

UNIVERSITY OF LJUBLJANA
FACULTY OF ECONOMICS

DIPLOMA PAPER

**THE IMPACT OF DIRECT INVESTMENTS FROM FRANCE TO SLOVENIA AND
THEIR MUTUAL TRADE, IN CORRELATION WITH HUMAN CAPITAL ON
BOTH ECONOMIES**

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STATEMENT

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1. Introduction

The diploma paper investigates French direct investments in Slovenia and their mutual trade to study the interplay between their bilateral cooperation and business impacts on both economies. With four examples of French direct investments, I illustrate practical aspects of investment in practices. Additionally, a comparison of French position in Slovenia is benchmarked to a set of selected countries.

The basic assumptions of my research are the following;

- Both countries have benefited from French direct investments to Slovenia. French FDIs to Slovenia are important from the aspect of increasing bilateral trade.
- Prevailing motive of French and other major investors in Slovenia is a cost-advantage seeking motive.
- There is a strong sectoral concentration of French foreign trade with selected CEE countries.

The diploma paper is divided into three main parts. In the first one, a bilateral relationship, in relation to FDI and mutual trade, between France and Slovenia is precisely described and analyzed. I begin with theoretical background of FDI and their nature – vertical or horizontal - and I follow with analytical study of motives, which French investors were pursuing, when entering the Slovenian market. In this part I analyse and explain current trends in French direct investments to Slovenia. Another aspect of this part is a trade relationship between the countries, which is analyzed by sectors in order to assess which sectors contribute the most and the least to the foreign trade. Hereby we see that some more diversification and variety would be absolutely necessary for fostering the bilateral trade.

The second part consists of a comparative analysis between French direct investments to Slovenia and French direct investments to other Central and Eastern European countries (CEEC). Moreover, also foreign trade by sector is taken as a basis of comparison, where I am investigating a concentration in foreign trade between France and CEEC. Later on, I am studying practical examples of French companies, strongly represented in CEEC.

The third part is a benchmark analysis among French, Austrian and German investments to Slovenia. Apart of investments, the analysis includes investor's motives and foreign trade relationships. Analytically it is based on FDI time development and sectoral analysis.

2. French FDIs to Slovenia and Bilateral Trade

2.1. What is Foreign Direct Investment?

“In principle a firm wishing to sell abroad has a variety of modes which it can employ. Export, licence and agents are some examples, with straightforward exporting up until now being the most common mode. Direct investments are an alternative to producing directly in the country one wishes to serve. Contrary to what it suggests, foreign direct investment is not investment, neither in financial capital nor in national accounting terms. Furthermore, FDI does not necessarily involve flows of financial capital as might be suggested by the fact that balance-of-payments statistics are the main source of FDI data.” (Blattner, 2002, p. 4)

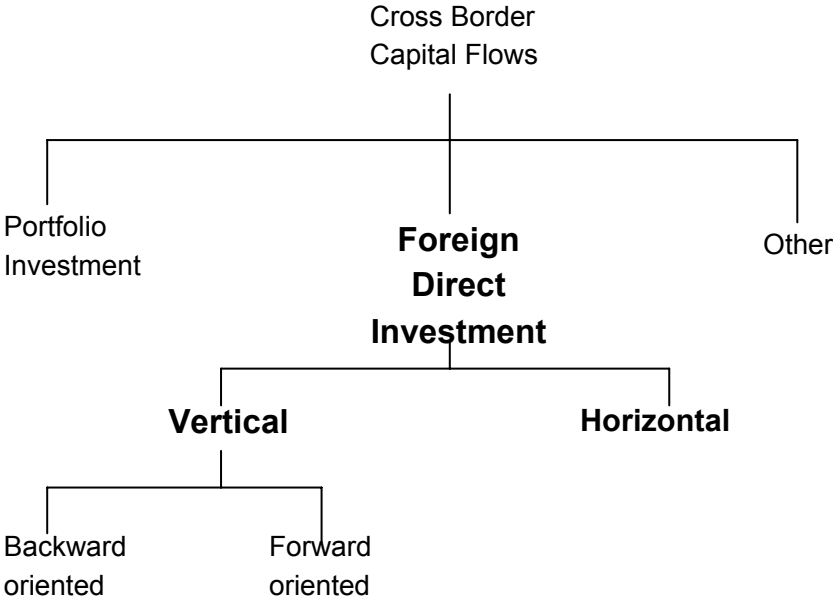
2.2. Investment Classification

There are two main reasons for firms to go multinational: to serve a foreign market and to get lower cost inputs. This distinction is used to differentiate between two main types of FDI: horizontal and vertical. Horizontal FDI refers to the foreign manufacturing of products and services roughly similar to those the firm produces in its home market. This type of FDI is called “horizontal” because the multinational company duplicates the same activities in different countries. Horizontal FDI arises because it is too costly to serve the foreign market by exports due to transportation costs or trade barriers.

Vertical FDI refers to those multinationals that fragment production process geographically. It is called “vertical” because a multinational enterprise (MNE) separates the production chain vertically by outsourcing some production stages abroad. The basic idea behind the analysis of this type of FDI is the fact that a production process consists of multiple stages with different input requirements. If input prices vary across countries, it becomes profitable for a firm to split the production chain.

Furthermore, as shown in Figure 1 (p. 3), vertical FDI consists of two groups: backward and forward vertical FDI. In the case of backward FDI, multinational enterprise establishes its own supplier of input goods which delivers inputs to the parent company. By conducting forward FDI, the firm builds up a foreign affiliate, which draws inputs from the parent company for own production and thus staying after the parent in the production chain (Protsenko, 2003, p. 3).

Figure 1: Structure of Foreign Capital Flows



Source: Protsenko, 2003, p. 4.

To apply the figure above to French direct investments in Slovenia, I am illustrating two opposite examples of French companies in Slovenia - Renault and Société Générale.

The most obvious example of a vertical French direct investment in Slovenia is Renault’s investment in IMV Holding and establishing its own plant in Novo Mesto. The production of the plant is focused on manufacturing of one product - Clio. Furthermore, the investment is forward oriented because the Renault’s plant in Slovenia is drawing inputs from the parent company Renault Nissan, as well as it is staying after the parent in the production chain (Renault’s internet sites, 2006).

The opposite example is given by the French direct investment of Société Générale (SG later on) Groupe in Slovenian bank SKB Banka. SG Group owns 99.58% of SKB's equity. SKB Banka is a universal bank providing retail, commercial, investment and international banking services. Activities of its subsidiaries extent also on leasing services and credit card processing. They are pursuing the process of harmonization with the ones of SG Group. Besides, SKB Banka is implementing SG Group’s values in regard to services, such as professionalism, team spirit and innovation. These features are characteristic for the investment, which would be classified as horizontal, because SG Group roughly duplicates its standardised activities in SKB Banka (SKB Financials, 2006).

2.3. French FDIs to Slovenia

2.3.1. Overview

According to last data of French Embassy from 2005, more than 45 French companies have made the investment decision to penetrate on a Slovenian market. French industry is present in different sectors with different products, such as automobile with the manufacturing plant of Renault/Revoz and branch offices of Peugeot and Citroën, cement with Lafarge, distribution with Leclerc, banking with Société Générale, pharmaceutical with Sanofi-Aventis and Sérvier, etc. French investments represent 444,6 million euros or 8% of a global stock of all foreign direct investments in Slovenia in 2004. After Austria, which holds 27,9% of a stock of FDIs, Switzerland, which with the investment in the chemical industry holds 17,4% and Netherlands with 10% of all inward stock, is France on the fourth place, with 8% of stock (Direct Investments, 2005, p.17). French companies approximately employ 5700 people in Slovenia. The initial motivation of French investments in Slovenia was the former Yugoslav market or, in the cases of later investments, a close trade relationship with the former Yugoslavia, which had represented an important expansion zone (IDE en Slovénie, 2005, p. 3).

Table 1: French FDI and Selected Economic Indicators

	<i>Value at current prices</i>				<i>Average annual growth rate</i>	
	1994	1997	2001	2004	1994-99	2000-04
	Millions of Euros				in Percent	
French FDI in Slo (end-year stock)	126	164	438	445	23,0	9,0
Exports from Fr to Slo	483	772	1166	1166	17,0	0,2
Export from Slo to Fr	462	365	703	822	-6,0	7,0
French GDP	1.256.530	1.299.530	1.471.150	1.537.730	3,5	3,8
Slovenian GDP	12.162	17.240	22.099	26.171	5,9	3,2
French FDI in Slo/total outward French FDI (in %)	0,15	0,15	0,14	0,12	1,16	3,02
French FDI in Slovenian GDP (in %)	1,03	0,95	1,98	1,70	11,25	4,24

Legend: Fr= France, Slo= Slovenia

Source: Direct investments, 2005, p. 25; Exports and imports per country, 2005, 23.4.2.; own calculations

Table 1 gives an overview of recent trends of direct investments from France to Slovenia and of the bilateral trade. In the last decade, we have been witnessing an enormous increase of French inflows, which have grown much faster than the mutual trade between France and Slovenia, as it is illustrated by the table. From this brief presentation we can perceive that the growth rate of French investments and exports to Slovenia is substantially higher in the second half of 1990s in comparison to the growth rate in the period from 2000 to 2004. On

the contrary, Slovene exports to France improved significantly in the last five, six years. The table shows also that the growth of French FDI to Slovenia in total French FDI is improving, whereas a growth of French FDI in Slovenian GDP is diminishing. The next study will be searching for reasons of such trends, as well as it will suggest improvements.

2.3.2. Motives to Invest in Slovenia for Selected French Companies

We distinguish four main types of foreign direct investment (FDI) with respect to investment motives: market-seeking, (natural) resource-seeking, efficiency-seeking and strategic (created) asset-seeking FDI. For practical reasons (data base) these four types can be reduced to (i) market-seeking FDI, where the foreign investors tend to obtain or to improve access to the host country market (ii) and to factor cost advantage-seeking FDI, where the foreign investors seek to use the factor cost/quality advantages of the host country in their production for regional or world-wide markets. These advantages largely take the form of the privileged possession of intangible assets and should be able to compensate the foreign firm for disadvantages arising from operating abroad. In the first case the products of foreign investment enterprises (FIEs) are destined predominantly for the domestic host market, where foreign investors benefit from low factor prices or customer access, together with trade barriers or transport costs that make FDI more profitable than exporting, while in the latter case they are mostly destined for export, generally or as inputs for the foreign investor's other subsidiaries (Du Pont, 2000, p. 29). In different literature one may find different terms for the last two mentioned types of FDI. According to the Eclectic Theory of International Production, for cost advantage-seeking FDI, we can use a term ownership-advantage-seeking FDI and for the market-seeking FDI, we can use a term location advantage-seeking FDI (Blattner, 2002, p. 7; Du Pont, 2000, p. 29).

The available information on French investments in Slovenia suggest that gaining access to the market or enlarging their market share, has traditionally been their most important motive (Sénat, 1999). However, French investors generally list various motives to invest in Slovenia, such as growth, profitability, expansion of exports, financial support of the Slovenian target company or joint venture partner and good securing material and parts, etc. Cost-advantage seeking motives, listed by French investors are the following; reduction of production costs, an export base for other (neighbouring) markets, relevance of technology and know-how, quality of labor, recognized trade marks,. On the other hand, they often lay an emphasis on the market-seeking motive (Sénat, 1999).

2.3.3. Selected French Companies on the Slovenian Market and Explanation of the Table

Table 2: Summary of Selected French Investments in Slovenia

French investor	Slovenian partner	Year related to the investment in Slovenia	Important events related to the investment	Seeking motives of investment	Type of investment	Amount of FDI in mio EUR
Renault	IMV Holding	1972	Renault signed an agreement with IMV Holding to manufacture Renault 4	market	joint-venture, horizontal	n.g.
	IMV Holding, Revoz	1988	Both partners founded Revoz	market /cost advantage		
	IMV Holding, Revoz	1991	Renault became a majority shareholder of Revoz (stake of 54%)	cost-advantage	take-over, vertical	
	IMV Holding, Revoz	2001	Renault increased its stake from 54% to 66,7%			
	Revoz	January, 2004	Renault took full ownership of Revoz and raised its stake to 100%			360
SG Group	SKB Banka	February, 2001	SKB Banka launched a take-over bid	n.a.	n.a.	148,2
		April, 2001	96,5% of SKB Banka shares were transmitted to the ownership of SG Group	market	take-over, horizontal	71,8
		January, 2002	SG Group raised its stake to 97,8%			n.g.
		December, 2002	SG Group raised its stake to 99,6%			
E. Leclerc	n.a.	June, 2000	Opening centers Leclerc	market/cost advantage	greenfield, horizontal	n.g.
Peugeot	Class	1991	The importer Class Ljubljana started establishing the selling network and developing the trade mark Peugeot	market /cost-advantage	establishing of branch office	n.g.
		1997	The company Automobiles Peugeot established a representation body, in charge of sale's development in Slovenia and Croatia			
		May, 1999	Peugeot Slovenia starts operating			

Legend: n.g.= not given, n.a.= not applicable

Source: Slavinch, 2004, p. 9; Globokar, 1996; Grimson, 1996, p. 5; CCIS, 2001, SG Group's annual reports, Newspapers Bančnik; Letang, 2001, p. 4, SG Group's press release, 2004, Sénat, 1999, internet sources of selected companies

2.3.3.1. Renault

Important Events Related to the Investment

Renault's interest in Slovenia stems back to 1972 when the French carmaker signed an agreement with IMV Holding to manufacture the Renault 4. In 1988 both partners founded Revoz, which became a limited company in 1990. One year later Renault became a majority shareholder in the joint venture through retaining 54% in the company, a stake that was increased to 66,7% a decade later (Slavinch, 2004, p. 9).

Renault took full ownership of Slovenia's sole car production company, Revoz, after the French OEM increased its holding from 66,7% to a 100% take-over stake, acquiring 33,3% from Revoz's long term partner IMV Holding and other private shareholders. A take-over was carried out in January 2004, with the move allowing Renault to take full control of Revoz's plant at Novo mesto.

Already an integral part of Renault's European manufacturing program, the Revoz Novo mesto plant is one of three Renault's factories producing Clio alongside Flins in France and Valladolid in Spain (Slavnich, 2004, p. 9). Hence, this is an example and a characteristic of a vertical FDI because splitting production chain.

Investment Motives

Renault's major motive for the investment decision in Revoz in 1991 was the former Yugoslav market. After the collapse of the market, Renault had to realign to export markets. This basically changed the type of FDI from market-seeking into cost advantage-seeking, making cost determinants of investment dominant. In spite of losing the Yugoslav market, Renault obviously assessed Revoz as being competitive enough to be fully integrated into Renault's industrial system. Lower labor costs and the availability of skilled labor were additional relevant motives (Berend, 2000, p.58), also characteristic for a cost-advantage seeking investment. Moreover, Renault started pursuing an export orientation, as it exports more than 95% of its output to Western European markets (Elargissement de l'UE aux PECO, 2003).

Renault's investment in Slovenia has met the cost-advantage seeking objective especially by the following:

- Slovenia's geographical position represents an ideal springboard to the neighbouring countries. Its historical ties with the countries of former Yugoslavia are an obvious advantage.
- The local market is small; purchasing power of Slovene buyers is unrivalled in other Central and East European countries.
- Well-educated, technically literate employees (Elargissement de l'UE aux PECO, 2003).

Amount of FDI

The amount of FDI in 2004 was worth of 400 mio EUR. Renault invested 360 mio EUR and the other 10% of investment coinvested Slovenia (Renault Becomes 100-percent Owner of Slovenian Car Plant, 2004, p. 27).

2.3.3.2. Société Générale Group

Important Events Related to the Investment

In January 2001, the bank decided to ally with the French bank Société Générale. In April 2001, 96,47 % of SKB bank shares were transmitted to the ownership of the strategic partner, French bank SG (Bančnik, 2002). By the end of the next year the SG Group increased its stake to 99,6%.

