Development Plan and Policies of Slovene Tourism 2007-2011
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Tourism offers an important development and business opportunity for Slovenia. In view of the current development level of Slovene tourism and the existing development potential, tourism is positioned to become one of the leading branches of industry in the Slovenian economy in the following years, thus making a significant contribution to the achievement of the country's development objectives (Appendix 1) as defined in Slovenia's Development Strategy 2007-2013. In this context, the latter particularly relates to the achievement of Slovenia's economic objectives (competitiveness, GDP growth, new jobs/employment growth, increase in the education level of tourism workers, implementation of sustainable development criteria, balanced regional development, increase in the quality of life and prosperity of population, stimulation of cultural identity and increase in the recognisability of Slovenia in the international environment).

In recent years, the development of Slovene tourism has been based on the construction of physical infrastructure, which provides an important and necessary basis for future progress. However, the area of so-called soft development elements has to some extent been disregarded: quality in the broadest sense, accelerated tourism training and development of human resources, promotion of creativity and innovation for the development and designing of market-attractive, innovative and high-quality, integrated tourism products (ITPs). Furthermore, the development of tourist destination management based on the public-private partnership as one of the main factors for the maintenance of competitiveness in the global tourist market has also been unsatisfactory.

Tourism is an integrated activity involving all areas of economic and social life. Accordingly, its fundamental strategic document must be designed so as to take into account the hierarchy of such documents at the national level and the basic principles of separate strategic documents that deal with tourism requirements. Since tourism is integrated at the local, regional and national levels, it is necessary to consider strategic policies at the local and regional levels, which also include a number of diverse activities and development potentials. After all, Slovene tourism is a part of world and European tourism. Consequently, it is also necessary to consider the basic principles and development policies of the tourism industry in the context of the UNWTO and European Union. In summary, the
Development Plan and Policies of Slovene Tourism (DPPST) 2007-2011 takes into consideration the following fundamental strategic documents in designing its basic concepts and policies for implementation:

- Slovenia’s Development Strategy 2007-2013;
- Sectoral national strategies (spatial, transport, cultural, regional, environmental protection, biotic diversity, etc.);
- Framework of Economic and Social Reforms to Increase Prosperity in Slovenia;
- Development Plan and Policies of Slovene Tourism 2002-2006;
- Spatial Development Strategy of Slovenia;
- Regional development programmes;
- Local tourist strategies;
- Strategic business and tourist plans and programmes of tourist organisations in the public, private and social sectors;
- Strategies of individual tourism products (gambling tourism, business tourism, health/wellness tourism, cycling tourism, youth tourism, etc.);
- Development policies in the field of tourism in the EU;
- UNWTO development policies and principles.

The DPPST 2007-2011 summarizes certain key concepts from the Strategy of Tourism Development (STD) 2002-2006, upgrades them in compliance with the requirements of the desired development of Slovene tourism, and sets new priorities in view of the acquired level of implementation in the past strategic period. These concepts, which are explained in detail in the basic policies, are as follows:

- sustainable development;
- balanced regional development;
- competitiveness focused on the increase in the quality of offer;
- designing integrated tourism products and market niches;
- destination management emphasising implementation of public-private partnerships, including civil sector partnership and co-responsibility in implementing development strategies;
- feasibility and applicability of strategic documents;
- inclusion of Slovenian tourism products in global tourist flows;
- modern distribution channels;
- entrepreneurship, deregulation and privatisation of tourism;
- developing a wider area of human resources;
- promoting the development of tourist and social activities.

In designing the strategic document, the development potentials of all twelve statistical regions were assessed. Having this strategic approach in mind, we pursued the interest of increasing tourism development outside traditional tourist centres. Additionally, we wish to have a clear and transparent basic strategic document for Slovene tourism. It is necessary to apply a theoretical model of strategic management to integrate the phases and subphases of development. Figure 1 shows the structure of the document.
PHASE I: ANALYSIS OF THE TOURISM ENVIRONMENT

1.1 SUMMARY OF THE ANALYSIS

The analysis of Slovene tourism provides a basis for setting goals, strategies and DPPST policies in the period 2007-2011. The internal environment analysis is divided into quantitative and qualitative parts. The quantitative analysis encompasses the analysis of tourism volume and value, whereas the qualitative analysis looks at the situation in individual areas of tourism. The detailed results of the analysis are found in Appendix 1.

The main findings of the quantitative analysis of the internal environment (Appendix 1, Chapter 1.1.1) are as follows:

- According to the number of guests and number of overnight stays, we have returned to the 1980 level and are approaching the figures seen in 1990.
- In considering the growth trends in the nineties, the volume of tourism (number of overnight stays and tourists) will achieve the same scope as in 1986/87 at only the end of this strategic period.
- Tourism receipts in the last period grew more rapidly than the number of guests and overnight stays, thus reaching the planned growth of the last strategic period.
- Revenues from tourism do not provide a good basis for strategic and operational decision-making in tourism. Therefore, it would be reasonable to employ continued (annual) monitoring of tourism activity using the internationally established tourism satellite account methodology.

The qualitative analysis (Annex 1, Chapter 1.1.2) includes an analysis of the situation in individual areas of tourism.

The analysis of the accommodation sector (Appendix 1, Chapter 1.1.2 A) shows the following:

- Low internal quality in the hotel industry. There is a need for upgrading the current classification system of accommodation.
- Low average annual occupancy of accommodation capacities, with the exception of health resorts. There is a need for more appropriate monitoring of annual occupancies.
- In the last strategic period, investments in accommodation facilities of higher categories were made in particular, while the investment cycle in smaller accommodation capacities (apartments, boarding houses, family hotels) was unsuccessful.

The analysis of the food facilities sector (Appendix 1, Chapter 1.1.2 B) shows:

- This activity is classified among the worst paid occupations, which results in low-quality services and disinterest of younger people in this work.
- The categorisation of food facilities represents a major problem.
- No specific development initiatives were implemented in this sector in previous years.
- Different laws and regulations restrict development (Appendix 5).
- There is insufficient investment in the education and training of employees.
- More should be done for the authenticity of the Slovene gastronomic offer (e.g. Slovenian inns).

The analysis of the situation in the transport sector shows (Appendix 1, Chapter 1.1.2 C):

- It is necessary to modernise road, railway and air connections.
- It is necessary to improve and arrange the accessibility of public passenger transport to tourists.
- It is necessary to improve connections between individual types of public passenger transport, particularly via transfers, the designing of a common information system and the implementation of
a common ticket for the whole transport system.

- Slovenia has no large passenger terminal for ships.
- It is necessary to improve the utilisation of railway connections and their integration into ITPs.
- Tourist signposting in certain segments is poor.
- Tourist signposting must convey its content in a foreign language understandable to tourists.
- In Slovenia, leading European rent-a-car services are offered.
- Aging cableway installations, particularly of distribution cableways, is characteristic of such cableways.
- With regard to cableways, it is reasonable to re-categorise them as public transport infrastructure.
- It is necessary to promote the development of tourism along main roads, airport and railway stations, bus stops and border crossing points.
- Our business opportunity is to attract foreign tourists in transit.

The sector of attractions is characterised by the following [Appendix 1, Chapter 1.1.2 D]:

- **Theme parks** in Slovenia are an unexploited opportunity; however, it is necessary to follow the principles of uniqueness, specialty and innovation in any further development.

- **Gambling and entertainment** is one of the most important segments of Slovene tourism, yet despite the elimination of certain legal impediments in past years, its development activity is still restricted by legislation, thus reducing its competitive advantage.

- It is necessary to follow the guidelines for granting concessions to casinos in tourist resorts and not in other places in the further development of gambling activity.

- In this strategic period, wellness health resorts represent one of the most important tourism products in Slovenia in the light of ITP development.

- In this area, it is necessary to integrate more intensively the cultural heritage, modern culture, natural assets and authentic products and services (performances, customs) from their environment into ITPs.

- It is important for health resorts to meet the specialised needs of various segments.

- **Areas for the conservation of nature**, both the ecologically important areas, Natura 2000, natural assets and the protected areas, Slovenian forests, Karst areas, rivers and lakes, provide a source for the development of tourism products, while at the same time tourism represents a tool for nature conservation.

- **Protected areas and natural assets** have not been sufficiently integrated into tourism (biotic diversity).

- Legislation concerning the protection of natural assets has not been fully implemented yet (which affects the promotion for tourist purposes).

- In order to valorise more efficiently the natural assets for tourist purposes, it is necessary to balance protection and development functions in considering the principles of sustainable development.

- Neither natural assets nor cultural heritage have been adequately integrated into tourism.

- In protected areas and so-called areas of national recognisability, it is necessary to take into account the principle of sustainable use of natural heritage and overall preservation of these areas, implying that the use of cultural heritage is only possible with a strategy that does not cause any long-term loss of cultural characteristics nor the capability of satisfying the cultural needs and expectations of present and future generations.

- In addition to the restoration of the cultural heritage sites, it is very important to integrate unique live culture and events into authentic ITPs.

- There is no central register of sports tourism.

- The majority of sports tourism infrastructure is publicly owned, and the planned cycle of investment in sports tourism infrastructure in the public investment sector has not been implemented to the extent planned.

- It is necessary to increase investments and development initiatives in the construction of sports tourism infrastructure and to ensure the integration of sports into ITPs.

- **Festivals and cultural events** and other offers in the area of culture are poorly integrated into tourism. With rare exceptions, they do not achieve mass international recognisability, thus representing a missed opportunity.
• There is also an unexploited opportunity in the linking of culture and tourism under the activities of regional contact points (network of multimedia centres).

• **Business tourism** is one of the most important segments of tourism where there is still a number of development opportunities for Slovenia.

• It is necessary to invest in the modernisation of congress and other centres and in the construction of high-standard accommodation facilities, as well as in the development of human resources.

• **Theme trails** represent a good source for providing attractive ITPs, however, they are not sufficiently integrated into the tourist offer.

• It is necessary to provide a regulatory framework for financing the maintenance of hill and mountain paths.

• **Wine tourist roads** provide a basis for authentic Slovene tourism in the future.

• Wine tourist roads have already been a developed segment of the tourist offer, but should be more intensively integrated into ITP tourist destinations.

• Characteristic of the present status in the area of **cycle paths** is the fact that they are not connected, thus reducing their attractiveness and rendering attractive ITPs impossible for the special target group of cyclists.

• It is necessary to initiate the construction of cycle paths in tourist destinations and long-distance connected cycle paths all through Slovenia.

The **sector of travel agencies** is characterised by (Appendix 1, Chapter 1.1.2 E):

• Slovene travel organisations are mainly engaged in selling travel arrangements to Slovenes.

• There are not many specialised receptive agencies in Slovenia, however, most of them are specialised only in individual markets.

The **analysis of the external environment** encompasses (Appendix 1, Chapter 1.2):

• analysis of the business environment,

• analysis of the social environment.

The analysis of demand, competition and trends also included the **study of the business environment**. There is a great lack of information about guests (their expectations, motives for arrival, satisfaction, characteristics). The Statistical Office of the Republic of Slovenia (SORS) only surveys foreign guests every 3 years during the summer season. The following conclusions result from this enquiry (Appendix 1, Chapter 1.2.1):

• The statistical data show that foreign tourists (65%: 35% in 2005) predominate in the structure of guests and tourist overnight stays (see Appendix 2).

• Among foreign tourists, Italians, Germans and Austrians have an approx. 50% share, showing the need for expansion to other markets.

• In observing the dynamics, it can be established that only Italians exceed the achievements from the eighties, whereas the Germans strongly lag behind.

• Tourists in the age group between 30 and 50 represent the largest share of foreign tourists.

• The tourist structure by profession is dispersed.

• Most of them are tourists with higher education.

• The most frequent motives for arrival are natural beauty, climate and opportunities for tranquillity and rest, which are unfortunately not motives that would create a sustainable competitive advantage of Slovenia.

• Among the elements of tourism, the following 20 rank high: preserved natural sites, opportunities for trips, opportunities for recreational activities, suitability for family holidays, tranquillity and silence, quality of the environment, quality of catering services, hospitality of the people, possibility of communication in foreign languages, personal safety and level of cleanliness. The highly evaluated last 5 elements are encouraging since they represent important dimensions of the quality of services.
Foreign tourists gave the most negative evaluations to the opportunities for entertainment and amusement, shopping opportunities, road and service quality along roads, and choice of cultural events.

The average daily expenditure per tourist amounts to SIT 20,276 (84,61 EUR), in hotels SIT 23,489 (98,02 EUR), in Ljubljana SIT 27,719 (115,67 EUR) and/or in certain other places SIT 27,519 (114,83 EUR).

According to nationality, Italians are in the lead in terms of average daily expenditure amounting to SIT 29,883 (124,67 EUR), followed by Croatians at SIT 21,807 (90,99 EUR), Austrians at SIT 20,216 (84,36 EUR), British at SIT 16,510 (86,88 EUR), Germans at SIT 16,211 (67,56 EUR), whereas the Dutch spend the least.

In analysing the competition, the following has been determined (Appendix 1, Chapter 1.2.1.2):

- Tourists coming to Slovenia most frequently also go to France, Italy, Germany, Croatia, Spain, Austria, Greece, i.e. to destinations focusing on the main high season.
- Slovenia is not among the most popular destinations, except for Croatians.
- The popularity of a destination depends on its proximity (the most popular are neighbouring countries).
- Since similar tourism products are provided by the majority of Slovenia’s competitors, it is difficult to be competitive in the global market. Consequently, the analysis indicates that we should focus on smaller segments outside the main high season and become more specialised in our offer if we want to attract new visitors.

It is evident from the analysis of trends (Appendix 1, Chapter 1.2.1.3) that Slovenia may seek its opportunities in the quality of offer, easy accessibility to destinations, offering out of high season, the individualisation of offers, as a new destination in Europe, as a provider of short holidays, as a diverse, culturally and naturally rich, authentic and sustainable destination with a specialised offer, as a country for active, relaxing holidays and a destination using modern information services for marketing and selling its tourism products and services.

The analysis of the social environment shows that tourism is significant for the country because (Appendix 1, Chapter 1.2.2):

- It is an area of opportunity for Slovenian companies and the main instrument of national and regional development.
- It supports a wide spectrum of various small and medium-sized companies.
- Approximately 1.5 million foreign tourists spent EUR 1.4 billion in Slovenia in 2005.
- EUR 1.4 billion of income from foreign tourists represents 10% of export of goods and services in Slovenia (in 2005).
- The balance is positive and increasing.
- It offers 54,000 jobs (6.4% of all employees).
- It represents 3.7% of GDP, 400 billion tolar (1,669 billion EUR) of total production and 6% of value added.

Further, certain strategic factors are shown that have a positive or negative impact on the general external environment and/or the development of tourism at a certain destination.

The key question of appropriate horizontal organisation of Slovene tourism at a national and regional, and particularly at the local level, and of the integration of the tourism economy into a development organisational structure is raised in analysing the organisation of tourism (Appendix 1, Chapter 1.2.2.1). It is crucial to harmonise the operation and integration of the public and private sectors, national sectors, national and local authorities into the economy and organisations of civil society.

In spite of positive development in the area of legislation (Appendix 1, Chapter 1.2.2.2), the implementation of new and amended regulations has not shown any significant improvement in practice. The reason lies partially in the fact that certain important implementing regulations have not yet been adopted and put into effect. In certain cases, the implementation of new legislative and implementing regulations in practice has not proved satisfactory. Accordingly, it will be necessary to pursue, within the next strategic period, the improvement of existing and new legislative and
implementing regulations, particularly to reduce unnecessary administrative burdens and thus create a more favourable environment for competitiveness and the development of tourism. With regard to the relatively large impact of legislation, it is of essential importance to bring into force the instrument of preliminary impact assessment of proposed amendments to laws and implementing regulations in the following strategic period.

In the political environment, there are still several unused opportunities. Certain political parties, except at a declarative level, still do not recognise tourism as a development opportunity of the Slovenian economy. Actual political support is rather low (Appendix 3).

It is characteristic of the last strategic period that the financial and business environment (unfavourable long-term bank loans and a number of administrative barriers and inappropriate and insufficient support for tourism entrepreneurs) was generally negative (Appendix 1, Chapters 1.2.2.3, 1.2.2.4). The adverse business environment is also the main reason for a lack of foreign investment in the Slovene tourism sector over the past strategic period. In spite of the generally unfavourable financial environment, however, Slovenia made intensive investments in the development of tourism through earmarked funds (tourist tax, concession from the operation of games of chance) and EU structural funds. In this strategic period, this practice should be continued in accordance with the new strategic guidelines and priorities.

For the purposes of Slovene tourism competitiveness, appropriate tax policies are crucial. The comparison of tax rates of selected competitive countries shows that the present value added tax in catering is comparable to the value added tax in other countries (Table 11, page 146).

The development of information technology (Appendix 1, Chapter 1.2.2.5) has a positive impact on the operation and marketing of tourist activities. It speeds up information flow and reduces the possibility of human errors. It facilitates marketing and promotion at the best price, on the one hand, and rapid communication on the other. It also requires new approaches, which Slovenia will have to adapt to. Information technology is present in all branches of tourism; however, it is most relevant in the reservation area. It is necessary to set up a reservation system in Slovenia that will facilitate an easy integration of individual suppliers and compatibility with global suppliers. In Slovene tourism, certain operators have well-established central reservation systems (CRS), while others will have to upgrade and/or introduce them in their businesses. In the area of GDS (Global Distribution System), the situation is little better, since the airline company Adria Airways d.d. has a licence to market this system in Slovenia.

