could have been also more ambitious in using their knowledge and advantages to penetrate foreign markets. "I'm talking about aggression. The mentality of the people who run SMEs could be more ambitious. These companies could show more aggressive entrepreneurship," Zakrajšek points out, adding that it all comes down to a question: "Why would not more Slovenian companies become multinationals?"

Egon Zakrajšek's views expressed in this article are his own and do not reflect the views of the Federal Reserve Board

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BATTLING GREENHOUSE EMISSIONS WILL BE HARD WITHOUT NUCLEAR ENERGY



Scientists are warning that immediate action is necessary to minimise the impact of climate change, with the increase of energy production from renewable sources being one of top priorities. Aleksander Mervar, CEO of ELES, Slovenia's electricity transmission company, however, says that switching to renewable energy will be difficult. And not just difficult – reducing greenhouse emissions will be almost impossible without nuclear energy. Though tackling challenges

B

INTERVIEW:
ALEKŠANDER MERVAR,
CEO OF ELES

Our estimation is that at this moment no one in the EU has a comprehensive concept of how to abandon the production of electricity from fossil fuels and replace it with renewable energy sources.

AUTHOR: MAJA DRAGOVIĆ

to reduce carbon emissions is an ongoing commitment, reliability of the transmission system is currently ELES's first priority and, for this purpose, the system operator is introducing and exploiting the most advanced solutions in the field of smart grids.

Most non-experts expect the switch from coal and oil to solar and wind to be easy. Can you please comment on that?

The transition will be anything but easy. There is too much simplification in the media. Large-scale investments in the distribution network and integration platforms will be needed, and it will be necessary to provide energy saving benches that will bridge the periods of high and low production – at certain time intervals also zero production from solar power plants. Our estimation is that at this moment no one in the EU has a comprehensive concept of how to abandon the production of electricity from fossil fuels and replace it with renewable energy sources. Let's just look at the example of Slovenia last February. Production from solar power plants was almost zero. Where would we get the missing electricity? From import? What if other countries also relied solely on solar energy production? That

means we will need backup capabilities that will be included in such cases. We will need feeders such as batteries and pumping hydroelectric power stations. In our estimation, nuclear power plants will have a special place.

How realistic is Paris Climate Agreement with one of its top priorities being to reduce greenhouse gas emission by investing into wind and solar energy?

If we limit ourselves to solar and wind energy alone - in our opinion, it will be very difficult. With nuclear, yes.

Ljubljana and other cities in Slovenia are preparing for the higher usage of electric vehicles in the future as well as the increasing number of electrical appliances. How is this going to impact electricity distribution in the country?

Energy companies in Slovenia have different views on the impact of new users on the distribution network and the entire power system. We believe that the key solution to this challenge are smart networks and that with smart grids and minimal additional investments, most of the country's challenges can be solved.

In recent years ELES has been investing in smart grids, their building blocks and their integration into the EES Slovenia. These investments include the implementation of international projects, which are also co-financed by grants, such as SINCRO.GRID, NEDO, FutureFlow, Osmose, etc., to which ELES will devote much attention and resources in the coming years.

Slovenia is a net exporter of electricity. In 2017, it produced 15 TWh and spent 14.2 TWh -

5.3%
of the electricity produced was exported

Modernising our electric grid through smart grid enhancements is an integral first step to enabling smart cities. Are Slovenia's cities becoming "smarter" in terms of electricity usage? What can we expect in the next 10 years?

They are. ELES has a set of research and development projects: the Slovenian - Japanese development project NEDO is focused in this direction. For example, GEN-I

is introducing a number of new market products. In ELES, we have included in our system services dispersed consumption a few years ago. This is just one of many.

What is the share of microgrids in Slovenia? What are the future plans?

Micro networks represent a response to the future challenges of network resilience - sleet, storms, floods - and local optimisation of customers and local resources within the geographical area. With micro networks, cities and suburbs can be further prepared for the challenges posed by renewable resources as well as increased electrification of the network. In cooperation with Elektro Ljubljana, Tetol, BTC and Japanese partners NEDO and Hitachi, ELES is building the first such network in Slovenia. Its location will be in the central and eastern part of Ljubljana.

Every two years, ELES adopts a 10-year development plan of the Republic of Slovenia's transmission system (RNPS), whose main purpose is to define the necessary investments in the transmission network over that period to ensure adequate transmission capacity of the transmission network and adequate voltage conditions in the transmission network of the country, thus ensuring reliable and high-quality electricity supply. The plan is the result of a two-year process that represents the starting point for investment planning, their implementation and the preparation of investment plans as the basis for determining the network charge regulatory framework. In determining the future needs of the system's users and designing the necessary development of the electricity network, ELES uses modern approaches and tools.

In the current RNPS, a number of investments in various fields are listed, including the construction of DV 2 x 400 kV Cirkovce-Pince, together with the new 400/110 kV Cirkovce RTP, which will enable the first connection with neighbouring Hungary. Also, an interesting project is the establishment of a diagnostic-analytical centre which will represent an important return to an even more effective assets management in ELES.



"With micro networks, cities and suburbs can be further prepared for the challenges posed by renewable resources"

**ALEKSANDER
MERVAR**

How well are you prepared against any cyberattacks?

We are very much aware of cyber risks. Cyber threats to all economic and social sectors and businesses pose a great danger. Electric power systems and energy companies are no exception. In preparing for any possible cyberattack, we do not underestimate or overestimate our abilities. In the management of cyber risks we carry out a series of activities and measures to identify risks, protect cyber space and systems, identify and define events in the cyber space, and evaluate the ability to manage and eliminate negative and dangerous developments.

As part of the protection of our cyberspace, we simulate potential threats and risks and based on subsequent findings we are raising awareness and educating all our employees, users of information services and operators of cyberspace and services.

In doing so, we rely on internal and external professional staff and experts working within ENTSO-E – the association of European transmission system operators.

What is Slovenia doing, if anything, to ensure resilience against longer outages?

In the case of partial or complete disintegration of the electric power system, ELES has developed a system conservation plan and a plan for its restoration.

We simulate potential threats and risks and based on findings we are raising awareness and educating all our employees, users of information services and operators of cyberspace and services.

These plans define the individual stages of implementation, the key stakeholders, their roles and responsibilities, the modes of communication and the highest level of coordination and harmonisation between stakeholders in Slovenia as well as between neighbouring system operators, with the aim to ensure reliable operation of the Slovenian and European electricity system. In short, Slovenia can count on the help of other European electricity systems in addition to its own energy sources – m hydro, coal – and procedures for action.

Is electricity going to be cheaper in the future?

First, we have to clarify the concepts. The price of electricity is one thing, the final price of electricity that is paid by the end consumer is another. The latter will only increase in the coming years and decades. Reasons? Investing in networks, storages, spare capacity, and increased scope of system services that will be required by system operators.

PUKLAVEC FAMILY WINES



The Puklavac family's love for wine can be tracked back to 1934 in Slovenia. Martin Puklavac had a vision: to make the finest wines together. This philosophy continues to resonate through the family's wine making today. Puklavac Family Wines are driven by the core values of passion, hard work and dedication to quality. Vladimir Puklavac and his two daughters, Tatjana and Kristina all work together, alongside the other winegrowers, with the determination to continue the pursuit of their (grand)father's vision. Puklavac Family Wines are produced in the heart of Ljutomer-Ormož, a wine area in the Podravje region, in the North-Eastern part of Slovenia. This area provides the perfect microclimate conditions for grape growing. The result are elegant wines, crafted with an uncompromising and passionate attention to detail, beautifully balanced and as expressive as the landscape of our vineyards. Puklavac Family Wines won the respected "Winemaker of the year" title several times and are also a proud owner of the platinum Decanter medal "best Slovenian white" for Furmint Seven Numbers 2015.

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Winery of the year
2018



GAVIN SERKIN, BUSINESS ANALYST AND EMERGING MARKETS SPECIALIST

THE BEST TAX SYSTEM IS NOT ENOUGH TO ATTRACT INVESTORS

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According to Serkin, frontier markets – developing countries which are too small, risky, or illiquid to be generally considered an emerging market – are yet to be discovered by bigger investors despite offering great potential and business opportunities for investments. These include countries such as Romania, Argentina, Nigeria, Egypt, and Saudi Arabia. Although frontier markets represent almost a quarter of the world's territory and are populated by one fifth of the world's population, "they generate only 8% of the world's GDP," says Serkin.

Some regional countries like Serbia and Bosnia and Herzegovina in a way fit the definition of the frontier markets, says Serkin. One of the reasons is lack of stock exchange liquidity. "There is not a diversity of stocks you can pick from when you have a bigger scale available, so that you could choose stocks from different sectors, like, for example, in Romania, which has the biggest market in the wider Balkan region. There are also a lot of other industries that should be represented in the stock exchange, but so far haven't managed to do it yet. That's where Serbia and



Photo: Jason Alden, Frontier Markets

Primary focus of the Western Balkan countries should be on lower taxes in short term, better infrastructure in medium term and quality education and health in the long term.

AUTHOR: JAN TOMŢE

Bosnia and Herzegovina fit the definition of the frontier markets."

There are countries in the region that represent successful stories, such as Slovenia, Serkin says, pointing to a solid and well-established partnership between the country's recognisable solutions for German car producers and many other industries abroad. Countries in the Western Balkans should follow Slovenia's example, Serkin suggests. "Opportunities come in when a country starts focusing on going up a value chain, which is always a goal for a developing country from the frontier market. It is the same with, for example, the food industry. For instance, production of coffee beans is necessary but the real business value comes from the browning

and packaging. The same is with car markets. The money doesn't come from putting car parts together but from branding and delivering the final product."

Serkin adds there is plenty of room for improvement in the region, particularly in attracting more foreign investments. He argues that particular solutions need to be delivered by the governments, especially in the region's less developed countries. "It comes down to low taxes and incentives, and governments should find a way to deliver that. They should consider the implications of these type of measures in the long term. It is also important to strengthen the institutions of democracy and to provide a proper level of education and a good health system. When businesses are considering where to establish their next base, they tend to take into account a well-educated and healthy population."

But there is another aspect to attracting investors, important as much as others, says Serkin: workforce efficiency. "You can have the best tax system in the world, but if companies are getting more efficient workers in the neighbouring country, they will go there."

When considering proper measures aimed at attracting foreign investments and building appealing business environment for foreign companies, Serkin's advice would be to think about short-term and long-term policies. "Short term policies make sure you are competitive with other countries. It is about taxes, efficiency of processes, and bureaucracy which should not be strangling companies and processes. Long term policies should include infrastructure, and then health and education."



Photo: Jaka Ivančič/Luka Koper

THE PORT OF KOPER represents the shortest connection from the Far East through the Suez Canal to Europe. Compared to the North European ports, the connection is shorter by about 2,000 nautical miles, shortening transit times by about five days.



Slovenia's focus in recent years has been to further develop infrastructure capabilities, which is a prerequisite for the realisation of logistics objectives. In the last three years, the Slovenian Ministry of Infrastructure has embarked on three major infrastructure projects: building of a second railway track between Divača and Koper, improvement of road connections along the third develop-

SLOVENIA'S PORTS AND ROADS CONNECT EAST WITH WEST

Well-developed transport infrastructure and excellent connections to the Port of Koper, which offers the shortest transport route from the Far East through the Suez Canal to Europe, strengthen Slovenia's favourable geostrategic position and contribute to the country's exceptional potential for transport and logistics.

AUTHOR: JAN TOMČE

ment axis between Koroška and Vinica (on the border with Croatia), and a second tunnel pipe at Karavanke.

In the Transport Development Strategy of the Republic of Slovenia until 2030, special focus is devoted to logistics. In addition to the main Slovenian hubs already covered in the trans-European transport network, the strategy emphasises the wider significance of developing intermodal hubs for all methods of transport. The strategy focuses on the development of small logistic centres as well as safe and secure parking spots along the Slovenian motorway system.

THE THREE PILLARS

There are three vital players in Slovenia's campaign on improvement in transport and logistics: the Slovenian Railways, the Motorway Company of the Republic of Slovenia, and the Port of Koper, which is one of the key entrance points to continental Europe. The Slovenian Railways have begun to modernise railway infrastructure throughout the country, and the key to faster transport will be the construction of the second track between Divača and Luka Koper.

The Port is about to undertake major key investments, which are vital for ensu-

ring the port remains competitive on the international market. "One of the most important investments we are planning for the coming years is the extension of the first pier, which is the container terminal. In total, we will invest EUR 235m in this project," says Sebastjan Šik from the Port of Koper. "Part of this amount has already been invested in recent years to deepen the port's waters, purchase new lifts and equipment and as well as the investing in the construction of terminal railway tracks. In May 2019, we will start building a 100-meter extension and associated hinterland storage areas", adds Šik. If everything goes according to plans, the project will be completed in early 2021. The Port of Koper will thus increase the annual capacity of the terminal to 1.5m container units.

To increase the port's capacity and its competitiveness, other investment projects are equally important for the port. "In March 2019 we will open an additional cargo entrance to the eastern side of the port. For the needs of the car terminal, we already have a permit to build a new RO-RO berth and nearby railway tracks. We are also planning to build a new garage house for 6,000 cars", concludes Šik.

RECORD YEARS AND WINNING OVER COMPETITION

The port has been expanding its handling capacity and beating previous records in the last few years. At the company they believe their main advantage over competing ports in the region is "our reliability and flexibility, which is the result of our business model, where we combine the tasks of the port administration and terminal operator under one roof," says Šik. "Then there are regular railway connections, which we improve together with our partners and connect Koper with European logistic and industrial centres on a daily basis. More and more types of goods move into containers for cost-effectiveness and good shipping connections."

Ports invest heavily in container capacity, making competition the strongest in this particular segment, where it

has been a regional leader since 2010. In 2018 the port handled close to one million transhipped container units (TEUs). "With new investments and developing backlinks, we intend to stay at the top", Šik predicts.

NEW CONSTRUCTION PROJECTS AND MORE SAFETY ON SLOVENIAN MOTORWAYS

The Motorway Company of the Republic of Slovenia (Dars), which operates Slovenian motorways, is also investing to tackle infrastructure challenges. The construction of a second pipe of the Karavanke tunnel is about to begin.

The Port of Koper will invest
EUR 235m
 in the extension of the
 container terminal

"We will also continue with the procedures for starting the construction of the northern and southern parts of the third development axis", say Marjan Kolar from Dars. "For the northern part we are preparing the project documentation and land acquisition, while for the southern part we will announce a tender for the construction of a 5.5km section from the

A2 motorway at Novo mesto to the Osredok terminal in 2019," says Koler.

Other investments include electronic road toll collection, which was introduced in spring 2018. The remaining toll stations are now being demolished. With this the traffic flow on Slovenian motorways will significantly increase and at the same time relieve traffic on local roads.

Increased traffic raises safety concerns which is another of Dars' priorities. "Based on the current traffic growth, we can expect that in the next few years our most difficult task will be to ensure adequate traffic safety and maximise traffic flow. We cannot expand the width of motorways in the short term, hence we are working on increasing the flow by other measures. We invest in smart transport solutions. On portions of the motorway, from Lukovica near Domžale to Ljubljana Ring and further to Divača in Primorska, 21 portals and semi-portals, traffic control and traffic management systems will be installed, which will contribute to increased traffic flows," explains Koler.

Traffic flow is also at the heart of Dars' next project: Speed Management. "The flow rate is higher at lower speeds, between 80 and 100kmh, depending on the structure of the traffic and the motorway infrastructure itself," explains Koler.

