



Study on State asset management in the EU

Final study report for Pillar 2 – Slovenia

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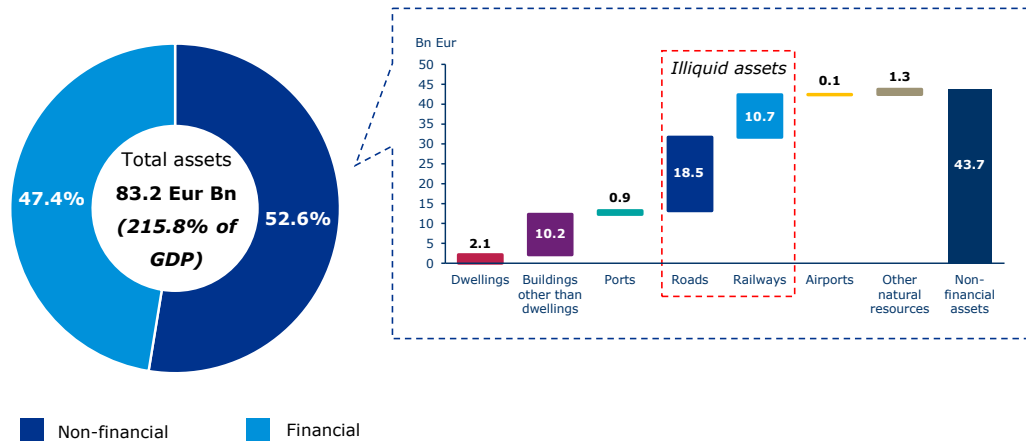
This Country fiche presents a quantitative overview of the mix of non-financial assets owned by the Slovenian General government.

A recap and a summary table on sources of data and valuation methods used to map and assess (as far as possible) non-financial assets owned by the Slovenian General government is reported in the Appendix (Table C).

1. OVERVIEW OF NON-FINANCIAL ASSETS

In 2015, the estimated value of Non-financial assets owned by the Slovenian General government was equal to 43.7 Eur Bn, accounting for about 53.4% of the estimated value of all assets (including Financial assets) owned by the General government¹.

Figure 1 General government's Financial and Non-financial assets (Eur Bn), Slovenia, 2015



Source: KPMG elaboration. Data on Gross Domestic Product were directly retrieved from Eurostat on 19th September 2017.

- (1) Estimated values refer to 2015 as the latest available year for both financial assets and all clusters of non-financial assets.
- (2) In this chart, the "estimated value" of financial assets is reported in terms of Total Assets of the country's PSHs as weighted by the stake(s) owned by the Public sector into the PSHs themselves².
- (3) Values of Dwellings, and Buildings other than dwellings were directly retrieved from Eurostat, while values for other Non-financial assets were estimated according to the valuation approaches explained in the Methodological Notes for Pillar 2.
- (4) In this chart the estimated value of Other natural resources only includes the estimated value of lands.
- (5) In Slovenia, Mineral and Energy reserves are not included among the Non-financial assets identified in this Study as they are not present in the country.
- (6) Since roads and railways are an illiquid asset we applied a Perpetual Inventory Method (PIM). However, this valuation method tends to slightly overestimate the value of the asset. Therefore the chart shows the lower bound figure of the range of road and railways valuation estimates only.

2. DWELLINGS

Eurostat provides a comprehensive coverage of data on the value of dwellings; therefore, data on Slovenian dwellings are retrieved from Eurostat only.

¹ As explained in the Methodological Notes for Pillar 2, Non-financial assets that are owned by PSHs are evaluated through the equity method. Therefore their value is not represented in this Pillar as it has already been accounted for in Pillar 1. The allocation of Non-financial assets between Pillar 1 and 2 is listed in Table A in the Appendix to the EU Fiche.

² For more details on how Total Assets for Financial Assets are calculated, please see Pillar 1.

As shown in Table 1 below, the value of the Slovenian General government's dwellings in 2015 was equal to about 2 Eur Bn, accounting for 4.9% of the value of all the dwellings within the country.

Table 1 General government's Dwellings (Eur Mn), Slovenia, 2010-2015

Data in Eur Mn	2010	2011	2012	2013	2014	2015
General government	1,945	1,996	2,043	2,087	2,098	2,121
Share of the total economy	4.7%	4.7%	4.8%	4.8%	4.9%	4.9%

Source: Eurostat database, 2010-2015, Balance sheets for non-financial assets, Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nama_10_nfa_bs&lang=en [downloaded in July 2017].

(1) The share of dwellings in the economy refers to the value of dwellings (rather than the number of dwellings).