The analysis of human resources in the present strategic period (and also previously) shows that education programmes (Appendix 1, Chapter 1.2.2.6) exist; however, demand is decreasing (except in higher education). The main disadvantages in this area are: inferior education level in tourism, the gap between education programmes and limited practical training in tourist companies, the gap between education and training programmes and the needs of the economy and decreasing interest of young people in catering vocations. A decline in choosing the basic catering vocations (e.g. chef, waiter) is particularly evident. In taking into consideration the significance of personnel for the purposes of ensuring quality and thus the competitiveness of Slovene tourism, it is necessary to emphasise the development of human resources in this strategic period.

However, it is also necessary to link tourism in the area of information technology with other areas such as culture, offering an opportunity for connecting with the multimedia centre network.
1.2 ANALYSIS OF THE PRESENT STRATEGY

Strategy of Slovene Tourism 2002-2006 was based on a new development paradigm focused on the entrepreneurial and market approach and aimed at strengthening links and cooperation according to the principle of public and private partnership in designing and implementing strategic objectives. Accordingly, the strategy defined clearly the role, tasks and responsibilities of individual partners (tourism economy, states, municipalities, civil society operators) in implementing strategic objectives. From this point of view, it is also necessary to evaluate the effectiveness of the implementation of strategic objectives.

The analysis of the implementation of qualitative and quantitative objectives shows that the qualitative objectives have only been partially implemented, which is understandable due to their long-term character. Better results were achieved in the implementation of quantitative strategic objectives, where we are certain that the objectives of increasing tourism receipts to EUR 1.6 billion, increasing the bed capacities in four and five star hotels in developed tourist centres by 2,500 will be attained by 2006, and completing a cycle of investments in the amount of EUR 1.6 billion by 2010. Less satisfactory results than planned were achieved in the growth of the number of overnight stays. Other quantitative objectives not achieved were the increase in occupancy of existing accommodation facilities; increase in the number of beds in higher-quality (three star) family type hotels, in smaller hotels, hostels, boarding houses, private rooms and apartments; and increase in the daily expenditure of guests.

The main achievements of the Development Strategy of Slovene Tourism 2002–2006 are as follows:

- Provision of a basis for development of tourism that by adopting the new Promotion of Tourism Development Act, will result in the creation of urgent normative bases for the purposes of implementing the basic concepts of tourism development (sustainable development, public-private partnership, use of sources of financing earmarked for the development of tourism, expansion of possible state development incentives for tourism).
- Introduction of tourism satellite account methodology facilitating the international comparability of data on the operation of the tourism economy and providing a basis for more real evaluation of the significance of tourism for the national economy at the same time.
- Introduction of annual tourism policies as the country’s basic implementing documents for tourism.
- Elaboration of the updated Slovene tourism portal and carrying out of the project for the purposes of setting up a central tourist information system.
- Implementation of the state investment policy which has significantly contributed to the completion of the planned investment cycle in this period and to the greater interest of the banks in financing tourist projects through its development initiatives for the preparation of spatial implementation acts for the needs of tourism development.
- Cooperation instituted between ministries and realisation of the first common projects for the construction of sports and tourism infrastructure, education infrastructure and restoration of cultural heritage sites.
- Implementation of the tourist offer by large tourism companies and completion of implementation of an extensive investment cycle focused on the increase in capacity and quality of private tourism infrastructure particularly in three basic productive and four geographical areas.

Less favourable results were achieved in the implementation of the current strategy in the following areas:

- Increase in Slovenia’s recognisability as tourist destination and its positioning in target markets.
- Ineffective and slow adoption of legislation having an indirect influence on the development of tourism and the resulting administrative barriers and adverse business environment.
• A very low investment cycle in the segment of small and medium-sized enterprises and investments in public tourism and other public infrastructure important for tourism.

• Despite rather high development initiatives for the development of tourism products in the programme area (3A - recreation, 3E - countryside, 3D - experience), no considerable progress has been made in the development of tourism products and services of this kind and/or in the effective connections with ITPs and their successful marketing.

• The development of tourist destination management according to the principle of public-private partnership in this period has not achieved its expectations, particularly with regard to the active cooperation of private tourism providers in their development and the integration of the tourist association into this development.

• In the area of the development of human resources, only the first steps have been taken to execute individual projects for upgrading education programmes and programmes for the improvement of practical education and training.

• For the purposes of encouraging the quality of tourism, the encouragement programme has been prepared but not yet carried out.

The fact is that the implementation of the current strategy was focused particularly on the setting up of system conditions. Consequently, the results of certain activities will only develop over a longer period. With this in mind, it is necessary to consider the fact that the appropriate level of development was not achieved during the first period of the introduction of the concept of partnership in attaining strategic objectives. These are also the reasons that Slovene tourism in the last strategic period has not managed to spur a planned development breakthrough and attain twice the average annual growth of the economy in Slovenia. In analysing the implementation of the current strategy, attention should be drawn to some essential disadvantages in its implementation, which are to be avoided in the next strategic period. These are:

• the still insufficient governmental and political support of tourism development;

• poor understanding and interest of tourist operators in joint partnership and strategic planning of tourism development and assuming responsibility for the jointly set objectives;

• unfocused strategic orientations and objectives and, consequently, too broad a scope of measures that could not possibly have been implemented in the planned period given the personnel, financial and other conditions (overall, 36% of the measures were implemented); 36% of them were implemented partially, implying that the initial activities for their implementation were carried out; and 28% of the measures were not implemented at all);

• low applicability of certain measures which did not take into consideration actual conditions and limitations for their implementation;

• lack of a mechanism for monitoring the implementation of the strategy and possibilities for the ongoing adjustment of strategic objectives to the actual situation.

In spite of the above-mentioned disadvantages in the implementation of the current strategy, it proposes a number of concepts whose implementation is of key importance for the development of Slovene tourism. Therefore, these concepts have been maintained and upgraded in the new strategic document. Development Plan and Policies of Slovene Tourism (DPPST) 2007-2011 will be maintained and certain measures of the current strategy will be upgraded, in particular in the area of investment policy, development of human resources and quality, which have only been partially implemented or not implemented at all. However, they provide an important basis for implementing new strategic objectives of Slovene tourism.
Based on the previous findings of the analysis of Slovene tourism, a SWOT matrix has been drawn up which represents a synthesis of key strategic factors affecting the development of Slovene tourism. Key strengths and opportunities will be brought into focus. We will try to address the identified weaknesses with appropriate policies and activities, and change them into strengths. We will try to change the identified threats into opportunities.

### SWOT matrix

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
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<tr>
<td>• variety of offers in a small area</td>
<td>• offers not integrated</td>
</tr>
<tr>
<td>• preserved nature, cultural heritage and rich</td>
<td>• ITPs not designed</td>
</tr>
<tr>
<td>contemporary cultural creation</td>
<td>• non-recognisability of destinations and</td>
</tr>
<tr>
<td>• cuisine and wines</td>
<td>sub-destinations</td>
</tr>
<tr>
<td>• hospitality of providers and population</td>
<td>• lack of personnel</td>
</tr>
<tr>
<td>• small-scale Europe</td>
<td>• low level of quality</td>
</tr>
<tr>
<td>• geographic location</td>
<td>• lack of standardised offers</td>
</tr>
<tr>
<td></td>
<td>• unattractive destination for foreign investors</td>
</tr>
<tr>
<td></td>
<td>• too few small and medium-sized enterprises</td>
</tr>
<tr>
<td></td>
<td>• lack of information and research</td>
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<tr>
<th>OPPORTUNITIES</th>
<th>THREATS</th>
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<tr>
<td>• destinations with qualitative tourist offers</td>
<td>• no understanding of the government for the</td>
</tr>
<tr>
<td>• easily accessible destinations</td>
<td>development of tourist activity</td>
</tr>
<tr>
<td>• destinations with out-of-season offers</td>
<td>• no understanding of local communities for the</td>
</tr>
<tr>
<td>• destinations with individual offers</td>
<td>development of tourist activity</td>
</tr>
<tr>
<td>• new destinations in Europe</td>
<td>• unfulfilled expectations of tourists</td>
</tr>
<tr>
<td>• short, repeated holidays</td>
<td>• cheaper tourist destinations with similar</td>
</tr>
<tr>
<td>• destinations with diversified offers</td>
<td>offers</td>
</tr>
<tr>
<td>• destination with culturally rich offers</td>
<td>• hostile business environment with</td>
</tr>
<tr>
<td>• destinations with authentic offers</td>
<td>administrative barriers</td>
</tr>
<tr>
<td>• balanced and sustainable</td>
<td>• insufficient scope of development</td>
</tr>
<tr>
<td>natural destinations</td>
<td>initiatives for tourism</td>
</tr>
<tr>
<td>• destinations with specialised tourist offers</td>
<td>• non-implementation of public-private</td>
</tr>
<tr>
<td>• Internet</td>
<td>partnership</td>
</tr>
<tr>
<td>• development of tourist association</td>
<td>• insufficient cooperation of different</td>
</tr>
<tr>
<td>• participation in other activities</td>
<td>stakeholders in the area of tourism</td>
</tr>
</tbody>
</table>

Table 1:
PHASE II: FORMULATION OF THE STRATEGY

2.1 THE VISION OF SLOVENE TOURISM

In developing the vision, we proceed from the comprehension of the future and the fact that Slovenia’s vision should differ from the visions of large and established tourist destinations due to Slovenia’s relative smallness and still-un-discovered character. In the future, all destinations within Central Europe, of which Slovenia is part, will be accessible within a few hours for a reasonable price, which will enable most of the people to visit the destination for several days. On the increase will be that segment of people who in choosing the destination will primarily be guided by the search for authenticity and connection with their (self-) image.

Vision

Slovenia will become a developed tourist destination with diversified and quality tourism focused on shorter holidays. Furthermore, Slovenia will also become a desired destination for longer vacations with its attractive and diversified integrated tourism products.

Position

Slovenia is positioned as a small-scale version of Europe, in the very heart of Europe:

- Slovenia is one of the last, not yet sufficiently discovered destinations in Europe.
- Efforts are made to keep Slovenia as it is - authentic.
- In Slovenia, all European elements can be found, and therefore everyone feels at home.
- Because of its central position in Europe, it is an ideal starting point for visiting all major European sites of interest.

Values:
- hospitality and well-being
- protection of natural and cultural heritage
- healthy and active life
- mysteriousness

2.2 OBJECTIVES

In this strategic period, six basic objectives are going to be set. Three quantitative objectives:

- increase in tourism volume
- increase in tourist expenditure
- improvement of recognisability

Increase in tourism volume:

After 1993, the number of tourists increased slightly at an average annual rate of 5.1%, with the number of tourist overnight stays at 2.9% and tourist receipts at 6%. For comparison purposes, it can be stated that the number of tourists in Europe increased at an average annual rate of 10% in the same period. We intend to attain the following average annual growths rates (see the overall calculation in Appendix 6) in the period concerned, through implementing basic policies and programmes:
• for the number of tourists: 6%
• for the overnight stays: 4%
• for tourist receipts: 8%.

The increase in expenditure per tourist also results from the growth of receipts.

*Improvement of recognisability:*

Little has been known about the recognisability of Slovenia. Slovenia’s recognisability is low, except for the regions in neighbouring countries. In light of our objectives, we are not interested in recognisability of the total population, but within target groups (in terms of demography, geography and/or motives) where marketing activities will take place.

The recognisability of Slovenia within these target groups must reach at least 50%.

*Three qualitative objectives:*

- decentralisation
- deseasonalisation
- promotion of changes

*Decentralisation:*

In the global tourist market, one only notices the presence of Slovene tourism providers of accommodations and/or traditional tourist resorts, whereas integrated tourism products (ITPs) are insufficiently presented, since they have not been designed. The key competitive advantage of Slovenia is its diversity within a relatively small space. Therefore, it is necessary:

- to design up to ten basic thematic tourism products; and
- to incorporate the natural and cultural attractions of other touristically still undeveloped places into the offer of traditional and developed tourist centres.

*Deseasonalisation:*

The fact is that the majority of tourist trade takes place during the summer months, primarily at tourist destinations offering sun and sea. Slovenia cannot compete with these destinations. Consequently, Slovene tourism should be designed so as to create motives for the arrival of tourists out of high season. Deseasonalisation (annual and weekly) will also contribute to a stable and sustainable development of destinations and to a higher quality of services, a better annual utilisation of tourist capacities, improved working conditions, a better attitude of the local population towards tourism, etc.

*Promotion of changes:*

On the charts of top-performing tourist destinations (according to UNWTO and WTTC data), Slovenia ranks poorly. Given the fact that all the opportunities have not been exploited yet, we believe that Slovenia could play a more important role in the global tourist market in the future. Accordingly, the Slovenian tourist offer should become:

- connected,
- of high quality,
- specialised,
- innovative,
- become and remain authentic, and be based on knowledge and information.
2.3 STRATEGIES

The strategies for the implementation of strategic objectives are divided into two levels:

- basic strategy, and
- business strategy.

2.3.1 Basic Strategy

Globalisation is a fact and rapidly increasing. It implies opportunities, challenges and competition as well as uncertainty and turbulence.

Tourist activity has been and will remain an activity with the highest number of people employed. It started in the post-industrial period, when organisation theory developed as a result of the experiences of the industrial period. While theory from a previous period cannot be applied directly and mechanically, it does play a significant role in structuring the participation of groups, organisations and people and in acquiring new international income flows. Globally organised tourist activity has to be created under new conditions, i.e. it has to be reorganised and structured in a new way. This implies a new approach (digital economy) and new ideas about people and organisations in a creative system creating new services.

In order to successfully compete in the new, global and growing market, tourist activity (whether at the international, national, regional or even local level) has to be integrated into "symbolic networks" (at the international, national, regional or local level) and to cooperate in the network of organisations with others in such a way as to jointly optimise the overall tourist services/offer/ITP. This relationship entails the elaboration of upgraded approaches that will provide new benefits to tourist activity (organisational and environmental) so that they will be recognised, on the one hand, and succeed in the international global arena on the other.

Networking represents the future. This of course applies to Slovene tourism and its integration into global flows. We will only be successful if we are linked into networks. This implies that in the changes to be made we will also have to fully realise our market niche, and further carve it out.

Networking represents the future. This of course applies to Slovene tourism and its integration into global flows. We will only be successful if we are linked into networks. This implies that in the changes to be made we will also have to fully realise our market niche, and further carve it out.

The global market will intensify the network of relationships as a basis for maintaining and expanding influence and position on global markets. The network is conditioned and intertwined with the concepts and internal dynamics of national economy and national policies following the interests of the free market.

With regard to the great significance of the integration and cooperation of tourist organisations and business systems into networks and with regard to the creation of management of tourist destinations, it has been ascertained that the lack of aware cooperation and the underdevelopment of the system of networks and destination management are essential reasons for the results shown thus far by the Slovene tourism economy, results which are worse than expected.

In accordance with the above-mentioned weaknesses and objectives, the basic strategy for Slovene tourism in this strategic period aims at strengthening links and cooperation in the common planning, designing and marketing of Slovene tourism according to the principles of public-private partnership at all levels, from the local to the national, and at strengthening excellence in all fields and at all levels.
The basic strategy will be implemented by

- expanding the model of Slovene tourism organisation at all levels;
- internationalising Slovene tourism and tourism providers;
- designing tourist destinations and key tourism policies;
- developing new forms of tourist sector management through

- accelerated development of destination management according to the principle of public-private partnership along with civil sector partnership;
- development of human resources management at all levels;
- development of tourist education management at all levels;
- development of the management of the quality of tourism products and services at destination, regional and national level;
- development of coordinated investment management at the local, regional and national level;
- development of spatial management by taking into account the principles of sustainable development;
- developmental approach (adequate methods and techniques of functional education) towards the awareness-raising of the local population relating to the importance of tourist activities at the local level;
- development of common promotion and marketing of Slovene tourism based on advanced information technology and communications at the destination and national level;
- development of management of research and development activities in tourism at the national level; and
- development of the strategy for the internationalisation of Slovene tourism providers.

Measures and activities aimed at realising the basic strategic policies are defined in relevant policies. The upgrading of the model for the organisation of Slovene tourism is presented below.
2.3.1.1 Upgrading the model of the organisation of Slovene tourism

The model for upgrading the system of organising Slovene tourism comprises the following four levels: international, national, regional and local (Figure 2). Additionally, this model is explained in Appendix 7. This model includes all major stakeholders acting at separate levels and processes taking place between them in order to attain the jointly defined basic strategic objective, i.e. the long-term competitiveness of the tourism economy. This model introduces the novelties required for achieving the envisaged objectives. These novelties relate to the development of organisations, namely to the

- redefinition of the role and the reorganisation of the Slovenian Tourist Board (STB), aimed at increasing its efficiency, clearly defining its role and functioning and its re-organisation aimed at introducing public-private and civil partnerships in fulfilling certain functions at the national level, and in integrating the tourism economy into global distribution channels;
- creating new development and destination organisations at the regional level according to the principle of public-private partnership, along with civil sector partnerships and interest associations; and
- development\(^1\) of clusters of thematic tourism products at the national level and other interest clusters at regional and national levels.