DARS PLANS FOR THE FUTURE
 includes improving road safety
 and increasing traffic flows

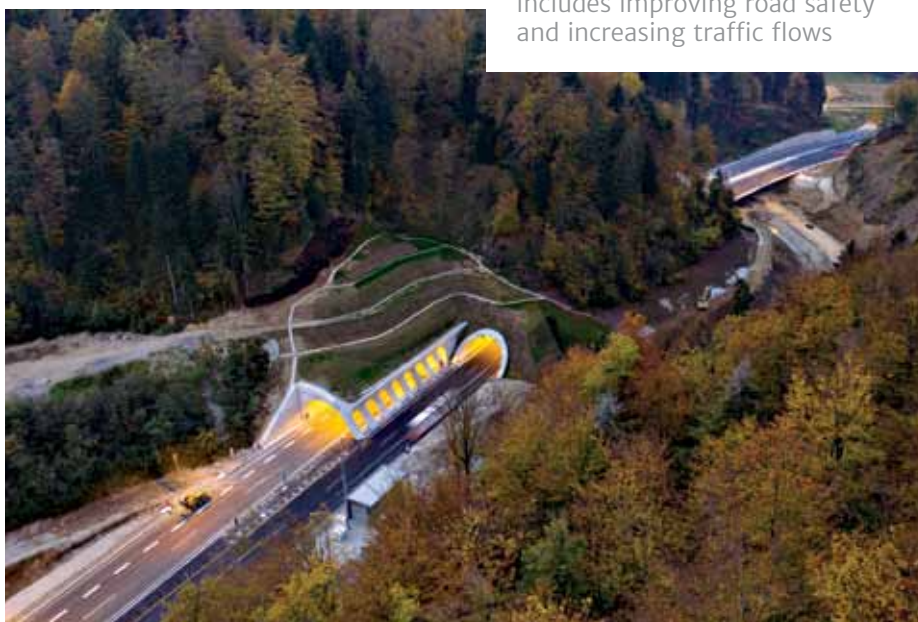
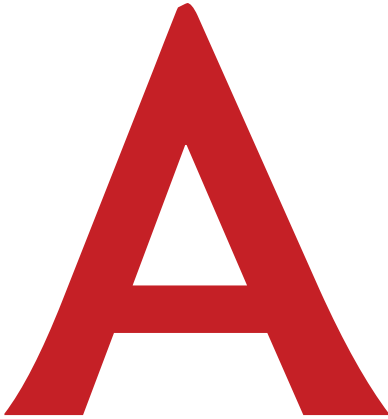


Photo: DARS archive

JOINING THE PRESTIGIOUS LIST



The latest recognition amongst a number of accolades in recent years, including EQUIS in 2006 and AACSB in 2010, sets University of Ljubljana Faculty of Economics (FELU) further apart from its competitors in this part of Europe. Ranked 83rd on the Financial Times list, its masters' programme is in the top 20 for career progress, while it ranked second in the value for money category.

Established in 1946, FELU has been building its reputation in the region and beyond ever since. Since the break-up of former Yugoslavia and Slovenia's subsequent independence, the faculty has been adapting its programmes and teaching methods that now make it stand out amongst the competition. The result is that more than 15% of FELU's graduates occupy positions in top management. With average salary of USD 37,000, they are employed in leading national and international companies, such as NLB, Krka, Novartis, Ernst & Young, Telekom Slovenije, Mercator, Sandoz, Petrol etc. A survey amongst FELU's recent graduates shows that 36% of them had a job before completing studies and 55% land a job within 6 months after graduation.

FELU, however, does not intend to rest on its laurels. Competition

Slovenia becomes the first country in the region to have a business school included on the Financial Times business school rankings

AUTHOR: MAJA DRAGVIĆ

is fierce and rapidly changing times demand continuous adaptations to give students cutting edge knowledge.

NEW COURSES FOR FUTURE CHALLENGES

"The biggest change in the last decade was introduction of new specialisation – Technology Management – that is unique in the region", say the faculty's dean Metka Tekavčič. In addition, "the content of Digital Marketing and Finance specialisations is changing on yearly basis. The program itself promotes working on case studies with companies on the content and business issues that are most relevant for business community in that specific period."

Looking ahead, Tekavčič points out several trends that will dominate the future of business schools.

"Among them are digitalisation and successful digital transformation, which also means a way of finding balance be-

tween physical and online teaching and learning and finding innovative digital business solutions."

"Interdisciplinary and internationalisation are forcing business schools to give their students the environment where they will gain the skills to work in teams from different backgrounds, disciplines and cultures. Moreover, the very high impact of neuroscience will be evident in the future, where business schools will have to adapt their teaching and learning strategies based on the developments in neuroscience."

INTERNATIONAL APPEAL

Adapting the programmes is just one aspect of keeping ahead of the competition. FELU also works on attracting students from across the world, rather than just focusing on local and regional applicants. In the last three years, students from 74 different countries were enrolled for full-time studies and every semester there are students from between 35 to 40 countries on study exchange programmes. In 2017/2018 academic year, almost 15% of full-time enrolled students were international.

"This enables FELU's students to develop their intercultural skills more effectively", says Tekavčič.

In 2017/2018 academic year, the share of full-time foreign students enrolled in programmes taught in English was 22.6%. Hence, about half of the adjunct faculty and about 90% of visiting professors are from abroad. They come from 23 countries, with the highest number coming from USA. Many come from renowned business schools, including the Pennsylvania State University from the USA, University of Queensland from Australia, and Erasmus University Rotterdam from the Netherlands.



Photo: FELU archive



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SAŠA MRAK, PRESIDENT OF THE MANAGERS' ASSOCIATION OF SLOVENIA

WINNERS OF THE FUTURE: MAKING THE MOST OF THE HUMAN CAPITAL POTENTIAL

W

With one of the highest growth in the last decade and favourable export forecasts for the future years, Slovenia's economy currently has no reason to worry about. But things can change rapidly in today's world. Be it derailed by Brexit, a change in prices of raw materials, strengthened protectionism, customs and tariffs that some countries may introduce, all of these may impact Slovenia's exports. It is time for Slovenia to be more careful, as some companies already report lower demand in foreign markets, says Saša Mrak, MBA, CEO of Managers' Association of Slovenia, which is connecting over 1,100 Slovenian managers and supporting development of management in Slovenia.

Slovenian management has improved over the last years, the results of the competitiveness research conducted by the Swiss institute IMD show. Slovenia has climbed up the rankings to achieve



Photo: Jason Alden, Frontier Markets

Slovenian management is generally well-trained, but in order to be more effective in the future, it has to show more openness towards contemporary ideas and flexibility towards challenges it faces.

AUTHOR: JAN TOMČE

37th place among world countries. "But at the same time, we are very well aware there is still a lot of room for improvement in Slovenian companies, especially in terms of raising productivity. OECD data suggests Slovenia is lagging behind in this element. Slovenian managers will need to deal with the transformation, not only of themselves but also of the companies they are in charge of, in order to

achieve better results. And they will need to strive to achieve higher added value," says Saša Mrak.

However, there are certain positive aspects of how the Slovenian management is getting its job done. "Among the proven capabilities of the Slovenian management is flexibility and - despite the traditionally perceived lack of cooperation - good connections with the institutions of knowledge." Innovation capacities of Slovene companies are at a high level, and when it comes to research and development, Slovenia is comparable to Germany or Scandinavian countries, Mrak adds.

In the future, the winners will be those who are faster than the others in establishing links and building ecosystems of growth and development, Saša Mrak points out, adding that Manager Association promotes bigger ambitions for growth and development, as well understanding how important it is for businesses to achieve greater productivity and target higher added value.

Saša Mrak concludes, that "the winners of the future will be the companies focused on the customer and quality, striving for progress in a thoughtful, innovative environment and putting human capital in the center of their activities, thus empowering employees, fostering creativity, agility and the power of cooperation."

ADRIATIC JOURNAL TOP BUSINESS EVENTS IN THE REGION IN 2019

CONVENTA

📍 *Ljubljana, Slovenia*

More than a simple trade show, Conventa provides a business platform for the sales & marketing sector, positioning itself as the most important business-to-business event in the meetings industry in South East Europe.

📅 23 Jan – 24 Jan



41ST TOURISM FAIR

📍 *Belgrade, Serbia*

The largest tourist event in Serbia, it does not shy away from scientific approaches to the marketing and management of tourist destinations. The emphasis is both on the Serbian market and on knowledge transfer.

📅 21 Feb – 24 Feb



2ND SBC FORUM: SWITZERLAND - A ROLE MODEL FOR SLOVENIA

📍 *Postojna, Slovenia*

SBC Forum is the main annual event held by SBC – Slovenian Business Club, the association of the country's leading entrepreneurs and family-owned businesses. This year's focus is on Switzerland, its world-renowned businesses, and the reasons behind their success. Guest of honour will include HE Marjan Šarec, the prime minister of Slovenia, and Heinz Karrer, the president of Economiesuisse.

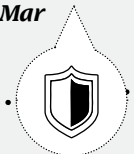
📅 4 Feb

4TH ZAGREB SECURITY FORUM 2019

📍 *Zagreb, Croatia*

How can we make society and its critical infrastructure more resilient? This year's Zagreb Security Forum will explore both international problems and solutions, with a focus on hybrid warfare and on using social networks for the protection of critical infrastructure.

📅 15 Mar – 24 Mar



10TH SARAJEVO BUSINESS FORUM 2019

📍 *Sarajevo, Bosnia and Herzegovina*

The annual investment conference is organised by Bosna Bank International (BBI) in cooperation with international partners. Sarajevo Business Forum covers business and investment opportunities across seven countries in South-eastern Europe: Bosnia and Herzegovina, Albania, Croatia, FYR Macedonia, Montenegro, Serbia and Slovenia.

📅 15 Mar – 24 Mar

KOPAONIK BUSINESS FORUM 2019

📍 *Kopaonik, Serbia*

Kopaonik Business Forum (KBF) is committed to improving the performance of Serbia's economy through dialogue between key stakeholders. It is an event of major appeal, organised under the patronage of the Prime Minister of the Republic of Serbia.

📅 3 Mar – 6 Mar

13TH INTERNATIONAL CONFERENCE: "CHALLENGES OF EUROPE"

📍 *Bol, Island Brač, Croatia*

This biennial conference on contemporary economic issues has become an important place of encounter between scholars and practitioners from different countries, cultures and backgrounds. This year's keynote speakers include two Nobel Laureates in Economics, Eric Maskin (2007) and Oliver Hart (2016).

📅 22 May – 24 May

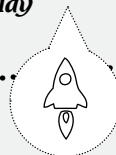


PODIM CONFERENCE 2019

📍 *Maribor, Slovenia*

The Regional Startup Ecosystem Epicenter. Podim connects 800+ brilliant startups, investors, corporations and other stakeholders with global minds and leaders, serving as an effective platform for investing in the most promising startups of the region.

📅 21 May – 22 May



8TH MEDITERRANEAN CONFERENCE ON EMBEDDED COMPUTING – MECO'2019

📍 *Budva, Montenegro*

The focus of this international scientific forum is on the leading achievements in the modelling, analysis, design, validation, and application of embedded computing systems and related fields. MECO 2019 will provide an opportunity to discuss new ideas and work-in-progress in these exciting technological areas.

📅 10 Jun – 14 Jun

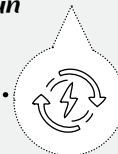


ENERGA

📍 *Sarajevo, Bosnia and Herzegovina*

A must-go event for the region, ENERGA is the place to learn about new technologies, corporate achievements, new energy policies and strategies, renewables, energy markets, and the inevitable technological transition of the energy sector.

📅 11 Jun – 13 Jun



8TH INTERNATIONAL CONFERENCE ON ADVANCED TECHNOLOGIES (ICAT'19)

📍 *Sarajevo, Bosnia and Herzegovina*

Organised by the ATScience Academic Group, Selcuk University and other leading universities of the region, ICAT'19 will present the latest scientific research in computer science, electronics, energy, manufacturing, mechatronics, and biomedical technologies. The conference aims to build bridges between researchers and businesses.

📅 26 Aug – 30 Aug



13TH BLEĐ STRATEGIC FORUM

📍 *Bled, Slovenia*

A platform for high-level strategic dialogue among leaders from private and public sectors on key strategic issues facing the region and the world.

📅 26 Aug – 30 Aug

INTERNATIONAL FAIR OF ENVIRONMENT AND NATURAL RESOURCES PROTECTION – ECOFAIR

📍 *Belgrade, Serbia*

The largest and the most representative get-together of this type in the region. Central topics include the Green Economy, recycling industry and waste management.

📅 2 Oct – 4 Oct



LJUBLJANA

EVERYONE'S FAVOURITE LITTLE CAPITAL

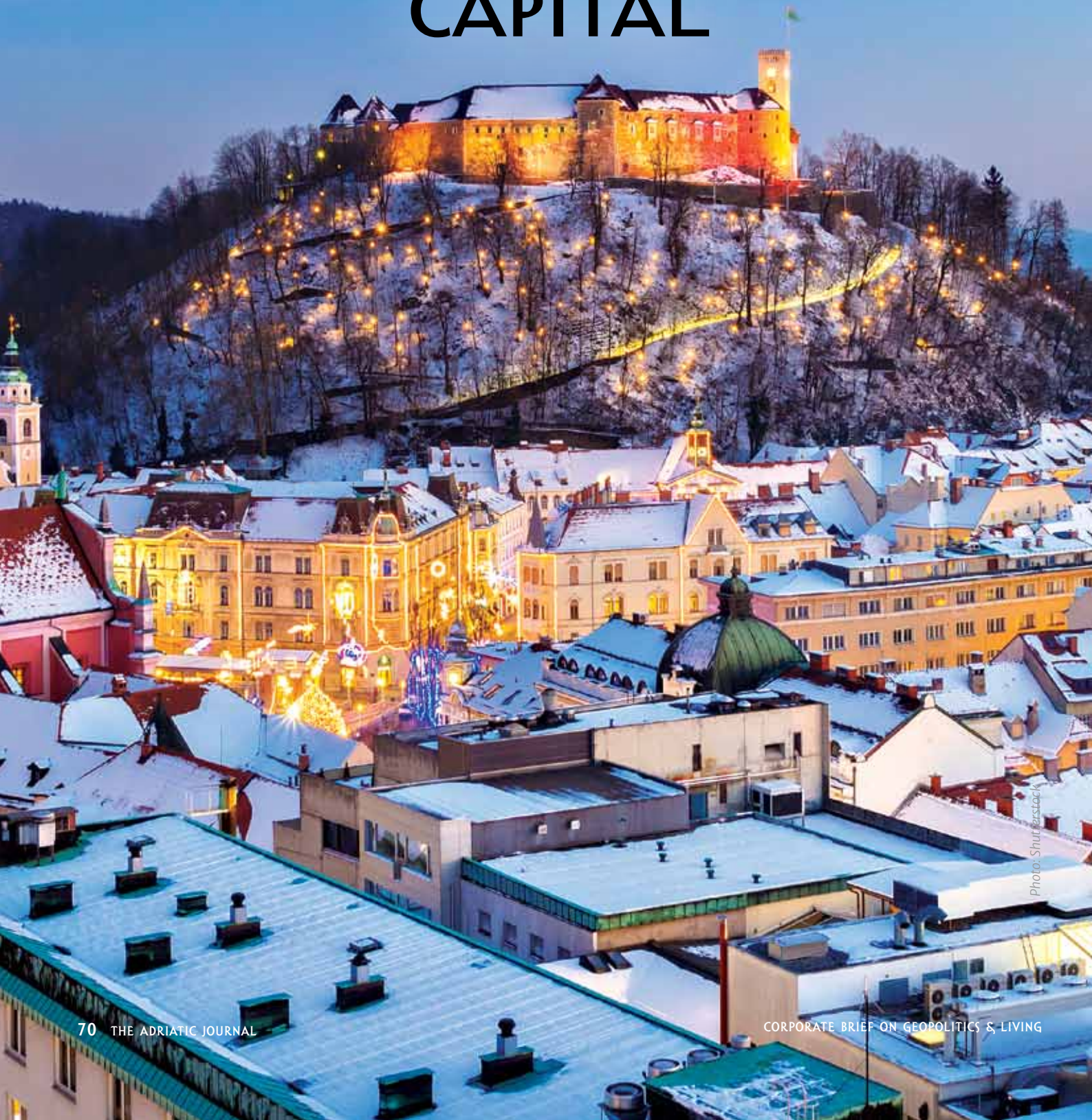


Photo: Shutterstock

Population

City: 289,832
Country: 2,070,050

Average monthly salary

Trending profession - C LEVEL EXECUTIVE:
EUR 4,800
Country average: EUR 1,060

AJ green index



Sale price per m²

EUR 2,390

Safety index



* AJ Green Index consists of four elements: CO2 emissions, air quality, generated municipal waste per capita, plastic pollution prevention. Methodology used is developed by ISR.