Investment Motives

The major motive of Société Générale to invest in Slovenia was market-seeking. It means that SG is pursuing the expansion to Central and Eastern European countries, especially with the core part of their business, the retail banking, which is one of the Group's main growth drivers outside France. Thus, the expansion policy of the Group is justifying a market-seeking factor of the investment.

Amount of FDI

148,2 mio EUR represents the bidden value of SG Group before the take-over. The value of 71,8 mio EUR represents the injected capital in the SKB Banka.

2.3.3.3. E. Leclerc

E. Leclerc officially penetrated the Slovenian market by a greenfield investment in June 2000, when opening Centers Leclerc.

E. Leclerc was pursuing not only market-seeking motive, as a part of their expanding policy, but also cost-advantage seeking motives, described as a country's dynamism, its growth, its qualified labor force and the voluntariness of its population. However, the E. Leclerc investment is inherently a market-seeking one, whose main objective was the access of Slovenian market (Sénat, 1999).

2.3.3.4. Peugeot

Important Events Related to the Investment

In 1991 a new importer Claas started establishing the selling network and developing sale of the trademark Peugeot in Ljubljana, in Slovenia. In 1997, the company Automobiles Peugeot established a representation body, which was in charge of developing of sale in Slovenia and

Croatia. At the end of 1998, a decision about the establishment Peugeot Slovenia was made. In May 1999 Peugeot Slovenia starts operating.

Investment motives

Peugeot pursued both motives, market-seeking and cost-advantage seeking when entering in the Slovenian market. Cost-advantage seeking motives can be characterized by qualified and well-educated labor force and moderate salaries in comparison to qualifications of employees, whereas market-seeking motives can be characterized by a geographical position, convenient street network, homogeneity of the territory, etc.

2.3.3.5. General Characteristics of French FDI Related to the Cases

Presented companies above were mostly following both motives, market-seeking and cost-advantage seeking. Cost-advantage seeking motives slightly prevail, what can be explained by the following; i) the smaller the host country market is, the more export-oriented are foreign investment enterprises (FIEs), ii) a higher host country development level is generally correlated with factor cost advantage-seeking rather than market-seeking FDI, iii) FDI projects in Central and Eastern Europe countries that are in a more advanced stage of transition reforms are more likely to be export-oriented and integrated into foreign partners' multinational production process, characteristic for factor cost advantages-seeking FDI, iv) liberalization of FDI and trade regimes and economic integration (free access to foreign markets) have proved to be crucial stimulators of export-oriented FDI (New Strategies for East-West Trade, 2002, p. 44).

2.3.4. Determinants of French FDIs to Slovenia – Empirical Evidence

For estimation of determinants, which may have an impact on French FDIs to Slovenia, I employ two multiple regression models. They allow us to study linear dependence of French FDIs on several independent variables, classified by the following categories:

1. Macroeconomic factors (degree of openness, trade balance, bilateral trade)
2. Cost related factors (real growth of gross wages on real growth of productivity)
3. Market related factors (size of the market, measured by GDP per capita).

The first multiple regression model can be written as:

$$\text{Fr_FDI/GDP}_t = \alpha_t + \beta_1 \text{Fr_ex_Slo/GDP}_t + \beta_2 \text{Slo_ex_Fr/GDP}_t + \beta_3 \text{GDP_pc}_t + \beta_4 \text{OPEN}_t + \beta_5 \text{W/P}_t, t=1994, 1995, \dots, 2004$$

The second model could be written as:

$$\text{Fr_FDI/GDP}_t = \alpha_t + \beta_1 \text{GDP_pc}_t + \beta_2 \text{OPEN}_t + \beta_3 \text{W/P}_t + \beta_4 \text{TB/GDP}_t, t=1994, 1995, \dots, 2004$$

Where:

Fr_FDI/GDP= Share of French FDIs to Slovenia in Slovenian GDP

Fr_ex_Slo/GDP= Share of French exports to Slovenia in Slovenian GDP

Slo_ex_Fr/GDP= Share of Slovenian exports to France in Slovenian GDP

GDP_pc= GDP per capita (in K EUR)

OPEN= (Slovenian exports to France + Slovenian imports from France)/GDP

TB/GDP= Trade balance between France and Slovenia (=Slovenian exports to France- Slovenian imports from France) on GDP (in %)

W/P= Real growth of gross domestic wages on real growth of domestic productivity (elasticity).

Basically, I could employ only one multiple regression model with all chosen variables unless there was an excessive resemblance contentwise. However, to avoid redundancy in such model, I am employing two models, where bilateral trade and trade balance are separated.

Table 3: Data for Multiple Regression Models

Fr_FDI/GDP	Fr_ex_Slo/GDP	Slo_ex_Fr/GDP	GDP_pc	OPEN	W/P	TB/GDP
1,03	3,97	3,80	6.081	7,8	0,7	-0,2
0,79	4,06	3,47	7.748	7,5	1,5	-0,6
0,73	4,53	2,93	8.047	7,5	1,2	-1,6
0,95	4,48	2,12	8.620	6,6	0,5	-2,4
1,70	6,01	3,57	9.301	9,6	0,4	-2,4
1,56	5,16	2,30	10.006	7,5	1,0	-2,9
1,53	5,38	3,20	10.487	8,6	0,5	-2,2
1,98	5,27	3,18	11.050	8,5	1,2	-2,1
1,63	4,84	3,10	11.837	7,9	0,6	-1,7
1,52	4,30	2,57	12.438	6,9	0,6	-1,7
1,70	4,46	3,14	13.086	7,6	0,5	-1,3

Source: Direct investment 1994-2004; Exports and imports 23.4.2.; Annual reports BS; own calculation

Table 4: Estimated Results of the First Model

Parameter	Beta	Standard deviation	t-test	Probability
α	1,9030	0,8856	2,1487	0,0422
b1	2,2205	2,9017	0,7653	0,0399
b2	2,2589	2,8176	0,8017	0,0383
b3	0,0001	0,0000	3,4710	0,0089
b4	2,4775	2,8537	0,8682	0,2125
b5	0,0632	0,2275	0,2777	0,3962
Residual standard deviation	0,2388			
R2	0,8394			
R2 (adjusted)	0,6789			
F-test	5,2277			
Probability	0,0233			

Source: Own calculation

Table 5: Estimated Results of The Second Model

Parameter	Beta	Standard deviation	t-test	Probability
b0	1,9215	0,8539	2,2504	0,0327
b1	0,0001	0,0000	3,5352	0,0061
b2	0,2423	0,0894	2,7095	0,3058
b3	0,0356	0,2170	0,1639	0,4376
b4	0,0542	0,1012	0,5353	0,0176
Residual Standard deviation	0,2305			
R2	0,8205			
R2 (adjusted)	0,7009			
F-test	6,8585			
Probability	0,0200			

Source: Own calculation

The estimated results suggest that the most important determinants of French FDIs to Slovenia are bilateral trade and GDP per capita.

The empirical results presented in this study imply that macroeconomic and market factors matter the most in attracting of French FDIs to Slovenia. This study does not confirm our hypothesis 2 concerning cost-advantage factors, as the positive impact of a growth rate of ratio wage/productivity on French FDIs to Slovenia does not stand a t-test. It means that probability is higher than 0,05. On the other hand, the hypothesis 1, concerning the positive impact of bilateral trade on the French FDIs to Slovenia, is confirmed. Moreover, traditional deficit in the Slovenian trade balance with France on Slovenian GDP, has a positive impact on French FDIs to Slovenia.

Unlike similar studies on determinants of FDIs (Chakrabarti 2001 or Lee 2005)¹, where openness, measured by the ratio of imports plus exports to GDP of a country, is usually important variable of investment decisions, our regression analysis shows that they do not play important role for French investors. Look the overview in the part III for an explanation why this determinant does not confirm

Interestingly, according to the study, GDP per capita has a strong positive impact on French FDIs to Slovenia (probability even lower than 0,01). Namely, GDP is usually a measure for a size of the market. However, some restrictions need to be taken in this case because the model would very likely show a better significance if data available were more extensive.

¹Chakrabarti A.: The Determinants of Foreign Direct Investment: Sensitivity Analyses of Cross-country Regression. *Kyklos*, 2001, p. 114.

¹Lee, J., Government Policies and Foreign Direct Investment: International Evidence. Texas; University Corpus Christi, 2005, p. 70.

In accordance with expectations, all variables have a positive impact on French FDI, as all betas in both models are positive.

This study suggests exploring self-supporting economy and adopting open-door policies to successfully attract French FDIs.

2.4. Mutual Trade between France and Slovenia

2.4.1. Overview of Bilateral Mutual Trade

Slovenia is a small, open economy with a ratio of foreign trade in goods and services on GDP of 64,8% of exports and of 65,3% of imports (according to the most recent data available). In 2005, French exports of goods to the EU, as a share of total exports, amounted to 52,9% and 66,4% respectively. The corresponding figures of imports, as a percentage of total imports in 2005, were 66,7% and 78,2% (Convergence Report, 2006, p. 50).

When analyzing the recent data, the most important items in Slovenian export to France were: personal cars and other motor vehicles (51,7%) - the sector of motor vehicles represents more than one half of French purchase in Slovenia each year – parts and accessories for tractors, buses and trucks (6,2%), air and vacuum pumps, compressors and ventilators (4,2%), parts for reciprocating engines (2,4%), refrigerators, cooling devices and heating pumps (2,2%) and pneumatic tires (2,1%). The most important exporters, according to the recent data, were Revoz d.d., Cimos d.d., Adria mobil d.o.o., Gorenje d.d., Sava Tires d.o.o. and Impol d.d.

A total figure of Slovene exports to France has attained a substantial growth in 2004, especially because of new vehicles and automobile equipment (turnovers mostly under control of Renault), what covered an intense drop of other Slovene sales in France.

In the French export to Slovenia the following products were prevailing: parts and accessories for tractors, buses and trucks (23,2%), personal cars and other motor vehicles (12,6%), reciprocating engines with the internal combustion (5,7%), rolled sheets with the length more than 600 mm (3,9%), instruments, devices for automatic regulation (2,7%), isolated electrical conductors and fiber optics cables (2,2%). The most important importers were: Revoz d.d., Renault Nissan Slovenija d.o.o., Peugeot Slovenija d.o.o., Citroën Slovenija d.o.o., Prevent Lamitex d.o.o. in Gorenje d.d (Foreign trade, France, 2005).

France is the 5th Slovenian client. Slovenian exports to France (638 million euro in 2003) have increased by 28,8% in 2004. This represents a good result which leads to two opposite facts; increased Slovenian exports to France through Renault and their dealers covered a substantial decrease of sales of other Slovenian industries in France.

Slovenia is the 41st French client and its 47th supplier, according to the latest data from French Embassy in Slovenia. Hence, it is obvious that Slovene industries are not taking all the advantage of their potential on the French market. On the official level as well as in the Chamber of Slovene Economy, which represents the interests of Slovenian companies, there is a lack of leadership of authority which, nevertheless, has strategic approach regarding the integration and the single market.

French companies are, however, still far away of the point, where they would profit from all the potential possible of rich Slovenian market and the same holds true for Slovenian companies exporting to France (see Table 6 – per cent of trade in Slovenian GDP). The problem is, so to say, that there is a sustained disinterest of industrial Slovenia on the French market, especially because of renewal of ex-Yugoslavian markets, on which Slovenia may cherish an excessive hope (Echanges bilatéraux entre la France et la Slovénie en 2004, 2004, p. 2), in spite of a reserved attitude of governmental administration to this point.

Table 6: Exports and Imports of Goods between Slovenia and France

in 1000 EUR and in percent

	Slovenian Exports				Slovenian Imports			
	2001	2002	2003	2004	2001	2002	2003	2004
TOTAL	10346779	10962013	11284960	12783088	11344474	11574072	12238919	14143039
Europe	9599389	10133660	10325700	11703859	10620409	10886629	11516205	13138535
France	702522	734484	638336	822241	1165629	1145349	1069439	1166239
% of French ex/im of the total ex/im in/from Slo	6,79	6,70	5,66	6,43	10,27	9,9	8,74	8,25
% of French ex/im of European trade with Slo	7,32	7,25	6,18	7,03	10,98	10,52	9,29	8,88
% of trade with Fr of Slovenian GDP	14,64	13,71	10,98	13,15	24,29	21,39	18,40	18,66

Source: Exports and imports per country, 2005, 23.4.2.; own calculation

2.4.2. French Exports to Slovenia and Exports by Sector

Growth of French exports to Slovenia of 688 M€ in 2005 (601 M€ in the previous year 2004) increased by 14,6% in the first semester of 2005 on the Slovenian market, which grew for 8%. French market share represented 8,2% in 2004, what is positioning France on the 4th place of Slovenian most important suppliers, right after Germany with a 20,3% of a market share, Italy with 18,9% and Austria with a 13,2% of a market share. However, the French market share is remarkably higher than the one of Croatia (3,6%) (Annual reports of BS, 2005).

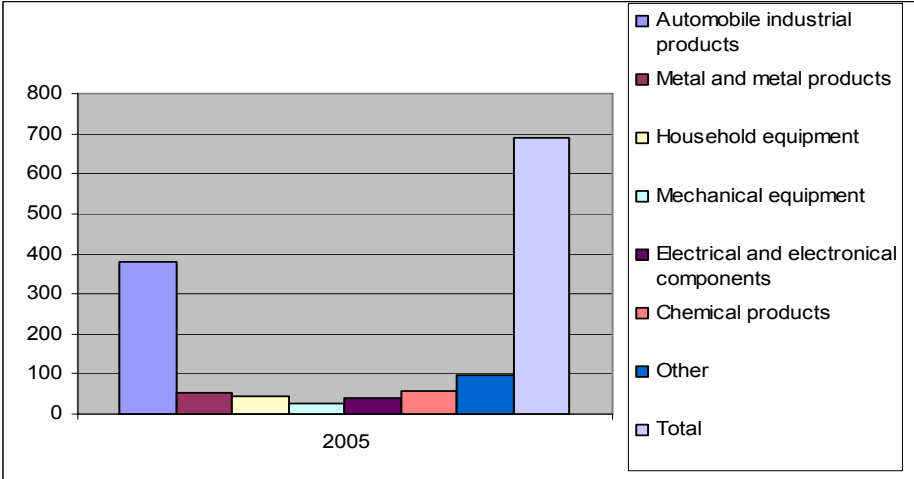
These results are essentially the consequence of favorable sales of car components, which have increased by 32,6% in the first 6 months in 2005 in comparison with 6 first months of 2004. The reason for this considerable growth is the production transfer of Clio 2, which has

been so far produced in Valladolid, in Spain, to Novo Mesto. Hence, the sales of automobile components strongly increased within the category of mechanic equipment, where French exports have augmented by almost 68% in 2005 (whereas there was a fall of 16,6% in the first 6 months from 2003 to 2004) as well as the category of metal and metal products, which grew by 44% (whereas there was only 4,8% of growth in the first 6 months from 2003 to 2004). From the same reason doubled French exports (20 M€) of metal products (galvanized sheet steel for the automobile industry).

Two category of products - aeronautics (Falcon 900), which amounted to 34 M€ and refined products (supplied by Algerian refineries in 2005), which amounted to 25 M€ in 2004 - practically disappeared. Moreover, French exportations of pharmaceuticals fell by 26% at 10 M€, before the competition appeared.

On the other hand, the export of the following products is rising; boats (4,6 M€ or +24%), plastic products (3,8 M€ or +24%), primary material for the chemistry (4,7 M€ or +15%), perfumes and toilette products (8,4 M€ or +25%), electro devices (4 M€ or +19%), underwear (2,5 M€ or +190%) and also footwear (1,7 M€ or +38%). Finally, we need to notice a remarkable improvement in the foodstuffs (agro-alimentary sector), traditionally related to poor exports to Slovenia: integration of the single market of the May 1st 2004 obviously loosen the number of conditions related to alimentary derived products and caused the rate of growth of two- and also three-fold. This is in any case an encouraging tendency.

Figure 2: French Exports to Slovenia, first half of 2005



Source: Commerce extérieur franco-slovène, 1er semestre 2005, 2005, p. 2

French companies are presented in all sectors; industrial sector (car manufacturing and commercializing, cement, electronic equipment, mechanics), banking sector (Société Générale), distribution (Leclerc, Rexel), pharmaceuticals (Servier, Sanofi- Synthelabo-Aventis), transport (Connex, Eurotek) and environment (Suez-Environnement).