3. OTHER BUILDINGS AND STRUCTURES

- Buildings other than dwellings

Eurostat provides good coverage of data on the value of Buildings other than dwellings owned by the Slovenian General government, hence data on this cluster of assets is retrieved from Eurostat only.

As shown in Table 2, the value of these assets has increased since 2010 reaching to a value of about 10 Eur Bn in the last year worth of data (2015) – or 25.6% of all Slovenian Buildings other than dwellings.

Table 2 General government's Buildings other than dwellings (Eur Mn), Slovenia, 2010-2015

Data in Eur Mn	2010	2011	2012	2013	2014	2015
General government	8,307	8,922	9,310	9,615	9,909	10,180
Share of the total economy	22.1%	22.8%	23.5%	24.2%	25.0%	25.6%

Source: Eurostat database, 2010-2015, Balance sheets for non-financial assets, Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nama_10_nfa_bs&lang=en [downloaded in July 2017].

(1) The share of Buildings other than dwellings in the economy refers to the value of Buildings other than dwellings (rather than the number of Buildings other than dwellings).

- Ports

According to Art. 32 (3) of the Slovenian *Maritime code*³, the property of port infrastructures belongs to both the Central and the Local government.

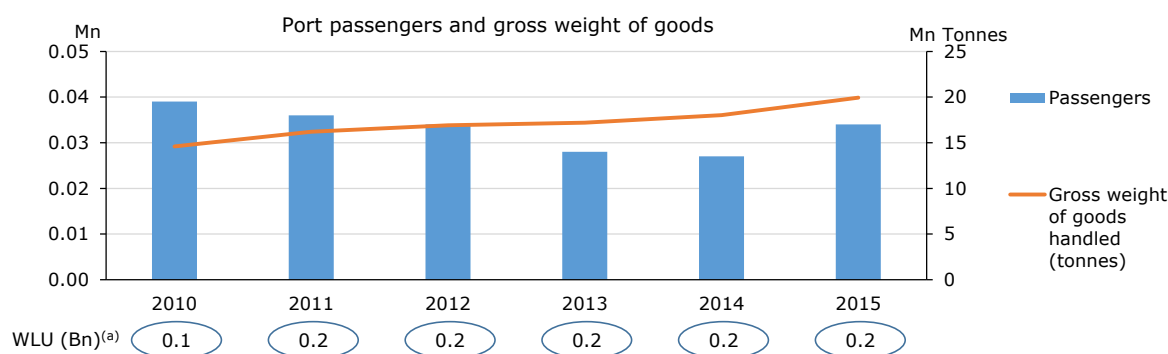
Then, they can grant the administration, management and development of the port infrastructures in concession to different port operators.

Figure 2 shows the overall maritime port traffic (for both passengers and goods) in Slovenia over the 2010–2015 time period⁴.

³ *Pomorski zakonik (PZ)* (Maritime code). Official Gazette of the Republic of Slovenia, No. 62/2016 – official consolidated text and 41/2017. Available at: <http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO2868> [Accessed 05th September 2017].

⁴ For the list of Maritime Ports included in this Study, please see Table B in the Appendix.

Figure 2 Port passengers and gross weight of goods, Slovenia, 2010-2015



Source: Eurostat database, 2010-2015 [downloaded in March 2017]. Country level - passengers embarked and disembarked in all ports by direction (available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=mar_mp_aa_cphd&lang=en) and Gross weight of goods handled in all ports by direction (available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=mar_go_aa&lang=en).

(1) With regard to passengers, all passengers embarked from and disembarked to all maritime ports within the country have been considered.

(2) With regard to the gross weight of goods handled, the Gross weight of goods handled in all maritime ports within the country have been considered.

(a) A Workload Unit (WLU) is defined as one passenger or 100 kg of cargo.

On the basis of the market value (per workload unit) for ports, retrieved from recent transactions⁵, the value of maritime ports in the country was estimated (as shown in Table 3) over the period 2010-2015. In 2015, the estimated value was equal to about 1.0 Eur Bn.

Table 3 Estimated value for Maritime Ports (Eur Mn), Slovenia, 2010-2015

Data in Mn Eur	2010	2011	2012	2013	2014	2015
Ports	672	746	779	791	829	918

Source: KPMG calculations based on Eurostat and the Mergermarket database, 2010-2015 [downloaded in March 2017].