The old town is car free, reserved for pedestrians and cyclists only, with Kavalir, an electric cart, transporting passengers from one part of the old town to the other. Bicycles are very popular – rain or shine, Ljubljana's inhabitants make the most of the two-wheel vehicle riding around the city' 230km of bike paths.

AUTHOR: ŽPELA BIZJAK



Photo: Shutterstock

W

With less than 300,000 inhabitants, Ljubljana is one of the smallest capitals in Europe. It is also one of the greenest. Located centrally in a country that is small itself, Ljubljana is perfectly positioned to explore every corner of Slovenia and the neighbouring countries. The country's compact but varied natural wonders – from glacial lakes of the Julian Alps, mysterious world of Karst region or mighty vineyards in Dolenjska region – are stretched in close proximity to the capital. For Ljubljana inhabitants, climbing Triglav, Slovenia's tallest mountain at 2,864 m, in the morning and dipping into the Adriatic in the afternoon is easily achievable. No wonder the city is gaining international popularity with the number of visitors increasing every year – in 2018 the number of tourists that visited the capital by October already exceeded the number of visitors for the whole of 2017.

A LOOK BACK IN HISTORY

Ljubljana has a mixture of Central European look and a touch of Balkan attitude. The city dates back to Roman times, when Emona stood where Ljubljana is today. Remnants from those times are still being discovered. Emona had a good strategic location in the middle of a trade route between the Adriatic sea and Danube region. After the Romans came Carniola, one of the Slovene inhabited parts of the Habsburg monarchy. After the World War II, Slovenia became part of Yugoslavia. With its disintegration, Slovenia became independent and Ljubljana became the capital city of an independent country.

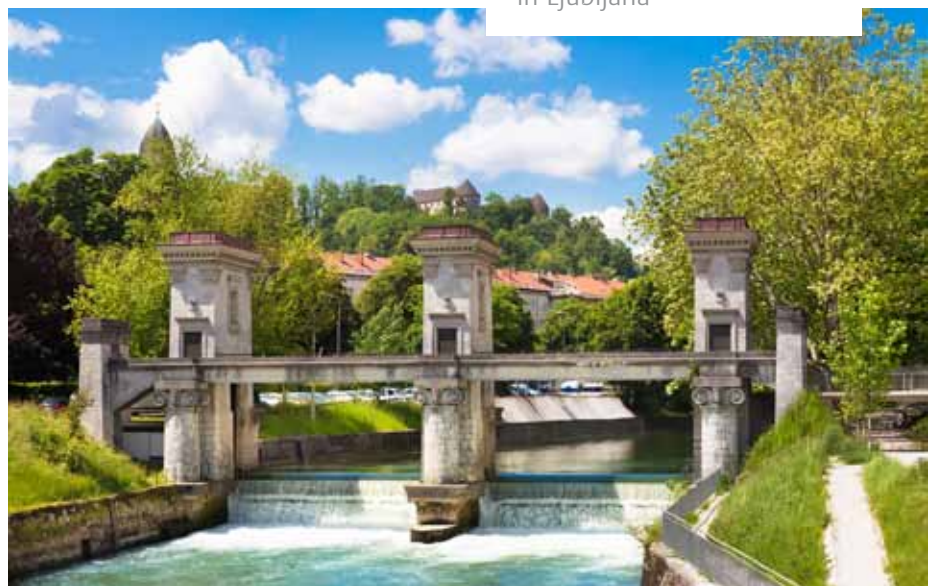


Photo: Shutterstock

PLEČNIK'S LJUBLJANA

Mentioning Ljubljana without mentioning Jože Plečnik is impossible. A pioneer of modern architecture, Plečnik designed most of Ljubljana's landmark buildings and attractions. The architect was setting the city up for the sustainable future, focusing on harmony between the natural environment and sustainable mobility. His best-known works include the National and University Library building, the Ljubljanica river embankments and bridges, the most notable being the Triple Bridge and the Cobblers' Bridge in the heart of Ljubljana, the Central Market, the

ONE OF PLEČNIK'S bridges in Ljubljana

Most popular topics in Google search in the country



GRAFFITI in Metelkova city

Photo: Shutterstock

Križanke summer theatre, the Bežigrad stadium, the funeral home at the Žale cemetery, and the Church of St. Michael in the Marshes.

Nowadays the banks of Ljubljanica river is a vibrant area with eclectic mixture of restaurants, cafes and bars. Local artisans' market is a special Saturday addition during summer months while every Sunday, regardless of the time of the year, the vendors set up the flea market selling vintage clothes, antique furniture, vinyls or Yugoslav memorabilia.

Though Plečnik is synonymous with Ljubljana, the city has other authentic landmarks, such as Metelkova city, an abandoned army base and a leading center of underground art, music and culture.

BICIKELJ PARKING opposite the central market



Photo: Shutterstock

Popular with young people, the area is everything one would expect from a creative alternative scene – from broken bicycles to colourful graffiti sprayed on buildings and trees. This centre of urban culture is an area where ideas of artists old and young can come to life.

INNOVATIVE SPIRIT

Ljubljana's creative spirit spreads to other areas as Slovenian people in general are quite innovative and entrepreneurial. Ljubljana has a vibrant tech scene - Eurosender, Goat Mug, Spirit7, Beeping are just some of the startup companies that succeeded in market breakthrough. The startups also get a lot of help. With offices in Silicon Valley and Ljubljana, ABC Accelerator group runs a three-month acceleration

programme for startups designed to grow their businesses and increase valuation. In turn, startups benefit from a large worldwide network of investors and mentors.

Rain or shine, Ljubljana's inhabitants make the most of the two-wheel vehicle riding around the city'

230km
of bike paths.

Startups are not only focusing on technological solutions. There are also others who like to mix the old with the new. Such is Ljubljanski brivec, a barber shop opened in Grand Hotel Union in 2016 with a desire to reinvigorate the forgotten grooming tradition. Hood Burger, set up in 2012 by two friends after failing to land a job after graduating from university, makes all American burgers made of 100% Slovenian beef with a side of organic Slovenian potatoes. The two basically started a burger mania in the city which is now one of Ljubljana folks' favourite meat treats.

ONE OF THE GREENEST CITIES IN EUROPE

Ljubljana is touted internationally as one of the greenest cities in the world not just in terms of its landscape, but also

DIGITAL AMBASSADORS:

@ komotar_minuta








 31,017
 25,268
Ciril Komotar is an automotive journalist, photographer and a popular vlogger.

@ your_passport








 164,194
Lara Kamnik in Uroš Polajžer, managed to turn their travelling hobby into a dream job.

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@ jocohud








 3,896
 12,310
Jože Robežnik Video creator and TV host on the Slovenian national television.

in the environmentally friendly policies the city council has been adopting in recent years. The green capital of Europe in 2016, the city won sustainable tourism award within the first European Capital of Smart Tourism competition in 2018. It is also ranked in top 100 of sustainable

Ljubljana is touted internationally as one of the greenest cities in the world.

world destinations. And sure, it deserves it. The old town is car free, reserved for pedestrians and cyclists only, with Kavalir, an electric cart, transporting passengers from one part of the old town to the other. Bicycles are very popular – rain or shine, Ljubljana’s inhabitants make the most of the two-wheel vehicle riding around the city’ 230km of bike paths. The city council encourages citizens to prioritise bikes over cars, introducing BicikelJ, a bike-sharing system, in 2011. Self-service terminals are located around

Ljubljana. The use of the system is practically free of charge - the only cost involved is the EUR 3 annual fee for online registration. It’s really popular with locals - to date, bikes have been used used six million times.

In order to further reduce the traffic in Ljubljana, municipality established a service that allows anyone arriving to the city to park the car on its outskirts - the parking price is EUR 2.40 per day and it includes two additional bus tickets on the Urbana card. This falls within the city council’s Sustainable Urban Strategy

of the City of Ljubljana, which is focused on the implementation of the EU 2020 policy. Part of the strategy is also to increase the number of electric vehicles in the city that already has 80 charging locations available, many of them offering more than one electric plug. The number of registered electric vehicles in the country as a whole has been rising rapidly. In 2017, almost 800 electric and more than 3,000 hybrid vehicles were registered in Slovenia, 60% more than the year before.

CAFFÉS on the banks of Ljubljanica river



Photo: Shutterstock

L

ZAGREB

ZAGREB IS ALWAYS A GOOD IDEA



Photo: Shutterstock

Population

City: 801,349
Country: 4,154,000

Average monthly salary

Trending profession - DENTIST:
EUR 3,200
Country average: EUR 756

AJ green index



Sale price per m²

EUR 2,390

Safety index



* AJ Green Index consists of four elements: CO2 emissions, air quality, generated municipal waste per capita, plastic pollution prevention. Methodology used is developed by ISR.

Zagreb may not have the Adriatic coast or the beaches like other renowned cities in Croatia, but it is a sophisticated European capital with an added spark of Balkan energy.

AUTHORS: FARIŠ KOČAN, ŽPELA BIZJAK



Photo: Shutterstock

DOUBLE SLIDES
at the Museum of Contemporary Art

R

Rich in culture, the city is a fascinating mixture of Austro-Hungarian and socialist architecture. Divided into two parts - lower town and upper town - Zagreb packs quite a cultural punch. No matter the season, there is always something happening to keep both locals and visitors entertained.

EVERYTHING BEGINS WITH TWO HILLS

Zagreb's early history dates back to when the Slavs built forts and churches in the area in the eighth or ninth century. Zagreb's history is very much a tale of two towns - Kaptol and Gradec - whose rivalry was at times intense but whose fortunes were intertwined. While Kaptol was overwhelmingly under the church's influence, Gradec was loyal to the king. The name 'Zagreb' was first used in 1904 at the founding of the Zagreb diocese in Kaptol.

The city became the center of the Croatian national revival with the erection of important cultural and historic institutions. After the earthquake in 1880 and until 1914, development in the city was booming, laying the foundations of Zagreb as it is today. The first half of the 20th century saw a considerable expansion, and in the 1920s the population increased by 70% - the largest demographic increase in its history. After the World War II, the city became the capital of Croatia, one of six republics in former Yugoslavia. After the Croatian war of independence ended in 1995, Zagreb municipality expanded to include surrounding towns Zaprešić, Samobor, Dugo Selo and Velika Gorica, increasing its population at the time to 780,000.

MODERNISATION CONTINUES

The city continues to expand and modernise. One of the major projects in the coming years is government's plan to build a new university hospital in Zagreb which will bring together renowned medical experts and offer high-end medical technology equipment within modern facilities. The state plans to find the best project solution via international tender, and carry out the project with the help of EU funds.

In the western part of the city where once Leclerc planned its shopping center that never came to fruition, a new investment is being put together. A group of private investors intends to build a modern shopping center comprising of



MUSEUM OF CONTEMPORARY ART

Photo: Shutterstock

Most popular topics in Google search in the country



60.000m² of commercial and leisure areas that will include a drive-in restaurant and children's playgrounds. Investors' ambitious plans have become evident since they commissioned a group of renowned Croatian architects who previously collaborated in the construction of the Arena Center in Zagreb, one of the largest shopping centres in the country.

ECO TRANSPORT

In recent years, Zagreb has been developing rapidly to a cycling-friendly city. The length of the biking trails has been increasing continuously since 2000. The city has over 250km of cycling trails and dozens of locations for bicycle parking, with further plans in the making.

Zagreb also aims to increase the number of filling stations for electric cars. There have already been dozens of charg-



GRAFFITI
on a designated wall

ing stations around the capital, with new fast-charging station numbers on the rise, which Zagreb has been building with the help of the EU financing and in partnership with several other European cities.

Not far from the city center is Maksimir park, one of the oldest parks in Europe which is a true masterpiece of urban garden architecture.

LOTS OF ART AND TASTY FOOD

Today, Zagreb is teeming with creative and vibrant energy. The city is home to numerous bars, coffee shops, boutiques and people taking their time to enjoy coffee and meals in a variety of restaurants. Zagreb's biggest food fad are pastries with delicatessens mushrooming around the city in recent years. Torte I To, who started their business with their famous cheese-cake in 2007, is one of the most popular. Another one is Vinček, a traditional family-owned business and a leading brand in cakes, biscuits and other delicacies. They began its mission with a small pastry shop, today they have over 100 employees and six pastry shops in the capital.

GREEN CITY

A fairly large city, Zagreb has an abundance of green spaces, parks and outdoor



MONUMENTAL ARCADES
of Mirogoy cemetery

DIGITAL AMBASSADORS:

@ click4chic



41,463
54,505
Matea Frajsberger, blogger, Youtuber and business owner, a star of social media.

@ elladvornik



356,400
42,343
Ela Dvornik, professional vacationer, mom, shoe addict, trend setter and award-winning hedonist

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@ malajskitapir



79,120
183,948
Ivan Rado, Youtuber to whom FIFA and football have become more than the most important side things in the world.

markets. Not far from the city center is Maksimir park, one of the oldest parks in Europe which is a true masterpiece of urban garden architecture. It is big enough to find a peaceful spot even during busy summer days. Zagreb's ZOO is also located within the park with more than 275 animal species. The second popular escape spot is Jarun lake or the so-called "Zagreb sea", where locals enjoy running, cycling, rowing; or simply sipping a cup of coffee or tea by the lake. Every year INmusic festival takes place at the lake.

Dolac Market in the heart of the city has on display a variety of local seasonal fruits, vegetables, cheeses, flowers, fish and souvenirs such as hand-carved wood products or shirt ties in typical red and white squares. Going local and buying local products is becoming a popular thing not only Zagreb, but in whole of Croatia.

ARTISTIC SIDE

The best modern and sometimes provocative art is stored in the city's Contemporary Art Museum, also known as "Museum with slides". Intertwined double slides were custom-made by Belgian artist Carsten Holler. And yes, visitors can actually go down the slide and awake their inner child.

Zagreb's is also big on street art with graffitis covering building walls across the city. Zagreb is beginning to embrace the talent of graffiti artists by giving them allocated spaces around the city to showcase their creative work.

A quirky museum of broken relationship is located in the beautiful baroque Kulmer palace in the upper town with many tourist attractions around. As the name implies, museum is a collection of sentimental items from relationships that failed the test of time.

FOOTBALL FEVER

Croatia's success at the World Cup last year made the whole country ecstatic. Although it lost in the finals to France, the national team won people's hearts both in Croatia and beyond. Half a million Croats gathered in Zagreb's Ban Jelačić square to watch the game while the celebrations afterwards lasted for days not just in the capital but across the country.

AERIAL VIEW
of Ban Jelačić square



Photo: Shutterstock



SARAJEVO

WHERE EAST MEETS WEST



Photo: Shutterstock

Population

City: 555,000
Country: 3,507,017

Average monthly salary

Trending profession - UX DESIGNER:
EUR 1,990
Country average: EUR 450

AJ green index



Sale price per m²

EUR 1,530

Safety index



* AJ Green Index consists of four elements: CO2 emissions, air quality, generated municipal waste per capita, plastic pollution prevention. Methodology used is developed by ISR.

When trying to understand the meaning of Bosnian ćejf (pleasure), one of 6.876 Turkish words that are still used in Bosnia and Herzegovina, one should try their finely-ground coffee when listening to traditional folk music called Sevdah or Bosnian blues.