2.4.3. French Imports from Slovenia and Imports by Sectors

French imports grew to 562 M€ in the first 6 months of the 2005, what represents the growth of 75,2% in comparison to the correspondent period of 2004, when the growth amounted to 321 M€. From the mentioned 562 M€, the sale of cars reached 375 M€ or 67%. These exports of automobile industry augmented by more than 159% from one business year to another, especially because of exports of Clios, made by Renault from Novo Mesto. The purchase of Renault are forwarded directly to their final destinations – especially to France, Italy, Germany, countries of the former Yugoslavia, Spain and Greece.

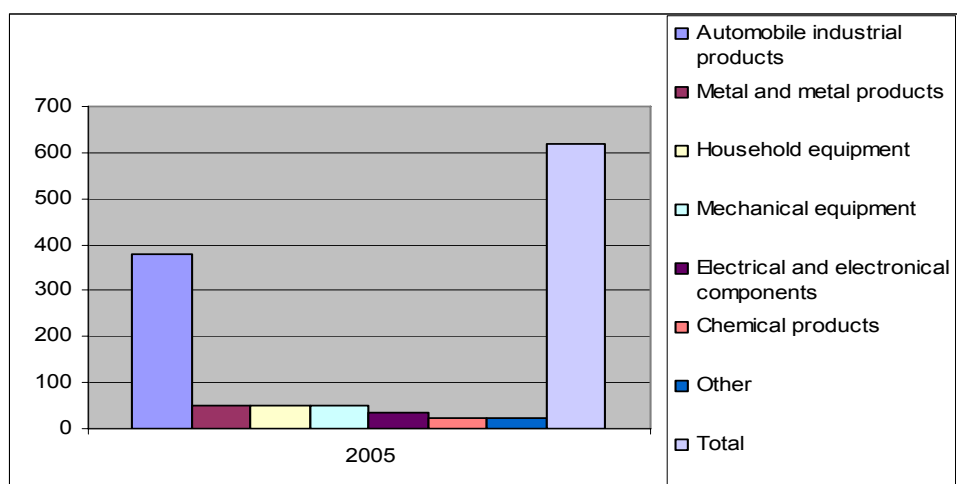
However, when abstracting the sales of cars and products connected with automobile industry, we need to be aware of certain areas, where the increase of sales is relatively weak; this is especially the case of mechanic equipment, which in the first semester of 2004 of 23,7 million euros didn't exceed 24,2 million euros in the equal period in 2005, what is accounting for the growth of 1,8%. Another case are chemical and plastic products, which augmented by 5,1% (from 19,7 million euros to 20,8 million euros).

On the other hand, the following imports of intermediary products have reached a remarkable growth; metal and metal products with the rise of 11,8% (from 35,9 million euros to 40,1 million euros) and especially electro components and electronics, where the import from Slovenia to France increased by 39% (from 15,4 million euros to 21,4 million euros).

Among durables, French imports products of the category household equipment, which mostly have their origin from the manufacturer of electro products Gorenje, augmented from 32 million euros to 40 million euros or by 25%. However, we note that the sale in the certain category of products, such as electric and electronic equipment or clothes and leather, fell. The first dropped by 43% (from 16 million euros to 9 million euros) and the letter by 45,5% (from 12,2 million euros to 6,6 million euros), whose poor results are the consequence of the crisis in the sector, which is facing insufficient competitiveness and reconversion that hasn't been made on time.

Among non-durables, a category of foodstuff products are lacking necessary investments and would completely disappear without a humble success of Slovene wines, which are supported by larger distributors.

Figure 3: Slovenian Exports to France, 6 months 2005



Source: Mission Economique, 2005

2.4.4. Balance of Trade

In the table we notice that France traditionally has a surplus in the balance of trade but we also notice that share of French exports to Slovenia in the total of Slovenian imports is slowly diminishing, whereas the share of Slovenian exports to France in the total of exports remains more or less constant. This caused slowly diminishing of French surplus in the trade balance. A reduction of the Slovene deficit can be partly attributed to a credit of Renault, very dynamic equipment providers and a decline of French exports of vehicles on the Slovenian market. More precisely, a decision made by Renault about placing the production of Clio 2 in Slovenia had a major impact on French imports from Slovenia, which grew from 321 million euros in the first half of the year 2004 to 562 million euros in the same period of 2005. French balance of trade is remaining positive but it has dropped from 280 million euros at the end of June 2004 to 126 million euros at the end of June 2005.

Table 7: Balance of Trade (Slovenian exports to France-Slovenian imports to France)

Year	2000	2001	2002	2003	2004	2005
Trade Balance (in mio USD)	-423,248	-450,758	-427,299	-591,243*	-373,340*	40,038*

* data in euros, in 2005 data only for the first 6 months of the year

Source; Foreign trade, France, 2005

Excluding automobile sector, in the considered period, French exports remained more or less stable (298 million euros in comparison with 307 million euros in 2004), whereas French imports augmented by 5,7% (186 million euros in comparison with 176 million euros).

2.4.5. Correlation of Two-Way Trade between France and Slovenia

In this section I am analyzing two-way linear dependence between French exports to Slovenia and Slovenian exports to France per sector in 2003. Hence, I am using linear regression as the basis of the sectoral analysis.

Data and results are given in the Annex 1, whereas here I am focusing only on the interpretation of results. I am taking French exports to Slovenia as a dependent variable and Slovenian exports to France as an independent variable.

On the basis of sample data, the estimated regression coefficient (table Coefficients) is equal to 1,063, what means that French exports to Slovenia increase on average by 1,063 million euros if Slovenian exports to France increase by a million euros.

Estimated value of a correlation coefficient (R in a Model Summary table) amounts to 0,975, which means that the correlation between French exports to Slovenia and Slovenian exports to France is linear, positive and very strong.

Table 8: Model Summary for the Correlation of Two-way Trade

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,988 ^a	,975	,974	71,2793

a. Predictors: (Constant), Slo_ex_2003

b. Dependent Variable: Fr_ex_2003

Source: Own calculation

Table 9: Coefficients

Coefficients^a

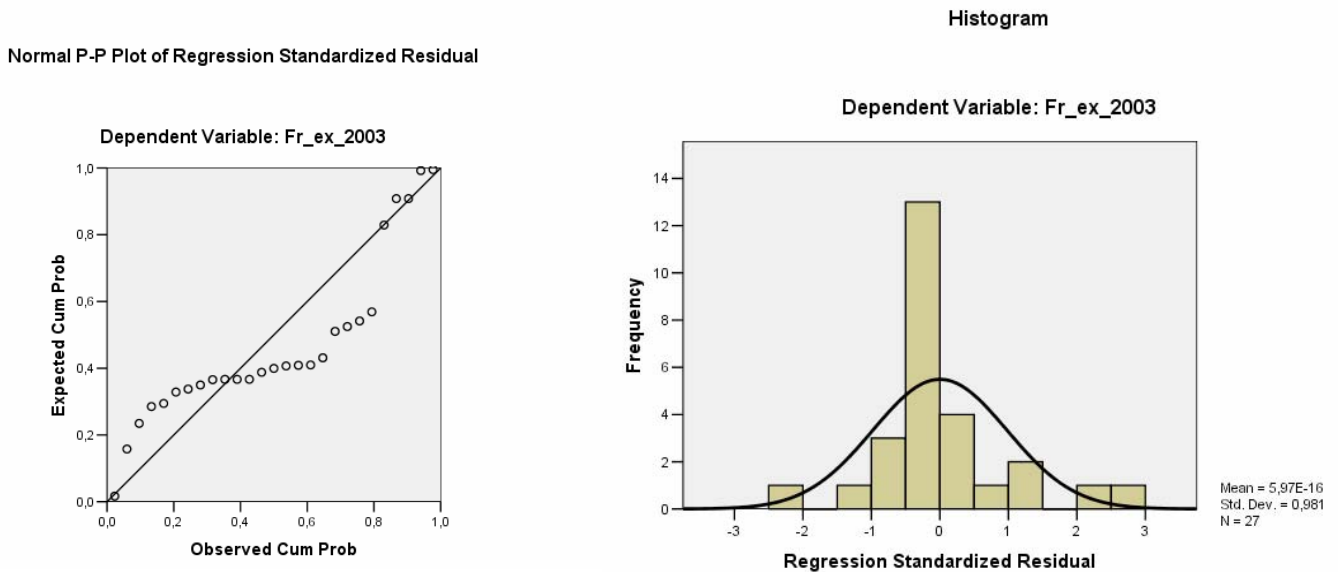
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	26,166	14,985		1,746	,093			
	Slo_ex_2003	1,063	,034	,988	31,337	,000	,988	,988	,988

a. Dependent Variable: Fr_ex_2003

Source: Own calculation

The same findings can be observed in a regression graph. The points on the graph are arranged in the shape of linear curve, what is again proving that the correlation in bilateral trade between France and Slovenia is strong, linear and positive. Based on the normal probability it appears that data is normally distributed, what is shown in the histogram.

Figures 4&5: Regression plot and histogram in relation to the correlation of two-way trade



Source: own calculation

If we switch dependant and independent variable, meaning that we take Slovenian exports to France as a dependant variable and French exports to Slovenia as an independent variable, we obtain very similar results.

Based on the sample data from 2003, the regression coefficient was 0,918, which means that Slovenian exports to France increase on average by 0,918 million euros if French exports to Slovenia increase by a million euros.

The correlation coefficient and charts are giving basically the same results and therefore also interpretation remains the same as above.

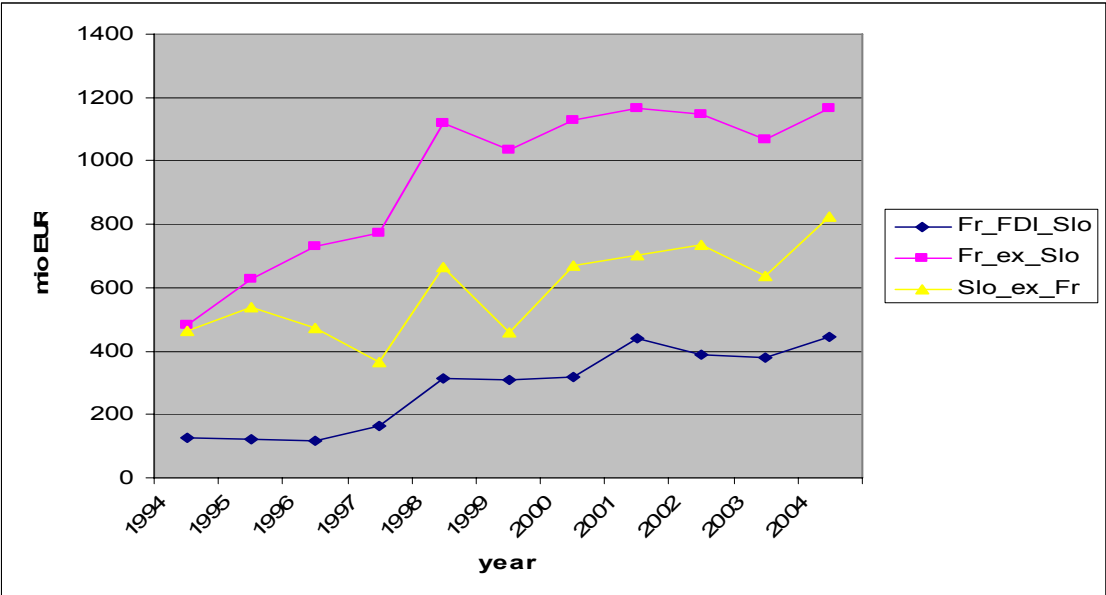
2.4.6. Cross-correlation Analysis of French FDI to Slovenia and mutual trade between the countries

Relationships between French FDI and French exports to Slovenia and between French FDI and Slovenian exports to France were studied with cross-correlation analysis to investigate changes over time. This was carried out with both time series graphs and cross-correlation plots. For both relationships of investigation I am taking French FDI as independent variable, whereas exports and/or imports are representing dependant variable. See graphs (below) for example of strong relationship. By the graph 1 is illustrated the relationship between French FDI and French exports to Slovenia. The absolute value of cross-correlation coefficient is 0,93, which means that a dependence of French exports to Slovenia upon French FDI is positive and the greatest, when there is no lag. The same holds true for the graph two, which

is also showing a very strong and positive correlation (the cross-correlation coefficient is equal to 0,82) in the relationship between French FDI to Slovenia and Slovenian export to France. Hence, French FDI to Slovenia is stimulating trade between France and Slovenia, with a lag not greater than 3 years.

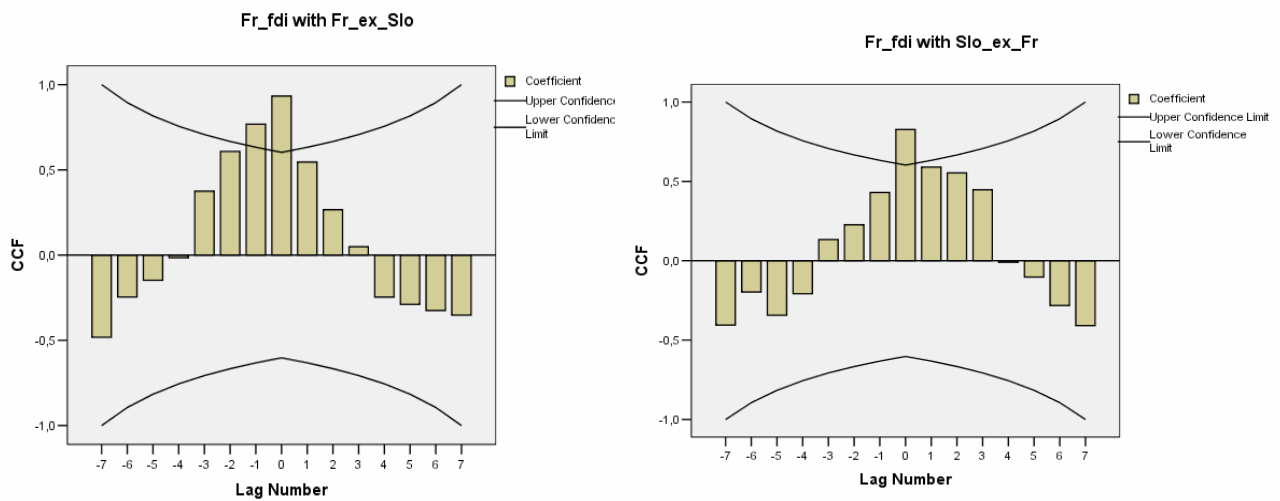
Dependence between investigated variables can also be opposite to the one above. We can also investigate how mutual trade between France and Slovenia influences French direct investments to Slovenia. In this case would be trade between France and Slovenia the independent variable and French FDI to Slovenia the dependant variable. The opposite dependence is indicated on the left side of both graphs, which shows correlation coefficients for negative lags. The correlation in both cases remains strong to relatively strong and positive. Hence, trade between France and Slovenia is positively influencing French direct investment to Slovenia, with a lag not greater than 3 years.

Figure 6: Time Series Graph for the Bilateral Trade and French Direct Investment to Slovenia



Source: Annual reports of BS, Exports and imports per country, 2005, 23.4.2., own presentation

Figures 7&8: Graphical presentation of cross-correlation in bilateral trade between France and Slovenia



2.4.7. Findings of Analysis of Bilateral Trade between France and Slovenia

67 % of Slovenian sales in France represented cars, produced by manufacturer Renault. This is to say, local sale as well as imports carried out by Renault, which places its products to its domestic and international distribution networks. Because of this strong sectoral concentration and because of strong correlation between FDI and trade between France and Slovenia, Renault has great impact on Slovenian economy, what is also proved by the balance of trade between France and Slovenia.