\(^1\) The cluster is not a networking model that we used in the past but an interest-based horizontal linking of tourist service providers.
Upgraded model of the organisation of Slovene tourism

Figure 2: Upgraded model of Slovene tourism organisation

- PRIMARY AND SECONDARY EMITTING MARKETS
- BUSINESS ENVIRONMENT AND INVESTMENTS
- SPATIAL AND SUSTAINABLE DEVELOPMENT
- INFORMATION TECHNOLOGY AND COMMUNICATION
- THE QUALITY OF THE TOURISM OFFER AND TIPS
- PEOPLE IN TOURISM
- DESIGNING AND MARKETING OF TOURIST DESTINATIONS AND DISTRIBUTION CHANNELS

Upgraded model of Slovene tourism organisation

- WINTER SPORTS
- SUMMER SPORTS
- CITIES AND CULTURE
- TOURISM IN THE COUNTRYSIDE AND ECOTOURISM
- FOOD AND BEVERAGES
- HEALTH AND WELLBEING
- BUSINESS TOURISM
- ENTERTAINMENT AND GAMBLING
- OFFER FOR DEMANDING TOURISTS
- OFFER FOR YOUNG PEOPLE
- NATURE

Active holidays

- SUMMER SPORTS
- CITIES AND CULTURE
- TOURISM IN THE COUNTRYSIDE AND ECOTOURISM
- FOOD AND BEVERAGES
- HEALTH AND WELLBEING
- BUSINESS TOURISM
- ENTERTAINMENT AND GAMBLING
- OFFER FOR DEMANDING TOURISTS
- OFFER FOR YOUNG PEOPLE
- NATURE

- INTERLOCAL LEVEL
- REGIONAL (DESTINATION) LEVEL
- NATIONAL LEVEL
- INTERNATIONAL LEVEL

Vertical processes
The upgraded model of Slovene tourism with an organisational network connecting tourist operators can only function if it is integrated into the tourism environment along with its links and if the model network functions as the starting point for harmonising the modern environment.

The horizontal level will facilitate individual types of tourism to control the target segments of the emitting market, to more easily recognise trademarks and brand names, to increase supervision during the implementation process of individual services and/or products (when interconnected at the horizontal level, they form an advantageous and competitive whole enforcing the requirements on competitors), and, most importantly, to place a more integrated offer on the market and make larger investments in the development of products and the organisation itself (as a business system).

The new vertical linking means an entirely new approach towards the creation of networks (national, regional and local). It is assumed that the established networks include all three levels and integration with the global environment through modern distribution channels.

In upgrading the model of the organisation of Slovene tourism, all the aspects of the production of integrated tourism products on the horizontal axis and their inclusion in global tourist flows on the vertical axis have been considered. Conditions to be highlighted for effective marketing are: vertical placement of integrated tourism products in global flows, significance of new distribution channels and of clusters of thematic tourism, horizontally linked at the national level.

The importance of impact, mutual cooperation and connections with all interested sectors is considered at all levels according to the principles of public-private and civil partnership.

**a) National level**

At the national level, it is necessary to set up a national tourism organisation capable of facilitating the development, implementation and evaluation of tourist flows in Slovene tourism so as to meet all requirements and expectations of the tourism economy and other tourist operators from the legal and substantive point of view. Accordingly, it is necessary to reorganise and redefine the current Slovenian Tourist Board (STB), its role and functioning in line with the new strategic policies and upgraded model for organising Slovene tourism at the regional and local level as well as at the level of interested stakeholders.

In its upgraded form, the national tourism development board\(^2\) (NTDB) would perform the following functions:

- **Promotion function:**
  - implementation of the umbrella promotion of Slovene regional tourism for the purposes of increasing its recognisability on the global market;
  - implementation of marketing communication programmes at the national level by applying modern tools of marketing communication harmonised with local and regional networks and networks of interested tourist operators.

- **Distribution function:**
  - continued development of the tourist information system in line with the latest knowledge in the area of information technology;
  - promotion of the use and development of tourist information systems at the entrepreneurial, local and regional levels and their integration into a national tourist information system;
  - establishment and development of a central reservation system at the national level providing the integration of tourist services and ITPs into the global tourist industry systems.

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\(^{2}\) NTDB is the newly organized STB. The STB will keep its current name, but the term NTDB is used for the purposes of distinguishing the new or old STB.
• **Development function:**
  - encouraging the development of thematic tourism products on the horizontal axis and of ITPs on the vertical axis;
  - elaborating development projects demanding major investment through their promotion and integration of the tourism economy and other interested partners into consortiums;
  - promoting research activity in the area of the tourist industry and providing the transfer of knowledge to the tourism sector and other knowledge users (NTDB, LTO, public sector, etc.) through the established information system for supporting decision-making of tourist operators from the entrepreneurial level to the national level.
  - promoting the training of tourist operators.

In the model of Slovene tourism, the NTDB plays a "national versus global" role of an integrator that permanently acts in both directions along the vertical axis in terms of development, distribution and operation (locally versus globally, globally versus locally).

For the purposes of effective implementation of the above functions, it is necessary to reorganise the existing national tourist organisation in terms of redefining its role and functions, as well as in terms of redefining the system of organisation, the reallocation of public sources of financing to individual functions and, last but not least, the organisation of its legal form. In accordance with the principle of public-private and civil partnership, it is necessary to provide the integration of tourist operators and their interest groups into the management of the NTDB and their active participation in co-financing the performance of its functions, in particular distribution and promotion functions in the first stage and, eventually, its development function as well.

The first task to be carried out at the beginning of this strategic period is the elaboration of the implementation project for upgrading the organisation of Slovene tourism at the national level, with emphasis on the reorganisation of the central national tourist organisation and its transformation into a public-private and civil organisation.

**b) Regional destination level**

The DPPST calls for the greatest organisational upgrading at this level. It divides the Slovenian tourist space along its horizontal and vertical axes. The main aim of this upgrading is to market thematically linked tourism products on the horizontal axis and modern destination organisations (according to the principle of destination management) on the vertical axis.

The horizontal axis adds transparent schemes of thematically related tourism products in the Slovenian area to the marketing system, thus increasing their recognisability on the global market. However, the vertical axis enables the organisation and implementation of ITPs irrespective of local, regional, national or even international character, according to the principle of modern destination management.

In the upgraded model of Slovene tourism organisation, the regional destination level integrates the following functions:

• **Promotion function:**
  - implementation of the umbrella regional/destination promotion of Slovene regional tourism for the purposes of increasing its recognisability on the national and global market;
  - implementation of the market communication programme at the regional level via the application of modern tools of marketing communication, harmonised with local, regional and interested tourism operator networks.
• **Distribution function:**
  • continued cooperation in the development and use of the tourist information system in line with the latest knowledge in the area of information technology at the regional and national level;
  • promotion of the use and development of tourist information systems at the entrepreneurial, local and regional levels and integration into national tourist information system;
  • assistance in developing the central reservation system at the national level providing the integration of tourist services and ITPs of regional character into the global systems of the tourism industry.

• **Development function:**
  • implementation and operationalisation of concepts of modern destination management;
  • promotion of development and implementation of thematic tourism products on the horizontal axis on the one hand and ITPs on the vertical axis on the other;
  • implementation of major investment projects for their promotion and integration of the tourism economy and other interested tourist operators into clusters at the regional destination level;
  • realisation of research activities at the regional level and increasing the awareness of the importance of integration of services, offers and ITPs into the central reservation system.
  • enhancement of training and networking of tourist operators at the regional and local levels;
  • development, concept and organisation of ITPs at the regional and local level;
  • transfer of knowledge to the operational level and the motivation to integrate the tourism offer into ITPs and their inclusion in the central reservation system.

• **Operational function:**
  • operationalisation of horizontal linking of thematic tourism products to clusters;
  • operationalisation of horizontal linking of tourist services to ITPs in local, regional and interregional areas;
  • provision of the quality of performance of tourist services and ITPs.

In terms of linkage, it is very important to note that horizontally linked thematic products represent an overall offer for an individual tourism product at the national level, i.e. a certain kind of review of the same type of tourism according to individual areas and destinations and nationally as well. On the vertical axis, thematically logical geographic units are presented which represent destinations in Slovenia on the new organisational chart. These are a part of the NTDB in individual destination areas. In these environments, they play the same role as the NTDB at the national level (i.e. development, sales/implementation and evaluation roles). Their primary task is to develop ITPs in destination environments, to include them in the inter-destination area or even at the national or international level. This method of organisation would include the Slovene tourism market in ITPs outside Slovenia’s borders. Slovenia, along with the regions of neighbouring countries, would generate receptive in this part of Europe.

At the destination level, all three publics meet on an equal basis. We are speaking about an up-to-date form of destination management privately realising capital, public, political and social, and civil and social development potentials. They will produce attractive ITPs and individual services for tourism in line with the principles of sustainable development and local interest.

We are also speaking about the complex integration of interested publics (private, public and civil) into tourism, which through the RDTB includes thematic products in national schemes on the horizontal axis. On the vertical axis in the downward direction they create local development that will be most appropriate for the formation of destination ITPs, whereas in the upward direction they are included at the national and international level of tourist-emitting markets. On the vertical axis in the downward direction (globally versus locally), the RDTB plays the role of organiser of the implementation of ITPs and tourist services and the role of an integrator and evaluator.
c) Local level - local tourist organisations

The DPPST does not foresee considerable changes at the local level. We propose organisational rather than structural changes, except for changes in the structure of interested publics in the upgraded organised LTO. An important role is played particularly by private and civil stakeholders/publics who via the LTO display a transparent picture of tourism service providers of each individual environment as well as of the remaining local population (civil public). The major innovations provided at the local level are measures that facilitate the organisation and the implementation of individual services, integrated services and ITPs. We are speaking about horizontally linked tourism service providers, which the LTO and/or several LTOs together are interested in and responsible for. The major role played by the LTO on the horizontal axis is to link both publics, to implement mutual interests and to provide such forms of organisation of tourism and services that would be profitable to all interested parties. On the vertical axis, the LTOs and/or LTO groups play a significant role in the development of new destination ITPs. Along with the RDTB they provide for development, good implementation, recognisability and concern for infrastructure and superstructure.

Individual LTOs and/or LTO groups are responsible for the organisation of tourist information centres.

The local level in the upgraded model of the organisation of Slovene tourism integrates the following functions:

- **Promotion function:**
  - implementation of the umbrella local promotion of the reputation of Slovenian local tourism in order to increase its recognisability on the national and global market;
  - implementation of the marketing communication programme at the local level via the application of modern tools of marketing communication, harmonised with local, regional and interested tourism operator networks.

- **Distribution function:**
  - continued cooperation in development and use of the tourist information system in line with the latest knowledge in the field of information technology;
  - promotion of the use and development of tourist information systems at the entrepreneurial and local levels and their integration into the national tourist information system;
  - assistance in developing the central reservation system at the national level providing the integration of tourist services and ITPs of local and regional character into the global system of the tourism industry.

- **Development function:**
  - implementation and operationalisation of modern destination management;
  - promotion of development and implementation of ITPs on the vertical axis;
  - implementation of major investment projects and their promotion and integration of the tourism economy and other interested tourism operators into clusters at the local level;
  - enhancement of training and networking of tourist operators at the local level;
  - development, concept and organisation of ITPs at the local level;
  - transfer of knowledge to the operational level and the motivation to integrate the tourist offer into ITPs and their inclusion in the central reservation system.

- **Operational function:**
  - implementation of thematic tourism products;
  - operationalisation of horizontal integration of tourist services into ITPs in the local area;
  - provision of the quality of performance of tourist services and ITPs at the local level;
  - provision of local tourist infrastructure;
  - implementation of tourist information offices in the local area.
2.3.1.2 Tourist destinations and basic guidelines of the tourist offer

In designing tourist destinations, it is our objective to develop recognisable destinations along with their stories, among which at least four will be able to compete with developed neighbouring regions such as Carinthia and Istria, and at least one of them would even surpass the latter. In order to attain these objectives it is not possible to have more than 7 tourist destinations.

For the purposes of designing and designating tourist destinations, it is necessary to make an analysis, which will include:

1. a review of the situation of existing defined geographically identified destinations covering all of Slovenia.
2. linking existing destinations with the aim of designing delineated tourist destinations.

Only those tourist destinations, which are designed in this way, will provide the basis for working out a development plan and marketing policies, as well as promotion at the national level.

A similar approach is to be taken in designing the basic areas of tourism, thus taking into consideration the demand at fairs and the organisation of Slovene tourism service providers. Unlike the approach of establishing geographical destinations, an overlapping of areas can be expected. Here the number of basic areas must be limited to ten.

Based on the analysis of the tourist environment, the basic areas of tourism are as follows:

- active holidays (winter and summer sports),
- cities and culture,
- tourism in the countryside and ecotourism,
- nature,
- food and beverages,
- health and well-being,
- MICE tourism,
- entertainment and gambling,
- offers for more demanding tourists\(^3\),
- offers for young people.

\(^3\) This concept refers to the high added value offers for well-to-do guests.
The main reason for seeking above-average and long-term sustainability of tourist development lies in its competitive advantage, which is possible to achieve through the strategies of:

- cost-effective management,
- product differentiation, and
- developing a market niche.

Table 2 indicates the characteristics and advantages of each choice.

### Table 2: Comparison of business strategies

<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th>DIFFERENTIATION (S1)</th>
<th>COST-EFFECTIVE MANAGEMENT (S2)</th>
<th>MARKET NICHE DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOW?</td>
<td>POSSIBILITY OF SALES AT PREMIUM PRICES</td>
<td>PROVIDE LOW PRICES</td>
<td>CHOICE OF S1 OR S2 FOR THE SPECIFIC MARKET SEGMENTS</td>
</tr>
<tr>
<td>HOW?</td>
<td>CUTTING EDGE PRODUCT/SERVICE</td>
<td>WIDE RANGE OF SALES</td>
<td>CHOICE OF S1 OR S2 FOR THE SPECIFIC MARKET SEGMENTS</td>
</tr>
<tr>
<td>HOW?</td>
<td>ADVERTISING/PROMOTION</td>
<td>ECONOMY OF SCALE</td>
<td></td>
</tr>
<tr>
<td>HOW?</td>
<td>BRANDING</td>
<td>NEW TECHNOLOGIES</td>
<td></td>
</tr>
<tr>
<td>HOW?</td>
<td>DISTRIBUTION CHANNELS</td>
<td>HIGH PRODUCTIVITY</td>
<td></td>
</tr>
<tr>
<td>HOW?</td>
<td>DIFFERENT LOCATIONS</td>
<td>LOW INPUT COST</td>
<td></td>
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<tr>
<td>HOW?</td>
<td>TAKING CARE OF GUESTS</td>
<td>LOW DISTRIBUTION COST</td>
<td></td>
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<tr>
<td>HOW?</td>
<td>TECHNOLOGY</td>
<td>LOW LOCATION COST</td>
<td></td>
</tr>
<tr>
<td>HOW?</td>
<td>PERMITS/REGULATION</td>
<td></td>
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</tr>
<tr>
<td>EFFECTS</td>
<td>CHANGED PERCEPTION</td>
<td>PRICE EQUAL TO OR LOWER THAN THE COMPETITOR’S</td>
<td>IDENTIFIES SEGMENTS AND CONSUMER NEEDS</td>
</tr>
<tr>
<td>EFFECTS</td>
<td>PRICE HIGHER THAN THE COMPETITOR’S</td>
<td>ACCEPTABLE QUALITY</td>
<td>CHOICE OF S1 OR S2 FOR THE SEGMENT OR NICHE</td>
</tr>
<tr>
<td>EFFECTS</td>
<td>QUALITY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WHEN TO USE?</td>
<td>PRICE RESISTANCE</td>
<td>PRICE SENSITIVITY</td>
<td>PROVIDERS TOO SMALL TO COVER THE ENTIRE MARKET</td>
</tr>
<tr>
<td>WHEN TO USE?</td>
<td>ESTABLISHED SERVICE PROVIDERS IN THE MARKET</td>
<td>MARKET ENTRY</td>
<td>SERVICE PROVIDERS WITH SPECIAL SKILLS</td>
</tr>
<tr>
<td>WHEN TO USE?</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Table 2 shows that strategic differentiation cannot be applied because:

- We are not an established and recognisable service provider in tourism.
- We lack recognisable trademarks.
- There is insufficient investment in promotional activities.
- Compared to the competition, we do not offer top-quality tourism products.
- Distribution channels are not developed.
- Quality programmes are not implemented.

Table 2 also shows that the strategy of cost-effective management cannot be applied because:

- Our capacity is insufficient and the tourism volume is too small.
- We do not want to become a cheap or low-cost tourist destination.
- Compared to the competition, production costs are high and price reductions would generate losses.