- **Roads**

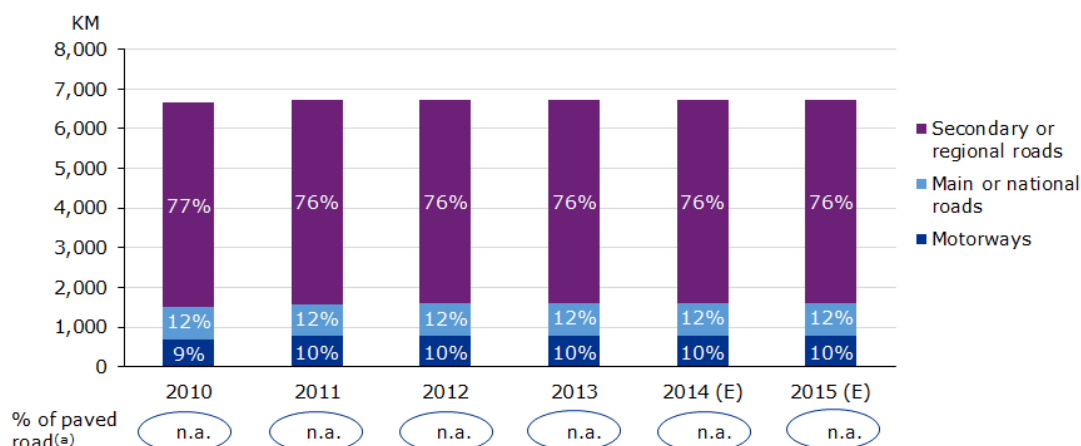
The road network is state-owned and its management is entrusted to different bodies:

- the *Motorway Company of the Republic of Slovenia*⁶ (DARS) d.d., which is a PSH responsible for managing of all existing Slovenian motorways by the means of the contract signed with the Republic of Estonia on the 1st January 1994;
- the *Slovenian Infrastructure* (i.e. the former *Slovenian Roads Agency*), which is a body responsible for managing main and regional roads in the country;
- the relevant local authorities are responsible for the roads within their jurisdiction.

⁵ For the list of the so-called “comparable” transactions included in our “peer group”, please see the list of Table 8 in the Annex.

⁶ For more detail, please see: <https://www.dars.si/>

Figure 3 Length (in km) of Motorways, Main or national roads and Secondary or regional roads, Slovenia, 2010-2015



Source: Directorate-General for Mobility and Transport (DG MOVE) database, 2010-2015 [downloaded in September 2017]. Values for percentage of paved road were calculated using Eurostat data on length of other roads by type of surface.

- (1) DG MOVE's data does not report the length of Main or national roads and Secondary or regional roads from 2013 on. Therefore, the values have been estimated constant for the following years.
- (2) For the sake of accuracy and comparability among the EU28 Member States, the valuation includes Motorways, Main or national roads and Secondary or regional roads only.
- (3) According to DG MOVE's data, the extension of the Slovenian road network is equal to 38,896 Km (including the length of Motorways, Main or national roads, Secondary or regional roads) in 2015.
- (4) Eurostat does not report the length of paved road network for years taken into account.
- (a) The percentage of paved road has been calculated based on the total extension of the road network (including other roads). It represents the length of paved road network over the total length of road network.

Table 4 reports the results of the valuation exercise carried out according to the valuation procedure described in the Methodological Notes for Pillar 2. In this respect, please be reminded that, to ensure accuracy and comparability, the valuation includes motorways and Main or national roads only.

In the country, overall, in 2015, the estimated value of roads ranged between 18 Eur Bn to 20Eur Bn.

Table 4 Estimated road value for Motorways, Main or national roads and Secondary or regional roads only (Eur Mn), Slovenia, 2010-2015

Data in Eur Mn		2010	2011	2012	2013	2014	2015
Motorways	Min	5,788	5,871	5,990	6,049	6,040	5,943
	Max	6,212	6,297	6,421	6,482	6,467	6,360
Main or national roads	Min	4,055	4,081	4,136	4,157	4,113	4,022
	Max	4,985	5,015	5,081	5,105	5,049	4,935
Secondary or regional roads	Min	8,400	8,485	8,630	8,709	8,652	8,491
	Max	8,850	8,937	9,087	9,168	9,104	8,933
Total	Min	18,243	18,437	18,756	18,916	18,805	18,456
	Max	20,047	20,249	20,589	20,754	20,620	20,228