French exports to Slovenia are much more diversified and have found a new rebound since Slovenia has entered on the single market and new investments carried out by Renault from Novo mesto in 2004. Concerning exports of electro devices, consumption or alimentary products, France is progressing; however, they still lag far behind from exports in automobile sector. More dynamics of Slovenian sales within other sectors than automobile one, would allow the development of exchange balance, higher positioning and necessary sectoral variety.

3. Positioning Slovenia among Other Central and Eastern European Countries in Respect to French Investments

3.1. Overview

Despite the alleged importance of FDI for the transition to capitalism, the empirical evidence shows that FDI into Slovenia has been consistently smaller than the average for the East European region. How can this be explained? Slovenia has a central location in Europe and an excellent communication infrastructure. It has a well-developed industry with a long tradition.

Its economy is stable with the highest GDP levels and GDP growth among the East European countries. Its workforce is skilled, well-educated and has a strong work ethic. Slovenia has been a traditional trade partner with the countries of Western Europe and also has strong trade connections with the emerging markets of South Eastern Europe. According to Standard and Poor's credit rating, Slovenia has a lower assessment of investment risk than Czech Republic or Hungary. All of this positive characteristic should make Slovenia an attractive investment location. However, the actual FDI levels are very modest and represent the lowest share in GDP among the East European countries. What explains that enigma? (Bandelj, 2002, p. 378)

At the national level, FDI policies signal an official response of a country toward foreign investment. Content analysis of FDI provisions in Eastern Europe reveals that the official policies reflect the negotiation between two extremes: freely opening borders on the one hand and providing incentives to foreign investment, on the other hand (Strategic Views on Foreign Direct Investment, 1996, p. 43).

A transition country would be greatly facilitated with inflows of foreign capital, transferred technological and managerial know-how and the integration of a transition economy into the web of multinational corporations. The other end of the spectrum is fueled by the nation-building discourse, which emphasizes the preservation of national economies and cultural traditions, and is grounded in opposition to exploitation by the rich West.

In 1992, the Slovenian policy was to require a registration at the district court for every FDI transaction. Wholly foreign-owned companies were not permitted in the military equipment field, rail and air transport, communications and telecommunications, insurance, publishing and mass media (Dunning, Rojec, 1993, p. 34). These are activities where protecting national ownership could be considered crucial for maintaining control over strategic assets.

However, by 2001 Slovenia has changed its FDI legislation significantly. By 1997, with the adoption and the amendments of the Companies Act, provisions were put in place to give domestic and foreign investors equal rights to enter and exit business, and to provide them both with equal investment protection. Specific approvals, previously required for each potential foreign investor, were abolished, so was the stipulation about the required Slovenian citizenship for company and board of directors. With the enactment of the Foreign Exchange Act in 1999, the foreign exchange regime was liberalized. It now allows a free transfer of profits and the repatriation of capital Slovenia has also changed its tax law, and is now ranked as one of the most tax-favorable countries in Europe, with the company income tax set at 25 percent (FIAS, 2000). Obviously, the Slovenian policies pertaining to FDI have liberalized substantially (Bandelj, 2002, p. 378).

After the collapse of state socialism in Central and Eastern Europe (CEE), Western liberal economists and multilateral institutions suggested that a successful "transition" from the

centrally planned economy to a market-based system could only be achieved with large inflows of foreign direct investment (Fischer and Gelb, 1991, p. 67-82), FDI was supposed to play a crucial role in the economic development of CEE and generate industrial restructuring that would spread throughout the entire economy and ultimately lead to national prosperity (Dunning, 1993, p. 34; Hunya, 2000, p. 13). FDI was attributed such a critical role because it is often viewed as an “engine of development”, a vehicle of economic modernization and a driving force of productivity development in CEE (Hunya, 2000, p. 13). To attract large FDI inflows, the CEE countries only needed to develop appropriate institutional and policy frameworks to position themselves within flows of global capital (Pavlinek, 2004, p. 47).

In CEE, it is certainly the case that FDI typically results in rapid and profound restructuring of foreign invested enterprises (FIEs – joint ventures and foreign-owned companies) including, among others, organizational restructuring, technology transfer, worker training, the transfer of Western management structures and practices, and new production strategies and organization. It is also usually the case that such influxes of production capital and transfers of Western factory regimes and technology result in rapid increased quality and competitiveness of production goods, productivity gains and expanding production and sales by FIEs, both domestically and abroad (Pavlinek, 2004, p. 47).

3.2. FDI Flows to CEEC

In the following I would like to show how FDI flows were developing in the period from 1995 to 2003. First, the data show a remarkable surge of European and US direct investment into the CEEC-8 during the last years. A considerable variation over time and between host and home countries in the distribution of FDI is discernible. Here I would also like to point out that the benchmark also includes a comparison with countries that are not (yet) in European Union and that are, however, interesting from the investor point of view, like Romania, Bulgaria and Croatia.

Table 10: Aggregate FDI Flow into the CEEC-8 (million EUR) 1995-2003

Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	Average 1995-99	Average 1999-03
Cze	1963	1130	1134	3300	5920	5397	6296	8971	2283	2690	5737
Hung	3902	2599	3675	3414	3107	2993	4395	3008	2183	3339	3145
Pol	2797	3542	4328	5678	6821	10114	6379	4369	3735	4633	6149
Slk	198	291	203	630	401	2085	1769	4361	505	345	2180
Sln	116	137	293	194	99	149	412	1699	160	168	605
Rom	320	207	1071	1812	977	1123	1292	1210	1384	877	1252
Cro	87	402	470	832	1377	1179	1743	1189	1514	634	1406
Bul	69	86	445	479	768	1084	908	957	1255	370	1051

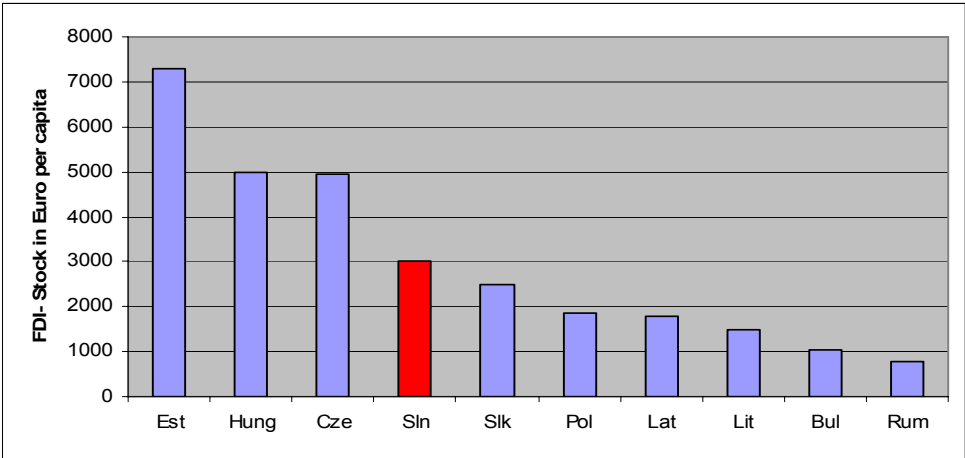
Source: UNCTAD database, 2005

Legend: Cze= Czech Republic, Hung= Hungary, Pol= Poland, Slk= Slovakia, Sln= Slovenia, Rom= Romania, Cro= Croatia and Bul= Bulgaria

As expected, larger countries receive the highest FDI inflows. Table 1 reveals that there was a surge in FDI inflows to all of the CEEC-8 since 1995. This was accentuated during the second sub-period, where the average of inflows is everywhere higher than for the first sub-period, with the exception of Hungary (Bellak et al., 2005, p. 3).

We notice that Slovenia in comparison to the rest of CEEC-8 has in average the lowest sum of FDI inflows. The reason is mainly the size of the market. However, the growth rate of FDI inflows is the second highest, just after Slovakia. However, if we take a look at recent stock FDI per capita, the picture becomes much different. Slovenia is according to the following graph the fourth most important host country among CEEC-10.

Figure 9: Ranking of FDI in Host CEEC (2005)



Source: WIIW 2006

3.3. Origin of FDI in CEEC

Table 5 shows the origin of FDI stock. Trade relations with the EU have sharply increased, but are more intense with neighboring countries, as it is obvious from the table (Bolle, 2004, p. 48). The three most important home countries are Germany, The Netherlands and Austria. The large share of Austria in Slovenia and Croatia as well as the large shares of Germany and the Netherlands in all countries but Slovenia are striking. The data also reveal that most of the FDI stock is owned by European investors. Slovenia is being under- and Croatia being over-estimated, as the seven home countries own above 70 percent of the total stock in member host-countries, but only somewhat more than 50 percent in Slovenia, Bulgaria and Romania (Bellak et al., 2004, p. 5).

Table 11: Origin of FDI in the CEEC-8 (bilateral stock and 7 home countries' stock in percent of total stock) 2003, in percent

	AUT	GER	FR	IT	NL	UK	US	Together
Bul	10,95	8,29	2,23	6,33	9,89	5,70	8,52	51,92
Cro	25,80	17,91	0,93	8,62	8,37	2,49	10,79	74,91
Cze	11,82	20,57	7,92	1,07	30,92	4,25	5,16	81,70
Hung	11,22	29,20	4,34	1,85	19,54	0,86	5,21	72,21
Pol	4,02	17,25	14,47	3,90	23,34	3,66	9,47	76,10
Slk	14,01	18,97	2,39	8,13	26,24	7,48	4,05	81,28
Slv	23,19	7,80	7,45	6,44	5,41	2,76	1,63	54,69
Rom	6,23	7,16	10,43	7,77	18,59	1,95	3,36	55,49

Source: WIIW Database

Foreign direct investment in the CEECs' rose almost tenfold between 1994 and 2003 – from USD 20 bn to USD 197 bn. In terms of FDI in relation to GDP, there was an impressive increase from 6,9% to 33,2% (Neuhaus, 2005). According to the Table 11, the major part of the surge in FDI inflows to the CEEC-8, which was accompanied by a more or less pronounced drop in the overall statutory corporate income tax rates in most of the CEEC-8. Another important factor was a lot of development potential (Bellak et al., 2004, p. 5).

From the Slovenian point of view, Austria has been the most important investor for a long time, mostly because of cultural proximity between the home and the host country. Austrian part of inflows is extremely higher six home countries. However, in 2003 French inflows in Slovenia ranged France on the third place of most important foreign investors in Slovenia.

From the French point of view, Poland was the country, which accounted for the most important part of French investments in CEEC-8 in 2003. Romania and Czech followed and Slovenia was on the fourth place.

3.4. French FDI in CEEC

At the end of 2004, French FDI stock can be estimated to 25 Mrd USD, what is placing French companies on the 2nd or 3rd place of the largest investors in the CEE region according to different statistical criteria, after Germany whose market share in CEE region amounts to 20%. France and USA are estimated as 2nd and/or 3rd largest investors in CEE countries respectively.

Deriving from French most significant value in FDI inflows per capita in the period from 1998 to 2004, as well as in stock per capita in 2004, in Czech Republic Estonia and Hungary, I was interested in investigating French direct investments and later on also in French trade relationship with the mentioned countries, taking Slovenia as a benchmark country.

Table 12: French FDI Inflows and Stock in CEEC-10 and Inflows and Stock per capita (million EUR)

	FDI inflows in 2004		Stock	Inflows per capita		Stock per capita
	2004	average 98-04	2004	2004	average 98-04	2004
Cze	4.464	5.166	45.497	437	506	4.456
Est	922	559	7.433	682	414	5.502
Hung	4.182	3.337	47.097	413	330	4.656
Lat	655	382	3.975	282	165	1.714
Lit	786	562	5.746	228	163	1.667
Pol	6.084	6.161	58.209	159	161	1.524
Slk	1.120	1.485	11.368	208	276	2.113
Slv	519	448	4.809	260	224	2.409
Bul	2.037	1.076	7.119	261	138	913
Rom	5.020	1.855	17.713	231	85	816

Source: Chambre de Commerce, 2005

3.4.1. French Direct Investment to Hungary

French investors have entered Hungarian market relatively late and massively. French presence at the market had remarkable increase in 1995 and 1996, at the time of privatization, what allowed France to be the 5th most important investor in the country, with the stock of 8-9% of FDI in 2004.

By the end of 2004, on Hungarian market was already counting 350 French branch establishments, which employed 57 000 people in 2003 and which are mostly represented in service, energy and agriculture sector.

The most dominant French companies per sector are;

- energy sector; EDF, GDF, Suez
- automobile sector; Renault, Peugeot, Citroën
- industrial equipment; Valeo, Le Belier, Michelin
- retail; Cora, Auchan, Bricostore, Decathlon
- pharmaceuticals; Aventis Sanofi-Synthelabo, Servier (Mission Economique, 2005)

Prospective sectors for French direct investment in the future are services and agro-alimentary sector, especially in dairy production and in viticulture (Chambre de Commerce, 2003, p. 48).

3.4.2. French Direct Investment in The Czech Republic

During the period from 1993 to 2000, French investment flows to Czech Republic have accounted for 4-5% of all investment flows in the country. On the contrary, French investments increased substantially in 2001, what was the consequence of a take-over of 60% of Komerční Banka by Société Générale and a take-over of management control of Eaux de Prague by Vivendi.

By the end of 2004, French investments were accounting for 300 subsidiaries and branch offices, which employed 60000 people. France was placing as the 7th largest investor in the country. French companies are mostly represented in industrial sector, accounting for 45,5%, however, also in service sector (39%) and in trade of consumption goods (15,5%).

Leading French companies in the Czech Republic are Carrefour Ceska Republika (retail sector), Société Générale with Komerční Banka (banking sector), Danone (agro-alimentary sector), Sodexo (restaurants), Suez (energy sector) and Vinci (construction) (Mission Economique, 2004).

Prospective sectors for French companies in Czech Republic represent energy/environnement, services and transport and tourism. These are also sectors, where France is still weakly represented as foreign investor (Chambre de Commerce, 2003, p. 48).

3.4.3. French Direct Investment in Estonia

There was an important surge of French direct investment in Estonia after the independence of the country in August, 1991. They were focused on the companies, which were candidates for the privatization.

Distribution of French direct investment in Estonia by the end of 2004 was the following; 33,3 % in financial sector, 22,2 % in service sector, 17,7 % in industry, 10,6 % in consumption good trade and 5,1 % in transport. The most important investments are Télédiffusion de France (Radio diffusion) and Dalkia International (heating) (Mission Economique, 2004).

Prospective future French investments can be made in information technology, especially in mobile telephony, software development and biotechnology (Chambre de Commerce, 2003, p. 48).

3.4.4. French Direct Investment in Slovenia

Although is Slovenia not attracting as many French investment flows as Poland, Czech Republic or Hungary, is Slovenia one of the country among new entrants with the highest French investment inflows and stock per capita.

Principal investors in Slovenia have already been mentioned so at this point I am adding only prospective sectors, in which French companies could invest in the future in Slovenia. Apart from banking and retail sector, French companies could be more represented in service sector. As already mentioned, they still have a remarkable potential to expand themselves to former Yugoslav markets (Chambre de Commerce, 2003, p. 49).

3.4.5. Motives to Invest in Selected CEEC

Among the selected CEEC, the local market plays a greater role in attracting investment. This explains the level of FDI in a large country such as Poland, for instance. In the Czech Republic, Hungary and Slovenia, what makes the domestic market attractive is the relatively high standard of living (see the table below). According to EBRD studies, half of the French companies listed access to a highly promising market as their primary motivation. The second most important factor explaining investors' choice of location was the combination of cheap and skilled labor (EBRD, 2005).