Given the stated drawbacks, the most appropriate choice seems to be the strategy of focusing on market niches. An essential feature of this strategy is to create a tourist offer focusing on a smaller segment. The fact is that the Slovenian tourist offer on our primary markets does not rank Slovenia among the ten most popular destinations (results of competition analysis) and that our share on these markets is insignificant. Therefore, it would be more appropriate to focus on detailed segmentation of markets, in particular by taking into account the value criterion that our tourist offer represents (or is supposed to represent) for the targeted tourist, on specialisation of the offer and dispersion of markets. The main advantages of choosing this business strategy for Slovene tourism are as follows:

- The strategy itself requires small-scale investments in resources (primarily into promotion) when compared with strategies which aim at the entire market; and
- The strategy permits specialisation and a higher level of understanding and knowledge of a targeted tourist segment.

For the successful implementation of this strategy, certain activities are to be carried out, which are covered by policies and programmes in the continuation (Phase III). These include:

- developing destinations,
- organisers/designers established at the tourist destination,
- continuous collection of information on tourists and the use of this information in further business operations,
- concern for quality,
- concern for human resources.
2.5. POLICIES

Policies are based on strategies (basic and business) and include a wide range of guidelines to promote growth and development of Slovene tourism, which are to be followed by individual competent authorities with a view to implementing the DPPST.

DPPST 2007-2011 includes the following policies (Figure 3) for:
- tourist destination development,
- human resource development,
- marketing and promotion,
- sustainable and regional development,
- quality management,
- IT development,
- business environment and investment development, and
- research and development promotion in tourism.

Figure 3: Interaction of individual policies

Individual policies are identified in Phase III.
PHASE III: STRATEGY IMPLEMENTATION

In DPPST 2007-2011, programmes essential to achieve sets of strategic objectives were adopted for each policy. Each set contains:

A. Basic policy premises;
B. Purpose and objectives of the policy;
C. Programme (objective, content, activities, competent authorities, activity holders or entities participating in programme implementation).

A preliminary timetable for the implementation of individual programmes has been added at the end of this document.

The criteria envisaged for monitoring the effectiveness of programme implementation are presented in Phase IV: DPPST Evaluation.

3.1. POLICY OF TOURIST DESTINATION DEVELOPMENT

Management of tourist destinations is a comprehensive strategic approach to achieve the competitiveness of tourist destinations on the global market where the main role is played by tourists and their demand for destinations with integrated tourism products (ITPs).

Destination management plays the key role in this process, as it triggers the planning process in terms of organisation and implementation. The measures include management tasks since we believe that the phases of the management process involve developing activities for new integrated tourism products. If a destination is tourist oriented and managed, it should be organisationally shaped as well.

Efficient organisation will result in a good ITP. An ITP is born from concepts and development, an efficient organisation and appropriate management of the personnel entrusted with “delivering” the product in such a manner that the service is related to the objective while its attractiveness, effective marketing network and adequate infrastructure draws the maximum number of tourists.

To assure the competitiveness of a destination, the variables have to be arranged according to three levels of interaction. At the first level, a model should comply with destination variables consisting of natural indicators (location, special features of the landscape and climate) and artificial indicators (local culture, industrial business particularities, transport infrastructure, accommodation infrastructure, attractions and activities at the destination). To this end, a common term may be applied: integrated tourism product (ITP).

Further processes at the second level take place in the global tourism industry at the point that the ITP, through modern global distribution channels on the vertical axis, reaches the tourist. At this level, the awareness and perception of destination objectives are reflected, as well as the recommended connectedness via these channels to the global level of tourist activity. At the third level, two processes are defined: the first process records the variables of attracti-
veness with respect to an individual destination, where a special role is played by marketing, media and information sources as well as direct experience with the destination acquired by a tourist through private and business trips. The second process comprises travel variables and specific indicators of travel. This is influenced by demographic specifics, life status and the lifestyle of the traveller. Destination management, with its trademark and a developed ITP, vertically integrates as a sales promoter in emitting markets.

Modern destination management assumes the role of the main generator for the development of tourism at a destination. If accurately acquainted with ITPs and other trends in receptive markets, it controls and monitors the characteristics and needs of the emitting markets. Due to its cooperation at global level, it is well acquainted with the emitting market (tourist) and, in a sort of negotiating process; it adapts the ITP to tourist expectations. Accordingly, a destination is becoming a crucial generator for the development of tourism in both receptive and emitting markets. In this context, destination management plays a key role in terms of connecting, organising and promoting activities at the destination and in its basic emitting markets. If the stated process is under control, the destination management is given the possibility of entering the emitting markets independently. In this way, it becomes a holder of a complex tourist process, which enables the destination to have a positive impact on sustainable development.

The following facts underline the necessity of introducing the concept of tourist destination management:

- Tourism market trends are dictated by tourists according to their travel and holiday needs rather than by tourism service providers.
- Tourist demand for ITPs encompasses a variety of tourist services and the natural, cultural and social attractiveness of the destination, which is rarely met by a single destination, save on a very exceptional basis (theme parks), but rather by a number of independent tourist service providers.
- Tourists look for an offer of a tourist destination as a whole; they choose the one that provides an ITP that best meets their travel or holiday needs.
- The partnerships and cooperation of all individual service providers in a tourist destination are essential to pursuing the harmonised development and formation of ITPs; the same applies to their marketing on the global tourist market.

Consequently, the recent strategy for the development of Slovene tourism has envisaged the development of contemporary tourist destination management, based on public and private partnerships between tourism service providers at a tourist destination. Despite a relatively high proportion of resources earmarked to directly promote tourist destination management, and, indirectly, through measures to encourage cooperation and partnerships between tourism service providers at destinations, at the conclusion of this strategic period, we have established that there has been no significant progress in this field. The main reasons for the failure to develop tourist destination management are:

- a relatively high level of private tourism service providers at tourist destinations that were not interested in actively cooperating in the common management of the destination according to the principle of public and private partnership;
- an erroneous or different understanding of tourist destination management by individual groups of tourism entities at a destination, in particular as regards their role in it;
- an insufficient number of qualified experts for successful implementation of destination management functions;
- the introduction of destination management in areas that are too small (usually within municipalities) and do not provide a sufficient critical mass of developers and the respective financial resources necessary to successfully implement projects and meet the expectations of tourism entities.

The policy to support the development of tourist destination management has not proved very effective because development was encouraged only with financial incentives. As such, it neglected an important condition - parallel development and training of not only qualified staff professionally engaged in the management of tourist destina-
tions but also of all tourism entities which are to be included in the model as partners.

Given the identified drawbacks and obstacles to faster and more effective development of the management of tourist destinations, and in particular taking into account the basic development priorities, the development policy of tourist destination management in this strategic period is directed towards:

- training experts in the field of tourist destination management, training tourism entities at tourist destinations and including tourist destination management content in curricula and study programmes at all levels;
- encouraging the development of tourist destination management and, within its framework, encouraging public-private partnerships and their continued active role in destination management;
- encouraging the development of common planning, formation and marketing of ITP tourist destinations;
- other incentives to be elaborated after further in-depth analysis of the failure to successfully develop the management of tourist destinations in the last strategic period.

Measures arising from the basic strategy and/or the upgrading of the model for tourism organisation in Slovenia are focused on delineated tourist destinations and basic tourist offers. These measures will speed up the creation of destinations and their successful marketing on emitting markets by means of advanced distribution channels.

<table>
<thead>
<tr>
<th>MEASURE 1</th>
<th>UPGRADING THE MODEL OF ORGANISATION OF SLOVENE TOURISM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OBJECTIVE</strong></td>
<td>Fostering entrepreneurial development and increasing competitiveness. Support for the internationalisation of the tourism economy. Developing an effective model for the organisation of Slovene tourism at all levels, from the local to the national.</td>
</tr>
<tr>
<td><strong>CONTENT/PURPOSE</strong></td>
<td>Upgrading the model for organisation at the national level in compliance with basic strategic concepts. Encouraging the development of regional tourism organisation according to the principle of public-private partnership. Further development of tourism organisation at the local level. Development of horizontal and vertical networking in tourism.</td>
</tr>
<tr>
<td><strong>ACTIVITIES</strong></td>
<td>Preparation of implementation projects for upgrading tourism at the national level with emphasis on the reorganisation of the central national tourist organisation and its development into a public-private organisation. Co-financing of projects for the development of regional organisations and networking at the level of interest.</td>
</tr>
<tr>
<td><strong>COMPETENT AUTHORITY</strong></td>
<td>• Ministry of the Economy</td>
</tr>
<tr>
<td><strong>SODELJUČI/IZVAJALEC</strong></td>
<td>• STB (Slovenian Tourist Board).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MEASURE 2</th>
<th>IDENTIFICATION OF SLOVENE TOURIST DESTINATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OBJECTIVE</strong></td>
<td>Development of delineated and renowned tourist destinations.</td>
</tr>
</tbody>
</table>
## Measure 3

### Interactive Networking System and the Development of Planning, Designing and Marketing Integrated Tourism Products

#### Objective

Encouraging the development of service provider networking according to the principle of public-private partnership and interactive implementation of all functions of tourist destination management. Modernisation of existing distribution channels for tourist destination marketing and encouraging the use of state-of-the-art information technologies.

#### Content/Purpose

Development of tourist destination network management functions - not yet or poorly developed - namely, joint planning of tourist destination development, development of joint investment destination projects, joint designing and marketing of integrated tourism products, implementation of a control function to achieve the objectives and monitoring of the quality of the tourist offer at a destination, inclusion of integrated tourist offers into global trends through classic distribution channels and introduction of tourist destination e-marketing. Direction of development incentives exclusively into the projects, based on public-private partnerships and in which private and public providers assume an active role not only by means of compulsory co-financing of projects but also by playing a clearly defined and active role in their implementation.

#### Activities

- Development of a networking (capital and stakeholder) model.
- Establishing integrated business entities and support in business.
- Co-financing the development of projects for joint planning, formation and marketing of integrated tourism products.
- Co-financing the development of functions and control at the tourist destination level.
- Co-financing the creation of an interactive base of available sources.
- Interactive integration of tourist sources.
- Development of an interactive support infrastructure.

### Competent Authority

- Ministry of the Economy
- Ministry of the Environment and Spatial Planning
- Ministry of Agriculture, Forestry and Food
- Ministry of Culture
- Government Office of the RS for Local Self-Government and Regional Policy
- ATDS
- LTO
<table>
<thead>
<tr>
<th>MEASURE 4</th>
<th>IDENTIFICATION OF LIMITATIONS IN THE DEVELOPMENT OF TOURIST DESTINATION MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OBJECTIVE</strong></td>
<td>Elimination of obstacles and limitations hindering the successful development of tourist destination management.</td>
</tr>
<tr>
<td><strong>CONTENT/PURPOSE</strong></td>
<td>Determining the actual reasons for slow and unsuccessful development of tourist destination management by means of expert analysis. Elaboration of expertise for designing efficient measures to promote the development of tourist destination management.</td>
</tr>
<tr>
<td><strong>ACTIVITIES</strong></td>
<td>Preparation of the analysis of the situation and limitations for successful development of tourist destination management.</td>
</tr>
<tr>
<td><strong>COMPETENT AUTHORITY</strong></td>
<td>Ministry of the Economy</td>
</tr>
</tbody>
</table>
| **PARTICIPANTS/IMPLEMENTING AGENCIES** | • STB  
• RDTB  
• LTO  
• tourism economy  
• scientific and research institutions  
• interest groups |

<table>
<thead>
<tr>
<th>MEASURE 5</th>
<th>TRAINING IN THE FIELD OF TOURIST DESTINATION MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OBJECTIVE</strong></td>
<td>Ensuring proper understanding of tourist destination management among tourism professionals. Improving qualifications for performing the functions of tourist destination management.</td>
</tr>
<tr>
<td><strong>CONTENT/PURPOSE</strong></td>
<td>Encouraging qualifications and training in the field of the tourist destination management. Including tourist destination management content in curricula and study programmes at all levels. Encouraging the elaboration of teaching materials and expert materials in the field of tourist destination management.</td>
</tr>
<tr>
<td><strong>ACTIVITIES</strong></td>
<td>Co-financing the elaboration of teaching materials and expert materials in tourist destination management. Co-financing the training of tourism entities in tourist destination management. Activities for the promotion of tourist destination management among tourism professionals and the local population. Including tourist destination management content in tourism school curricula and study programmes at all levels.</td>
</tr>
<tr>
<td><strong>COMPETENT AUTHORITY</strong></td>
<td>Ministry of the Economy</td>
</tr>
</tbody>
</table>
| **PARTICIPANTS/IMPLEMENTING AGENCIES** | • STB  
• RDTB  
• LTO  
• tourism economy  
• scientific and research institutions  
• interest groups |
3.2 HUMAN RESOURCES DEVELOPMENT POLICY

The global tourism industry has emerged as the fastest growing economic sector and the biggest world industry creating jobs for many people. People constitute the driving force of high performance in this labour-intensive industry.

The period of adopting the new DPPST 2007-2011 brings new challenges in the field of Slovene tourism and, consequently, also in the field of strategic human resources management in tourism. The profession of human resources management in tourism is relatively young in Slovenia and not yet established as a field. Human resources management has been dealt with in general knowledge of human resources and certain measures in this area. However, human resources management in tourism is marked by numerous phenomena and activities that are specific to the tourism industry. These specifics also involve the working environment in tourism, characterised by: relatively low salaries, limited possibilities for promotion and career development, unfavourable working hours as well as unsuitable physical conditions of the workplace, the burning issue of illegal work, particularly in hotels and restaurants, and other issues. As a result, the tourism industry faces a high fluctuation of personnel, high labour costs and poor staff performance.

The tourism industry is a labour-intensive service industry and, as such, dependent on the social and technical skills of its personnel, their dedication to work and their behaviour. The type and quality of services, as well as the satisfaction and loyalty of guests, critically depend upon the human factor. Similarly, taking care of guests very much depends upon the capacity and motivation of the staff. Therefore it is important that managers at all levels of the tourism industry deal with the staff appropriately so as to encourage them to increase their efforts in providing high-quality services to guests. Improving the quality of human resources in enterprises, i.e. investment in people, undoubtedly represents one of the most direct and cost-effective ways of improving a tourism product.

The main drawbacks in the field of human resources today are: lack of knowledge and skills, high turnover of personnel, lack of quality programmes for training and education at all levels in the field of tourism industry, the poor image of the tourism industry as an employer, uncompetitive remuneration and poor working conditions, discrepancies between the needs of the industry and education, unawareness of long-term benefits of human resources over short-term priorities, decreasing interest in pursuing employment opportunities in the tourism sector and frequent lack of understanding in the local population of the opportunities that tourism offers to their environment and poor knowledge of natural and cultural values of the local environment by the local population. In this context, a new paradigm concerning the development of human resources in tourism is of vital importance.
The human resource development policy in tourism includes key measures and activities that will contribute to a more efficient development of human resources in tourism and the interrelated quality of tourism products and competitiveness of Slovene tourism.

The basic premise of the human resource development policy is that the responsibility for human resources development rests with all public and private partners and the civil society in the field of tourism. Between them, a partnership relation involving planning, design and implementation of personnel education and training should be established. Consequently, the human resource development policy should be created as a consensus of all key partners, i.e. representatives of the tourism economy - tourism employers and employees, local communities, educational institutions and entities from the civil society in the field of tourism.

The basic orientations of human resource development are linked to:

- assuring the quality of education and training at all levels, from vocational training to post-graduate studies, by developing new and advanced programmes of education and training which take into account the needs of the economy and other users of knowledge;
- encouraging the development of programmes for practical education and training of special instructors for the implementation of practical skills in all fields;
- promoting the transfer of foreign knowledge into the Slovene tourism educational system by means of expert training of lecturers and the foreign exchange of students;
- resolving discrepancies between partners in the field of education and training;
- providing better working conditions;
- promoting tourism education in kindergartens, primary and secondary schools, and promoting entrepreneurial culture in tourism among local populations, primarily in developed tourist destinations (also promoting voluntary work for the purpose of informal education in "youth organisations");
- education of local populations about natural and cultural treasures in local communities.

These measures can indirectly contribute to the improvement of the reputation of tourism in the public at large.

The role of the Government of the Republic of Slovenia in human resources development is mainly focused on conducting research to identify personnel and educational needs in tourism; coordinating standards for professional training within the system of certificates and diplomas at the national level; coordinating the functioning of hotel and tourism schools; providing development incentives for education and training of staff; providing development incentives for educational organisations to prepare quality training programmes adapted to the needs of the tourism economy and other users of knowledge; providing development incentives to improve the system of practical education of pupils and students through developing a network of school hotels, agencies and restaurants, encouraging training and strengthening the tourism culture among young people and local residents.

In Slovene strategic documents to date dealing with the development of tourism, the above-mentioned activities were identified; however, in this previous strategic period they have failed to be implemented.

An important role in human resources development is also played by economic entities that are in a position to encourage and provide staff education and training. To enhance the reputation of tourism, it is also important that their efforts be directed to providing better working conditions for tourism employees.

And last but not least, providing training and enhancing the tourism culture among local people are essential for the successful development of tourism. In this area, the Tourist Association of Slovenia remains a key player.