AUTHOR: FARIŠ KOČAN



Photo: Shutterstock

BAŠČARŠIJA

Sarajevo's old town

W

With a skyline decorated with mosques and minarets, Romanesque towers of Catholic churches and the onion-shaped domes of Orthodox holy places, while Austro-Hungarian, Ottoman, and Yugoslavian architecture adorn the city, it was just a question of time before Sarajevo's beauty was recognised beyond the region's borders. In 2017, the US news outlet the Huffington Post included Sarajevo on the list of ten most beautiful cities in the world. U2's frontman Bono Vox was also wooed by its charm, saying that "Sarajevo is the most beautiful city due to its sophistication, complexity, and multiculturalism". In Sarajevo, in line with the words of Mike Leigh, English writer and director, you experience life.

COFFEE AND SEVDAH

The tradition of drinking Turkish/Bosnian coffee has a long beard in Sarajevo. The first coffeehouse to operate in this

part of the world was Hajji Šabanaova Kafana, which opened in the middle of the 16th century and remained open until 1942. When trying to understand the meaning of Bosnian ćejf (pleasure), one of 6.876 Turkish words that are still used in Bosnia and Herzegovina, one should try their finely-ground coffee when listening to traditional folk music called Sevdah or Bosnian blues. The best place to experience this is Sevdah Art House, a museum dedicated to this genre and its interpreters, which also offers traditional coffee in fildžani (demitasses without handles). The most popular music genre in Sarajevo is jazz, and every November the city hosts the international Jazz Fest Sarajevo,

which in the past welcomed giants like Dave Holland, Džafer Joussef, Merchan Dede, Dianne Reeves, and Gregory Porter.

HISTORY IN THE MIDST OF GREAT POWERS

History of Sarajevo dates back to the Stone age, but Sarajevo as we know it today was founded by the Ottoman Empire in the 1450s. The period of early Ottoman rule will be long remembered as the city's golden age, as Sarajevo was the most important Ottoman city in the Balkans after Istanbul. The city's occupation by Austro-Hungarian empire in 1878 was the beginning of violent events that marked the city's history in the last century – the



Photo: Shutterstock

Most popular topics in Google search in the country



battle of Sarajevo and Austro-Hungarian revenge, the occupation by the independent state of Croatia in 1941, and the longest siege of a city in the history of modern warfare from 1992 to 1996 - 1,425 days.

ARTS AND TROUBLED PAST

The war, which ended in 1995, damaged the relations and dynamics in the city that led to the political quagmire

and struggle of Sarajevo's cultural institutions, such as National Museum and National Arts Gallery. The National Museum or Zemaljski muzej, as the Bosniaks call it, was closed for three years until 2015 due to the lack of funding.

The sector now contributes
EUR 75m
to the GDP, and the income of companies operating in this sector has increased by 60% compared to 2014

Otherwise, film, theatre and music have been the traditional artistic trademarks of the city. Sarajevo Film Festival was born in 1994 in the midst of the siege, and is now one of Europe's must-visit festivals. It is also a festival that offered a platform for Jasmila Žbanić, who won

the Golden Bear at the Berlinale in 2006 for her film Grbavica; Danis Tanović who took home an Oscar for his film No Man's Land in 2002; and theatre director Haris Pašović who won major awards from Edinburgh to Singapore. However, in the words of Duplex100m² Gallery curator Pierre Courtin: "There is a great disconnect in Sarajevo between art and economy. It is easier to see Bosnian art in Berlin or Belgrade than in Sarajevo."

IT SECTOR IS BOOMING

The IT sector in Bosnia and Herzegovina has been flourishing in the last few years and represents a rare growth area in the country's economy. The number of IT companies is growing steadily with around 1.400 companies registered to date. The sector now contributes EUR 75m to the GDP, and the income of companies operating in this sector has increased by 60% compared to 2014. Sarajevo-based IT professional Milad Čerkić, CEO of ATLANTBiH, said that local companies are



COBBLED STREETS
IN BAŠČARŠIJA

Photo: Shutterstock

DIGITAL AMBASSADORS:

@ eldarlenk




Instagram profile card for @eldarlenk. The profile picture shows a young man in a light blue denim jacket over a red and black plaid shirt, standing outdoors. The card displays 17,547 Instagram followers and a bio: "Eldar Lenk is a digital ambassador for multiple brands on Instagram."

17,547

Eldar Lenk is a digital ambassador for multiple brands on Instagram.

@ tahiroviceva




Instagram profile card for @tahiroviceva. The profile picture shows a woman with long reddish hair wearing a white lace top, posing outdoors. The card displays 3,918 Instagram followers and a bio: "Leila Tahirović is a digital ambassador for hair, makeup and jewellery brands."

3,918

Leila Tahirović is a digital ambassador for hair, makeup and jewellery brands.

TAG AND SHARE #ADRIATICJOURNAL

@ hadzyc



Instagram profile card for @hadzyc. The profile picture shows a man with a beard and sunglasses wearing a dark hoodie. The card displays 104,398 Instagram followers and 285,227 YouTube subscribers. The bio reads: "Amir Hadžić is a first Bosnian vlogger and influencer of the year 2017."

104,398

285,227

Amir Hadžić is a first Bosnian vlogger and influencer of the year 2017.

now focused on their own projects after working for foreign enterprises for some years. Recently, the company has been designing mobile apps for the purposes of local population, such as apps for restaurants, media outlets, taxi companies, and shops. One of the Sarajevo-based IT companies named *genijalno* (genius) was part of an international consortium and co-designed apps like *book-n-drive*, *Carsharing*, *Rawr*, *Teachpoint*, and *Coin-Desk*.

INFRASTRUCTURAL PROJECTS

In the last five years, Sarajevo was part of five major development projects launched by the World Bank, EBRD, EU, and USAID. By far the most important infrastructural projects were financed by the World Bank, which reserved around EUR 64m to improve road safety and connectivity. Apart from Corridor 5C that is vital for Sarajevo and for which BiH borrowed EUR 750m, the Belgrade-Sarajevo motorway, planned to be built with the joint initiatives of Turkey, BiH and Serbia, is something that is viewed as a sign of regional peace and stability. Like in other Western Balkan capitals, Sarajevo is also one of the top destinations for numerous investors from the

Arab world. The Sarajevo City Centre and Sarajevo Waves have so far been the biggest Arab-driven investment in the capital.

SARAJEVO AND BEIJING NECK AND NECK IN AIR QUALITY

Sarajevo is one of the most polluted cities in the region and in Europe. The U.S. embassy installed an air quality equipment on its compound to measure fine particulate matter as an indicator of air quality in the city centre which showed that Sarajevo is close to Beijing, the most polluted city in the world. To tackle the problem, a strategic partnership was

formed between BH Futures Foundation and CityOS Air, a community driven air monitoring network. They have come up with CityOS Air devices, which can be placed on balconies to track air quality. In November 2018, Sarajevo also joined BreatheLife, the Climate and Clean Air Coalition initiative led by WHO and UN Environment. The city is currently working to introduce soot-free buses, trucks and passenger vehicles, and establish a Traffic Control and Regulation Center. The focus is also on energy consumption in households and public buildings which is three times higher than the EU average.



THE AVAZ TWIST TOWER is a 176m tall skyscraper in Sarajevo. It is the headquarters for Dnevni avaz, a Bosnian newspaper

Photo: Shutterstock



BELGRADE

THE CAPITAL OF THE SLAVIC COOL



Photo: Shutterstock

Population

City: 1,687,132
Country: 7,022,268

Average monthly salary

Trending profession - SOFTWARE DEVELOPER:
EUR 2,140
Country average: EUR 405

AJ green index



Sale price per m²

EUR 2,260

Safety index



* AJ Green Index consists of four elements: CO2 emissions, air quality, generated municipal waste per capita, plastic pollution prevention. Methodology used is developed by ISR.

E

Even though Ottoman, Austro-Hungarian and communist styles dominate this city at the confluence of Danube and Sava rivers, most visitors will remark on the fact that Belgrade is not the most beautiful place in the region. In fact, its own inhabitants are of similar opinion, such as one of Belgrade's most prominent writers, Uroš Petrović. Belgrade is not "overly beautiful", he says. Though it may not be love at first sight, this vibrant, energetic city leaves no one immune to its charm.

PARTY LIKE IT'S 1999

The party energy in Belgrade is everywhere at any time of day, any day. Stepping off a train at Belgrade's railway station at six o'clock in the morning, feels like stepping into a parade: the station's cafes are packed with coffee drinkers while loud music competes for attention from all corners: Belgrade's joie de vivre

Gondola, due to be completed in 2019, will connect Kalemegdan and Ušće park. It will be able to accommodate 3,000 passengers per hour and will take three minutes to get from one side to the other.

AUTHOR: IRENA HERAK

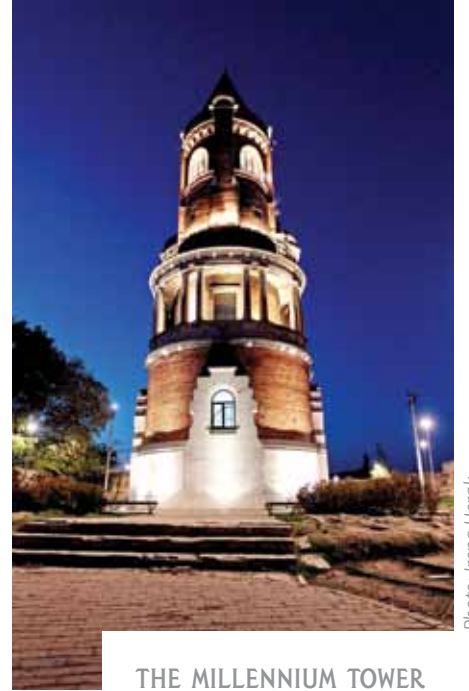


Photo: Irena Herak

THE MILLENNIUM TOWER

known as Gardos tower
located in Zeemun

at first glance. Its epic night life caters to all tastes – from jazz to classical music, and ethno to techno. The city's concert halls are not only hosts to local performers but over the last few years have welcomed a number of world renowned names including Beyonce, Andrea Botticelli and the Rolling Stones. Eros Ramazzotti's concert in September is the one to attend in 2019. In mid-August, when those who left the city for the sea shores

of Montenegro and Greece return, Belgrade holds its annual beer fest, one of the biggest beer festivals in Europe.

VIOLENT HISTORY

The city's colourful vibe is in stark contrast with its violent history. Of course, the wars in the 1990s are still fresh in people's minds, but Belgrade's history dates back to the seventh century BC, when the area was settled by Celtic tribes. Before the end of the 19th century, Belgrade changed hands between Ottoman and Austrian empires several times until Serbia finally became an independent state in 1848 and Belgrade became its capital. Due to its strategic location, the city has always been at the crossfires

The city's colourful vibe is in stark contrast with its violent history.



Photo: Shutterstock

Most popular topics in Google search in the country



of the world superpowers. It was battled over in 115 wars and flattened to the ground 44 times.

RE-EMERGING ART

For all its troubled past, however, this aging European metropolis is in many ways flourishing again with a diverse artistic and cultural scene that includes artists and fashion designers, sports stars and theatre productions. While Marina Abramović might be the city's biggest art export, a plethora of galleries displaying works from contemporary local and international artists are scattered around the city. Local talent has also attracted foreigners to settle in Belgrade and promote their work. David Laufer and Jan Eugster from Switzerland are one of them. The opened Laufer || Eugster gallery in trendy Savamala district, as a platform for emerging artists through exhibitions, events, and artist representation. The gallery space with neutral décor

and minimal interventions, reminds of redesigned industrial sites in New York. The founders' reasoning: it is the art that should tell a story, not the walls.

LOCAL STYLE

Most international fans admire and are familiar with creations by Belgrade's renowned London-based designer Roksanđa Ilinčić. But city has a pool of fashion talent that is becoming increasingly popular. The Belgrade Design District behind Terazije reminds of London's Shoreditch where abandoned industrial spaces have become home to quirky local concept stores, stocking chic and trendy Belgrade labels. Ivana Ristić's IMI concept store is one of many that will feed one's fashion soul. Ristić's ability to combine wool and leather in her simple yet elegant pieces has earned her a growing following both in Serbia and internationally. Before establishing her own label, Ristić worked in New York for Isaac Mizrahi and Threesfour.

DIGITALLY AWARE

Belgrade also has a strong skillbase for IT and digital technologies. The industry in the country has been growing at 25% annually for a decade, with total earnings in 2017 amounting to EUR 900m, while in the first 10 months of 2018, that figure stood at EUR 800m, with expected earnings for the year to reach EUR 1 billion. One of the most notable local digital companies is Nordeus, the game developing company founded in 2010 by Branko Milutinović and two of his friends. The company achieved international fame



Photo: Shutterstock

BELGRADE WATERFRONT PROJECT

is planned in Savamala district where luxury apartments, the biggest shopping mall in the Balkans and office spaces will be built in Dubai style

with their footballing game Top Eleven which is played by over 170m users across the world, earning Nordeus a net profit of EUR 3.39m in 2016. Another local star with international outreach is the FishingBooker founded by Vukan Simić in 2013. FishingBooker, an online booking site for fishing charters, has been described as Airbnb for fishing expeditions.

INFRASTRUCTURAL PROJECTS

In recent years, Belgrade city council has embarked on a number of projects that are looking to give the white city a much needed facelift. One of those includes construction of a new bus station that



Photo: Shutterstock

DIGITAL AMBASSADORS:

@ stiklakafakravata



Instagram: 26,903
YouTube: 5,435
Saša and Ana Marija Horvat are a couple who like to share news, tips and postcards from around the world.

@ anastasija



Instagram: 156,613
YouTube: 67,273
Anastasija Djurić is a fashion and style blogger and YouTuber.

TAG AND SHARE #ADRIATICJOURNAL

@ acamatic



Instagram: 25,855
YouTube: 227,209
Aca Matić is a photographer, traveller and explorer.

aims to be one of the most modern in Europe. The station is due to be completed in 2019. Another project that is eagerly awaited is the EUR 15m construction of a gondola that will connect Kalemegdan and Ušće park. Gondola will be able to accommodate 3,000 passengers per hour and will take three minutes to get from one side to the other. The project is planned for completion by end of 2019.

Redesigning the city, however, has run into some controversies, particularly regarding the EUR 3.5 billion Belgrade Waterfront project planned in Savamala district where luxury apartments, the biggest shopping mall in the Balkans and office spaces will be built in Dubai style. The development by the Serbian government and Eagle Hills, a developer from the United Arab Emirates, is set to erase the whole area that has in recent years become home to the city's most fashionable bars, clubs, galleries and restaurants. The government and the city planners have been accused of lack of transparency and reluctance to involve inhabitants in the decision making process.

Controversy surrounding Belgrade's metro system is of a different nature, mainly due to the fact that discussions about it have been going on since the

It is hard to imagine
that a city of
1.7
million people
that spreads over
360km²
doesn't have a metro system

1950s. It is hard to imagine that a city of 1.7 million people that spreads over 360km² still doesn't have an underground system. Yet. But the plans are under way. Again. The city council's plans include two lines that will be built in stages, with the construction of the first line - running from Žarkovo to Mirijevo via Železnik - planned to commence in 2020. The line will be 22km long and will cost EUR 1.3 billion. The second line will be 20km long and will run from Ustanička to Zemun. Whether the plan will be realised remains to be seen. The locals are now jokingly referring to the project as "Waiting for Metro" - čekajući metroat - which in Serbian rhymes with the title of Samuel Beck-

ett's play *Waiting for Godot*, where the Godot character never arrives.