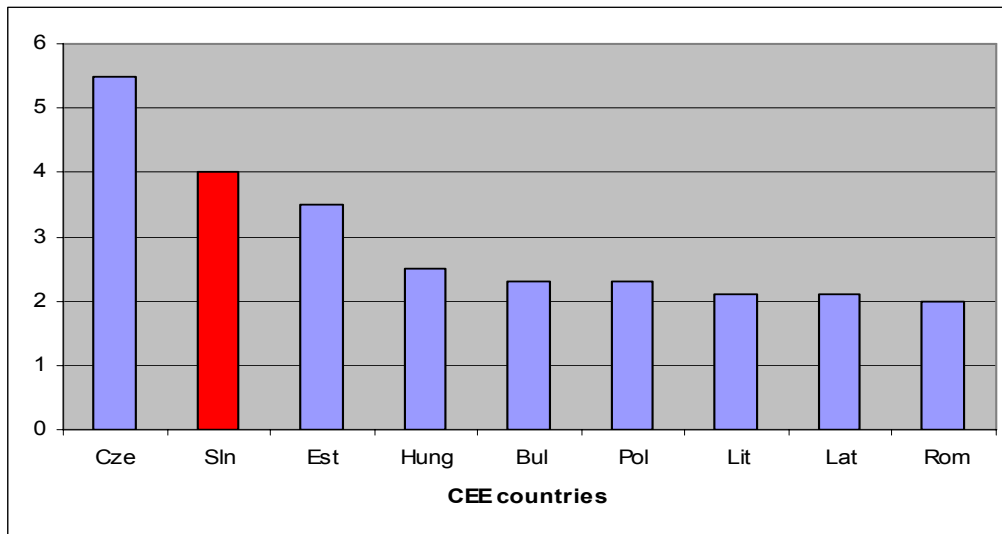
Table 13: GDP per capita of CEEC

	1994	1995	1996	1997	1998	1999	2000	2001
Bul	1152	1583	1179	1230	1490	1513	1476	1657
Cze	3997	5049	5620	5109	5529	5291	4920	5473
Est	1544	2417	2980	3174	3617	3609	3508	3786
Hung	4052	4359	4425	4495	4641	4757	4589	5121
Lat	1442	1779	2070	2293	2494	2799	3019	3249
Lit	1143	1623	2129	2588	2904	2882	3064	3249
Pol	2399	3085	3483	3511	4066	3987	4108	4654
Rom	1323	1564	1563	1551	1688	1512	1644	1796
Slk	2721	3423	3679	3802	3970	3650	3556	3668
Sln	7231	9418	9439	9103	9793	10050	9073	9416

Source: Picciotto, 2003, p. 9

To get a clearer idea of the relative importance of low wage costs and the size of the domestic market as determining factors for FDI, we need to think of a distinction again between vertical and horizontal FDI. These have distinct purposes and are therefore governed by distinct factors. In short, the cost of local labor is an essential criterion for vertical FDI, while the size or potential of the domestic market is the prime consideration for horizontal FDI. Most European FDI and also French direct investment in the CEECs is of horizontal type (Picciotto, 2003, p.10). However, this holds true only for French investment in bigger CEEC countries, such as Poland or Hungary, whereas French investments to smaller countries, such as Slovenia or Estonia are mostly vertical and cost-advantage seeking. In the latter case an investment decision is often made because of export perspective, which is typical for small economies. Cost-advantage seeking investment is also very strongly correlated with human capital development in a certain country. Thus the next graph is showing why cost-advantage seeking investments are so relevant for countries such as Czech Republic, Slovenia or Estonia.

Figure 10: Continuing Vocational Training in CEEC-10 in 2003



Source: Nestler, 2003

Continuing vocational training (CVT) is an indicator showing a development of human capital of the country. The survey of CVT in enterprises (CVTS2) was carried out in 2000/2001 in all the EU Member States (only CEE countries are taken into account).

Developing abilities and skills through CVT at work is an essential part of lifelong learning and reflects the role enterprises play in seeking for appropriate solutions to overcome labor-market and employment problems.

Compared to other CEE-10, Slovenia is ranking right after Czech Republic. As one can notice from the graph, there are not essential differences among the selected states. However, the graph is justifying that investments into education more or less rank higher than in other CEE countries.

3.5. Examples of French direct investments in CEEC

3.5.1. Example of Société Générale investments in CEEC

The Société Générale has its subsidiaries in the following CEEC countries; Slovenia, Czech Republic, Serbia, Romania and Bulgaria. Like in Slovenia, also in other CEEC, Société Générale is presented especially with one of its most important core businesses, which is retail banking. Since 1998, the Group's international retail banking division in Central and Eastern Europe has grown rapidly as a universal banking player and represent Group's main growth driver. The Société Générale is at the moment strongly positioned in Romania, where its subsidiary BRD is the country's second largest banking player and in the Czech Republic, where the Komerční banka also ranks number two. To give a comparison, the SG ranks number three in Slovenia.

An expansion to East is striking. The retail banking division stepped out its organic growth, opening a net total of 233 branches, primarily in Romania, Serbia and Bulgaria. In all CEEC countries the Group has 901 branches all together. Excluding the effect of acquisition, the Group attracted additional 626,000 individual customers between the end 2004 and end 2005, (representing an annual growth rate of over 10%), the majority in Europe (475,000), notably Romania (256,000) and Serbia (111,000). Overall the total number of individual customers in Retail Banking outside France has risen fourfold since the end of 1999.

3.5.2. Example of Renault investments in CEEC

The car industry of Central and Eastern Europe tells a dramatic tale of economic and political competition in a period of transition and transformation. It is a story of major significance to most countries in the region due to the role cars and car related investment plays in the transformation of these countries. In many Central and Eastern European countries foreign direct investments in the automotive sector accounted for large parts of large parts of the FDI volume. In many countries, the investments of individual car manufacturers represent the largest investments ever done in the country or region, like in Slovenia.

European volume producer Renault still has the bulk of its production networks located in Europe. It aims at a regional division of labor, complemented with exports to the rest of the world.

Renault is classified in the group of Frontrunners what concerns rival investment strategies and motives. Renault actively led the Western car makers into Central and Eastern Europe in 1991. This move was based on long-established historical ties, such as involvement in the Balkan economies through purchases, licenses and joint production agreements. Renault had been cooperating with local producer IMV (Industrije Motornih Vozil) in Slovenia since 1972. Rushing in was necessary, however, because for every take over prey there were many contenders. Thus Renault “conquered” the lucrative Slovenian market, the third largest market in the Central European region. For example, Renault sold more than 8,000 Clio’s in 1995 which occupied 28,6% of the local market, its highest share in any CEEC country region (East European Markets, July 19, 1996). In 1996 and 1997 (first half) Renault kept its leading status with Volkswagen as second brand, but with sales volumes only reaching one third of Renault’s (EIU, 2005, p. 241; EIU, 2006, p.128).

Aiming at maximum market share, while confronted with considerable overcapacity, prompted the firm to adopt a rapid entry strategy in the CEEC region. The fear of loosing out possibilities in a new region, hit particularly hard. Renault took a quick stake in the CEEC car complex, but primary to pick a lucrative piece of a producer located in a relatively marginal part of the CEEC region.

Like a typical frontrunner company, Renault also acted in conjunction with efforts of the national governments of France. Even though the investments in Central and Eastern Europe are based primarily on firm-specific strategic considerations, government in France (with regard to Renault's failed bid for Škoda, but successful bid for IMV in Slovenia) have supported these investment plans for a variety of political and social reasons, such as the wish to promote stability in this part of Europe.

Renault attached important value to its first production site. The site –and therefore the country – is planned by the most to become the coordination point for its Central and Eastern Europe strategy: coordinating reimports into the home country, sourcing strategies in the region and the like. These markets represent its most important outlet in the CEEC region. Sales of Renault in the CEEC region are for one third located in the tiny market of Slovenia.

Investments in components plants by Renault in the CEEC region have additionally remained limited. Since the French component making sector is not as competitive and internationalized as the German, Renault may find that the lack of reliable components poses a serious problem to be tackled first. Another problem the French car makers have to face when engaging into Eastern European ventures is that these ventures could endanger the already unstable productivity coalition with organized labor at home.

Renault does not aim at high degrees of local content in its Slovenian production site. The chances of creating an advanced local suppliers industry to the Renault factory are rather bleak, certainly because Renault imports its most strategic components directly from France.

A car manufacturer that want to make a serious attempt to sell a substantial volume of cars, have to attempt to sell a substantial volume of cars, has to supply customers with attractive credit facilities. Consumers do not earn enough to buy a car, neither do they have much trust in the existing bank system. Hence, Renault has transferred its credit company to the region, with huge impact on the local financial system. Renault offered car buyers loans carrying annual interests of less than 20%, while the bank interest rates were around 30%.

Slovenia has become “Renault country”. Renault's strategy in the country is to produce one brand almost exclusively (Clio since 1996) aimed at exports to France and Italy. The coalition is strong, because the Slovenian government is an important stakeholder in the company (34% ownership). Slovenia is the most affluent car market in central and Eastern Europe (EIU, 1997, p. 128) with car sales in units per head of the population not far behind Western European levels (Van Tulder, 1999, p. 119)

However, Renault does not own only Slovenian production sites. In September 1999, the Renault group took over the Romanian car manufacturer Dacia. The group invested a considerable amount to make Romania a hub of automobile development for Central and

Eastern Europe and launch a new range of entry-level vehicles to serve emerging automotive markets.

In 2004 Renault's sale outside in Central and Eastern Europe accounted for 28% of the whole sale outside Western Europe.

3.6. French Trade Relationship with Selected CEEC

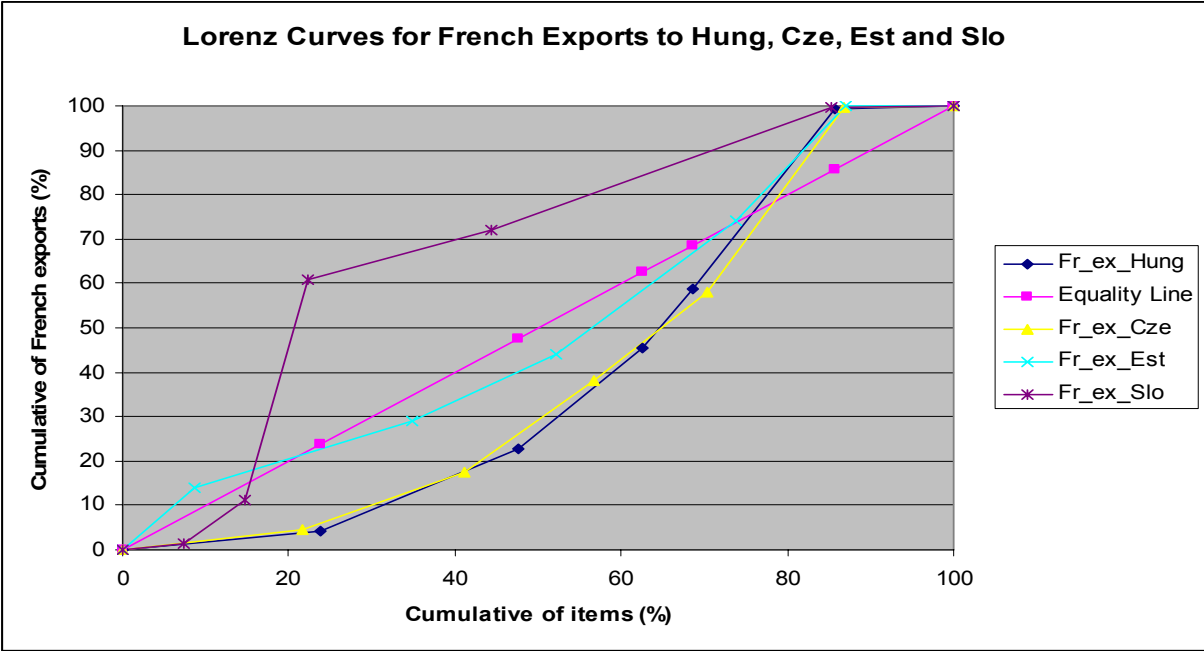
For the basis of analysis I am taking Lorenz curves in order to compare a concentration of bilateral trade relationship between France and the selected CEEC per sector in 2005. For detailed data look Annex 3.

The figure 11 shows that the concentration of French exports in six main groups of products; agronomical and alimentary goods, consumption goods, equipment goods, automobile industrial goods, intermediary goods and energy. The vertical axis represents cumulative of French exports to CEEC per sector in previously mentioned order of goods. The horizontal axis is representing cumulative of French companies situated in CEEC.

The Figure 11 shows that a concentration of French exports to Slovenia is much stronger than other bilateral trade between France and selected CEEC countries. French companies in Slovenia in agro-alimentary sector, automobile sector and French representatives of consumption goods, which are representing 20 percent of French companies in Slovenia are accounting for 60 percent of French exports to Slovenia, or in other words, of Slovenian imports from France.

Sectoral concentration of French exports to other selected CEEC was relatively weak, as half (50 %) of French exports to selected CEEC accounted for 55% of all Estonian French companies and for 65% of all Hungarian and Czech French companies.

Figure 11: Lorenz Curves of French Exports to Selected CEEC in 2005



Source: Own calculation and presentation (see Annex 3)

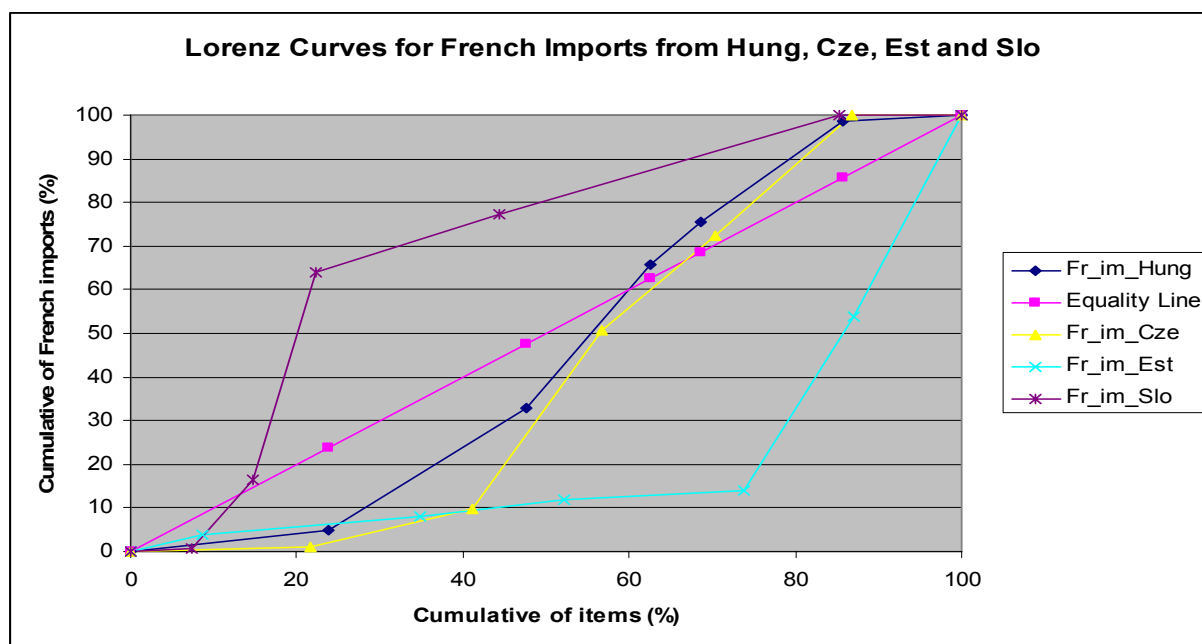
In the following graph we notice strong concentration of French imports from Slovenia and Estonia. Around 74 percent of French companies in Estonia are accounting only for 14 percent of French imports from Estonia (see Figure 12, p. 33). It means that Estonian exports to France are mostly focused on intermediate products and energy.

In the case of Slovenia, the curve is almost identical to the one in the previous graph. It means that there is a strong concentration of Slovenian exports to France in automobile sector or more precisely because of Renault’s exports, who in 2005 again was major Slovenian exporter (Foreign trade, France, 2005).

There is also a remarkable concentration of French imports from Czech Republic, as 40 per cent of all French companies in Czech Republic account for 10 percent of French imports from Czech Republic. On the other hand, 80 percent of all French companies in Czech Republic (the same holds true for Hungary and Slovenia) account for 100 percent of exports to France. Hence, exports of French companies from Czech Republic to France are based upon automobile industry, intermediary products and equipment goods.