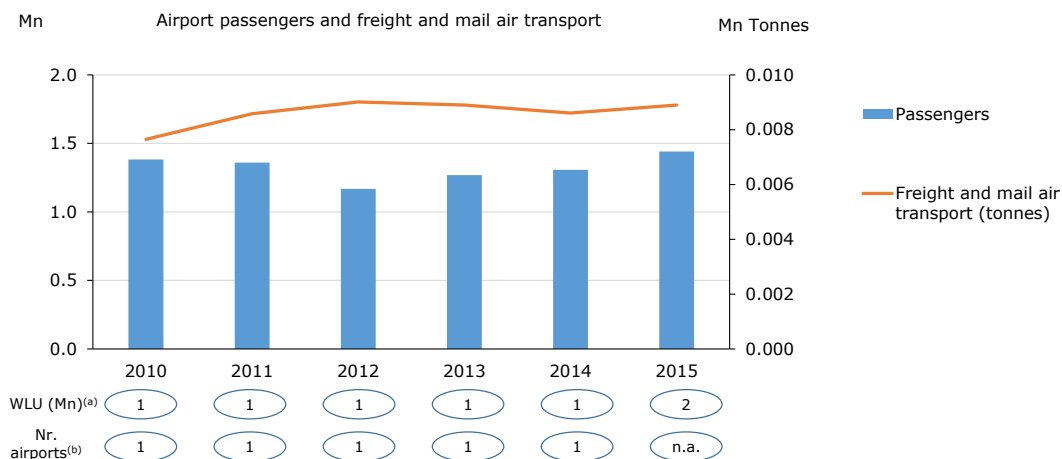
Source: KPMG calculations on Directorate-General for Mobility and Transport (DG MOVE) and Eurostat data [downloaded in July 2017].

- Airports

The only airport contributing to the annual movement of passengers and goods (as the only one to be selected according to the criteria explained in the Methodological

Notes) in Slovenia is the *Ljubljana Airport*. As reported in its annual report⁷, its property belongs to the state, which in turn granted the management of the infrastructure through concession.

Figure 4 Airports passengers and freight and mail air transport, Slovenia, 2010-2015



Source: Eurostat database, 2010-2015, [downloaded in March 2017]. Air passenger transport by main airports in each reporting country (available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=avia_paoa&lang=en), Freight and mail air transport by main airports in each reporting country (available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=avia_qooa&lang=en) and Number of commercial airports with more than 15,000 passenger units per year (available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=avia_if_arp&lang=en).

(1) The number of passengers refers to all on board passengers.

(2) All freight and mail air transport is included.

(3) Eurostat does not report the number of commercial airports for 2015.

(a) A Workload Unit (WLU) is defined as one passenger or 100 kg of cargo.

(b) Total number of airports (with more than 15,000 passenger units per year).

To assess the value of airports, an income approach was applied (for more details, please see the Methodological Notes for Pillar 2).

According to the estimates reported in Table 5, in 2015, the overall estimated value of Public Airports was equal to about 0.1 Eur Bn.

Please note that, as already mentioned earlier on, the estimated value of Ljubljana Airport approximates the value of all the Slovenian airports, since it accounts for the entire airport traffic in Slovenia.

Table 5 Estimate value for airports (Eur Mn), Slovenia, 2010-2015

Data in Mn Eur	2010	2011	2012	2013	2014	2015
Airports	123	122	106	114	117	129

Source: KPMG calculations on Eurostat database, 2010-2015 [downloaded in May 2017].

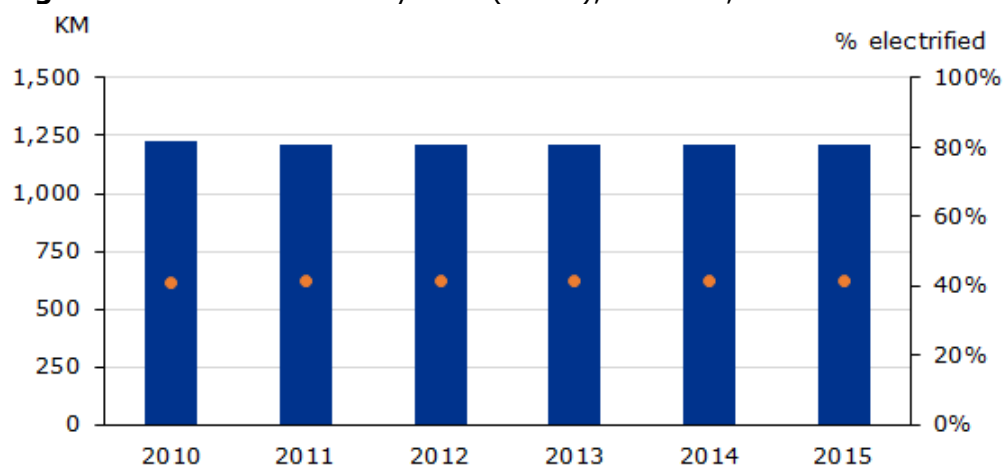
- *Railways*

The railway infrastructure in Slovenia is state-owned. It is operated by *Slovenske železnice – Infrastruktura d.o.o*, which has concluded an agreement on maintaining and managing the public railway infrastructure, and an agreement on managing the traffic on this infrastructure with the Republic of Slovenia.