CLIMATE CAN'T WAIT

Combating climate change, however, cannot wait. Though Belgrade is not a poster city for reducing pollution, the city council is taking steps to change this. As of January 2020, Belgrade is banning use of plastic bags everywhere but the airport for security reasons. Merchants who fail to follow the rule will have to pay a fine between EUR 200 and EUR 1,200. To reduce pollution in the city, Belgrade has also introduced five electric buses as a pilot project and plans to acquire another 80 in 2019. Furthermore, Belgrade is expected to not have a single heating oil-fired boiler for district heating by 2021, which will also help decrease air pollution. Since Belgrade plans to apply for the European Green Capital award, it can be expected that the number of such initiatives will increase. The project "Let's Cycle in Belgrade!" was launched in 2017, which envisages building around 120 kilometres of new bike lanes around the city. The project will also introduce a bike-sharing scheme similar to the one in Ljubljana which allows residents to rent a bike in one spot and return it in another.



SKOPJE

LOOKING FOR NEW IDENTITY



Photo: Shutterstock

Population

City: 546,824
Country: 2,075,301

Average monthly salary

Trending profession - FINANCE MANAGER:
EUR 1,900
Country average: EUR 395

AJ green index



Sale price per m²

EUR 1,170

Safety index



* AJ Green Index consists of four elements: CO2 emissions, air quality, generated municipal waste per capita, plastic pollution prevention. Methodology used is developed by ISR.

While Skopje and Macedonia are making international headlines over internal political disputes regarding Prespa agreement with Greece, little else about this part of the world grabs attention beyond the region. Apart from, of course, being the birthplace of Mother Theresa.

AUTHOR: MAJA DRAGOVIĆ



Photo: Shutterstock

BOATMEN OF SALONICA
monument in Skopje

L

Located in a valley surrounded by mountains on three sides, Skopje lies in the heart of Balkan peninsula. With over 500,000 inhabitants, the city is built on the banks of Vardar river, while the narrow streets in the Old Bazaar – biggest bazaar preserved in the Balkans today – remind of times gone by. The area is home to charming coffee shops and traditional art stores, with an ever-present Turkish feel.

HISTORY MOMENTS

Skopje was under Ottoman rule like the rest of the Balkans for around 500 years. During that time, the city was renowned for its oriental architecture. In 1912, Macedonia was annexed by Serbia and it became part of newly formed Yugoslavia after the World War II. In 1963 the city was hit by a devastating earthquake that measured 6.9 on Richter scale. More than

1,000 people were killed and over 3,000 injured. The earthquake flattened most of the city, with 80% of its buildings damaged or destroyed. Countries from around the world helped rebuild the city, in a completely new architectural style and layout, with several large new urban zones added to the east, west and north. What emerged was a mix of modernist buildings, brutalist structures and depressing Soviet-style apartment blocks. Though most of the Ottoman architecture has been destroyed, the city's Old bazaar stands defiant against time.

ALEXANDER THE GREAT
monument in city center



Photo: Shutterstock

Most popular topics in Google search in the country



A word cloud showing search trends in Skopje. The most prominent words are 'Facebook', 'YouTube', and '.mk'. Other visible words include 'Skopje', 'Google', and 'Google Translate'.

nia to use his name as a part of its history. The project also included adding false facades to numerous communist-era buildings and planting palm trees along the river banks in a city where temperatures in the winter drop below zero. Initial budget for the project amounted to EUR 80m but an investigation by the Balkan Insight revealed the actual cost was around EUR 560m – in a country where average wage is around EUR 400. When it came to power, the current government's first move was to stop all projects, including the building of the London style Ferris wheel on Vardar river.

Skopje's geography, surrounded by mountains, means that the polluted air is effectively trapped.

HIDDEN GEMS

Though sculptures with dubious art qualities adorn the city, there are many hidden gems that showcase local talent. Acanthus gallery, located in the bustling Debar Maalo district, is a place where many aspiring, young artists organise their first exhibitions. It's a great spot

to discover new talent, from modern art, ceramics, jewellery and fashion. Another great place appreciating local artisans is the Error Kolektiv concept store, whose interior resembles an ongoing art exhibition. Fashion, accessories, art prints, photographs, stationery and many other unique objects decorate the shop's shelves. Like many other concept stores around the world, Error Kolektiv also organises parties and events to promote young artists.

FIGHTING POLLUTION

Skopje has been listed by the World Health organisation as one of the most polluted cities in Europe. High particle pollution in Skopje is above average 269 days per year. The air pollution caused more than 1,300 premature deaths in the capital, according to official statistics. The problem is biggest during winter due to industrial emissions, smoke from wood-burning stoves and exhaust fumes from old cars. Skopje's geography, surrounded by mountains, means that the polluted air is effectively trapped. The city authorities deploy emergency measures on days with high air pollution such as time off from work for pregnant women, people over 60 years of age, and those suffering from chronic asthma and related conditions. The city also offers free public transport while any sporting events on such days are cancelled.

The government is now attempting to address the problem, announcing a strategic plan last November to reduce pollution in the capital by 50% in two years. The funds allocated amount to EUR 1.6m per year, which some environmentalists say is below what is necessary to achieve the initiative's goal. The plan includes buying new air pollution monitoring stations; reducing VAT tax and subsidies to encourage inhabitants to replace wood with central heating; reducing car traffic during winter as well as adding more green areas in the city.

The air pollution caused more than

1,300

premature deaths in the capital, according to official statistics

The European Bank for Reconstruction and Development approved a USD 13.5m project to upgrade Skopje's older diesel buses to low-emission, compressed natural gas buses.

INTRODUCING ELECTRIC BUSES

Part of the council's priority list to address Skopje's public transport problem is not only to combat air pollution but to



DIGITAL AMBASSADORS:

TAG AND SHARE #ADRIATICJOURNAL

@ cickostoilko



77,324

Pero Antić is a former NBA basketball player who also played for Red Star from Belgrade.

@ janeva



9,254

Sofija Janeva is a fashion, travel and lifestyle blogger.

@ monikapotter



15,768

Monika Bauer is Macedonian brand ambassador and (food) blogger.



Photo: Shutterstock

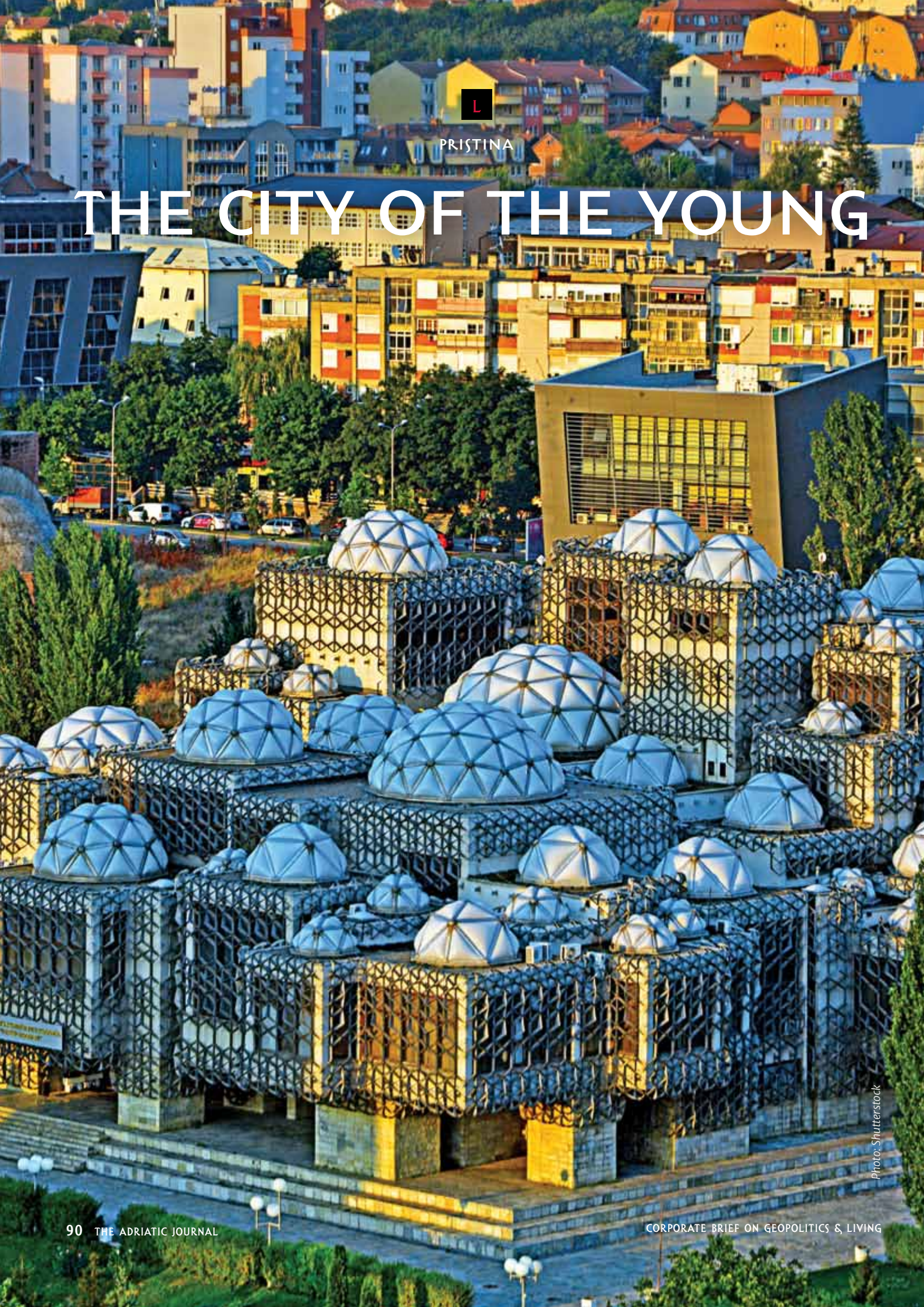
improve the service overall. In 2018 the council adopted a budget for subsidies for procurement of eco-buses in the amount of MKD 100m and for private transporters in the amount of MKD 20m. In 2019, at least 30 new eco-fuel buses will be driven down the Skopje streets and will replace the old bus fleet of the public enterprise JSP-Skopje.

“Investing in public transport that is energy efficient and does not pollute the air is an investment in creating a healthy environment”, the city’s mayor Petre Shilegov told the press. “Skopje deserves bus transport that will not pollute, that will be energy efficient and that will fully meet the needs of the citizens who use it.”

Skopje currently has two gas powered buses and one electric bus which consumes a minimum amount of electricity and is equipped with a quick charging system. Two e-charging stations have been set up on the first and last stops on this bus line.



PANORAMIC VIEW of Skopje from Old fortress



L

PRISTINA

THE CITY OF THE YOUNG

Photo: Shutterstock

Population

City: 204,721
Country: 1,830,700

Average monthly salary

Trending profession - N/A
Country average: EUR 457

AJ green index



Sale price per m²

EUR 1,250

Safety index



* AJ Green Index consists of four elements: CO2 emissions, air quality, generated municipal waste per capita, plastic pollution prevention. Methodology used is developed by ISR.

The city offers tasty hamburgers for EUR 1, coffee for only EUR 0.50, or entire meals for EUR 3 at fancy restaurants. Visitors enjoy “burek”, a savoury snack, “flia”, a traditional pie, and “trileqe” cakes.

AUTHOR: FIŞNIK RRECI



Photo: Shutterstock

SKANDERBEG is the national hero of Albanians and Kosovars

P

Pristina's biggest asset are its people – they are tremendously hospitable. They treat foreigners as if they were one of their own – or better, because they are trying to show the world that Pristina is not at all like it might come across on cable news. So, lots of coffee and even food offered to anyone who asks for directions. ‘But it is just a regular cup of coffee,’ the locals will insist. In reality, it might just as well rank among the best macchiatos in the world. And coffee shops linger in one’s memory for their cozy and inspiring setting.

THE OLD VERSUS THE NEW

Strolling through the city is like taking a walk through history. Throughout the city centre, the Ottoman empire left its characteristic traces with the many mosques and narrow roads persisting in defiance of time. By their side, stark ar-

chitectural reminders of the country's communist past as part of Yugoslavia. Since the NATO bombings during the Serbia-Kosovo conflict of 1999, the city has been quickly rebuilt in a chaotic, unorganised manner. It saw the beginning of a modern architecture, influenced by western culture and epitomized in the Newborn monument, which commemorates the Declaration of the Independence of 2008.

This conflict between the old and the new manifests itself in tall buildings built close to one another, on narrow roads with no parking. And yet ... each new structure looks radically different,

Throughout the city centre, the Ottoman empire left its characteristic traces with many mosques and narrow roads persisting in defiance of time.



Photo: Shutterstock

Most popular topics in Google search in the country



making the city appear without planning. Even more conspicuously, there is no open river flowing through Pristina. By design. Communist planners had two small streams, Velusa and Pristevka, covered up back in the 1970s, as an extreme measure against illegal rubbish disposal.

Unfortunately, Pristina remains one of the most polluted cities in the world. The problem gained new traction when

the US Embassy started to measure air pollution and publicize its data. While the municipality has lately taken environmental measures, it has been lagging civil society. Concerned volunteers have formed groups to clean up the city, to inform people on sustainable development, and to coordinate actions like the collecting of plastic bottle caps for recycling.

Only around
40,000
tourists a year visit
the Blue City.

CHEAP AND DELICIOUS FOOD

Despite all odds, Pristina still has that special 'something' you will never forget – starting with friendly locals, the vibrant streets, the crazy architecture, and most importantly, superb food. Un-

til recently, Pristina had no outpost of global chain-restaurants. This, however, was no problem for a city which offers the most delicious hamburgers for EUR 1 at "Hamburger ABA", coffee for only EUR 0.50, or entire meals for EUR 3 at fancy restaurants. Visitors enjoy "burek", a savoury snack, "flia", a traditional pie, and "trileqe" cakes. Turkish tea (with or without rakia brandy) is served in most restaurants.

The city plays host to a number of exciting events throughout the year – the Sunny Hill Festival, Pristina Jazz Festival, Remusica, and, not but not least, the BeerFest and the Beer and Wine Fest.

THE CITY OF YOUTH

Not surprising for a country with the average age of only 29.5 years, Pristina is never still. If it is a holiday or just a regular working day, the streets are always bustling with life. Not with tourists, though. Only around 40,000 tourists a year visit the Blue City. The locals like to joke that since they have



BILL CLINTON sculpture honouring his role in the country's fight for independence

DIGITAL AMBASSADOR:

@vcitaku



15,779

Vlora Çitaku is a politician and diplomat who currently serves as the Ambassador of the Republic of Kosovo to the United States.

@ledrivula



1,245,416
295,677

Ledri Vula. A popular singer and songwriter born in Pristina, Kosovo.

TAG AND SHARE #ADRIATICJOURNAL

@egzonbytyqphoto



47,560

Egzon Bytyqi. A big outdoor fan, a professional travel photographer captured this postcard scene during a trip to region of Prizren.

no sea, and no visa agreements that would allow them to travel, they will invest in bringing the west to Pristina. The city prides itself on religious tolerance. While most inhabitants are Sunni Muslim, a Catholic cathedral was consecrated to Mother Teresa (St. Teresa of Calcutta) in 2007.

Talented artists with roots in Pristina have gained worldwide recognition, with global popstars Rita Ora and Dua Lipa leading the way.

LOCAL TALENT WITH GLOBAL OUTREACH

Talented artists with roots in Pristina have gained worldwide recognition, with global popstars Rita Ora and Dua Lipa leading the way. Now, a new generation of musicians is trying to succeed

without leaving their home town. A hero of the Pristina music scene is Era Istrefi, who records in a local studio with the up-and-coming producer Cricket (Donat Prelvukaj). Their 2016 single Bonbon became a worldwide hit and opened doors for many other artists, who got signed by major international labels. Another watershed movement for the local art scene came that year, when the short film "Shok" was nominated for the best live action short film Oscar.

The youthful vitality of Pristina has attracted a burgeoning IT sector, which offers employment opportunities and brings in foreign currency with service exports. Currently, the city is home to three innovation hubs: Innovation Centre Kosovo, the IPKO foundation and Pristina Hackerspace. The sector's importance was recently recognized by the Kosovar government, which set up a Ministry of Innovation. Its aim is to smooth the process of funding start-ups.