All CEE countries have insignificant bilateral trade with France what concerns agro-alimentary and energy sector. At the latter, the only exception is Estonia, whose exports to France in energy sector represent an important share, as 15 percent of all French companies in Estonia (last 15 percent at Estonian curve represent energy sector) account for 46% of all Estonian exports to France.

Figure 12: Lorenz Curves of French Imports from Selected CEEC in 2005



Source: Own calculation and presentation (see Annex 3)

4. Positioning France among Other Investors in Slovenia, Benchmark with Austria and Germany

4.1. Comparison of FDI and Mutual Trade among Selected Countries

To begin with, I will first compare Austrian FDI in Slovenia with French FDI. The comparison suggests itself because as already said; the majority of the investment in Slovenia comes from Austria. In fact, Austria has been the largest investor ever since 1995. At the end of 2004 the stock of direct investments by Austrian investors stood at EUR 1,548.6 million, or 27,9% of the total. According to the largest figures, the largest investment was in financial intermediation excluding insurance (EUR 455,9 million), other business activities (EUR 285,7 million) and the production of pulp, paper and paper products (EUR 182,9 million).

With 8,0% of all inward FDI (EUR 444,6 million) at the end of 2004, France remained the fourth-largest investing country, as it had been in 2003. The largest French investments were made in production of motor vehicles, trailers and semi-trailers, and in financial intermediation excluding insurance. Before France and Germany, Switzerland and Netherlands have been second- and third- largest investing countries since 2002.

The latest figure of German investments amounted to EUR 411,0 million (7,4% of all inward FDI in Slovenia). The largest investments were in commission dealing and wholesaling, excluding vehicles (EUR 76,0 million), followed by production of machinery and appliances

(EUR 71,9 million) and the manufacture of broadcasting and communications apparatus and equipment (EUR 59,7 million) (Foreign direct investment, 2005, p. 43).

Table 14: Foreign Direct Investment in Slovenia by Selected Investing Countries

Countries	31.12.2000		31.12.2001		31.12.2002		31.12.2003		31.12.2004	
	EUR million	%	EUR million	%	EUR million	%	EUR million	%	EUR million	%
Austria	1.384,10	44,5	1.003,10	34	1.183,10	30,2	1.315,40	25,6	1.548,60	27,9
France	320,5	10,3	438,1	14,8	385,2	9,8	376,6	7,3	444,6	8
Germany	372,3	12	430,1	14,6	436,2	11,1	393,8	7,7	411	7,4

Source: Foreign direct investments, 2004, p. 37

Table 15: The Selected Three Countries among Largest Foreign Direct Investors in Slovenia by Activities of Domestic Enterprises

End-year stock in EUR million

Country	2003		2004		2003		2004		2003		2004		2003		2004	
	Material of pulp, paper & paper products		Chemicals & chemical products		Wholesale, commission, not motors		Financial intermediation, not insurance		Other business activities		Other		Total			
Austria	111,2	182,9	52,8	51,7	68,0	69,6	264,2	455,9	279,1	285,7	540,2	502,8	1315,4	1548,6		
France	-0,2	0,0	1,7	2,6	34,9	20,7	130,7	130,8	-2,3	1,7	211,8	288,8	376,6	444,6		
Germany	0,9	1,1	23,3	16,9	48,5	76,0	8,8	15,5	23,9	27,6	288,5	274,0	393,8	411,0		

Source: Foreign direct investments, 2004, p. 38

The breakdown of FDI in terms of lines of business at the end of 2004 shows the highest concentration of FDI in financial intermediation excluding insurance (18,4%) for Austria and France and in wholesale for Germany. We see that leading activities, in which Austria, France and Germany are investing, are very different. However, one could also notice that Austria and France are both very well represented in financial sector, although Austria is still prevailing 3,5-fold French investments in 2004.

A difference of the selected three countries' investments is proving the second largest investments in activities above. This is to say, for Austria the second largest investment is made in a paper industry, for France the second place represents a wholesale and from a German point of view, the second place is represented by chemical products.

While economists might explain this by low costs of transportation and communication due to proximity, it is suspicious why the Italian investment – with Italy being just as close as Austria and with an even higher propensity to invest abroad – constitutes only a small fraction of the total Slovenian investment.

The economic activity is embedded in, that is, constrained and enabled by, network relations, cultural understanding, and distributions of power. Thus, it is more likely that the reasons for a high share of Austrian investment have to do with historical cultural affinities and

preexisting personal and business ties with Slovenians, which are used to negotiate investment firms in Slovenia, prior business cooperation and business contacts were the key reason for these firms to choose investment locations in Slovenia. Interestingly, the survey result also showed that investment decisions were never based solely on market analysis calculations (Bandelj, 2003, p. 476).

I would also like to analyze the opposite situation. In the following part it will be clear what Slovene investment attitude to Austria, France and Germany is like.

Table 16: Slovenian Direct Investment Abroad – by selected Country

End-year stock in EUR million

Country	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Germany	55,1	45	31,1	37,1	43,6	44,1	99,6	106,6	106,9	104,4
Austria	8,7	-4,8	14,6	28,5	26,2	41	57,6	62,6	66	81,5
France	0,3	2	3,3	4,3	3,9	9	9,8	9,7	13,7	13,9

Source: Annual reports of BS, 2004

Table 17: Ranking of Slovenian Direct Investment to Selected Countries

ranking	1995	2000	2004
Germany	2.	5.	6.
Austria	10.	6.	8.
France	16.	12.	17.

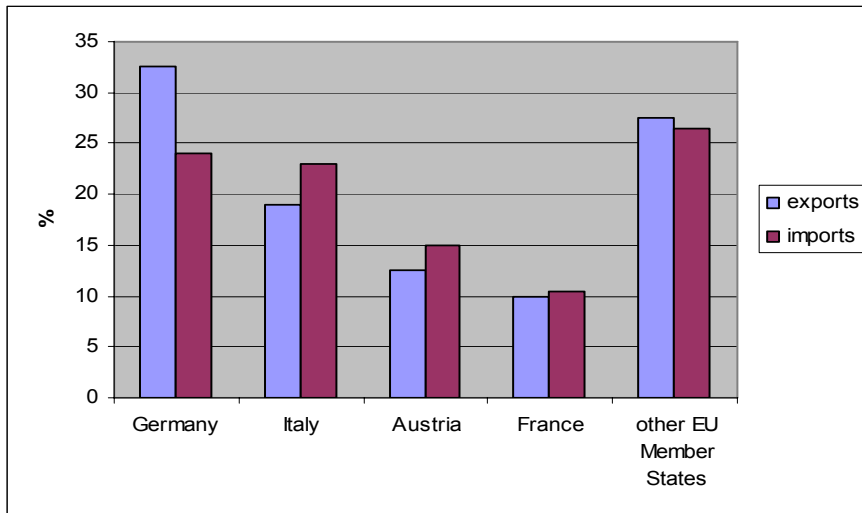
Source: Annual reports of BS, 2004

Characteristics and direction of Slovenian direct investments abroad has changed significantly since 1995. For instance, Germany was the second most important host country for Slovenia in 1995, whereas in 2004 is ranking 6th. For Austria and France there have actually not been dramatic changes in ranking in the period from 1995 to 2004.

For Slovenia the most important host country since 1995 represents Croatia, Serbia and Montenegro for the last three years but also Netherlands, Bosnia and Herzegovina and Poland, which are ranking before Germany. Thus it is obvious that ties with former Yugoslavia market remain extremely strong. There is no scientific economic explanation for such Slovenian investment behavior but rather the fact that former Yugoslav market remained close to Slovenian investors, especially from the language and territory point of view.

The figure 12 (next page) is summing up the foreign trade between Slovenia and Germany, Austria and France. German exports and imports are representing almost one third of all foreign trade of Slovenia. France doesn't lag far behind Austria, which is the third major Slovenian trade partner, right after Italy. France was the fourth major investor in Slovenia in 2004.

Figure 13: A comparison of Exports and Imports of France, Austria and Germany with Slovenia in 2004



Source: Portret of Slovenia in EU, 2005, p. 28

4.2. Motives of Austrian and German Investment Decision for Slovenia, Comparison with France

4.2.1. Motives of Austrian Investors in Slovenia

A number of empirical studies for Austria present the motives of FDI in Slovenia (Altzinger, 1998, p. 6). Most of them present the results from a survey that is based on the self-assessment of the investors. These studies testify that the predominant motive of Austria's FDI in the Slovenia is "market access/to secure sales". Weighted by capital for 80% of all investing Austrian enterprises market access is the main motivation for their activities in Slovenia. The percentage of enterprises which listed (low) labor costs as the main motive for their investment are 18,4% for Slovenia (Altzinger, 1998, p. 6).

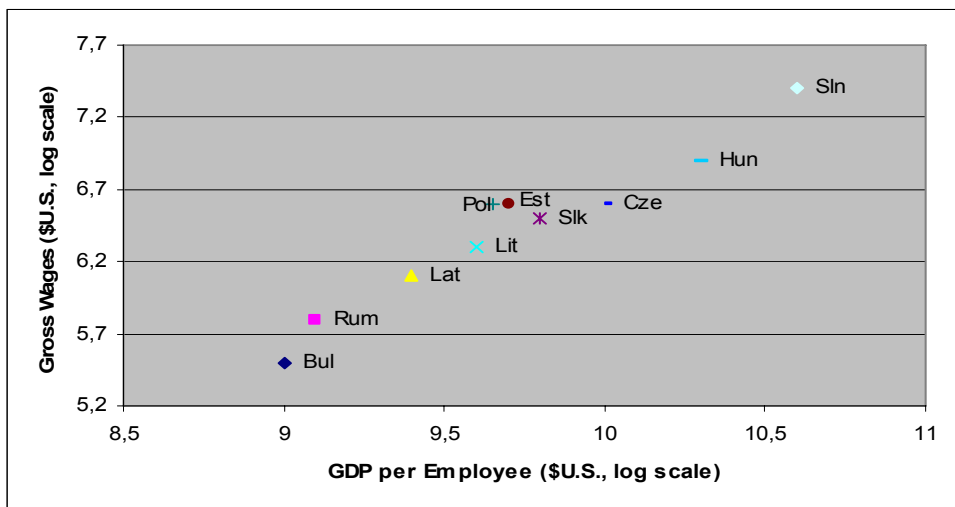
The main reason for such results can be found in a financial sector, which is the most important Austrian investment sector in Slovenia. As we have already seen, an investment in services is inherently market-driven. Thus listing "market access" as the major investment factor appears to be a logical consequence of the type of the sector, in which an investment is made.

Other reasons for a marker-seeking motive to invest in Slovenia are the fact that special proximity and cultural affinity have enabled Austrian companies to enter immediately the new sale market. Thereby Austrian companies have reaped an essential "first-mover advantage". Moreover these factors enabled Austrian companies to minimize risks.

4.2.2. Motives of German Investors in Slovenia

According to the recent German empirical survey (Buch, 2006, p. 27), the principal motive of German investors to install themselves in Slovenia is cost-advantage seeking. Results suggested that differences in factor endowments do indeed drive FDI of German firms into Slovenia. The higher labor intensity of affiliates in Slovenia is one piece of evidence for this (look the graph below). While, overall, firms and employment might benefit from lowering production costs, expansion of German firms into Slovenia might yet come at the expense of low-skilled workers.

Figure 14: Wages and Productivity (2004)



Source: Economic indicators, 2005

Moreover, the reason for cost-advantage seeking motive of German companies was a pressure of growing international price competition in their traditional domestic and West European markets. After the crises, customers became more price conscious and began to calculate harder if they should buy, for instance, expensive specialized equipment instead of limiting themselves to standardized solutions. This contributed to the pressure on the mainly home-based high-quality production that offer higher labor costs by doing business in higher price markets and by increasing capital intensity.

4.2.3. Comparison of Motives to Invest in Slovenia among France, Germany and Austria

As shown in the previous parts, the major investment motive of French investors in Slovenia is cost-advantage seeking. The same holds true for Germany, which was seeking for country with the most favorable wage-productivity relationship, especially because of internationally increased competition, which forced Germany into lowering production costs. Why those two countries are stating cost-advantage seeking motive of investment can also be explained by sectoral characteristics of their investment. Hence, France especially invested in automobile sector whereas Germany invested in paper and chemical industry. In both sectors there is a complex manufacturing, where optimizing costs is crucial.

In the case of Austria, prevailing motive was market seeking, especially because of geographical ties with Slovenia and therefore diminished risks. An explanation for a market-seeking motive again can be found in sectoral characteristics of Austrian investments, which have mostly been made in the financial sector.

5. Conclusion

Hypothesis 1: Both countries, France and Slovenia have benefited from French foreign direct investments and a bilateral trade. French FDI is namely stimulating a foreign trade between France and Slovenia.

According to the cases of the first part, the Hypothesis 1 is confirmed. French investments in Slovenia have fostered bilateral trade, what is proven by analytical analyses in the part II and III. Furthermore, French investors have benefited from new opportunities in the emerging market by increasing their market share, as well as from cost advantages.

Hypothesis 2: Prevailing motive for French investors to invest in Slovenia is a cost-advantage seeking motive.

After analyzing four cases of French companies in Slovenia, we see that prevailing motive of French investors in Slovenia is neither cost-advantage seeking nor market-seeking. Therefore, hypothesis 2 is confirmed only partly.

Analytical part of practical examples of French investments in Slovenia, is in fact proving cost-advantage motive, however, the regression model in the part II does not confirm cost-advantage motive.

Part III confirms the hypothesis 2, when we are comparing the relationship between France and Slovenia with the relationship between France and other CEEC. Slovenia is placed high according to human capital development, which is a characteristic component of cost-advantage seeking motive. Another derived finding of the analysis is that cost-advantage seeking motives of investment are prevailing when investing into small economies, like Slovenian or Estonian.

In the part three we find out that also other investors in Slovenia state cost-advantage seeking motive as dominant if an investment is made in a sector, which is correlated to the principal sector of French investments. Thus Germany and France as one of leading investors in Slovenia state cost-advantage seeking motive as prevailing when investing in Slovenia.

Hypothesis 3: There is a strong sectoral concentration of French foreign trade with selected countries.

In the first part we see that FDI and consequently also foreign trade between France and Slovenia are very concentrated in automobile industry. If we compare bilateral relationships in foreign trade between France and Slovenia with other selected CEEC (Hungary, Czech Republic, Estonia) we see that exports from France to CEEC are very concentrated only in Slovenia, namely because of automobile sector, whereas French imports from CEEC are also very concentrated in Estonia, namely in energy sector. Thus Hypothesis 3 is not proved unanimously, however, it can be proved for small economies, such as Slovenia and Estonia.

6. Povzetek v slovenščini

6.1. Struktura diplomske naloge in hipoteze proučevanja

Diplomska naloga z različnih zornih kotov proučuje bilateralni odnos med Francijo in Slovenijo na področju zunanje trgovine in neposrednih tujih investicij. Vsebinsko je razdeljena na tri poglavja; prvi proučuje odnos med Francijo in Slovenijo na področju zunanje trgovine in neposrednih francoskih investicij, drugi proučuje taisti odnos v primerjavi z drugimi državami centralne in vzhodne Evrope pravtako na področju neposrednih francoskih investicij in zunanje trgovine, zadnji, tretji del je konceptualno enak drugemu, le da gre za primerjavo z Avstrijo in Nemčijo, ki sta z vidika investicij in zunanje trgovine pomembni partnerici Slovenije.

V diplomskem delu se preverjajo naslednje hipoteze:

Hipoteza 1: Obe državi, Francija in Slovenija sta imeli določene koristi od neposrednih francoskih investicij in od zunanje trgovine med državama. Francoske neposredne investicije so namreč spodbudile zunanjo trgovino med državama.

Hipoteza 2: Prevladujoči motiv francoskih investorjev v Sloveniji je iskanje stroškovnih prednosti (cost-advantage seeking motive).

Hipoteza 3: Trgovina med Francijo in izbranimi državami iz centralne in vzhodne Evrope je močno skoncentrirana po sektorjih.