The overall objective: To promote human resources development in tourism and increase the adaptability of the labour market to the needs of the tourism economy and other users of knowledge.
<table>
<thead>
<tr>
<th>MEASURE 1</th>
<th>SYSTEM OF EDUCATION, FUNCTIONAL EDUCATION AND TRAINING IN ACCORDANCE WITH THE NEEDS OF THE TOURISM ECONOMY AND OTHER USERS OF KNOWLEDGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>OBJECTIVE</td>
<td>Ensuring the harmonious development of a quality offer for education and training in the field of tourism in accordance with the needs of the tourism economy and other users of knowledge. Encouraging lifelong learning. Increasing the adaptability of the labour market. Fostering entrepreneurial development and increasing competitiveness.</td>
</tr>
<tr>
<td>CONTENT/ PURPOSE</td>
<td>Systematic assessment and identification of needs for education, training and work in tourism. Systematic development (in terms of quality and quantity) of appropriate tourist profiles and programmes for education and training. Promotion of education and work in tourism. Continuous monitoring of educational practices abroad and identification of competitive advantages. Development, implementation and promotion of education programmes and development of a network of educational institutions in the area of tourism, also at graduate and postgraduate level. Establishing links with domestic and foreign higher education institutions, notably for the purpose of developing joint postgraduate and specialised programmes and research activities. Encouraging the introduction of international standards and accreditation of study programmes. Cooperation of educational institutions in the tourism economy in analysing educational needs and preparing joint curricula and study programmes. Encouraging education and training of teaching staff (education providers) and mentors in tourism. Developing a model and programmes of functional education and training in accordance with the needs of tourism and the tourism-related economy (trade, transport, services, etc.) and other users of knowledge (region, destination management, etc.). Developing programmes for the enhancement of tourism culture among local people and education on local natural and cultural treasures. Improving qualifications of tourism employees.</td>
</tr>
</tbody>
</table>
### Activities

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing a model for systematic assessment and identification of needs for education and work in tourism.</td>
<td></td>
</tr>
<tr>
<td>Drawing up annual reports on needs for education and work in tourism organised by job profile.</td>
<td></td>
</tr>
<tr>
<td>Providing information on the needs of education and work in tourism.</td>
<td>Following and developing basic education on tourism in elementary and secondary schools.</td>
</tr>
<tr>
<td>Co-financing the development and preparation of new curricula and study programmes in the field of tourism, notably in cooperation with tourism economy players and other users of knowledge.</td>
<td>Co-financing links with domestic and foreign higher education institutions, notably for the purpose of developing joint postgraduate and specialised programmes and research activities.</td>
</tr>
<tr>
<td>Developing a system for continuous monitoring and harmonisation of educational needs in the tourism economy with regard to the offer provided by educational institutions.</td>
<td>Co-financing of the training and education of teaching staff (education providers) and mentors in tourism, mainly at postgraduate and postdoctoral level at home and abroad.</td>
</tr>
<tr>
<td>Co-financing the introduction of international standards and accreditation of study programmes.</td>
<td>Preparation of a demand and supply analysis by fields of functional education and training.</td>
</tr>
<tr>
<td>Co-financing the development and implementation of programmes for functional education and training in accordance with the needs of tourism and the tourism-related economy and needs of regional development, notably tourist destination management.</td>
<td>Co-financing the promotion of vocational and professional education in the hotel and restaurant industry and in tourism.</td>
</tr>
</tbody>
</table>

### Competent Authorities

- Ministry of Education and Sport
- Ministry of Higher Education, Science and Technology
- Ministry of Labour, Family and Social Affairs
- Ministry of the Environment and Spatial Planning
- Ministry of the Economy

### Participants/Implementing Agencies

- tourism economy and other users of knowledge
- educational institutions in the tourism sector
- other educational service providers
- national, regional and local tourist organisations
- research institutions in the field of tourism
- interest groups
- Statistical Office of the RS
<table>
<thead>
<tr>
<th>MEASURE 2</th>
<th>UPGRADING THE SYSTEM OF NATIONAL CERTIFICATES AND VOCATIONAL QUALIFICATIONS, NATIONAL VOCATIONAL AND EDUCATIONAL STANDARDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>OBJECTIVE</td>
<td>Increasing the adaptability of labour market.</td>
</tr>
<tr>
<td>CONTENT/PURPOSE</td>
<td>Developing an up-to-date system of national certificates and vocational qualifications, national vocational and educational standards. Training to acquire specialist knowledge/specific vocations and their certification (tourism advisor, tourist informant, animator, guide, natural history guide, experience guide, nature interpreter, etc.)</td>
</tr>
<tr>
<td>ACTIVITIES</td>
<td>Developing a system for the certification of knowledge obtained from practice in the tourism sector. Updating the system of national vocational and educational standards and national vocational qualifications. Co-financing of training to acquire certified specialist knowledge/specific vocations.</td>
</tr>
</tbody>
</table>
| COMPETENT AUTHORITIES | • Ministry of Labour, Family and Social Affairs  
• Ministry of Education and Sport  
• Ministry of Higher Education, Science and Technology  
• Ministry of the Economy  
• Ministry of the Environment and Spatial Planning |
| PARTICIPANTS/IMPLEMENTING AGENCIES | • Centre for Vocational Training  
• educational institutions |
## MEASURE 3
### DEVELOPMENT OF SYSTEMS FOR PRACTICAL EDUCATION AND TRAINING

<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th>Increasing the adaptability of the labour market. Improving the quality of practical education and training.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTENT/PURPOSE</td>
<td>Improving the system of practical education and training through developing a network of school hotels, agencies and restaurant facilities. Creating a friendly network of tourism enterprises for pupils and students to ensure (efficient) work practice through designing of a mentorship concept in enterprises.</td>
</tr>
<tr>
<td>ACTIVITIES</td>
<td>Developing a network of school hotels, agencies and restaurant facilities. Joint investment and assistance in implementing specific investment projects for school hotels, agencies and restaurant facilities. Co-financing the training of instructors and trainers for managing and implementing programmes in educational centres for training in accordance with the needs of the tourism sector. Developing a mentorship concept for practical training in enterprises and co-financing their training.</td>
</tr>
</tbody>
</table>
| COMPETENT AUTHORITIES | • Ministry of the Economy  
• Ministry of Higher Education, Science and Technology  
• Ministry of Education and Sport |
| PARTICIPANTS/IMPLEMENTING AGENCIES | • Ministry of Labour, Family and Social Affairs  
• Centre for Vocational Training  
• educational institutions  
• CCI  
• CCS |
<table>
<thead>
<tr>
<th>MEASURE 4</th>
<th>ENCOURAGEMENT OF HUMAN RESOURCES DEVELOPMENT AND WORKING CONDITIONS IN ENTERPRISES</th>
</tr>
</thead>
</table>
| **OBJECTIVE** | Improving the quality of human resources in enterprises.  
Improving the attractiveness of the tourism sector for employees.  
Improving the reputation of the tourism sector as an employer. |
| **CONTENT/PURPOSE** | Encouraging enterprises to increase investments in human resources development.  
Encouraging enterprises to improve working conditions of employees. |
| **ACTIVITIES** | Co-financing programmes for training human resources in enterprises.  
Co-financing programmes for the introduction of up-to-date methods for managing intellectual capital in enterprises.  
Encouraging tourism enterprises to improve working conditions by introducing a system of remuneration and certificates.  
Consistent detection and sanctioning of illegal business practices and work in tourism, hotels and restaurants. |
| **COMPETENT AUTHORITIES** | • Ministry of Education and Sport  
• Ministry of Higher Education, Science and Technology  
• Ministry of Labour, Family and Social Affairs |
<p>| <strong>PARTICIPANTS/IMPLEMENTING AGENCIES</strong> | • Ministry of the Economy |</p>
<table>
<thead>
<tr>
<th>MEASURE 5</th>
<th>IMPROVING THE REPUTATION OF TOURISM AND ITS IMPACT ON THE LOCAL ENVIRONMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>OBJECTIVE</td>
<td>Improving the reputation of tourism in the environment. Developing an entrepreneurial tourism culture.</td>
</tr>
<tr>
<td>CONTENT/PURPOSE</td>
<td>Improving the public reputation of tourism, mainly among young and local people and consequently, creating a tourist-friendly environment at tourist destinations. Raising the level of proper understanding of tourism, its impact on the environment and upcoming opportunities. Encouraging programmes to enhance entrepreneurial tourism culture, mainly among young and local people.</td>
</tr>
<tr>
<td>ACTIVITIES</td>
<td>Co-financing national programmes to enhance entrepreneurial tourism culture and raise awareness of tourism, its impact and upcoming opportunities among local people. Developing organised extra-curricular activity in the field of tourism. Developing a hierarchical and decentralised system for competitions. Encouraging the cooperation of kindergartens and schools, mainly in basic tourism areas. Training of childcare workers and teachers of the optional subject Tourism. Establishing links between tourism enterprises, societies and schools in the field of youth education.</td>
</tr>
<tr>
<td>COMPETENT AUTHORITIES</td>
<td>• Ministry of the Economy • Ministry of Education and Sport • Ministry of the Environment and Spatial Planning</td>
</tr>
<tr>
<td>PARTICIPANTS/IMPLEMENTING AGENCIES</td>
<td>• TAS • STB • LTO • RDTB • tourism economy • municipalities</td>
</tr>
</tbody>
</table>
In drawing up the promotion and marketing policy of Slovene tourism, the following facts have been taken into account:

- **Poor recognisability** (of Slovenia as a country and destination) beyond the neighbouring regions.
- A small number of tourism brands enjoy better recognition than the destination of Slovenia itself.
- **Low acceptability** due to ignorance and stereotypes stemming from *Slovenia's location in Eastern Europe and the Balkans*. Furthermore, there is still a tendency to confuse Slovenia with Slovakia.
- Consequently, low expectations in terms of quality tourism.
- Consequently, expectations for lower prices.
- Slovenia has no national symbols recognised abroad, such as towns, natural, cultural and other attractions, brands, national dishes or drinks.\(^4\)
- In terms of investments in marketing, Slovenia cannot compete with the investments of major tourist destinations.

In view of the above, the marketing and promotion policy should be *primarily focused on creating a positive experience on the first visit to Slovenia*. Through developed tourism products aimed at offering tourists a positive experience, Slovenia will become a developed tourist destination.

Within this context, the following guidelines should be taken into consideration:

- We have to be aware of the fact that (dis)satisfaction of tourists arises mainly from any great discrepancy between their expectations and the way they were actually treated. In enhancing the proactive role of Slovene tourism, expectations will rise. As a result, the *level of quality of Slovene tourism will have to be improved* to achieve the same level of satisfaction.
- On specific markets and in some *(niche)* target groups, the *recognisability of Slovenia needs to be increased and stereotypes about the country broken.*
- Slovenia will have to reach a national consensus on national and destination symbols to be focused on in terms of promotion. Initially, a maximum of *3 internationally recognisable national (and not only regional) symbols* should be developed, while the rest should be introduced gradually.
- In the transition period during which the “brand name” of Slovene tourism has not yet been fully established, marketing of individual tourist destinations *allows these destinations to be loosely associated with the Slovene brand*. In addition, a new marketing development plan\(^5\) and definitions of the Slovene tourism brand must lay down the rules on the use of national brand.
- When investing in marketing, *innovation* should be enhanced. Marketing budgets are to be directed towards building *support for CRM, direct marketing* (with particular emphasis on interactive media, such as the Internet and mobile telephony) and a *cutting edge website*, the communication being focused more on media, with *distinctive tourist profiles*, where we can focus on the desired niche target groups, with account also taken of their creativity.

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\(^4\) On the other hand, certain symbols do exist, but they are mostly of a local nature, and thus it is questionable how recognisable they are in the target markets.

\(^5\) The term "marketing development plan" has replaced the term "marketing strategy".

To understand the marketing objectives of Slovene tourism, a pyramid diagram has been used in which a tourist may be considered in relation to a destination. A tourist should be aware of a destination’s existence (recognisability) and if acceptable to him/her (for various reasons such as security, destination image, compliance with the tourist’s self-image and wishes), a desire to visit the destination may be generated. The first visit creates the first experience, and if positive, the tourist will want to come back. If the next experience produces the same effect, he will become a regular guest at the destination.

Different marketing activities influence individual levels of operation.

Below are the activities that the future marketing development plan is to take into special consideration. The activities aim at raising the awareness of tourists and developing their attitude towards Slovenia as a tourist destination.

- **PR** means proactive exploitation of all events associated with Slovenia. It encompasses international functions, important international meetings, special events, visits of celebrities, political meetings, sporting events, events in popular culture such as concerts, video recordings of famous music groups, exhibitions, festivals, etc. These events influence the recognisability of Slovenia; moreover, they also dispel the stereotypes that tourists may have about Slovenia and locate the country squarely in the heart of Europe.

- **Advertising** means all advertising activities in traditional as well as alternative media, such as the Internet and advertising in health clinics and wellness centres. Since marketing is focused on niche-targeted groups, the advertising will be directed towards the media, with distinctive tourist profiles. Creativity is to be used in pursuing the objectives set for individual markets, increasing recognisability, or sparking the desire to visit or to come back.

- **Catalogues** are meant to kindle and/or nurture the desire to visit Slovenia or to come back again. The main function of a catalogue is tailored to the target group, indicating the main anticipated benefits and letting the tourist identify him/herself with these benefits. Thus, the catalogues are to be designed
for clearly specified target groups. They provide content in paper or electronic form. To be better suited to the
target groups, we suggest considering the possibility of a “tailor-made” catalogue through the Internet (as in the
case of Austria). An important segment of tourists in Slovenia are those tourists who visit us only for a few days -
the offer presented to them in catalogues should be designed to boost their desire to come back for a longer time
or to extend their current visit.

- **CRM and direct marketing** at the national level are of crucial importance for building the upper levels
of the pyramid. They anticipate creation of a database of tourists who have given their consent for
the provision of additional information, and a system of direct marketing. The tourist database is to be
created at two levels: (primarily) on the websites for tourists who want to be informed about
Slovenia and those who have already visited Slovenia.

- At the **B2B** level, Slovenia must clearly define its vision and objectives for participation in international
tourism trade fairs and facilitate a simple way of providing information to foreign travel agencies/brokers on Slovenian tourism. The emphasis should not be exclusively on having a presence, but rather on
effective performance in terms of marketing.

- **Fairs and congresses** are seen as key opportunities, since this is often where tourists have their first
experiences in Slovenia. Slovene tourism must facilitate the organising of international seminars,
congresses and similar if these contribute to the first positive tourist experience and future tourism
activities.

- The **quality of services** is one of the essential elements of marketing, aside from communication
activity. The quality of services should be such that tourists will be (more than) pleased and will
repeatedly return. Since we are a new destination, we may expect that the first experience with
Slovenia will only last few days; therefore, it must satisfy the expected standards and in certain are
as even surpass them. This “something extra” must be then associated with the Slovene tourism “brand”.

Marketing objectives differ according to target markets. Consequently, specific marketing objectives have been presented
as three main target markets:

1. **Regions of neighbouring countries** within a 2-hour driving distance from Slovenia (Northern
Croatia and Istria; Friuli-Venezia Giulia, Veneto in Italy; Carinthia and Styria in Austria).

2. **Markets on which affordable and fast connections are established** (planes, fast boats and trains).

3. **The rest of the Europe** as a continent and other continents where tourists nowadays often visit
(e.g. Germany), and/or developed markets in terms of tourist demand.

Other markets

- Enhancing recognisability and acceptability by the selected target groups.

- Achieving a positive destination experience.

**Regions of neighbouring countries**

- Increasing to the maximum a desire to pay a visit among those who have not visited the
destination yet.

- Reminding those who have already been to Slovenia of the destination and attract them as
regular guests.
The term “marketing development plan” has replaced the term “marketing strategy.

The marketing is implemented horizontally (basic fields of tourism) and vertically (destination), and reaches the national level in the professional public-private tourist organisation (Figure 2: Upgrading the organisation of Slovene tourism).

### MEASURE 1

**MARKETING DEVELOPMENT PLAN**

**OBJECTIVE**

Drawing up of the marketing development plan for Slovene tourism.

**CONTENT/PURPOSE**

Bringing the marketing of Slovene tourism in line with new guidelines in the field of marketing.

**ACTIVITIES**

Drawing up the Marketing Development Plan for Slovene Tourism for the 2007–2011 period, in accordance with new guidelines and marketing concepts for target markets. The marketing development plan should be based on quantitative and qualitative analysis of tourists on key markets.

**COMPETENT AUTHORITIES**

- Ministry of the Economy
- STB

**PARTICIPANTS/IMPLEMENTING AGENCIES**

- RDTB
- LTO
- Interest groups
- tourism economy

---

*The term “marketing development plan” has replaced the term “marketing strategy.*
### MEASURE 2
**OBJECTIVE**
Increasing recognisability and assuring more effective marketing of Slovene tourism.

**CONTENT/PURPOSE**
Defining the tourist brand of Slovenia in such a manner that the Slovene economy and population adopt and understand it.

**ACTIVITIES**
- Defining the relation between Slovenia’s trademark and the brand name of Slovenia as a tourist destination and destinations within Slovenia.
- Promotion of the tourism brand name in the economic sector and among the inhabitants of Slovenia.
- Developing key symbols making Slovenia recognisable and integrating these symbols into the umbrella promotion and marketing of Slovene tourism - the marketing development plan is a precondition for Measure 2.