NEWBORN monument commemorating Kosovo's independence



Photo: Shutterstock

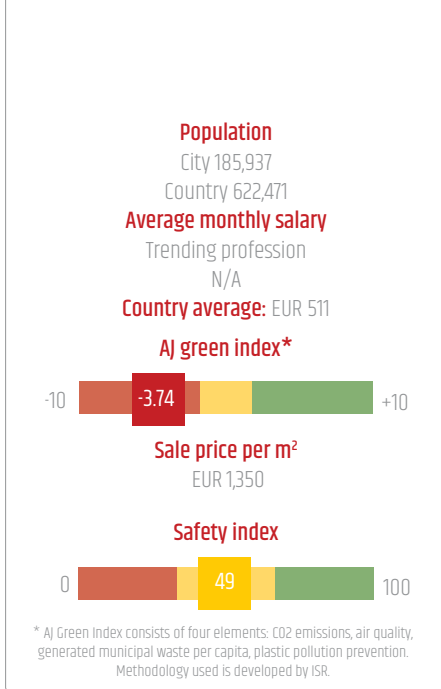


PODGORICA

LOCATION, LOCATION, LOCATION



Photo: Shutterstock



The city's favourable location at the meeting point of the Ribnica and Morača rivers as well as the fertile Zeta and Bjelopavlići valleys has attracted settlement dating back 2,000 years.

AUTHOR: VEŠNA ČADJENOVIĆ

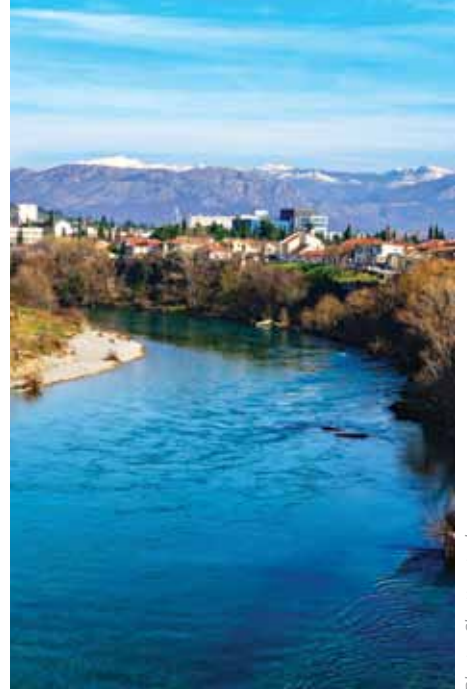


Photo: Shutterstock

P

Podgorica is not renowned for being the most exciting city in the region but it does have an advantage over the other capitals in ex- Yugoslavia: its close proximity to beautiful Montenegrin coastline as well as the country's skiing resorts. Sea shores are only 50km away, while the closets ski centres are a couple of hours drive away. The municipality is currently home to almost 30% of the country's population which soared since 2011 – from about 148,000 to 250,000 inhabitants in 2018. Its location is also making it increasingly popular with tourists, with 90,000 visiting the city in the first seven months of last year.

HISTORY MOMENTS

Podgorica's long history is marked with many ground-shaking cataclysms, reflected in the five unique names the city has held throughout its existence. While

the Romans called it Birziminium, the Slovene settlements in medieval times renamed the city to Ribnica. The first mention of Podgorica dates back to those times in 1326. With the arrival of the Turks in 1474 the city takes on all oriental features until 1849. With the formation of Yugoslavia, it changes its name to Titograd, in honour of Yugoslav president Josip Broz Tito. With the fall of Yugoslavia, the name changed back again to Podgorica in 1992. The destructive Yugoslav wars bypassed Montenegro, though the country was bombed during NATO raids in 1999. During this time Montenegro began to distance itself from Serbia which was followed by

successful independence referendum in May 2006, with Podgorica becoming Montenegro's official capital.

NATIONAL PRIDE

Perhaps the country's most famous export is its wine. Vineyards around Podgorica have acquired global fame with their indigenous vranac and krstač wines as well as classic chardonnays and merlots. Čemovsko field, south of Podgorica, is Europe's largest vineyard on one site, stretching across 23km² with more than 11 million grapevines. The vineyard produces one of the largest selections of Montenegrin wines, including the award winning white sauvignon, and three dif-

OTTOMAN CLOCK TOWER



Photo: Shutterstock

These are the most popular topics in Google search in Montenegro for 2018:



ferent types of vranac. The vineyard is owned by AD Plantaže, one of the biggest companies in Montenegro.

RAISING AWARENESS THROUGH ART

Recycling has become an inspiration and a way of expression for many artists, including those in Montenegro. Scattered across the city in 2016 were the works by Danilo Baletić, sculptures based on the 1980s TV series, the Transformers. Each robot sculpture is painstakingly welded together using scrap metal parts from trucks, tanks, boats and even aeroplanes. Baletić's Transformers were not just there to impress observers, they also carry a message: the artist wants to raise awareness about the impact our habits have on the planet. On his website, Baletić states that "through daily contact with a huge amount of various wastes, the artist examines habits of man and consumer awareness."

"Due to the increasing desire for comfort, we are exhausting natural resources and polluting our environment."

GOING GREEN

Podgorica used to be one of the greenest cities in Europe but massive building boom in the past three decades has altered its landscape. According to the analysis by the Centre for Agricultural Landscape Research in Munchenberg, Podgorica ranks 31st out of 42 European capitals in its proportion of green areas. All other capitals in former Yugoslavia are better ranked. The

city is making steps, albeit small, to reverse the trend. According to the local media reports, the city council launched a mobile application "My Tree" - created by Amplitudo - so that anyone can purchase a tree that will be planted on one of the sites marked in the app. By choosing a location on a map, the app provides the user with exact possible locations for tree-planting, as well as the type and number of trees they can plant.

Increasing the amount of green areas is just one step in the drive to improve the



Photo: Shutterstock

BALETIĆ'S TRANSFORMERS are not just made to impress observers, they also carry a message; the artist wants to raise awareness about the impact our habits have on the planet.

There are only 10 electric cars in the city to date. The government has put some incentives to try and increase this number - mainly tax exemption for e-cars in the registration process.

quality of life in the capital. Podgorica is one of the most polluted places in Europe but ditching diesel powered cars seems a long way off in this part of the world. Here, a car is still very much a status symbol. There are only 10 electric cars in the city to date. The government has put some incentives to try and increase this number - mainly tax exemption for e-cars in the registration process. Instead, tax is paid annually based on the engine's working



CATHEDRAL OF THE RESURRECTION OF CHRIST

Photo: Shutterstock

DIGITAL AMBASSADORS:

@ cedoviste



123,653
695

Ana Ljuljdžurović is a 25-year old Montenegrin with a degree in psychology but has found her niche in body art.

@ njezvanova




102,373
5,281

Nataša Gardašević is a popular vlogger who talks about everyday life, marriages, relationships, youth and health in a very satirical and fun way.

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@ szugic_photography



1,088

Stevan Žugić is landscape, nature and wildlife photographer based in Montenegro.

volume. For passenger vehicles, this ranges from EUR 25 to EUR 1,500. However, for all the tax incentives, those opting for battery powered cars face another obstacle – lack of charging stations. There are currently only three in the city.

Though green initiatives in the capital and the country as a whole are scarce, Montenegro's opening of Chapter 27 – Environment and Climate Change – in its negotiations to become a member of the EU is likely to vastly accelerate Podgorica's attempts to join the club of green cities.

YOUTH CAREERS

Young people in Podgorica are not as keen to start a company as their counterparts in Belgrade or Ljubljana and startup scene in digital industry in the city is not as dynamic. Podgorica-based NGO digitalizuj.me was set up in 2011 to help citizens and organisations in Montenegro in understanding and exploiting possibilities for social and business change by using social media and innovative business models. Digitalizuj.me launched a digital community through a series of projects, workshops, panel discussions and lectures. However, most young professionals are reluctant to

enter the turbulent waters of entrepreneurship. According to the publication by UNDP in 2017 (Youth (un)employment in Montenegro) the labour market in the last decade has significantly changed in the country. The transformation of the economy has reduced employment opportunities in industry and agriculture, while services and trade sectors have seen an increase. At the same time, there are more opportunities to use own property as a business, such as renting apartments, cars, and commercial space.

The project that includes a total of
13.5km
of bike paths started in 2015
and was built in phases.

CONNECTING INFRASTRUCTURE

One of the biggest infrastructural projects in the city was the construction of the Sozina tunnel that enables locals to reach the Adriatic coast in just half an hour's drive. Another landmark project

was the construction of the Millennium bridge which spans Morača river and dominates the city's skyline. The city council has also recently completed the fifth bicycle corridor, ending a major project for building bicycle trails in the capital. The project that includes a total of 13.5km of bike paths started in 2015 and cost over EUR 1m.

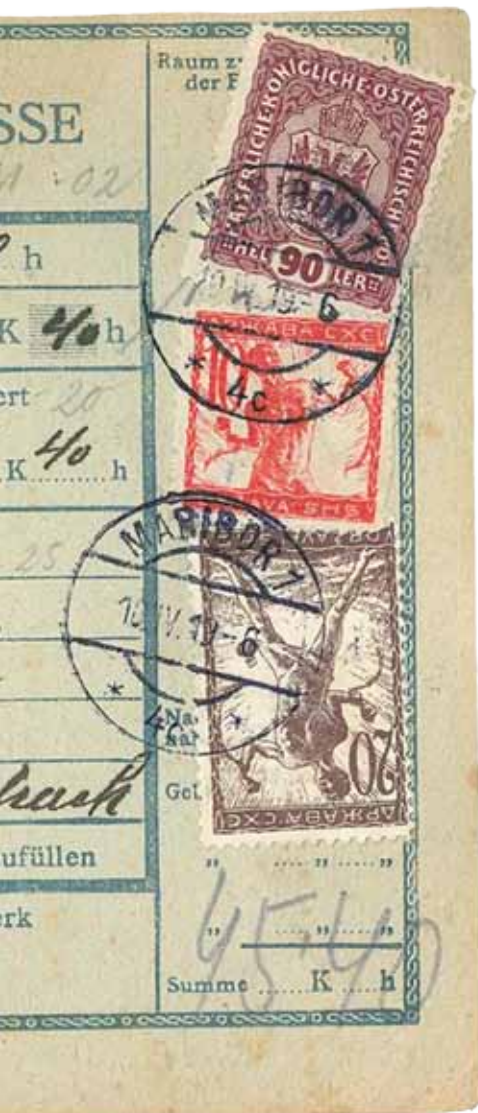


Photo: Shutterstock



STAMPS

THE CHAIN-BREAKING CENTENNIAL



For a long time, there has been a vibrant market in something Slovenian. And it has been truly global, trading in unexpected places like Mumbai and Las Vegas as well as in less surprising venues like London, New York, or Geneva. Even more interestingly, the prices for this quintessentially Slovenian product range from a few cents to several thousand euros per square centimetre. Designed in Ljubljana in late 1918, the production went on for only two years, until 1920. Official use ceased in 1921.

AUTHOR: JURE STOJAN DPhil

This mysterious product is a special piece of printed paper— the first Slovenian postage stamp. Indeed, it is the only Slovenian luxury item that truly has a global market and a century-old tradition of marketing activities. In fact, it was the international collectors which gave the stamp the moniker still in use today, “Kettenbrecher” in German and “chain breakers” in English, which translates as “verigarji” in Slovenian. No mysteries where the name came from. The lower-denominated stamps show an athlete (nude save for a loincloth) who has just broken the chains of slavery. “Smooth symbolic kitsch, nothing more and nothing less,” was the verdict of the image’s creator, the self-critical academic painter Ivan Vavpotič (1877–1943).

What was driving demand by international collectors? First, the Slovenian stamp stood out among the usual royal busts and castles adorning postage stamps elsewhere. “Here we find a slave in the moment when he breaks the chains attached to his wrists. The man is naked. The struggle imprints his body with violent distortions. His face lets slip a nasty tension.

The mouth is wide open.” This is how the motif was painstakingly described by the Swiss daily Gazette de Lausanne (20 April 1919). “This Hercules is on the stamps for 20, 25 and 40 filler, which are larger than those for 3, 6 and 10 filler, where there was room only for a bust. These stamps will delight regulars at Vidy-Plage [the city beach of Geneva] and athletes.”

COLLECTING

In 1919, the chain breakers were as sexy as postage stamps could get. The reason for this was not only its slightly risqué motive, but also for its deficient technical execution – there was an incredible variety of these stamps. “Since this edition was produced using many different types of paper, different printing plates and kinds of perforation, it is precisely in this edition that there have been so many errors and different types of individual stamps that it is difficult even for a connoisseur to know all these differences,” explained the Viennese weekly *Neues Montagblatt* (14.8.1922). Its verdict? Chainbreakers were “one of the most interesting areas of the newer philately.” In stark contrast to most stamp editions of comparable diversity, this one was born out of honest and justifiable reasons – and not as speculation aimed to defraud as many collectors as possible (for instance, such was the reputation enjoyed in 1920s by Croatian and Bosnian stamps which were published only a few months before the Slovenian chainbreakers).



IVAN VAVPOTIČ, ACADEMIC PAINTER
(1877–1943)

The rich diversity of chainbreakers was due to the general shortage after First World War in which the Slovenes had fought on the losing side. “At the time, just as we did not have bread or most essential foodstuff for that matter, there was no cloth for making clothing in Slovenia, nor raw materials for the industry. Also, we did not have paper for the stamps, no printing colours, nor was there enough of skilled printers. Every day, we noticed how a stamp was very different from the ones which came before, either because of its paper or colour, finally because of its printing, so that people were constantly afraid of falsificates,” the conservative daily *Slovenski narod* recalled a decade later (September 10, 1929).

In 1919, the chain breakers were as sexy as postage stamps could get. The reason for this was not only its slightly risqué motive, but also for its deficient technical execution – there was an incredible variety of these stamps.

So, the very aspect the foreign philatelists were most excited about was also the one that made collectors at home uncomfortable, since it revealed the misery of post-war Slovenia. A good example are the so-called “se-tenants”, stamps with adjoining bits of other stamps of a different value. This happened because for the production to go as fast as pos-



sible, stamps of up to three different values (and, consequently, different colours) were printed on one single, very large sheet of paper at the same time. When the paper was consequently cut into selling sheets, bits of stamps in another colour remained on the edges. These stamps are unique in world philately and are still highly priced today. In June 2015, for example, the Geneva auction house of David Feldman sold a collection of about 140 such stamps for an estimated price range from CHF 8,000 to CHF 12,000.

PRINTERS GONE WILD

Such sums of course have attracted counterfeiters. Already in the 1920s, there were three centres for the falsification of Slovenian stamps: Brussels, where they falsified chainbreakers for 20 para; Vienna, where the high-denomination stamps bearing the portrait of King Peter I. were retouched by adding false “tears”, that is, highly-priced printing errors were being falsified; and Ljubljana of course, where the entire edition with the king was faked by an employee of the *Blasnik* printing house (one of the official printers of the chainbreakers stamps). His name was Padevet, and he was sentenced to prison on May 1, 1923 in the philatelic court case of the century, together with the stamp dealers Ivan Jurca and Maks Simonkovič who had commissioned the counterfeits a year earlier.





THE ADRIATIC JOURNAL IN COOPERATION WITH
THE SLOVENIAN MINISTRY OF FOREIGN AFFAIRS

BEYOND BORDERS: SLOVENIAN ARTISTS CO-CREATE IN THE WESTERN BALKANS

F

For decades, Slovenian artists have been active in cultural hubs across Western Balkans. Artistic co-creation has traditionally been excellent and well-established, and it is impossible to overlook the assistance provided by the Slovenian state. A host of institutions – the Slovenian Ministry of Foreign Affairs, in cooperation with the Slovenian diplomatic missions and with the help of the Slove-

Every year, state-supported Slovenian cultural projects enrich the global cultural space and foster cooperation between Slovenian authors and their peers from the Western Balkans.

nian Ministry of Culture, the Slovenian Film Center, the Public Agency for Books as well as others – support cultural projects that promote intercultural dialogue and the implementation of cultural cooperation in external relations. They showcase the excellence of Slovenian cultural achievements, promoting bilateral and multilateral cooperation.