6.2. Francoske neposredne investicije v Slovenijo in bilateralni trgovinski odnos med državama

6.2.1. Francoske neposredne investicije v Slovenijo

V prvem delu je podana splošna teorija na področju tujih neposrednih investicij. Multinacionalna podjetja (nadalje multinacionalke), ki se širijo na tuje trge zasledujejo predvsem dva motiva, eden je znižanje stroškov inputov in drugi je pridobivanje čim večjega tržnega deleža. To je tudi osnova delitve med horizontalnimi in vertikalnimi investicijami. Horizontalne investicije so tiste, kjer investitorji posnemajo storitve in poslovanje v državi gostiteljici. Horizontalne investicije se običajno pojavijo, kjer oskrbovanje trga terja previsoke transportne stroške oziroma trgovinske ovire. Vertikalne investicije so tiste, kjer multinacionalke vertikalno ločijo proizvodno verigo z outsource-ingom v državi gostiteljici oz. v več državah gostiteljicah, odvisno od in glede na stroške tamkajšnjega proizvodjanja.

Naslednja tabela povzema neposredne francoske investicije v Slovenijo in zunanjo trgovino med državama po izbranih letih in v povprečju v periodah od 1994 do 1999 in od 2000 do 2004.

Tabela 1: Francoske neposredne investicije v Slovenijo in izbrani ekonomski kazalci

	<i>Vrednost pri tekočih cenah</i>				<i>Povprečna letna stopnja rasti</i>	
	1994	1997	2001	2004	1994-99	2000-04
	v Mio EUR				v odstotkih	
Francoski FDI v Slo	126	164	438	445	23,0	9,0
Izvoz Fr v Slo	483	772	1166	1166	17,0	0,2
Izvoz Slo v Fr	462	365	703	822	-6,0	7,0
BDP Francije	1.256.530	1.299.530	1.471.150	1.537.730	3,5	3,8
BDP Slovenije	12.162	17.240	22.099	26.171	5,9	3,2
Francoski FDI v Slo v celotnem Fr FDI (v %)	0,15	0,15	0,14	0,12	1,16	3,02
Francoski FDI v BDP Slo (in %)	1,03	0,95	1,98	1,70	11,25	4,24

Vir: Neposredne investicije, 2005, str. 25; Izvoz in uvoz po državah, 2005, 23.4.2.; lastni izračuni

6.2.1.2. Renault

Teorijo o neposrednih tujih investicijah poskušam podpreti na štirih primerih francoskih podjetij pri nas, in sicer na primeru Renaulta, Société Générale, E. Leclerca in Peugeotota. Pri vsakem od teh primerov iščem tako motiv stroškov kot tudi motiv trga (Market-seeking motive). Nadalje poskušam ugotoviti, če so bili cilji s strani francoskih investitorjev v Sloveniji doseženi in obratno, v kolikšni meri so bili doseženi cilji slovenskih partnerjev.

Pri Renaultu se je pokazalo, da so bili motivi investicije v Slovenijo raznoliki, saj je Renault v Slovenijo investiral postopoma, npr. prva investicija je bila izpeljana že leta 1991, medtem ko je bil Revoz dokončno prevzet leta 2004. Tako je bil prvotni motiv s strani Renaulta takratni jugoslovanski trg. Zato prvotno govorimo o motivu trga. Z razpadom Jugoslavije se je moral Renault izvozno usmeriti na bivši jugoslovanski trg, kar je spremenilo motiv trga v motiv stroškov. Pri motivu trga je namreč investitor predvsem usmerjen v pokrivanje trga države gostiteljice, medtem ko je pri motivu stroškov investitor predvsem izvozno usmerjen.

Renault je izpolnil svoj stroškovni motiv, katerega označujejo naslednje značilnosti;

- Lega Slovenije je pomenila dobro odskočno desko za širitev na sosednje trge in njene zgodovinske vezi z Jugoslavijo so vsekakor pomenile pomembno prednost.
- Lokalni trg je majhen in kupna moč Slovencev je neprimerno večja v primerjavi z ostalimi državami centralne in vzhodne Evrope.
- Značinstvo naroda; dobro izobraženi, tehnično pismeni.

6.2.1.3. Soci t  G n rale Group

Glede na to, da je bila investicija Soci t  G n rale (v nadaljevanju SG) Group izpeljana v finan nem sektorju, je investicija  e sama po sebi posledica motiva trga, saj so storitve relativno omejene le na trg dr ave gostiteljice. Banka je z vstopom na slovenski trg zasledovala motiv  irjenja tr nega dele a in v relativno kratkem  asu vstopila na ve  trgov centralne in vzhodne Evrope.

Investicijo SG Groupe je bila po mnenju francoske in slovenske strani uspe na. Soci t  G n rale je namre  prevzela uveljavljeno banko z dobro bazo strank in kvalificirano delovno silo. Francoska banka je s pomo jo SKB banke izpeljala multi-kanalno ban ni tvo. Prednost prevzema Slovenske banke je bila tudi v dejstvu, da se Slovenija  teje med najbolj razvite dr ave EU-10 ter znova v tem, da Slovenija predstavlja dobre mo nosti  iritve na Balkan.

SKB Banka prav tako vidi francoski prevzem kot zelo uspe en. Z njim je namre  SKB Banka izpolnila cilje o iskanju strate kega partnerja. Nadalje, ban ne storitve, ki jih je SKB s pomo jo SG Groupe nanovo uvedla uvr ajo SKB Banko med najnaprednej e banke v Sloveniji. S SG Groupe je SKB Banka pridobila tudi globalno dimenzijo poslovanja, saj z razvejano mre o podru nic lahko pokriva potrebe strank kjerkoli in kadarkoli. SKB Banka je s francoskim prevzemom tudi izbolj ala svojo konkuren nost, saj je preko SG Groupe pri lo do transferja know-how-a, izku enj, specializiranega znanja glede proizvodov, marketinga, informacijske tehnologije, notranje kontrole in kvalitete.

6.2.1.4. E. Leclerc

Podobno kot pri SG Groupe, je tudi trgovec E. Leclerc sledil motivu ekspanzije na trge centralne in vzhodne Evrope in prav tako gre za investicijo v storitveni sektor. Iz tega vidika lahko E. Leclercovo investicijo v Slovenijo uvrstimo kot investicijo horizontalnega tipa, ki je

sledila motivu trga. Dejansko pa je investicija precej sledila motivom stroškov, kar lahko razberemo iz mnenj francoskega investitorja E. Leclerca, ki poudarja tudi kvalitetno delovno silo oz. značaj motiviranosti prebivalstva kot pomemben motiv investicije v Slovenijo.

E. Leclerc vidi investicijo kot uspešno, čeprav se je spopadal s številnimi težavami, kot so pridobitev gradbenega dovoljenja, preozka kapaciteta Slovenskih bank, neorganizirani sindikati, itd., vendar je Slovenija za E. Leclerc predstavljala najboljšo naložbo v primerjavi z ostalimi vzhodnimi evropskimi državami. Med drugim tudi z vidika podpore partnerstva francoskega združenja v Sloveniji. Pomembno vlogo neposredne investicije v Slovenijo pa je predstavljala tudi razvitost njene ekonomije v primerjavi z drugimi vzhodno-evropskimi državami. Poleg tega Slovenija predstavlja možnost za širjenje na trge bivše Jugoslavije.

6.2.1.5. Peugeot

Peugeot navaja naslednje motive neposredne naložbe v Slovenijo; varnost, geografski položaj, dobre cestne povezave, homogenost ozemlja itd.

Prevladujoči motivi Peugeotta so bili motivi stroškov. Delovna sila je namreč izredno kvalificirana in prilagodljiva. Plače so v primerjavi s kvalificiranostjo delovne sile relativno zmerne. Se pa tudi Peugeot zaveda negativne plati investicije v Slovenijo, kot so visoki socialni stroški ali protekcionizem plač.

6.2.1.6. Ugotovitve primerov

Bolj ali manj vidimo, da je v vseh primerih francoskih investitorjev pri nas zelo močan motiv stroškov, pri katerem je zelo prisotna izvozna usmerjenost, kar lahko pojasnimo z naslednjim; a) manjši, ko je trg države gostiteljice, bolj izvozno so investitorji usmerjeni, b) razvita ekonomija države gostiteljice je navadno bolj povezana z motivom stroškov kot motivom trga, c) bolj ko je država gostiteljica v kasnejši dobi tanzicije, bolj je le-ta izvozno usmerjena in bolj so podjetja države gostiteljice vključena v procese multinacionalke in nenazadnje d) liberalizacija neposrednih naložb in zunanje trgovine in ekonomska integracija so ključni spodbujevalci izvozne usmerjenosti multinacionalke.

6.2.2. Zunanja trgovina med Francijo in Slovenijo

Po zadnjih podatkih v letu 2004, je Francija četrti najpomembnejši dobavitelj Slovenije. Izvoz Francije je v prvi polovici leta 2005 znašal 688 milijonov evrov. K temu rezultatu je predvsem botrovala prodaja avtomobilskih komponent, ki se je povečala za 32,6% v primerjavi z istim obdobjem lani. Razlog je premestitev proizvodnje Cliota 2, ki se je do sedaj proizvajal v Valladolid-u, v Španiji. Spremembe v avtomobilskem sektorju zelo vplivajo na splošno obravnavanje francoskih neposrednih investicij v Sloveniji in bilateralne trgovine, saj je investicija Renaulta v Revoz daleč najobsežnejša francoska investicija. Tudi z vidika trgovine Renault zelo prednjači ne le pred francoskimi podjetji temveč tudi pred slovenskimi podjetji.

Drugi pomembni sektorji oziroma sektorji v razvoju med Francijo in Slovenijo so mehanska oprema, metalni proizvodi, kemična industrija, električne komponente elektronika in gospodinjska oprema.

Avtomobilski sektor ima tudi zelo močan vpliv na trgovinsko bilanco, saj če iz nje izključimo avtomobilski sektor, bilateralna trgovina ni bila deležna večjih sprememb, medtem ko je pospešen francoski izvoz v avtomobilskem sektorju povzročal zmanjševanje slovenske trgovinske bilance.

6.2.2.1. Korelacija med izvozom in uvozom med Francijo in Slovenijo

V diplomski nalogi je proučevana odvisnost med izvozom in uvozom med Francijo in Slovenijo. Na podlagi analize ni relevantno, katero spremenljivko vzamemo kot odvisno in katero kot neodvisno, saj sta spremenljivki medsebojno odvisni. Zato je v diplomski nalogi natančneje podan zgolj primer izračuna, kjer velja, da je slovenski izvoz v Francijo neodvisna spremenljivka in francoski izvoz v Slovenijo odvisna spremenljivka.

Na podlagi vzorčnih podatkov je ocenjeni regresijski koeficient enak 1,063, kar pomeni, da se je francoski izvoz v Slovenijo v povprečju povečal za 1,063 milijona evrov, če se je slovenski izvoz povečal za milijon.

Ocenjeni korelacijski koeficient je znašal 0,975, kar pomeni da je korelacija francoskega izvoza v Slovenijo in slovenskega izvoza v Francijo linearna, pozitivna in zelo močna.

6.2.2.2. Analiza prečne korelacije med neposrednimi investicijami Francije v Slovenijo in zunanjo trgovino med Francijo in Slovenijo

Pri proučevanju omenjenega odnosa iz naslova, sem vzela francoske neposredne investicije v Slovenijo kot neodvisno spremenljivko, medtem ko sem vzela francoski izvoz v Slovenijo kot odvisno spremenljivko.

Absolutna vrednost korelacijskega koeficienta, ko ne upoštevamo odloga (serialna korelacija) je enaka 0,93, kar pomeni, da je francoski izvoz v Slovenijo pozitivno odvisen od neposrednih francoskih investicij v Slovenijo. Korelacija je pozitivna in zelo močna. Korelacijski koeficient je enak 0,82, če vzamemo francoske neposredne investicije v Slovenijo kot neodvisno spremenljivko in slovenski izvoz v Francijo kot odvisno spremenljivko. Korelacija je tudi v tem primeru močna in pozitivna. Na podlagi dobljenega korelograma opazimo, da do vpliva francoskih neposrednih investicij v Slovenijo na zunanjo trgovino med državama pride najkasneje v roku treh let.

6.3. Uvrščanje Slovenije med ostale države centralne in vzhodne Evrope v odnosu do francoskih investicij in zunanje trgovine s Francijo

6.3.1. Uvod

Čeprav ima Slovenija izredno ugodno zemljepisno lego, dobro razvito infrastrukturo in industrijo, najvišji BDP per capita v primerjavi z ostalimi centralno-vzhodnimi evropskimi državami, izobraženo delovno silo z močno etiko, zelo nizko ocenjeno investicijsko tveganje, so ravni neposrednih tujih investicij v BDP-ju še vedno zelo nizke v primerjavi z drugimi centralno-vzhodno evropskimi državami. Kako lahko to pojasnimo?

Čeprav so se razmere v Sloveniji v odnosu države do neposrednih investicij bistveno izboljšale, je bila Slovenija v nedavni preteklosti zelo zaprta za tuje investitorje. Na primer, v letu 1992, je bilo potrebno na podlagi slovenske politike glede neposrednih investicij potrebno pridobiti registracijo na okrožnem sodišču za vsako transakcijo neposrednih tujih investicij. Podjetja v popolnem tujem lastništvu niso bila dovoljena na področju vojaške opreme, železniškega in letalskega transporta, zavarovalništva, komunikacij in telekomunikacij, tiska in množičnih sredstev obveščanja. Ta področja naj bi bila bistvenega pomena za nadzor nad strateškimi sredstvi države.

Slovenija je do leta 2001 bistveno spremenila zakonodajo v zvezi z neposrednimi investicijami. Na primer leta 1997 je Slovenija s sprejetjem zakona o podjetjih izenačila pravice domačih in tujih investitorjev glede vstopa in izstopa v oz. iz poslovanja in jim zagotovila enako investicijsko zaščito. Leta 1999 je Slovenija z zakonom o tujih izmenjavah sprostila režim glede izmenjav. S tem zakonom je dovolila prosti prenos dobičkov.

6.3.2. Francoske neposredne investicije v države centralne in vzhodne Evrope

Ko primerjamo tokove in stanja investicij centralno-vzhodnih evropskih držav, ugotovimo, da Slovenija dejansko precej zaostaja za drugimi državami ter, da so bile Češka, Madžarska in Poljska najzanimivejše države z vidika tujih investitorjev. Podobno sliko dobimo, če primerjamo le Francoske investicije v države centralne in vzhodne Evrope. Daleč najzanimivejše države so prav tako Češka, Madžarska in Poljska. Ne smemo pa zanemariti francoskih neposrednih investicij na prebivalca, kjer se po francoskih neposrednih investicijah zelo visoko uvrščajo majhne ekonomije, kot sta Slovenija in Estonija, ter nižje, večje ekonomije, kot je npr. Poljska (glej Tabelo 2, 45 str.).

Tabela 2: Francoski FDI tokovi in stanja v CEEC-10 in tokovi in stanja per capita v mio EUR

	FDI tokovi v 2004		Stanje	Tokovi per capita		Stanje per capita
	2004	povprečje 98-04	2004	2004	povprečje 98-04	2004
Cze	4.464	5.166	45.497	437	506	4.456
Est	922	559	7.433	682	414	5.502
Hung	4.182	3.337	47.097	413	330	4.656
Lat	655	382	3.975	282	165	1.714
Lit	786	562	5.746	228	163	1.667
Pol	6.084	6.161	58.209	159	161	1.524
Slk	1.120	1.485	11.368	208	276	2.113
Sln	519	448	4.809	260	224	2.409
Bul	2.037	1.076	7.119	261	138	913
Rom	5.020	1.855	17.713	231	85	816

Legenda: Cze= Češka, Est= Estonija, Hung= Madžarska, Lat= Latvija, Lit= Litva, Pol= Poljska, Slk= Slovaška, Sln= Slovenija, Bul= Bulgarija in Rom= Romunija, CEEC= države Centralne in Vzhodne Evrope

Vir: Gospodarska zbornica Francije, 2005

Glede na to, da je bilo stanje FDI per capita, ki je kazalec na podlagi katerega je bila narejena primerjava francoskih neposrednih investicij, zelo visok ali največji na Češkem, v Estoniji, na Madžarskem in Sloveniji, sem izbrala te države za osnovo primerjave francoskih neposrednih investicij in trgovine s Francijo.