**COMPETENT AUTHORITIES**
- Ministry of the Economy
- GPRMO (Government Public Relations and Media Office)

**PARTICIPANTS/IMPLEMENTING AGENCIES**
- STB

### MEASURE 3
**OBJECTIVE**
Ensuring effective marketing of Slovene tourism, directed towards individual and primary target markets.

**CONTENT/PURPOSE**
- Encouraging the development of marketing communication networks adapted to individual target markets.
- Encouraging partnership cooperation of tourism service providers at tourist destinations and at the level of interest groups in the creating and joint marketing of ITPs and thematic tourism products.
- Partnership in marketing activities at the national level with the purpose of their successful integration into global distribution channels.

**ACTIVITIES**
- Co-financing partnership activities of marketing communication provided to tourism service providers at tourist destinations at the level of interest groups.
- Preparations and coordination of annual marketing programmes at the national level with a “bottom-up” approach (destination, regional and interest group level).

**COMPETENT AUTHORITY**
- STB

**PARTICIPANTS/IMPLEMENTING AGENCIES**
- RDTB
- LTO
- Interest groups
<table>
<thead>
<tr>
<th>MEASURE 4</th>
<th>ESTABLISHMENT OF A CRM SYSTEM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OBJECTIVE</strong></td>
<td>Increasing the use of modern tools for marketing communication. Retaining existing customers and winning new ones for the purpose of increasing sales/revenues.</td>
</tr>
<tr>
<td><strong>CONTENT/PURPOSE</strong></td>
<td>Encouraging the introduction of modern tools for marketing communication in tourism. Offering services adapted to individual target groups, improving services for customers, establishing cross-sales, priority treatment of key customers.</td>
</tr>
<tr>
<td><strong>ACTIVITIES</strong></td>
<td>Providing information and training to tourism entities on the importance of introducing a CRM system within an enterprise. Providing information on restrictions for collecting personal data. Establishing customer management at the STB.</td>
</tr>
<tr>
<td><strong>COMPETENT AUTHORITY</strong></td>
<td>• STB</td>
</tr>
<tr>
<td><strong>PARTICIPANTS/IMPLEMENTING AGENCIES</strong></td>
<td>• tourism economy</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>MEASURE 5</th>
<th>ESTABLISHING A SUPPORT SYSTEM FOR ORGANISERS OF VARIOUS EVENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OBJECTIVE</strong></td>
<td>Exploiting the potential of events to increase the recognisability of the Slovene tourist offer.</td>
</tr>
<tr>
<td><strong>CONTENT/PURPOSE</strong></td>
<td>Linking Slovene tourism with the organisers of various events (organisers of business, expert meetings, meetings of Slovenes living in neighbouring countries and abroad, sports, cultural, religious events, programme of 50 youth centres, etc.) and the use of this potential to increase the effectiveness of marketing Slovene tourism.</td>
</tr>
<tr>
<td><strong>ACTIVITIES</strong></td>
<td>Establishing a support system for organisers of various events, clearly indicating the terms of cooperation. Promotion of such support to organisers of various events. Providing support to organisers of various events.</td>
</tr>
<tr>
<td><strong>COMPETENT AUTHORITY</strong></td>
<td>• STB</td>
</tr>
</tbody>
</table>
3.4 Policy of Sustainable and Regional Development

Special attention paid to spatial, sustainable and regional development results from the main finding that tourism is an important user of space. Besides services and goods offered through tourism and tourism-related activities (secondary tourist offer) in the tourism market, tourism also markets space, i.e. the environment in a broader sense (natural assets, cultural heritage, cultural landscape, quality of life, organisation of the state and local communities, and its attitude towards the environment and guests - tourists, etc.). The environment in a broader sense - as a basic tourist attraction - serves as a basis and condition for the development of secondary tourist offers. The existence of the latter has an impact on basic tourist attractions and changes them into a primary offer, whereby the offer of a certain geographic region rounds up and creates a tourist destination as an objective of tourist travel.

The starting point for a strategic tourism policy is geographic space or a tourist destination of various dimensions (state, region, local community, tourist attraction) as a group of equal, interrelated and interdependent factors (economic, social and environmental) with common objectives (economic, social and environmental), which are to be defined on the basis of equality of all three factors and achieved in a coordinated manner.

The aim of balanced economic, social and environmental development is to achieve a significant contribution of the tourism sector to the economic and social welfare of citizens and to the satisfaction (and well-being) of tourists. In this context, the tourism policy must assure that three key conditions for sustainable development in the tourism sector are met:

- Natural environmental protection and sustainable use of available resources (in particular resources of vital importance or non-renewable resources).
- Overall conservation and sustainable use of cultural heritage.
- Taking into account the society, respect for its cultural values (identity) and preventing any negative impact of mass tourism.
- Assuring that tourism products (and enterprises) are successful in the mid- and long term rather than only in the short term.

Sustainable tourism is not conceived of as a special form of tourism but as a new paradigm for tourism policy and development. Sustainable development rests within the responsibility of all those who are (in any way) involved in tourism and who expect to reap some benefits:

- Tourism enterprises expect effective business performance in the short, mid- and primarily long term, owing to the reputation of the enterprise, attitude towards personnel and the environment in which business is conducted.
- Local communities expect progress without affecting quality of life.
- Environmentalists are well acquainted with the potential negative impact of tourism on the environment; however at the same time, they are aware that tourism may be an important factor and source of funds for the protection and preservation of environmental quality.
- Seeking a quality experience in a safe and attractive environment, tourists are also increasingly aware of the effect of their travel on the environment.
- Guardians of cultural heritage emphasize the importance of sustainable use and protection of cultural heritage as a common value, being a non-renewable and non-repeatable resource. Rapid and uncontrolled economic growth has already caused irreparable consequences to cultural heritage given the act that unsustainable use of any resources may result in the loss of these resources. On the other hand, the absence of use or insufficient use of cultural heritage may also have adverse effects, since its real preservation depends substantially on its integration into the economic and living environment rather than on mere reconstruction and protection.
In Slovenia’s Development Strategy to 2013, the Government of the Republic of Slovenia has identified sustainable development as one of the fundamental principles of Slovenia’s development. Sustainable development of tourism is defined as a fundamental principle in the Promotion of Tourism Development Act (Ur. list RS (Official Gazette of the RS), 02/04) as well. Accordingly, this principle is considered a key paradigm of Slovene tourism development by the DPPST 2007-2011, which also implements it directly through promoting the development and monitoring of sustainable development indicators at tourist destinations and, indirectly, through integrated elements of encouraging sustainable development within the envisaged activities and orientations of other basic policies, notably investment and spatial policy.

To this purpose, guidance and orientations of the following documents have been taken into consideration:

- Alpine Convention and Protocol on Tourism (Act Ratifying the Convention on the Protection of the Alps, Ur. List RS, No 19, 1995);
- European Charter for Sustainable Tourism in Protected Areas (EUROPARC, October 2002);
- International Cultural Tourism Charter (ICOMOS, Mexico, October 1999);
- European Landscape Convention (Act Ratifying the European Landscape Convention, Ur. list RS, No 74, 2003);
- Guidelines for the Development of Tourism in Natura 2000 Areas (The Environment Directorate-General of the European Commission, Lisbon, December 1999);
- Sustainable Tourism in Protected Areas: Guidelines for Planning and Management (UNEP, IUCN, WTO, 2002)
- Making Tourism More Sustainable. A Guide for Policy Makers (UNEP, 2005);
- European Spatial Development Perspective (Potsdam, 1999);
- Guiding Principles for Sustainable Spatial Development of the European Continent (Strasbourg, 2003).

Land-use planning for tourism is of essential importance for the sustainable development of tourism. The principles of sustainable development require a flexible and strategic “bottom-up” approach, taking into account a wide range of economic, social and environmental factors based on local consultations and cooperation.

The policy of spatial development of tourism follows the basic principles and objectives set in the Spatial Planning Policy of the Republic of Slovenia, which takes into account the sustainable development of the entire Slovene territory and pays special attention to tourism being an important user of space. As such, tourism needs particular consideration; directly, through rational siting and building of tourist facilities, and indirectly, through care for the preservation of natural assets and cultural heritage as main sources of the tourism economy. For the development of tourism it is of utmost importance that the systemic, institutional and instrumental basis of spatial development and environmental protection policy become friendly towards tourism investments and activities, and towards tourists themselves as the source of tourism consumption. This applies particularly to protected areas, in which it is necessary to assure a balance between environmental protection and development.

As regards cultural heritage, it is essential that the main efforts in tourism are not merely directed towards the marketing of cultural monuments, since, on the one hand, this would result in pressure on selected monuments, and on the other hand, both domestic and foreign visitors would be deprived of the most important information concerning the Slovene cultural heritage: the comparative advantage of our country resides in its dense natural and cultural diversity in a small geographic area. However, cultural heritage appears in so-called series. Usually, such serial heritage extends across a wider cultural area, in most cases, beyond national borders. Such heritage encompasses medieval wall painting, golden altars, wooden ethnological heritage, etc. The second important component of Slovene cultural heritage is a landscape rich in cultural heritage (e.g. Regional Park of Karst, the Fužina mountains above Bohinj), and the third component is a relatively intense preservation of heritage elements associated with major historical events (e.g. the Isonzo Front).
The policy of spatial development is based on three interrelated measures:

- **At the national level** - encouraging advanced and integrated regional spatial planning, which appropriately assesses natural resources, social and economic needs, market opportunities, etc., and harmonises the development of tourism with other factors and users of space (transport, agriculture, forestry, etc.).

- **At the local level** - encouraging the drafting of spatial strategies and implementation of spatial legal acts which will take into account the development requirements of tourism by considering the support capacity of the environment (ecological, socio-cultural, psychological, infrastructural, managerial).

- **In safeguarded (and protected) areas** - clearly defining various levels of protection within these areas (zoning), providing for equal treatment concerning both protection and development of these areas by taking into account the requirements of the environmental profession, adopted regulations, international conventions and internationally adopted professional criteria for planning and implementing tourism in natural and cultural heritage protected areas (Guidelines — UNESCO, IUCN, ICOMOD).

Tourism can play a major role in **promoting balanced regional development** and, consequently, in distribution of social wealth, notably “transfer” of work posts and “shifting” revenues (accumulation) from economically successful areas to touristically attractive but less economically developed rural areas and to already exploited industrial and mining areas. It can also assist in retaining urban settlement in depopulated areas, preserving the cultural landscape and revitalisation of decaying villages. However, in the first place, conditions are to be created to attract investors to these areas and to provide local people with basic conditions for the development of their entrepreneurial ideas, through:

- state investments in general infrastructure, which is essential for tourism (accessible and local roads, cycling routes, treatment plants, reconstruction of buildings reflecting cultural heritage, etc.);
- creating favourable business conditions for new investors (development incentives);
- strengthening development capacity (through education and training of existing and potential bearers of entrepreneurial ideas, established system of consulting and informing, etc.).

Particular measures and activities to implement the stated guidelines have been included in other DPPST policies, notably in investment policy, the policy of human resources development and development of tourist destinations.

Below are presented the measures specifically intended to promote sustainable, spatial and regional development of tourism.

<table>
<thead>
<tr>
<th>MEASURE 1</th>
<th>DEVELOPMENT OF INDICATORS FOR SUSTAINABLE TOURISM</th>
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<tbody>
<tr>
<td>OBJECTIVE</td>
<td>Encouraging the development and monitoring of the implementati-&lt;br&gt;on of sustainable development.&lt;br&gt;Defining key indicators for sustainable development of tourism at tourist destinations.</td>
</tr>
<tr>
<td>CONTENT/PURPOSE</td>
<td>Assembling the expertise for the development and monitoring of sustainable development of tourism.</td>
</tr>
<tr>
<td>ACTIVITIES</td>
<td>Preparing the selection of the most suitable indicators for individual tourist destinations.&lt;br&gt;Setting up the monitoring of sustainable development, based on selected indicators at individual tourist destinations.&lt;br&gt;Forming a development and research group for sustainable tourism.</td>
</tr>
<tr>
<td>COMPETENT AUTHORITY</td>
<td>• Ministry of the Environment and Spatial Planning</td>
</tr>
<tr>
<td>MEASURE 2</td>
<td>SPATIAL PLANNING CONCERNING TOURISM DEVELOPMENT</td>
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</tr>
<tr>
<td>OBJECTIVE</td>
<td>Assuring favourable spatial conditions for the development of tourism, in accordance with the principles of sustainable development.</td>
</tr>
<tr>
<td>CONTENT/ PURPOSE</td>
<td>Encouraging harmonised spatial planning at the regional level to meet the needs of tourism development. Encouraging the drawing up of municipal spatial strategies and implementing spatial acts for the development needs of tourism, taking into consideration the support capacity of the environment. Creating clear investment conditions for potential investors by drawing up special manuals on the identified possibilities and conditions for investments in the environment.</td>
</tr>
<tr>
<td>ACTIVITIES</td>
<td>Co-financing the drawing up of integrated, regional spatial acts to comply with the development needs of tourism. Co-financing the drawing up of municipal spatial acts for the development of tourism. Preparation of manuals on the identified possibilities and conditions for investments and implementation of other spatial activities.</td>
</tr>
<tr>
<td>COMPETENT AUTHORITY</td>
<td>Ministry of the Environment and Spatial Planning</td>
</tr>
<tr>
<td>PARTICIPANTS/ IMPLEMENTING AGENCIES</td>
<td>Government Office of the RS for Local Self-Government and Regional Policy • Ministry of the Economy • Ministry of Transport • Municipalities</td>
</tr>
<tr>
<td>MEASURE 3</td>
<td>CREATING CONDITIONS FOR THE DEVELOPMENT OF TOURISM IN PROTECTED AREAS</td>
</tr>
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<td>-----------</td>
<td>-------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>OBJECTIVE</strong></td>
<td>Assuring favourable conditions for the development of tourism in protected areas (emphasis on Natura 2000 areas).</td>
</tr>
<tr>
<td><strong>CONTENT/PURPOSE</strong></td>
<td>Bringing protection in line with development in protected areas. Achieving better transparency of conditions for operations in protected areas. Zoning protected areas and, on this basis, clearly delineating strictly protected areas, areas allowing development and environmentally friendly tourist activities and areas offering possibilities for the development of tourism infrastructure. Training the local population for managing and conducting business and other tourist activities in protected areas. Developing “green paths”.</td>
</tr>
<tr>
<td><strong>ACTIVITIES</strong></td>
<td>Drawing up standards, criteria and conditions for the development of tourism in protected areas. Zoning of protected areas. Co-financing the training of the local population for management. Conducting and performing business and other tourist activities in protected areas.</td>
</tr>
<tr>
<td><strong>COMPETENT AUTHORITY</strong></td>
<td>• Ministry of the Environment and Spatial Planning</td>
</tr>
<tr>
<td><strong>PARTICIPANTS/IMPLEMENTING AGENCIES</strong></td>
<td>• Ministry of the Economy • Ministry of Culture • Ministry of Transport • Ministry of Agriculture, Forestry and Food</td>
</tr>
</tbody>
</table>
Given the ever-increasing competition in the global tourist market and a number of other factors affecting tourist demand, it is very important that the appropriate level of quality of Slovene tourism is ensured for both existing and potential tourists. In the past, this issue was neglected to quite a large extent, as most of the activities aimed at increasing the level of quality failed to deliver satisfactory results. There is a need for a long-term systematic approach for gradually turning the key problems of Slovenia’s receptive tourism into advantages.

In the context of tourism, quality is defined as market category and particular feature of the tourism product that involves achieving/surpassing the requirements, needs and expectations of tourists. As is evident from the meaning of the concept of quality in the context of tourism, the introduction of such concepts has a variety of direct and indirect effects. A tourism product consists of five components that contribute to the satisfaction or dissatisfaction of tourists and that create value for them: location, capacity (accommodation, catering, recreation, etc.), reputation of a particular destination, price and mode of the provision of services. A tourism service provider can determine only the mode of the provision of services, or rather, through the improvement of this component, a tourism service provider can achieve the biggest increase in value for their guests and better business results with the least financial input. The key to success in tourism is satisfied tourists. The primary objective in this context is therefore to increase the quality of the products/services delivered in any area of Slovene tourism.

The tourism industry is a demanding one composed of a large number of providers of particular tourist services which, in turn, constitute the integrated tourism product of a particular location, area or destination. Thus the issue of quality needs to be addressed with respect to a particular tourism product and destination and, equally, with respect to all the aspects involved in the integrated tourism product: providers of tourism products and the environment with its natural, cultural and historical heritage; public utilities and social infrastructure; the level of economic development and the people that live and work at tourist destinations.

The key factor in enhancing competitiveness and market differentiation is the development of quality, as it can contribute decisively to better recognisability and the success of a country, destination or specific tourism product provider, and ultimately to increased income. Consequently, brands are increasingly important in tourism at all levels, from individual tourism product providers and tourism products to a specific area, destination or even a country as a destination.

Even though quality and competition depend primarily on private entrepreneurial initiative, the Government has an important role to play in identifying, managing and monitoring the most important aspects of quality. The role of government in the promotion of tourism is therefore defined to be primarily in ensuring basic standards, for instance in the classification of accommodation facilities, as well as indirectly in the designing of programmes and the promotion of their implementation, and, furthermore, in analysing the satisfaction of guests, drafting manuals on quality standards, and training of personnel to ensure better quality and success in the tourism industry. Special attention should be devoted to programmes for the promotion of quality at destinations, which involves the synergy of many players, not only private companies but also the public sector, as well as the natural, social and economic environment in which tourism is being developed. Yet another role of the State is the development of national brands in the tourism industry and their connection with countries abroad.