Slovenia has set out to present the outstanding achievements of its artists, and to promote cooperation by the co-financing of cultural projects. With the

allocated funds from the Cultural Fund of the Ministry of Foreign Affairs and the Ministry of Culture, Slovenia every year co-finances approximately 150 cultural projects throughout the world across very different categories of artistic expression. The primary aim is to encourage more sustainable forms of cooperation between Slovenian authors and their peers from other countries.

ALL PROJECTS IN ONE PLACE

More information on the cultural projects supported or co-financed by Slovenian diplomatic and consular missions through the Cultural Fund can be found online at <https://www.culture.si/en/Category:Funding>. An interactive map of the world <http://world-map.culture.si> shows the activity and the involvement of Slovenian culture and art in the co-creation of the global cultural landscape since 2010.

ALBANIA

On 20 May 2018, the Etnoploč trio performed at the 3rd Cloud Festival. In addition to their own compositions, they also performed traditional Balkan tunes alongside Slovenian polka melodies. This was the first appearance of Slovenian musicians at this festival.



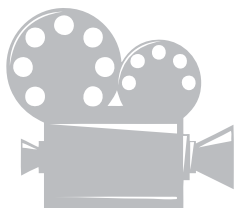
At the opening of the 12th international festival "Musical Encounters Between Two Worlds" in Gjirokastra on 21 September 2018, the Slovenian accordionist Marko Hatlak performed for the first time together with the polyphonic group Ergjeria. The day before, Hatlak had played in Tirana, where, in addition to his own compositions, he had also performed adaptations of famous Balkan ethnic melodies.

From 26–28 September 2018, the exhibition *Plečnik's Students and Other Yugoslav Architects at Le Corbusier's Atelier* was held during the Tirana Architecture Week. The exhibition was prepared by the Slovenian Museum of Design and Architecture and curated by Bogo Zupančič.



On 30 October 2018 at the Balkan Contemporary Music Festival, the Association of Albanian Composers organized the concert *Slovenska glasbena noč* (A night of Slovenian Music), featuring the Slovenian flutist Matej Grahek and the pianist Luca Ferrini who performed works by Slovene and Albanian composers.

Two Slovenian short films were screened at the Tirana International Film Festival on 5 November 2018: *Mine dan, začne se jutro* (The Day Passes, the Morning Begins) directed by Lina Eržen, and *Nevidna roka Adama Smitha* (The Invisible Hand of Adam Smith) by Slobodan Maksimović.



On 1 December 2018, the Albanian premiere of the music documentary *Dan osvoboditve* (Liberation Day) was held at the ZETA Contemporary Art Center in Tirana. The film documents the visit of the Slovenian band Laibach to North Korea in August 2015, where they performed in honour of the 70th anniversary of the Liberation Day, that is, at the official celebration of the end of the Japanese colonial supremacy of 1945. The Albanian premiere coincided with the publication of the book *Liberation Days: Laibach and North Korea* (Editions Timeless, 2018). A conversation with the director of the documentary, Morten Traavik, followed the screening.



BOŠNIA AND HERZEGOVINA

From 21–23 March 2018, the Days of Slovenian Film took place in Sarajevo. The project was created in cooperation with the Slovenian Film Center, the Embassy of the Republic of Slovenia in Sarajevo, the Faculty of Arts of the University of Sarajevo, the Slovenian Office for Slovenians Abroad and the Slovenian Society Cankar. For three consecutive evenings, films by directors Marko Naberšnik (Slovenia, Australia and the rest of the world), Janez Burgar (Ivan) and Hanne Slak (Rudar) were screened.

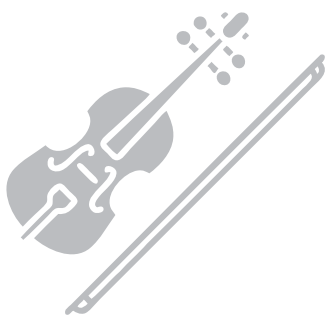
An archaeological exhibition by the Tolmin Museum, entitled *Keltskih konj topot: najdišče Bizjakova hiša v Kobaridu (Slovenija) in Kamenjača v Brezi (Bosna in Hercegovina)* /The Celtic Horseshoe Sound: the site of the Bizjak House in Kobarid (Slovenia) and Kamenjača in Breza (Bosnia and Herzegovina)/ was held in three places this year: the National Museum in Sarajevo, the Central Museum in Goražde and the Regional Museum in Doboj. The authors of the exhibition are Miha Mlinar, Teja Gerbec (Slovenia) and Ana Marić (Bosnia and Herzegovina).



The travelling exhibition *Nesnovna kulturna dediščina Slovenije v luči Unescope konvencije* (The Non-material Cultural Heritage of Slovenia in the Light of the UNESCO Convention), prepared by the Slovene Ethnographic Museum to mark the European Year of Cultural Heritage, was hosted at the National Museum of Bosnia and Herzegovina in Sarajevo from 13 to 30 September 2018, and during the month of October in Zenica.

MONTENEGRO

On 28 April 2018, the violinist Marko Pogačnik performed his project entitled *Europe Unfinished Masterpiece*. The event was took place under the auspices of the Embassy of the Republic of Slovenia and the European Commission Representation in Podgorica at the Government House in Budva. The project had already been presented in some capitals in the Western Balkans (in 2017 in Tirana, Pristina and Skopje).



The already mentioned travelling exhibition *The Non-material Cultural Heritage of Slovenia in the Light of the UNESCO Convention* stopped from 15–23 May 2018 at the Cultural Center Budo Tomović in Podgorica.

At the “Rokumentarni dnevi” festival, which took place from 24–27 May 2018 in Nikšić, two Slovenian documentary films were screened: *Charlatan Magnifique* directed by Maja Pavlin and *Glasba je časovna umetnost 2, LP film Buldožer - Pljuni istini u oči* by Varje Močnik. The music critics Igor Bašin and Zoran Markovič participated at the accompanying round table entitled Music in the Film.

Cvetka Hojnik had two solo exhibitions in Montenegro: from 28 April to 12 May 2018 in the modern gallery in Budva and on 11 September 2018 at the premises of the Ministry of Culture in Cetinje.



An exhibition by the Maritime Museum “Sergej Mašera” of Piran entitled *ROG - prva slovenska čezoceanska ladja in poveljnik Baldomir Podgornik* (ROG - the first Slovenian Ocean Ship and Commander Baldomir Podgornik), visited the maritime museum in Kotor in September 2018. The opening of the exhibition was attended by the director of the Maritime Museum “Sergej Mašera” Franco Juri and the author of the exhibition, Duška Žitko.

An exhibition of Dolenjska Museum entitled *Odsevi prazgodovine v bronu - Situlska umetnost Novega mestu* (Reflections of Prehistoricity in Bronze - The Situla Art of Novo mesto) was hosted from 24 September to 15 October 2018 at Spomen dom, Crvena komuna in Petrovac. At the opening, the author of the exhibition, Borut Kariž, gave a presentation on situla art.

KOSOVO

On 27 April 2018, a presentation of Mistafa Balje's book of poems *Ademov mjesec* (Adem's Month) and an exhibition by the academic painter Lojze Kalinšek took place in Prizren. Kalinšek put on view fifteen paintings which had been inspired by Balje's poetry.

MACEDONIA

The Slovenian poet Jurij Hudolin presented his work at the International Literary Festival PRO-ZA Balkan, which took place from 27–29 May 2018. An exhibition of the late painter Jože Ciuha's oeuvre opened on 8 May 2018 in the Osten gallery in Skopje. The show was curated by Marija Skočir and Barbara Savenc. The event was organised under the auspices of the Embassy of the Republic of Slovenia in Skopje and the EU Delegation in Skopje.

SERBIA

The first exhibition of the photographer Irena Herak entitled *Nova ljubezen* (New Love) took place in April at the Gardoš Kule Gallery in Zemun. Herak portrays Belgrade and Zemun through the eyes of a Slovenian woman, who came to Serbia because of love.



At the *Slobodna zona 2018* film festival (Free Zone 2018), which took place from 7–12 November 2018 at the Sava Center in Belgrade, director Rok Biček participated with his documentary *Družina* (Family).

From 11–14 December 2018, the already traditional Slovenian films days were held in Belgrade, Niš, Pančevo and Vršac. The project was supported by the Slovenian Film Center, the Slovenian Embassy in Belgrade, the Slovenian Office for Slovenians Abroad, and the Belgrade-based Slovenian Society Sava.

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or keep the old job?

Time in your hands or
money in your pocket?

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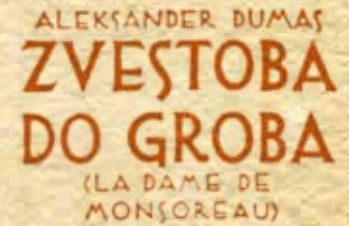
reddot design award
winner 2018

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L

ADRIATIC LETTERS: THE STORY OF THE ADRIATIC JOURNAL'S HEADLINE FONT



I

AUTHOR: JURE STOJAN DPhil



It is impossible to know just how the anonymous designer would have intended the letters to look like on digital devices.

For instance, are the rough edges rough by accident or by design? After all, straight lines come easily on a computer. They're much harder to achieve when first drawn in ink on paper, then photographed and finally cast in lead.

This is why the digitalization of historic typefaces is, to a large degree, an interpretation.

To make decisions harder, newspaper designers in the 1920s loved the look and feel of handcrafted lettering. Type foundries catered to this taste with typefaces that shifted away from the polished perfection of classical fonts. The word "ROUGH EDGES" is set in Bernhard. Designed in 1912, it became a popular advertising font in the 1920s,

including in the Adriatic region.

Was this the look Jutro's draughtsman was aiming for? Probably not.

Usually, Slovenian art-deco letters were smooth to the degree the technol-

ogy allowed it. Also popular in lettering of the time, line segments with rounded joints (as seen in the logotype for Narodni dnevnik, a left-leaning newspaper published in Ljubljana from 1924 to 1928).

This hand-drawn ad for Jugoslovanska tiskarna (Yugoslav printers) reinforces the case for smooth edges. It was printed in 1931 on much better presses than the 1924 newspaper. But the lettering style is similar. Note the exaggerated proportions of R and K, popular in the early- to-mid-twentieth-century Slovenia.

The final product: the Adriatic Journal font. Actually, it's more like two separate caps-only fonts rolled into one (to make the webfont load faster, we put the serif letters on the uppercase position and the sans as lowercase). As an added bonus, this makes it easier to change between the styles on the keyboard. No clicking around!

It is a faithful interpretation of the Jutro artwork. With one difference: we set the horizontal bar in E and F to the optical midpoint of the letter (rather than below the midpoint as in the original). This makes the design more consistent, easier to read on smaller screens and, besides, we felt that having already three very retro letterforms (G, M and S) is more than enough if the font is to be useful in the 21st century.



FESTIVAL FABULA BRINGS LITERARY STARS TO LJUBLJANA IN MARCH

L

THE ADRIATIC JOURNAL
IN COOPERATION WITH
BELETRINA

Like every spring in the last fourteen years, in 2019 Ljubljana will host the biggest literary festival in the country. From March 2nd to 9th, some of the world's most famous and critically acclaimed authors will be coming to Cankarjev dom and some other locations across the city.

PHOTO: MATEJ PUŠNIK



The Order of the Day, a novel about shady business dealings behind the Nazi Annexation of Austria. The novel is being translated into Slovenian under the title Dnevni red.

Festival will also host the Argentinian-Canadian writer Albert Manguel, the Russian Tatjana Tolstoj, the German author Ingo Schulze, and one of the leading contemporary sociologists and anthropologists of France, Bruno Latour. Latour is best known as a former “science war veteran” for having criticized the concept of “scientific facts” which he considered to be mere constructs of “scientific communities”. Latour has lately become a fierce advocate of science and wants to rebuild trust in it, especially in the wake of climate change denial. His last book, Down to earth – Politics in the New Climatic Regime, will be published in Slovenian translation to mark the festival.

During the week-long event, visitors will also have a chance to see the Congolese poet Fiston Mwanza Mujila, the Hungarian author Edina Szvoren, and the Greek writer Makis Tsitas. Since 2004, Fabula has brought the most famous names of world literature to Ljubljana. Some of the literary stars who previously attended the festival are the American contemporary novelist Jonathan Franz whose passionate readers include the former US president Barack Obama, the Nobel-award winner Herte Muller, and the enfant terrible of world literature, Michel Houellebecq.

The British novelist Rachel Cusk is certainly the biggest name of this year's festival. With her trilogy (Outline, Transit and Kudos), Cusk has become both a critical and readers' darling. As Cusk does not believe in literary characters, her plots barely describe the protagonist's life. Readers get to know about Faye's story (her literary writings, her divorce, her overcoming the trauma of divorce and remarriage) in passing, through dialogue with people Faye meets. Cusk received superb reviews for all three books by almost all literary critics in the world's newspapers, who consider her trilogy to rank among the best literature of this century.

Public attention is certainly also going to be lavished on the French filmmaker and writer Eric Vuillard. In 2017, Vuillard won the prestigious Goncourt prize – one of the top literary honours in France – for

ADRIATIC JOURNAL TOP EVENTS IN THE REGION IN 2019

JANUARY



MENT LJUBLJANA

📍 *Ljubljana, Slovenia*

MENT Ljubljana is a three-day showcase festival of fresh artists from around Europe and beyond, during which around 70 acts perform at different venues in Ljubljana.

📅 30 Jan–1 Feb

SNOW QUEEN

📍 *Zagreb, Croatia*

Snow Queen World Cup alpine ski race in Croatia. The men's and women's slalom races take place on the Medvednica mountaintop Sljeme.

📅 5 Jan– 6 Jan

KÜSTENDORF FILM FESTIVAL

📍 *Drvengrad, Serbia*

Küstendorf celebrates cinema d'auteur as well as local culture and gastronomy. Küstendorf has become a symbol of renowned movie director Emir Kusturica's artistic vision - anti-global and anti-Hollywood - with streets named after his idols.

📅 11 Jan–26 Jan

FEBRUARY



MIMOSA FESTIVAL

📍 *Herceg Novi, Montenegro*

While many parts of Europe are still under snow, people in Herceg Novi celebrate the blossoming of the mimosa flower. This year marks the festival's 50th anniversary which it will celebrate in traditional style with dances, carnivals, masquerades and lots of fish!

📅 31 Jan - 2 March

59TH KURENTOVANJE INTERNATIONAL CARNIVAL FESTIVAL

📍 *Ptuj, Slovenia*

Kurentovanje is Slovenia's main cultural and ethnographic festival in springtime, the richest international Pustovanje (Shrovetide celebration) in the land. Ptuj's unique carnival legacy, deeply rooted in the mystical pagan character of Kurent.

📅 23 Feb–5 Mar

EUROPEAN YOUTH OLYMPICS FESTIVAL

📍 *Sarajevo, Bosnia and Herzegovina*

There will be eight sport disciplines on the programme for the Winter EYOF: Alpine skiing; biathlon; cross country; figure skating; ice hockey; short track speed skating; snowboarding; and curling.

📅 09 Feb – 16 Feb

MARCH



PLANICA – SKI JUMPING WORLD CUP

📍 *Planica, Slovenia*

The greatest Slovenian sport event, each year hosting the best ski jumpers in the world. For decades, the valley under the Ponce Mountains has attracted the greatest heroes of ski flying.

📅 21 Mar – 24 Mar

DAM FESTIVAL

📍 *Pristina, Kosovo*

One of the cultural highlights of Kosovo's capital city. Founded in 2006, the annual music festival gathers young and talented national and international musicians from all over the world.