6.3.2.1. Francoske neposredne investicije na Madžarskem

Francija je vstopila na madžarski trg relativno pozno, t.j. šele leta 1995 in 1996, v času privatizacije, ko je postala 5. najpomembnejši investitor v državi, s stanjem zalog od 8% do 9% vseh neposrednih investicij na Madžarskem.

Do leta 2004 je bilo na Madžarskem 350 francoskih podjetij, ki so zaposlovala 57 000 ljudi. Francija je na Madžarskem po investicijah zastopana v vseh sektorjih in relativno enakomerno. Francija bi lahko okrepila svoj položaj predvsem v poljedelskem sektorju, še zlasti v vinogradništvu in v proizvodnji mlečnih izdelkov.

6.3.2.2. Francoske neposredne investicije na Češkem

Od leta 1993 do 2000 je bila Francija na Češkem investitor s povprečnim stanjem zalog od 4% do 5%. Francoske neposredne investicije v Češko so se še zlasti povečale leta 2001, ko je prišlo do prevzema 60% Komerčni Banke s strani SG Groupe in prevzema nad upravljanjem Eaux de Prague s strani Vivendija.

Do leta 2004 je Francija na Češkem štela okoli 300 podjetij oz. podružnic, ki so zaposlovala 60000 ljudi. Francija je na Češkem sedmi največji investitor in prav tako enakomerno prisoten

v vseh sektorjih. Francija bi lahko okrepila svoj položaj predvsem v energijskem sektorju, v transportu in turizmu.

6.3.2.3. Francoske neposredne investicije v Estoniji

Največji pritek francoskih investicij v Estonijo je bil avgusta 1991, po osamosvojitvi države. Francija je bila osredotočena na podjetja, ki so bila potencialni kandidati za privatizacijo. Najpomembnejše francoske investicije so v energijskem sektorju, finančnem sektorju in ostalih storitvenih sektorjih.

Perspektivna sektorja, kjer bi Francija v Estoniji še lahko investirala, sta sektor informacijske tehnologije, še zlasti mobilna telefonija in razvoj software-ov, in biotehnologija.

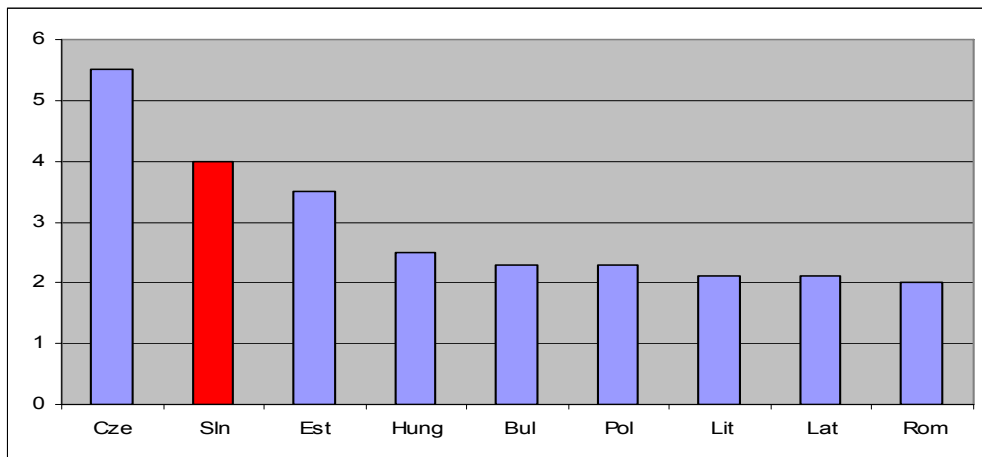
6.3.2.4. Motivi francoskih investicij v izbrane države centralne in vzhodne Evrope

V izbranih državah igra lokalni trg pomemben motiv francoskih investicij. To pojasnjuje na primer francoske investicije na Poljskem, kjer je trg relativno velik. Motiv francoskih investitorjev na Češkem, Madžarskem in v Sloveniji je bil visok standard življenja, saj je BDP per capita v teh državah relativno visok. Na podlagi študije EBRD, je pol francoskih podjetij kot najpomembnejši motiv investicij v države centralne in vzhodne Evrope navajalo motiv trga kot drugi najpomembnejši motiv pa motiv poceni in usposobljene delovne sile.

Motivi francoskih investitorjev so odvisni tudi od velikosti ekonomije. V večjih državah kot so Poljska, Madžarska je poglobitni motivi francoskih investitorjev motiv trga. V manjših ekonomijah, kot sta Slovenija in Estonija pa je glavni motiv stroškov. V zadnjem primeru so francoski investitorji tudi izvozno usmerjeni.

Motiv stroškov je tudi zelo povezan s človeškim kapitalom, kar pojasnjuje motiv stroškov francoskih investitorjev na Češkem, v Estoniji in v Sloveniji. Te države so namreč tudi zelo visoko uvrščene po kazalcih človeškega kapitala, kot na primer nadaljnje izobraževanje zaposlenih.

Slika 1: Nadaljnjo izobraževanje v centralno-vzhodno evropskih državah (v urah izobraževanja na 1000 delovnih ur v podjetju) v letu 2003



Vir: Nestler, 2003

6.3.3. Zunanja trgovina med Francijo in centralno-vzhodno Evropo

Osnova analize omenjenega razmerja je Lorenzov grafikon, s katerim poskušam ponazoriti kakšna je koncentracija zunanje trgovine po sektorjih. Prvi primer proučevanja je bil francoski izvoz v izbrane centralne-vzhodno evropske države, kjer so Lorenzove krivulje pokazale večjo koncentracijo le pri izvozu Francije v Slovenijo zaradi koncentracije izvoza v avtomobilskem sektorju.

Drugi primer proučevanja je bil francoski uvoz iz centralne in vzhodne Evrope. Rezultat je bil podoben kot v prvem primeru. Namreč koncentracija uvoza Francije je po sektorjih šibka s Češko in Madžarsko in močna s Slovenijo. Razlika v drugem primeru proučevanja je v uvozu Francije iz Estonije, ki kaže na močno koncentracijo uvoza vmesnih industrijskih proizvodov in energije.

6.4. Uvrščanje Francije med druge investitorje v Sloveniji, primerjava z Avstrijo in Nemčijo, tudi v odnosu do trgovine

Francijo primerjamo z Avstrijo in Nemčijo, saj sta ti dve državi v Sloveniji od nekdaj igrali pomembno vlogo kot državi investitorici in tudi kot partnerici v zunanji trgovini s Slovenijo. Avstrija je največji investitor v Sloveniji vse od leta 1995. Konec leta 2004 je Avstrija posedovala 27,9 % vsega stanja neposrednih tujih investicij v Sloveniji. Avstrija je v Sloveniji prisotna zlasti v finančnem sektorju in v papirnati industriji.

Francija je bila konec leta 2004 četrti največji investitor v Sloveniji, takoj za Švico in Nizozemsko, z 8 % vsega stanja neposrednih tujih investicij. Največje investicije Francije so bile v avtomobilskem sektorju (Renault) in finančnem sektorju (Société Générale Groupe).

Nemčija je bila konec leta 2004 peti najpomembnejši investitor v Slovenijo, s stanjem zalog 7,4 %. Investicije Nemčije so bile izpeljane predvsem v provizijskem trgovanju in v trgovini na debelo.

Tabela 3: Investicije izbranih treh držav po aktivnostih (stanje konec leta v mio EUR)

Država	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004
	Kartonski material in papirnati proizvodi		Kemični preparati in proizvodi		Prodaja na debelo in provizija		Finančno posredništvo brez zavarovalništva		Druge poslovne aktivnosti		Ostalo		Skupaj	
Avstrija	111,2	182,9	52,8	51,7	68,0	69,6	264,2	455,9	279,1	285,7	540,2	502,8	1315,4	1548,6
Francija	-0,2	0,0	1,7	2,6	34,9	20,7	130,7	130,8	-2,3	1,7	211,8	288,8	376,6	444,6
Nemčija	0,9	1,1	23,3	16,9	48,5	76,0	8,8	15,5	23,9	27,6	288,5	274,0	393,8	411,0

Vir: Letna poročila BS, 2004

Kot vidimo iz tabele se države med seboj zelo razlikujejo po sektorjih investiranja, če se osredotočimo na prve in druge največje investicije po sektorjih in po državah. Avstrija je investirala zlasti v finančni sektor in papirnato industrijo, Nemčija v prodajo na debelo in kemično industrijo, Francija pa v finančno posredništvo in avtomobilsko industrijo, ki v tabeli zaradi prvotnega namena vira sicer ni natančneje izpostavljena.

V odnosu do trgovine se položaj držav partneric s Slovenijo spremeni. Nemčija je najpomembnejša slovenska trgovinska partnerica, sledi Italija, Avstrija in nato Francija.

Dejstvo, da sta Avstrija in Nemčija tako pomembni slovenski partnerici lahko razložimo s tem, da je ekonomska aktivnost pogosto pogojena z mrežnimi povezavami, s kulturnim razumevanjem in z distribucijsko močjo. Tako razlog velikega deleža avstrijskih investicij v Sloveniji tiči v dejstvu, da je Slovenija kulturno in zgodovinsko močno povezana z Avstrijo in je imela z njo že v preteklosti močne poslovne vezi.

Glede motivov investicij v Slovenijo, za Avstrijo velja, da prevladuje motiv trga, medtem ko pri francoskih in nemških investitorjih prevladuje motiv stroškov. Razlog je predvsem v tem, da je Avstrija v Sloveniji investirala predvsem v finančni sektor, ki je sektor storitev, medtem ko sta Nemčija in Francija investirali predvsem v sektorje, kjer je optimizacija stroškov bistvenega pomena, npr. avtomobilski sektor ali kemični sektor.

6.5. Zaključek

Prva hipoteza se je v diplomskem delu bolj ali manj potrdila. Francoske investicije so vodile do povečane konkurenčnosti, ki jo je slovenski trg v tistem času zelo potreboval. Francoske investicije so tudi spodbudile bilateralno trgovino med Francijo in Slovenijo. Zahvaljujoč francoskim investicijam je prišlo do prenosa know-how-a, kapitala in tehnologije v slovenska

podjetja. Po drugi strani so francoski investitorji izkoristili prednosti na razvijajočem se slovenskem trgu, povečali tržni delež in bili deležni stroškovnih prednosti.

Druga hipoteza se delno potrjuje skozi celotno diplomsko delo. Sami francoski investitorji poudarjajo motiv stroškov in kvalificirane delovne sile, kar se je pokazalo skozi primere francoskih podjetij pri nas. Kasneje, v primerjavi z drugimi centralnimi-vzhodno Evropskimi državami, ugotovimo, da je motiv francoskih investitorjev podoben v Estoniji, kjer gre prav tako za majhno gospodarstvo, ki mora biti izvozno usmerjeno. V primerjavi z Nemčijo in Avstrijo pa ugotovimo, da je stroškovni motiv francoskih investitorjev pri nas prevladuje tudi zato, ker je Francija v Sloveniji investirala predvsem v avtomobilski sektor, kjer je optimizacija stroškov bistvenega pomena.

Tretja hipoteza se je le delno potrdila. Nedvomno drži, da je trgovina med Francijo in Slovenijo izredno skoncentrirana v avtomobilskem sektorju, kar se je pokazalo tudi v Lorenzovem grafikonu. V primeru Estonije smo videli, da močna koncentracija francoskega uvoza v energijskem sektorju in sektorju vmesnih industrijskih proizvodov. Pokaže se, da je koncentracija v trgovini močna v majhnih gospodarstvih. Na Češkem in Madžarskem ni bistvene koncentracije v trgovini.

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ANNEX 1: Correlation of Two-Way Trade between France and Slovenia (other calculation)

Descriptive Statistics

	Mean	Std. Deviation	N
Fr_ex_2003	215,141	443,5961	27
Slo_ex_2003	177,844	412,2539	27

Correlations

		Fr_ex_2003	Slo_ex_2003
Pearson Correlation	Fr_ex_2003	1,000	,988
	Slo_ex_2003	,988	1,000
Sig. (1-tailed)	Fr_ex_2003	.	,000
	Slo_ex_2003	,000	.
N	Fr_ex_2003	27	27
	Slo_ex_2003	27	27

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	Slo_ex_2003(a)	.	Enter

a. All requested variables entered.

ANNEX 2: Cross-correlation Coefficients between French FDI and the Bilateral trade

Fr_fdi with Fr_ex_Slo

Cross Correlations

Series Pair: Year with Fr_fdi

Lag	Cross Correlation	Std.Error ^a
-7	-,482	,500
-6	-,246	,447
-5	-,148	,408
-4	-,015	,378
-3	,375	,354
-2	,608	,333
-1	,768	,316
0	,933	,302
1	,546	,316
2	,266	,333
3	,049	,354
4	-,247	,378
5	-,289	,408
6	-,325	,447
7	-,352	,500

a. Based on the assumption that the series are not cross correlated and that one of the series is white noise.

Fr_fdi with Slo_ex_Fr

Cross Correlations

Series Pair: Year with Fr_fdi

Lag	Cross Correlation	Std.Error ^a
-7	-,405	,500
-6	-,197	,447
-5	-,343	,408
-4	-,208	,378
-3	,133	,354
-2	,227	,333
-1	,430	,316
0	,827	,302
1	,590	,316
2	,553	,333
3	,447	,354
4	-,010	,378
5	-,103	,408
6	-,282	,447
7	-,409	,500

a. Based on the assumption that the series are not cross correlated and that one of the series is white noise.

ANNEX 3: Distribution of French Companies in Selected CEEC by Sector and by Foreign Trade in 2005

French bilateral trade with Hungary

	f_ex	f_im	Y	F_ex %	F_im %	Φ %
				0	0	0
Agro-Alimentary goods	0,0	0,0	0,0	0,0	0,0	0,0
Consumption goods	5,2	1,5	31,3	5,2	1,5	31,3
Equipment goods	14,2	11,6	27,9	19,4	13,0	59,2
Automobile industry	22,5	54,1	22,4	41,9	67,1	81,6
Intermediary goods	23,1	28,7	19,7	65,0	95,8	101,4
Energy	46,4	36,9	23,8	100,0	100,0	125,2
Total	100	100	100			

French bilateral trade with Czech Republic

	f_ex	f_im	Y	F_ex %	F_im %	Φ %
				0	0	0
Agro-Alimentary goods	4,7	1,1	21,7	4,7	1,1	21,7
Consumption goods	12,7	8,7	19,3	17,4	9,8	41,0
Equipment goods	20,6	40,8	15,6	38	50,6	56,6
Automobile industry	20,1	21,6	13,7	58,1	72,2	70,3
Intermediary goods	41,4	27,8	16,5	99,5	100,0	86,8
Energy	0,0	0,0	13,2	100	100,0	100,0
Total	100	100	100			

French bilateral trade with Estonia

	f_ex	f_im	Y	F_ex %	F_im %	Φ %
				0	0	0
Agro-Alimentary goods	14	4	8,7	14	4	8,7
Consumption goods	15	4	26,1	29	8	34,8
Equipment goods	15	4	17,4	44	12	52,2
Automobile industry	30	2	21,7	74	14	73,9
Intermediary goods	26	40	13,0	100	54	87,0
Energy	0	46	13,0	100	100	100,0
Total	100	100	100			

French bilateral trade with Slovenia

	f_ex	f_im	Y	F_ex %	F_im %	Φ %
				0	0	0
Agro-Alimentary goods	1,5	0,7	7,4	1,5	0,7	7,4
Consumption goods	9,8	15,9	7,4	11,3	16,6	14,8
Equipment goods	49,5	47,3	7,4	60,8	63,9	22,2
Automobile industry	11,3	13,3	22,2	72,2	77,2	44,4
Intermediary goods	27,6	22,8	40,7	99,8	100,0	85,2
Energy	0,2	0,0	14,8	100,0	100,0	100,0
Total	100,0	100,0	100,0			