In order to improve tourism in Slovenia, it is of major importance to increase its competitiveness by improving quality and ensuring the satisfaction of guests:

- at the level of tourism services providers;
- at the level of tourist destinations; and
- at the national level.
The following programmes and measures are proposed as part of the policy package:

<table>
<thead>
<tr>
<th>MEASURE 1</th>
<th>DESTINATION QUALITY SYSTEM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OBJECTIVE</strong></td>
<td>Enhancement of the competitiveness of tourist destinations.</td>
</tr>
</tbody>
</table>
| **CONTENT/PURPOSE** | Setting-up the system.  
Organisation of a workshop for raising awareness about quality.  
Information about possible standards.  
Training for and granting awards for integrated tourism products of good quality. |
| **ACTIVITIES** | Designing the system.  
Awards for services of good quality.  
Implementation of the system.  
Training for tourism service providers and local population.  
Co-financing of workshops. |
| **COMPETENT AUTHORITY** | • Ministry of the Economy |
| **PARTICIPANTS/IMPLEMENTING AGENCIES** | • STB  
• CCI  
• CC  
• Interest groups  
• TAS  
• Ministry of the Environment and Spatial Planning |

<table>
<thead>
<tr>
<th>MEASURE 2</th>
<th>NATIONAL PROGRAMME FOR MEASURING TOURIDPPST SATISFACTION</th>
</tr>
</thead>
</table>
| **OBJECTIVE** | Fostering entrepreneurial development and increasing competitiveness.  
Increasing the competitiveness of services.  
Supporting the internationalisation of the tourism industry.  
Identifying profiles of tourists and their needs. |
| **CONTENT/PURPOSE** | The programme is based on the monitoring of the results of different systems for quality enhancement, which should be reflected in greater satisfaction of tourists, staff and management. To this end, the quantity and quality of tourist demand needs to be monitored, and statistical and analytical systems for measuring satisfaction at all three stated levels need to be continuously supplemented. This involves, for instance, supplementing existing statistical sources, e.g. surveys on domestic and foreign tourists conducted by SORS, sample surveys in tourist companies, locations and destinations, and analyses of impact of use of a particular quality enhancement system leading to changes in the satisfaction of tourists, staff and management. In order to monitor the results of the use of particular instruments for enhancing quality in the tourism industry and changes in the demand and expectations of tourists, this must be an ongoing and systematic task. With the view to ensuring services of good quality as a key factor of competitive advantage in Slovenia's tourism industry, it is necessary to select the most appropriate quality system and to encourage its use. |
### ACTIVITIES
Designing a measurement methodology and instrument.

### COMPETENT AUTHORITY
- Ministry of the Economy

### PARTICIPANTS/IMPLEMENTING AGENCIES
- STB
- CCI
- SORS
- Interest groups
- Ministry of the Environment and Spatial Planning

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### MEASURE 3
STANDARDS FOR KEY BRANDS

### OBJECTIVE
Fostering entrepreneurial development and increasing competitiveness.
Increasing the competitiveness of services.
Supporting the internationalisation of the tourism industry.

### CONTENT/PURPOSE
Tourism includes an ever-increasing number of thematic tourism products ranging from congress events through wellness programmes, sports and recreation, e.g. golf or cycling, to animated activities, visits, etc. Products developed and providers established in all these areas draw upon different perceptions of quality and rely upon different levels of technical and functional quality.
The objective of designing quality standards is to define basic technical requirements and the level of quality of services in respective areas of tourism so as to be able to formulate a specific national offer which could be included in the promotion of tourism development programmes and in the promotion of Slovene tourism programmes.

### ACTIVITIES
Designing key national brands (skiing in Slovenia, wellness in Slovenia, cycling in Slovenia, golf, etc).

### COMPETENT AUTHORITIES
- STB
- Ministry of the Economy

### PARTICIPANTS/IMPLEMENTING AGENCIES
- RDTB
- LTO
- Interest groups
- Tourism economy
- Ministry of the Environment and Spatial Planning
The measures listed stem from the **Comprehensive Quality Promotion Programme 2005 of the Ministry of the Economy**. In the present strategic period, the implementation of the programmes on quality currently underway needs to be continued, in particular **programmes aiming towards enhancing environmental aspects in the context of tourism**.

<table>
<thead>
<tr>
<th>MEASURE 4</th>
<th>SYSTEM OF CLASSIFICATION AND SPECIALISATION OF ACCOMODATION FACILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OBJECTIVE</strong></td>
<td>Increasing competitiveness of services.</td>
</tr>
<tr>
<td><strong>CONTENT/PURPOSE</strong></td>
<td>To draft a proposal on the basis of identified weaknesses and shortcomings of the classification system currently in use for a modified classification system. In this context, new and upgraded classification systems of certain neighbouring and other competing countries will be taken into consideration.</td>
</tr>
<tr>
<td><strong>ACTIVITIES</strong></td>
<td>Design and implementation of the system. \nRaising awareness of service providers. \nSupervision of service providers. \nUpdated databases on the category of accommodation facilities for all stakeholders.</td>
</tr>
<tr>
<td><strong>COMPETENT AUTHORITY</strong></td>
<td>• Ministry of the Economy</td>
</tr>
<tr>
<td><strong>PARTICIPANTS/IMPLEMENTING AGENCIES</strong></td>
<td>• CCI \n• CCS \n• STB \n• Interest groups \n• Tourism economy</td>
</tr>
</tbody>
</table>
In the future, the development of new technologies will bring about significant changes in the tourism sector, in particular in the areas of the provision of information services and of communication support. In the context of tourism industry development, there are a number of areas that are enormously affected by new technologies as regards ensuring competitive advantages. These fields are, in particular: collecting and managing tourist-related data, CRM, promotion and marketing, e-operations, networking, education, access of information for supporting decision-making, etc.

In this area, there is an opportunity for Slovenia to promote new tourist offers on the global market. In order to take advantage of this opportunity, the construction of the integrated tourist information system at the national level must be continued, and destinations and particular interests integrated into a national system. A central Slovenian e-booking system must be introduced and awareness needs to be raised in relation to the importance of the use of Internet selling channels and placement of Slovenian tourist offers in both the Slovenian central e-booking system and global booking systems. Furthermore, the use of mobile technologies supporting marketing of Slovene tourism must be introduced or attention called to the use of mobile appliances as an additional selling channel.

<table>
<thead>
<tr>
<th>MEASURE 1</th>
<th>DEVELOPMENT OF AN INTEGRATED TOURIST INFORMATION SYSTEM</th>
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</thead>
<tbody>
<tr>
<td>OBJECTIVE</td>
<td>Ensuring successful marketing and development of Slovene tourism through the use of state-of-the-art information technologies.</td>
</tr>
<tr>
<td>CONTENT/PURPOSE</td>
<td>Ensuring advanced IT support in the marketing and development of Slovene tourism.</td>
</tr>
</tbody>
</table>
| ACTIVITIES | Maintenance and upgrading of the Slovene tourist information portal www.slovenia.info.si.  
Encouraging tourist operators at the level of destinations or interests to participate in the information system.  
Shaping and setting up a system supporting decision-making of tourist operators at all levels.  
Developing and setting up a central booking system (due to its significance, this measure is addressed separately under Measure 2).  
Introduction of mobile technologies to support the marketing of Slovene tourism (due to its scope, this activity is addressed separately under Measure 3). |
| COMPETENT AUTHORITIES | • STB  
• Ministry of the Economy |
| PARTICIPANTS/IMPLEMENTING AGENCIES | • RDTB  
• LTO  
• Interest groups  
• Tourism economy |
### MEASURE 2
**OBJECTIVE**
Providing central Slovene e-booking system as a central booking point and an additional selling channel for Slovene tourism.

**CONTENTS/PURPOSE**
Setting-up and running a CRS as a central booking point and an additional selling channel for Slovene tourism.

**ACTIVITIES**
Successful completion of a public call for tenders for setting-up and managing central Slovene e-booking system. Encouraging and supporting tourism operators to participate in the central Slovene e-booking system.

**COMPETENT AUTHORITIES**
- Ministry of the Economy
- STB

**PARTICIPANTS/IMPLEMENTING AGENCIES**
- RDTB
- LTO
- Interest groups
- Tourism economy

### MEASURE 3
**OBJECTIVE**
Providing mobile technologies support for communicating, marketing and selling tourism products.

**CONTENTS/PURPOSE**
Publicity on and introduction of mobile technologies support for communicating, marketing and selling tourism products.

**ACTIVITIES**
Encouraging the use of mobile technologies with respect to a particular stage of a decision-making process and actualisation of tourist travels. Encouraging the setting-up of tourism websites designed to be used by mobile technologies (updated information on events, weather, operators along tourist routes). Facilitating direct marketing on the basis of mobile technologies.

**COMPETENT AUTHORITY**
- STB

**PARTICIPANTS/IMPLEMENTING AGENCIES**
- Ministry of the Environment and Spatial Planning
- Ministry of Higher Education, Science and Technology
- Ministry of the Economy
- RDTB
- LTO
- Interest groups
- Tourism economy
3.7 POLICY OF THE BUSINESS ENVIRONMENT AND INVESTMENT DEVELOPMENT

An adverse business environment, and in that context an adverse financial environment for investing in tourism, poses barriers to competitiveness and a more rapid development of the Slovene tourism industry. This applies in particular to SMEs, which account for 98% of all business operators in the tourism sector.

While it is true that the implementation of its investment policy was deemed to be the best part of the Government’s tourism policy over the last strategic period, there are a number of barriers in this area, too, that hamper effective implementation of the investment policy. During that period, the investment cycle was the most intensive in large companies that had, in the context of adverse business and financial environment, a sufficient amount of capital of their own and, more importantly, the expertise for the preparation of feasible projects by the end of 2006. Much weaker was the investment cycle in SMEs and investments in public tourism-related and other infrastructure of importance for tourism (transport, sports, cultural heritage, natural assets, etc.). Among the main reasons are the following: a generally adverse financial environment in Slovenia, including a lack of long-term bank loans, and an adverse business environment, including a number of administrative barriers as well as a lack of adequate and sufficient consulting available to tourist operators, both a vital factor for SMEs to prepare projects of adequate quality and ready for implementation. Despite the relatively generous development incentives offered, the development of ITPs has been quite unsatisfactory, in view of the fact that ITPs are an important cornerstone in the preserving of competitiveness in Slovenia’s tourism industry. The adverse business environment is also the main reason for a lack of foreign investments in the Slovene tourism sector over the past strategic period.

In the period 2007-2011, the implementation of the investment cycle that started in the previous period will be continued. The investment cycle will include: investments in accommodation capacities of high quality and in the construction of tourism infrastructure by large enterprises and SMEs and, furthermore, in the development of new ITPs and their efficient integration in advanced tourism distribution channels, as well as in the construction of public tourism, transport and other infrastructure of significance for the development of tourism. For this period it is planned that there will be a more systematic approach in the implementation of investments in public sport and tourism infrastructure and in the conservation of naturals assets and restoration of cultural heritage assets with a view to enhancing their value for tourism. On the basis of the Analysis of proposals for comprehensive projects of tourist destination development (Ministry of the Economy, 2003) and measures envisaged within individual policies, the planned value of the investment cycle of the coming strategic period amounts to EUR 1.1 billion.

The breakdown of the planned value of the investment cycle includes:

- Private tourism infrastructure in a broad sense, including accommodation capacities: 50%
- Public investments in tourism infrastructure, tourism-related sport infrastructure, transport, youth and other public infrastructure of importance for tourism: 23%
- Investments in conservation of naturals assets and restoration of cultural heritage assets: 15%
- Shaping and marketing ITPs: 4%
- Promotion and marketing: 7%
- Destination management development: 1%

In compliance with the development priorities for the period concerned, the breakdown of the planned investment cycle also covers parallel investing in human resources and quality.

The implementation of the planned investment cycle is based on the sources of financing broken down as follows:
• Private sources of funding, including banking sources: 57%
• Public sources of funding, including:
  • national budget funds (earmarked funds plus additional budget appropriations): 13%
  • municipal government budget funds (earmarked funds plus additional budget appropriations): 13%
  • funding from EU Structural and Cohesion Funds: 17%

The majority of national and municipal government budgetary funds derive from the tourist tax collected and from the concession fee paid for organising games of chance. The estimated value of the earmarked funds for the period under consideration amounts to SIT 52.5 billion, i.e. EUR 218.7 million. The earmarked funds of national and municipal government budgets will be appropriated for financing promotion and marketing, for developing and marketing ITPs and for destination management development and, in that context, for parallel human resources and quality development programmes. The share of the concession fee paid for organising games of chance with municipal government revenue will be channelled entirely into the construction of public tourism-related and other infrastructure of importance for tourism. For the implementation of the planned investment cycle in the field of public tourism-related infrastructure and other infrastructure of importance for tourism, and in the conservation of natural assets and restoration of cultural heritage assets, additional funding from national and municipal government budgets and from EU Structural and Cohesion Funds has been earmarked. The planned structure of financing sources broken down according to particular purpose is set out in Appendix 8. The implementation of the planned investment cycle is based on public-private partnership and in particular on the appropriate use of sources deriving from the tourist tax and from the concession fee paid for organising games of chance.

The fundamental guidelines in the context of ensuring a favourable business environment and investment policy in the new strategic period, set out on the basis of a business environment analysis, the analysis of the implementation of the investment cycle and the establishment of new development priorities, are as follows:

• Providing for appropriate systemic conditions for development that will contribute to the creation of a favourable business and financial environment and, in that context, shaping of stimulating macroeconomic policies (taxation, fiscal); formulation of a policy on the international competitiveness of the Slovene economy; spatial and regional development that takes into consideration tourism-related interests; establishment of legal, institutional and general conditions necessary for the normal operation of the tourism industry; and the design of methodologies for providing internationally comparable monitoring of the Slovene tourism industry (tourism satellite accounts, a methodology for monitoring the implementation of strategic objectives).

• Removing critical barriers to the implementation of the planned investment cycle by providing spatial plans and urban planning conditions that are necessary for investing in tourism, by simplifying the procedure for obtaining construction permits, as well as by setting up a system for advising SMEs on the development of entrepreneurial ideas so as to be able to prepare projects ready for implementation and by ensuring the use of funding deriving from the tourist tax and from the concession fee paid for organising games of chance.

• Upgrading the existing and shaping new development incentives instruments, providing effective stimulation of development and implementation of investments in tourism infrastructure, development of ITPs by large companies and SMEs, and public investments in tourism infrastructure.

• Design of new instruments for the promotion of public-private partnership and the promotion of project-based financing of large investments in sport and tourism infrastructure and the integration of natural assets and cultural heritage into tourism.

• Creating more favourable conditions and incentives for foreign investments and for the development of strategic partnerships in the tourism sector.
The Slovene Government will contribute directly to the actualisation of the basic strategic guidelines by providing incentives for the construction and reconstruction of tourism infrastructure, for the design of ITPs and for the development of public-private partnerships. It shall encourage the implementation of the investment cycle indirectly by carrying out effective macroeconomic policies, formulating strategic development guidelines in the areas of economic, spatial, and regional development, competitiveness and foreign investments, by constructing general economic infrastructure and by investing in conservation of natural assets and restoration of cultural heritage assets with a view to enhancing their value for tourism. Through indirect measures it will contribute to a business environment that is favourable for the development of entrepreneurship and the competitiveness of the Slovene economy. In compliance with the above, certain measures deriving from the basic guidelines concerning the provision of a favourable business environment and investment policy will be integrated into macroeconomic and other national policies of importance for the development of tourism (spatial policy, competitiveness policy, balanced regional development policy, etc). These measures will be implemented pursuant to the Development Strategy of Slovenia for the period up to 2013 and the National Development Programme 2007-2013 deriving therefrom.

3.7.1 Measures establishing a favourable business environment in the tourism industry

The overall objective: creation of a favourable business environment for the development of the tourism industry.

The creation of a more favourable business environment for the development of the tourism industry is directly connected to the creation of a favourable business environment for the development of entrepreneurship in Slovenia. In the framework of other horizontal policies, in particular in the framework of policy for the promotion of entrepreneurship and competitiveness, the Government will take into account the implementation of such measures in the tourism sector. The measures include: the removal of administrative barriers and simplification of procedures for the establishment and operation of companies as well as for the acquisition of building permits for investment in the tourism sector. It is a task of the Directorate for tourism within the Ministry of the Economy to act as a representative of the tourism sector’s interests in the formulation of the above systemic measures for the creation of a favourable business environment for the entire corporate sector.