📅 26 Mar – 31 Mar

FABULA FESTIVAL

📍 *Ljubljana, Slovenia*

Fabula – Literature of the World is the biggest and most visited literary festival in Slovenia and the wider region. Founded in 2003, it has hosted many modern classics. To mark the occasion, the Slovenian translations of five books by visiting authors are published in a special series.

📅 10 Mar

APRIL



Photo: Shutterstock

32ND BELGRADE MARATHON

📍 *Belgrade, Serbia*

The Belgrade Marathon (Beogradski Maraton) is one of the biggest sporting events in Serbia. A group of enthusiasts came up with a plan to restore the race from Obrenovac to Belgrade that existed in 1910 and was 23km long.

📅 14 Apr

LENNY KRAVITZ

📍 *Ljubljana, Slovenia*

Leonard "Lenny" Kravitz is an American singer-songwriter, multi-instrumentalist, record producer, and actor. His retro style incorporates elements of rock, soul, R'n'B, funk, reggae, hard rock, folk and ballad.

📅 27 Apr

CARNIVAL OF BUDVA

📍 *Budva, Montenegro*

Carnival will open the summer season in Montenegro's coastal region. The annual spring carnival takes place within the walls of Budva's old town and is popular with locals and visitors alike.

📅 May

MAY



Photo: Žiga Koritnik

DRUGA GODBA

📍 *Ljubljana, Slovenia*

Druga Godba is one of the most prominent world music festivals in Central Europe, with a concept and approach that sets it apart from other festivals in this part of the world.

📅 21 May – 25 May

OCEAN LAVA MONTENEGRO

📍 *Kotor, Montenegro*

Ocean Lava Montenegro is more than a race – it is a movement! The triathlon is held in Bay of Kotor and consist of three consecutive stages: swimming, cycling, and running. You can register at www.oceanlava.me/register/ if you'd like to participate.

📅 12 May

ANDRE RIEU & JOHANN STRAUSS ORCHESTRA

📍 *Belgrade, Serbia*

World star André Rieu, the Dutch violinist is undoubtedly one of the most internationally popular musicians of our time. Together with his 50-member Johann Strauss Orchestra, he tours on all five continents.

📅 22 May

JUNE



Photo: Tadej Regent/Delo

FESTIVAL LENT

📍 *Maribor, Slovenia*

The story of Festival Lent is that of evenings filled with the scent of summer, the starry sky, under colourful lights, sounds, rhythms. The banks of the Drava river are transformed into a magical place.

📅 21 Jun – 29 Jun

INMUSIC FESTIVAL

📍 *Zagreb, Croatia*

The InMusic Festival is Croatia's biggest international open-air festival. The festival is held annually in June in Zagreb and takes place on Youth Island in the middle of Zagreb's lake Jarun.

📅 21 Jun – 26 Jun

DEV9T

📍 *Belegrade, Serbia*

Unique occurrence of street art, music, and performance, in the heart of the Balkans, and Serbian capital, Belgrade. It promotes arts, creativity and creation process during the nine days long workshops and organized activities, in a funky old factory.

📅 N/A

JULY



Photo: EXIT festival

EXIT FESTIVAL

📍 *Novi Sad, Serbia*

EXIT is a Serbian rock, indie and electronic music festival held each summer in Novi Sad's iconic 18th-century Petrovaradin Fortress. 's line-up will feature a headline set from the one and only The Cure, and many others.

📅 4 Jul – 7 Jul

SEASPLASH

📍 *Pula, Croatia*

Seasplash Festival is one of the most long-lasting Croatian festivals, ideal for all of those who are lead with a good will and a desire for a great and relaxed summer vacation right by the sea.

📅 18 Jul – 21 Jul

69TH DUBROVNIK SUMMER FESTIVAL

📍 *Dubrovnik, Croatia*

Dubrovnik Summer Festival is undoubtedly Croatia's premier and largest cultural gathering. Shows are held on several open-air stages around Dubrovnik's squares and towers in the Old Town.

📅 12 Jul – 20 Aug

AUGUST



Photo: Shutterstock

GUČA FEST

📍 *Guča, Serbia*

The iconic brass band festival is held every year in August in the little Serbia town Guča, some 150 km south of Belgrade. There might be only two thousand inhabitants there but they care deeply about the Serbian/Balkan style of music – a unique kind of Gypsy music.

📅 07.Aug – 11 Aug

25TH SARAJEVO FILM FESTIVAL

📍 *Sarajevo, Bosnia and Herzegovina*

This international film festival has a special focus on South East Europe. Following the official award ceremony held at the National Theater in Sarajevo, the audience vote is revealed at midnight.

📅 16 Aug – 23 Aug

OHRID SUMMER FEST

📍 *Ohrid, Macedonia*

Macedonia's most famous festival has attracted visitors from all over the world since 1961. The Ohrid Summer Festival is traditionally held every August.

📅 07 Aug – 20 Aug

SEPTEMBER



Photo: Predrag Vučković

RED BULL CLIFF DIVING WORLD SERIES

📍 *Mostar, Bosnia and Herzegovina*

The only Red Bull Cliff Diving World Series event where competitors leap from a UNESCO World Heritage site, Mostar holds a special place in the divers' hearts.

DATE: NA

21ST FESTIVAL OF SLOVENIAN FILM

📍 *Portorož, Slovenia*

The annual showcase of Slovenia's film production, from features and short films to documentaries and animation.

📅 10 Sep – 15. Sep

OUTLOOK FESTIVAL

📍 *Pula, Croatia*

For over a decade, Outlook has been at the forefront of sound system culture, bringing together artists from all over the globe to celebrate all things bass under the Croatian Sun.

📅 N/A

OCTOBER



24TH LJUBLJANA MARATHON

Ljubljana, Slovenia

Slovenia's largest running event. Its great international recognition is largely due to its highly attractive course, running through the streets of Ljubljana. The two main races held as part of the event, a marathon (42km) and a half marathon (21km), are accompanied by recreational runs of varying lengths and degrees of difficulty.

 27 Oct

12TH INTERNATIONAL ANIMATED FILM FESTIVAL

Banja Luka, Bosnia and Herzegovina

Banja Luka's love affair with film animation goes back to the 1960s. Already in 1971, the city hosted its first festival of animated film, BANJA LUKA 71, the first of its kind in then Yugoslavia.

 24 Oct – 28 Oct

SKOPJE JAZZ FESTIVAL

Skopje, Macedonia

For 37 years, Skopje Jazz Festival has been one of the leading music events in the region, enjoying an excellent reputation in Europe and elsewhere.

 17 Oct – 20 Oct


NOVEMBER



30TH LJUBLJANA INTERNATIONAL FILM FESTIVAL (LIFFe)

Ljubljana, Slovenia


Every year, the Ljubljana International Film Festival, better known as LIFFe, adds vibrancy to the city's autumnal cultural life by presenting the best and the latest in European and international film production.

 6 Nov – 17 Nov

JAZZ FEST SARAJEVO

Sarajevo, Bosnia and Herzegovina

Founded in 1997, Jazz Fest Sarajevo has aimed to bring jazz and musical improvisation to the masses. The programme presents the latest developments in the international music scene.

 1 Nov – 3 Nov

NO SLEEP FESTIVAL

Belgrade, Serbia

Over a sleepless weekend in Belgrade, No Sleep Festival brings dozens of artists to multiple venues for thousands of No Sleepers. The indoor electronic music festival includes round-the-clock events across several points in the heart of the city.

 N/A


DECEMBER



ADVENT IN ZAGREB

Zagreb, Croatia


Just forget everything and enjoy all these wonderful things! During the Advent season, Zagreb offers a variety of events that will satisfy even the most demanding visitors. Plenty of fun, excellent food, unique events, art, but also a genuine Christmas atmosphere, await you on the streets of Croatia's capital.

 Dec – Jan 2020

FESTIVE DECEMBER IN LJUBLJANA

Ljubljana, Slovenia


During the advent season, Ljubljana's Christmas market and countless free events held in the festively decorated historical city centre add to the festive atmosphere. Do not miss one of the most imaginative Christmas lights displays in this part of Europe.

 29 Nov – 2 Jan 2020

BELGRADE NEW YEAR FAIR

Belgrade, Serbia

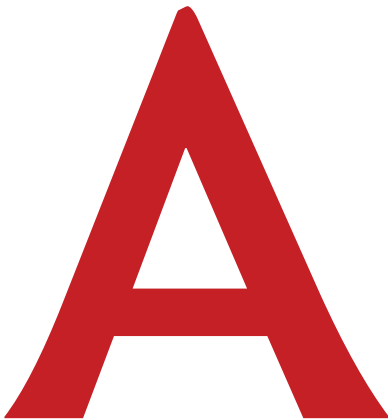
Having fun even before New Year's Eve – this fair promises to be spectacular.

 14 Dec – 31 Dec

BUYING LOCAL

As consumers get better informed on environmental degradation, buying locally produced food is becoming increasingly popular.

AUTHOR: MAJA DRAGOVIĆ



In 2016, Slovenia produced 992,000 tons of food, more than 53% of all available food in the country. Fruit accounted for 32%, vegetables 42%, 53% in wheat, and 55% in potatoes. One of the country's key strategies, adopted in 2011, is the increase of food self sufficiency. To achieve this, the agricultural ministry believes Slovenia needs to restructure agricultural production and increase the production of organic food in order to increase self-sufficiency, as reported by RTVSLO.

MERCATOR INITIATIVE

The country's biggest retailer Mercator has joined the national raising of consciousness of the importance of buying local. Its project We love local, has so far included 70 local food produces who offer 900 products in 271 of the chains's branches across Slovenia.

"In recent years, this is a specifically targeted project in which we combine a wide range of home-made products from more than 100 local producers and growers and agricultural cooperatives", says Tina Bajde, who leads Mercator's projects We love local.

Toni Kukenberger, who sells cheese products, says that Mercator's initiative is promoting local producers in more ways than just increasing their recognitions. It is helping them make a profit.

"We are dominated by the opinion that farmers (in terms of food production) have to do everything by themselves – from



Photo: Shutterstock

production, to processing, and sales", Kiukenberg says. "But I strongly disagree with this view. I am a representative of a younger generation that does not want to work just to cover costs, but after all the investments and hard work that accompanies working on a farm, I want to have something to show for it."

ECCLECTIC VARIETY

Local products on Mercator's shelves include meat, cheese, eggs, yogurts, animal fats and spreads as well as home-made biscuits, oils, flour, juices, teas and pasta.

Sonja Cimerman from Gregurman, who has 14 products on the retailer's shelves, including cold-pressed orange, sunflower and hemp oils, says that consumers are learning to appreciate local food.

"Home-made and manufactured products have more flavour and therefore need no additives, since the path from "field to

table" is shorter, and there are fewer unnecessary preservatives. More and more people are aware of this and want to buy local products".

Duša Rumenčič, who's been collaborating with Mercator since July last year selling her eco cakes and biscuits under the brand Lotos Gourmet, sees this as a great opportunity for local producers.

"We are more recognised because Mercator has offered us the opportunity to present our products on its shelves", Rumenčič says. "But it is a great opportunity for the consumers, too, since the research shows Slovenians like locally produced food."

Kukenberg, who also opened the brand's own cheese shop, says that placing products in shops is an absolute must for farmers.

"Me and my wife have a young family and I can't imagine that, after a hard day's work on the farm, I would be spending additional time on sales rather than with my loved ones. Sales should be done by people who specialise in it."

However, selling in big retail chains can be a challenge for small producers.

"Retailers like Mercator can be too big a buyer and farmers generally opt out from cooperation since they can't keep up with demand," says Kukenberger.

THE WEATHER FACTOR

Planning ahead with an increasing demand poses some challenges. Changing weather patterns make long-term plans and investment increasingly difficult. Slovenia, with smaller and mostly uncovered agricultural cultivated areas, is highly dependent on weather that is becoming more unstable. "That's why we have to be cautious in our expectations for increased production in the future, says Bajde.

"However, in our experience so far, local producers are increasingly innovative and understand the needs of modern customers. Therefore, the future of local production is definitely positive."

THE MANAGERS' ASSOCIATION OF SLOVENIA

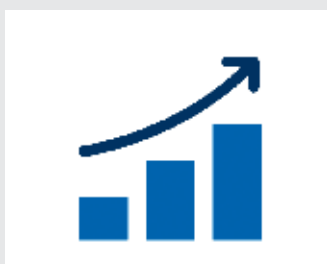
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L PUKLAVEC VINEYARD

EASTERN SLOVENIA'S WINE GROWING RENNAISSANCE

Wine connoisseurs would miss out by leaving out Štajerska from the wine tasting map.

AUTHOR: MAJA CEŠTNIK
PHOTO: PUKLAVEC FAMILY VINES

Stajerska, in Slovenia's northeast, is becoming a recognised white wine region. For a very long time, the area was mainly known for producing quality affordable white table wines that the locals mostly mixed with mineral water to make a “spritzer” drink.

However, in the last 10 years, the white wines from Štajerska have been making its way to the fine dining restaurants around the world and the region

is now listed in the world's top 4% of the wine production areas.

One of the engines behind Štajerska's rapid wine development is Puklavec family which owns vineyards in Ormož and Jeruzalem counties that Martin Puklavec bought from the state in 2009.

After buying the vast Ormož and Jeruzalem cellars and uniting them under Puklavec Family Wines, the company invested more than EUR 11m in technological improvements, increasing wine production to 10 million bottles per year. This made the company the biggest wine producer in Slovenia while the

PUKLAVEC FAMILY bought the vineyards from the state in 2009



PRESTIGIOUS
Seven Numbers
wine



family's Ormož cellar is said to be one of the most technologically advanced wine cellars in the world.

"The area of Podravje in Štajerska is ideal for white grape plantation," explains Mitja Herga, company's oenologist and director.

"The region has a so-called 'cool climate' that is perfect for production of white wines. Temperatures drop down to 15C during summer nights and don't rise much above 32C too often during the day. It is important that night temperatures stay cool during summer since this gives wine a specifically elegant,

soft and aromatic taste. With such perfect conditions, why on Earth wouldn't we be the best in the world?"

Muscat, pinot, chardonnay, sauvignon, riesling and the autochthonous Šipon are typical wine grapes of the region.

Puklavec family's most widely sold brand remains the well-established Jeruzalem Ormož, while the prestigious Seven Numbers and Estate Selection satisfies the refined tastes of demanding costumers and wine connoisseurs.

Grapes for all Puklavec brands are picked by hand, while for finer brands grapes are also carefully cultivated at

the best vinyard locations with special dedication to all necessary details.

"This means taking into consideration the specifics of the terrain, microclimate and soil composition. 90% of the wine is made in the vineyard and not in the cellar," says Herga.

A proof that the wine maker is making all the right decisions are numerous domestic and international awards. Last year, the company won Winery of the Year award. Every year since 2015 it keeps getting awarded by Decanter. In 2016, it received Decanter gold medal for Jeruzalem Ormož Yellow Muscat 2015.



Puklavec's new venture is the production of sparkling wines. Aromatic affordable sparkling wines produced by charmat method have long been a tradition in Štajerska and Podravje regions but Puklavec's production of sparkling wines uses traditional method, enabling the wine to remain in storage for years. Such wines are more refined and, of course, accordingly pricier.

The company exports 70% of its produce. While it sells its wines to 25 countries around the world, Central and Eastern Europe remain the main markets. Puklavec brands, however, can also be tasted in China, USA and Canada. The more affordable wines can be bought in major supermarkets while extravagant wines can be tasted in some of the best restaurants around the world.

The company also has wine tourism ambitions, but Štajerska thus far seems to be left out of all the wine and dine tours, mostly because infrastructure in the area is still underdeveloped. Nevertheless, Puklavec has opened a small guest house, Zidanica Malek near Jeruzalem, hosting organised groups or individuals, and where, along with their numerous wines, guests are served with some local cuisine while enjoying a breathtaking view of wine growing hills.

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