⁷ Ljubljana Airport, Annual report 2015. Available at: <http://www.lju-airport.si/en/investors/financial-reports/> [Accessed 18th May 2017]

As shown in Figure 5, the extension of the railway network in Slovenia was equal to about 1,200 km in 2015.

Figure 5 Extension of railway lines (in Km), Slovenia, 2010-2015



Source: Directorate-General for Mobility and Transport (DG MOVE), 2010-2015 [downloaded in October 2017]. The percentages of electrified lines were calculated using Eurostat database "Railway transport - length of tracks" available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=rail_if_tracks&lang=en [downloaded in October 2017].

(1) The percentage of electrified network represents the length of electrified railway tracks over the total length of railway tracks for year.

Table 6 reports the results of the valuation exercise carried out according to the valuation procedure described in the Methodological Notes for Pillar 2.

In Slovenia, in 2015, the estimated value of the railway network ranged between 10.7 Eur Bn and 11.3 Eur Bn.

Table 6 Estimated value for railways (Eur Mn), Slovenia, 2010-2015

Data in Mn Eur		2010	2011	2012	2013	2014	2015
Railways	Min	10,103	10,212	10,362	10,489	10,583	10,661
	Max	10,805	10,914	11,069	11,195	11,277	11,336

Source: KPMG calculations on Eurostat database, 2010-2015 [downloaded in July 2017].

4. NATURAL RESOURCES

- *Mineral and Energy reserves*

As reported by the CIA's World Factbook Database Slovenia does not have any proven Oil or Natural Gas reserves⁸.

- *Other natural resources*

Eurostat and National Statistics do not provide figures for the cluster of "Other natural resources" in Slovenia.

The value of other natural resources has been estimated through a market approach, as outlined in Methodological Notes. As Table 7 shows, the estimated value of other natural resources is equal to 1.2 Eur Bn in 2015.

⁸ The estimated value of Mineral and Energy reserves for Slovenia is zero because it reflects the estimates reported by the CIA's World Factbook Database regarding proven Oil and Natural Gas reserves.

Table 7 Estimated values of General government's Other natural resources (Eur Mn), Slovenia, 2010-2015

Data in Eur Mn		2010 (€)	2011 (€)	2012 (€)	2013 (€)	2014 (€)	2015 (€)
Land (net)	General government	1,329	1,365	1,302	1,233	1,232	1,282
	Share of the total economy	13.0%	13.0%	13.2%	13.1%	12.7%	12.4%

Source: KPMG calculations on Eurostat database, 2010-2015 [downloaded in July 2017].

(1) The share of the economy refers to the estimated value of natural resources (rather than the volume of the natural resources).

Appendix I Slovenia

Table A List of airports, Slovenia, 2015 (Number of airports: 1)

List of airports
Non-financial (Pillar 2) ^(a)
LJUBLJANA/BRNIK airport

Source: Eurostat database, 2015 [downloaded in May 2017].

(1) The list above includes the airports defined by Eurostat as "main airports", which meet the following criteria: at least 150 000 passenger movements per year.

(a) Within the scope of this Pillar.

Table B List of ports, Slovenia, 2015 (Number of ports: 3)

List of ports
Non-financial (Pillar 2) ^(a)
Izola
Koper
Piran

Source: Eurostat database, 2015 [downloaded in March 2017].

(1) The list above includes those ports defined by Eurostat as "reporting ports", for which statistics of inward and outward maritime transport flows are compiled.

(a) Within the scope of this Pillar.

Table C Overview of the valuation approaches and the sources used to value Non-Financial assets in this Study, Slovenia

Clusters of Non-financial assets	Valuation approach	Sources
Dwellings	Market value	- Eurostat
Buildings other than dwellings	Market value	- Eurostat
Ports	Market value	- Eurostat - Mergermarket
Roads	Perpetual Inventory Method (PIM)	- DG MOVE - Eurostat - EIB - Other sources
Airports	Market value	- Eurostat
Railways	Perpetual Inventory Method (PIM)	- DG MOVE - EIB - Other sources
Mineral and Energy reserves	Market value	- World Factbook Database
Other natural resources	Market value	- Eurostat

Sources: KPMG elaborations

(1) For more details on "other sources" used to carry out road valuations, please see Table 3, 4 and 5 in Annex.

(2) For more details on "other sources" used to carry out railways valuations, please see Table 6 in Annex.