In the current strategic period, the Government will adopt and implement, in addition to the general conditions that apply to the entire corporate sector, the following special measures intended for the provision of a more favourable business environment for tourism development:
<table>
<thead>
<tr>
<th>MEASURE 1</th>
<th>AMENDMENTS TO THE LEGISLATION AND IMPLEMENTING REGULATIONS THAT HINDER THE DEVELOPMENT OF TOURISM AND THE IMPLEMENTATION OF STRATEGIC OBJECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>OBJECTIVE</td>
<td>Creation of a favourable normative environment for the development of the tourism industry.</td>
</tr>
<tr>
<td>CONTENT/ PURPOSE</td>
<td>Amendments to the legislation and implementing regulations that are needed for the implementation of strategic objectives. Taking into consideration the interest of the tourism sector when drafting legislative proposals.</td>
</tr>
<tr>
<td>ACTIVITIES</td>
<td>The adoption of implementing regulations pursuant to the Promotion of Tourism Development Act. Amendments to the Catering Act in the part covering the modernisation of the classification of the accommodation facilities model. Amendments to the Gaming Act with a view to creating a favourable normative environment encouraging a development cycle in the gaming sector (in particular: lifting the progressive fiscal limitation of gaming activities and concession benefits in development investments) and limiting the number of concessions for gaming saloons. Amendments to the legislation and implementing regulations in the areas of health and hygiene protection and protection against drowning with a view to taking into consideration the impact of those pieces of legislation on the tourism industry, and removing administrative barriers and reducing costs. A systemic normative regulation of public-private partnerships in Slovenia as one of the basic concepts of the development of the Slovene tourism sector and a precondition for the development of tourist destination management and the implementation of key infrastructure and other large investment projects in the tourism sector. Amendments to labour legislation with a view to ensuring more flexibility in the labour market. Amendments to the legislation governing illegal work and employment. Preparation of the implementing regulation under the Cableway Installations and Ski Lifts Act which governs the construction of cableway installations on a concession basis. A review of the implementing regulations in the context of spatial legislation with a view to simplifying and shortening the procedures involved in the acquisition of permits needed and ensuring development-oriented environmental protection policies. Improvements regarding the tourist visa regime with a view to facilitating arrivals of tourists from promising markets (e.g. Russia, Turkey, etc.). Introduction of a mandatory assessment of the impact of proposed laws and implementing regulations on the tourism sector.</td>
</tr>
<tr>
<td>COMPETENT AUTHORITY</td>
<td>Government of the Republic of Slovenia:</td>
</tr>
<tr>
<td>PARTICIPANTS/ IMPLEMENTING AGENCIES</td>
<td>Competent ministries</td>
</tr>
<tr>
<td><strong>MEASURE 2</strong></td>
<td><strong>DESIGN AND IMPLEMENTATION OF METHODOLOGIES RELATED TO THE INTERNATIONALLY COMPARABLE MONITORING OF BUSINESS OPERATIONS AND DEVELOPMENT OF TOURIST ACTIVITIES</strong></td>
</tr>
<tr>
<td>----------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>OBJECTIVE</strong></td>
<td>Ensuring internationally comparable monitoring of business operations and development of tourist activities. Providing bases for making strategic and business decisions.</td>
</tr>
<tr>
<td><strong>CONTENT/PURPOSE</strong></td>
<td>Introduction of international standards for the acquisition and monitoring of tourism-related statistical data. Provision of bases for a more realistic assessment of the importance of tourism for the national economy. Provision of information needed for making strategic and business decisions at any level from the national to the company level.</td>
</tr>
<tr>
<td><strong>ACTIVITIES</strong></td>
<td>Production of annual tourism satellite accounts (TSA). Organisation of training and general publicity about the methodology and usefulness of the TSA. Creation of a methodology for monitoring the implementation of strategic objectives. Yearly monitoring of the implementation of strategic objectives. Informing tourism entities of the results of the yearly monitoring of the implementation of strategic objectives. Introducing the USALI international accounting standard in hotels.</td>
</tr>
<tr>
<td><strong>COMPETENT AUTHORITY</strong></td>
<td>• Ministry of the Economy</td>
</tr>
<tr>
<td><strong>PARTICIPANTS/IMPLEMENTING AGENCIES</strong></td>
<td>• Research institutions in the tourism sector • SORS • Bank of Slovenia • CCI • CCS • STB</td>
</tr>
</tbody>
</table>
### 3.7.2 Investment policy measures

The overall objective: encouraging the investment cycle in the tourism industry.

<table>
<thead>
<tr>
<th>MEASURE 1</th>
<th>REMOVING CRITICAL OBSTACLES TO THE IMPLEMENTATION OF THE PLANNED INVESTMENT CYCLE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OBJECTIVE</strong></td>
<td>Providing bases for successful implementation of the planned investment cycle.</td>
</tr>
<tr>
<td><strong>CONTENT/PURPOSE</strong></td>
<td>Removing the identified critical obstacles in the implementation of the planned investment cycle, in particular inappropriate spatial planning documentation, a lack of adequate and sufficient consulting to tourist operators for the preparation of feasible projects ready for implementation and inappropriate use of the sources deriving from the tourist tax and the concession fee paid for organising games of chance.</td>
</tr>
<tr>
<td><strong>ACTIVITIES</strong></td>
<td>Subsidising the preparation of the spatial planning documentation needed for the development of the tourism industry at municipal and inter-municipal levels. Subsidising the preparation of project documentation, business plans, consulting and in-house training in SMEs in the area of investing and financing. Creating a group of specialist advisors in tourism. Setting up a system of continuous control assuring that funding deriving from the tourist tax and from the concession fee paid for organising games of chance is used appropriately.</td>
</tr>
<tr>
<td><strong>COMPETENT AUTHORITIES</strong></td>
<td>• Ministry of the Environment and Spatial Planning • Ministry of the Economy • Ministry of Finance</td>
</tr>
<tr>
<td><strong>PARTICIPANTS/IMPLEMENTING AGENCIES</strong></td>
<td>• PAEFI • Government office for growth • Government Office of the RS for Local Self-Government and Regional Policy</td>
</tr>
<tr>
<td>MEASURE 2</td>
<td>PROMOTION OF INVESTMENTS IN INFRASTRUCTURE IN A BROADER SENSE</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>OBJECTIVE</strong></td>
<td>Improving the quality of tourism infrastructure, which is an important part of ITPs.</td>
</tr>
<tr>
<td><strong>CONTENT/PURPOSE</strong></td>
<td>Encouraging investments in new and reconstruction of existing tourism infrastructure in a broader sense. Encouraging the investment cycle in the construction of new and reconstruction of existing accommodation capacities and in other tourism projects in the segment of SMEs.</td>
</tr>
<tr>
<td><strong>ACTIVITIES</strong></td>
<td>Co-financing investments in tourism infrastructure in a broader sense in compliance with strategic objectives, whereby high quality is given a particular attention. Co-financing investments in the construction of accommodation capacities and other tourism projects in the segment of SMEs.</td>
</tr>
</tbody>
</table>
| **COMPETENT AUTHORITIES** | • Ministry of the Economy  
• Ministry of Agriculture, Forestry and Food  
• Government Office of the RS for Local Self-Government and Regional Policy |
| **PARTICIPANTS/IMPLEMENTING AGENCIES** | • Government office for growth  
• Slovene Enterprise Fund  
• Ministry of the Environment and Spatial Planning |
<table>
<thead>
<tr>
<th>MEASURE 3</th>
<th>ENCOURAGING INVESTMENTS IN PUBLIC TOURISM, TRANSPORT, SPORT AND YOUTH INFRASTRUCTURE AND OTHER TOURISM-RELATED INFRASTRUCTURE OF IMPORTANCE FOR TOURISM</th>
</tr>
</thead>
<tbody>
<tr>
<td>OBJECTIVE</td>
<td>Improving the quality of public tourism, transport and other infrastructure of significance for tourism in tourist destinations.</td>
</tr>
<tr>
<td>CONTENT/PURPOSE</td>
<td>Encouraging the preparation and implementation of investments in public tourism infrastructure (cycling tracks, cross-country tracks, horse trails, etc.) and other infrastructure of importance for tourism in tourist destinations (traffic infrastructure, parking facilities, etc.) as important elements of the provision of quality of a tourist destination.</td>
</tr>
<tr>
<td>ACTIVITIES</td>
<td>Co-financing investments in public tourism infrastructure. Co-financing investments in public utilities and traffic and other infrastructure of importance for tourism in tourist destinations.</td>
</tr>
</tbody>
</table>
| COMPETENT AUTHORITIES | • Ministry of the Economy  
• Ministry of Education and Sport  
• Ministry of Transport  
• Ministry of the Environment and Spatial Planning  
• Ministry of Agriculture, Forestry and Food  
• Government Office of the RS for Local Self-Government and Regional Policy |
| PARTICIPANTS/IMPLEMENTING AGENCIES | • Government office for growth  
• Municipalities |
<table>
<thead>
<tr>
<th>MEASURE 4</th>
<th>ENCOURAGING DEVELOPMENT OF NEW ITPs</th>
</tr>
</thead>
<tbody>
<tr>
<td>OBJECTIVE</td>
<td>Enhancing the attractiveness of Slovene tourism.</td>
</tr>
<tr>
<td>CONTENT/ PURPOSE</td>
<td>Encouraging tourist service providers to develop new ITPs. Encouraging networking and cooperation of tourist service providers. Increasing the integration of ITPs in tourism distribution channels.</td>
</tr>
<tr>
<td>ACTIVITIES</td>
<td>Co-financing the preparation of projects of new ITPs by private tourism subjects and their RDTB and LTO, with emphasis on the preparation of projects for marketing ITPs and integration of ITPs in tourism distribution channels.</td>
</tr>
<tr>
<td>COMPETENT AUTHORITY</td>
<td>• Ministry of the Economy</td>
</tr>
</tbody>
</table>
| PARTICIPANTS/ IMPLEMENTING AGENCIES | • Ministry of Agriculture, Forestry and Food  
• Government Office of the RS for Local Self-Government and Regional Policy |
| MEASURE 5 | PROMOTION OF DEVELOPMENT OF PUBLIC-PRIVATE PARTNERSHIP AND THE IMPLEMENTATION OF PROJECT-BASED FUNDING OF LARGE INVESTMENTS IN TOURISM AND SPORT INFRASTRUCTURE, AND THE INTEGRATION OF NATURAL ASSETS AND CULTURAL HERITAGE INTO TOURISM. |
| OBJECTIVE | Providing a favourable business environment for investing in large tourism projects at the national level. Providing a better use of natural assets and cultural heritage for tourist purposes. |
| CONTENT/ PURPOSE | Setting up a model of public-private partnership to carry out demanding investments in tourism and sport-related infrastructure, and in the valorisation of natural assets and restoration of cultural heritage assets. Financing strategic tourism projects on a project basis. |
| ACTIVITIES | Preparing a model of financing demanding investment projects through public-private partnerships. Preparing a programme of restoration of cultural heritage assets for tourist purposes for the development period concerned. Preparing a programme of construction of tourism and sport-related infrastructure for the development period concerned. Preparing a programme of integrating natural assets in tourism in compliance with professional standards of management and conservation of natural assets for the development period concerned. Implementation of construction programmes by co-financing from the EU Structural Funds. |
| COMPETENT AUTHORITIES | • Government office for growth • Ministry of the Economy • Ministry of Culture • Ministry of Education and Sport • Ministry of the Environment and Spatial Planning • Ministry of Finance |
| PARTICIPANTS/ IMPLEMENTING AGENCIES | • Government Office of the RS for Local Self-Government and Regional Policy • Ministry of Agriculture, Forestry and Food • Municipalities |
3.8 RESEARCH AND DEVELOPMENT POLICY

Given the inherent characteristics of tourism, respective tourism strategies at the regional, national and international level must be based on as much information as possible. Information is of key importance not only in strategic planning but also in operational functioning.

An analysis of the previous development of research activity for the needs of the tourist economy established that a genuine linkage between companies and research institutions is still lacking. Currently, there are over 30 registered researchers specialized in tourism. We are of the opinion that through the systematisation of research, primarily by defining the types of research required by the tourism economy, and by constantly monitoring key indicators of Slovene tourism (demand and supply) as well as international trends, it is possible to provide a systemic framework for the effective development of Slovene tourism. In order to ensure faster and, above all, more efficient development, the Slovene tourism economy needs a central facility, which will offer the tourism economy the above-mentioned services at a single location.
<table>
<thead>
<tr>
<th>MEASURE 1</th>
<th>ENOURAGING RESEARCH AND DEVELOPMENT IN TOURISM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OBJECTIVE</strong></td>
<td>Setting up a modern R&amp;D system in the context of Slovenian tourism. Enhancing development and transfer of expertise to the tourism industry and other users.</td>
</tr>
<tr>
<td><strong>CONTENT/ PURPOSE</strong></td>
<td>Increasing the role and significance of research in tourism. Enhancing the quality of studies and analyses. Enhancing the transfer of expertise to the tourism industry and other users. Staff education and training for research work.</td>
</tr>
<tr>
<td><strong>ACTIVITIES</strong></td>
<td>Preparing a programme of research themes in the area of tourism. Co-financing basic and applicable research in the area of tourism. Co-funding the establishment of a research centre - a national institute for tourism. Setting-up a register of studies concerning tourism. Setting up a system of information concerning the results of studies conducted. Setting up a national research and advisory council. Co-funding/fellowships for post-graduate and post-doctoral studies and training for research work.</td>
</tr>
<tr>
<td><strong>COMPETENT AUTHORITY</strong></td>
<td>Ministry of Higher Education, Science and Technology</td>
</tr>
</tbody>
</table>
| **PARTICIPANTS/ IMPLEMENTING AGENCIES** | • Slovenian Research Agency  
• Ministry of the Economy  
• Educational institutions in the tourism sector  
• Research institutions in the tourism sector  
• Interest groups |
### Framework timetable for the implementation of measures

<table>
<thead>
<tr>
<th>MEASURE</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 DM:M1</td>
<td>Upgrading the model of organisation of Slovene tourism</td>
<td>X3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 DM:M2</td>
<td>Identification of Slovene tourist destinations</td>
<td>X2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 DM:M3</td>
<td>Interactive networking system and the development of planning, designing and marketing integrated tourism products</td>
<td></td>
<td></td>
<td>X4</td>
<td></td>
</tr>
<tr>
<td>4 DM:M4</td>
<td>Identification of limitations in the development of tourist destination management</td>
<td>X1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 DM:M5</td>
<td>Training in the field of tourist destination management</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>6 HR:M1</td>
<td>System of education, functional education and training</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>7 HR:M2</td>
<td>Upgrading the system of national certificates and vocational qualifications, national vocational and educational standards</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>8 HR:M3</td>
<td>Development of systems of practical education and training</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>9 HR:M4</td>
<td>Encouragement of human resources development and working conditions in enterprises</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>10 HR:M5</td>
<td>Improving the reputation of tourism and its impact on the local environment</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>11 MP: M1</td>
<td>Marketing development plan for Slovene tourism</td>
<td>X1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 MP: M2</td>
<td>Clear definition of the role of the brand of Slovenia as a tourist destination in relation to the trade marks of Slovenia</td>
<td>X2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13 MP: M3</td>
<td>Encouraging networking and marketing concepts intended for main target markets</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>14 MP: M4</td>
<td>Establishment of a CRM system</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>15 MP: M5</td>
<td>Establishing a support system for organizers of various events</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>16 SRD:M1</td>
<td>Development of indicators for sustainable tourism</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>17 SRD:M2</td>
<td>Spatial planning concerning tourism development</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>18 SRD:M3</td>
<td>Creating conditions for the development of tourism in protected areas</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 Q:M1</td>
<td>Destination quality system</td>
<td></td>
<td></td>
<td></td>
<td>X6</td>
</tr>
<tr>
<td>20 Q:M2</td>
<td>National programme for measuring tourist satisfaction</td>
<td>X1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 Q:M3</td>
<td>Standards for key brands</td>
<td></td>
<td></td>
<td></td>
<td>X4</td>
</tr>
<tr>
<td>22 Q:M4</td>
<td>System of classification and specialisation of accommodation facilities</td>
<td></td>
<td></td>
<td></td>
<td>X3</td>
</tr>
<tr>
<td>23 IT:M1</td>
<td>Development of an integrated tourist information system</td>
<td>X1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24 IT:M2</td>
<td>Developing and setting-up the central Slovene e-booking system</td>
<td></td>
<td></td>
<td></td>
<td>X2</td>
</tr>
<tr>
<td>25 IT:M3</td>
<td>Introduction of mobile technologies support for (marketing) Slovene tourism</td>
<td></td>
<td></td>
<td></td>
<td>X3</td>
</tr>
<tr>
<td>26 BE:M1</td>
<td>Amendments to the legislation and implementing regulations that hinder the development of tourism and the implementation of strategic objectives</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>MEASURE</td>
<td>DESCRIPTION</td>
<td>2007</td>
<td>2008</td>
<td>2009</td>
<td>2010</td>
</tr>
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<td>---------</td>
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<tr>
<td>27 BE:M2</td>
<td>Design and implementation of methodologies related to the internationally comparable monitoring of business operations and development of tourist activities</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>28 INV:M1</td>
<td>Removing critical obstacles to the implementation of the planned investment cycle</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>29 INV:M2</td>
<td>Promotion of investments in infrastructure in a broader sense</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>30 INV:M3</td>
<td>Encouraging investments in public tourism, transport and other infrastructure of importance for tourism</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>31 INV:M4</td>
<td>Encouraging development of new ITPs</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>32 INV:M5</td>
<td>Promotion of development of public-private partnership and the implementation of project-based funding of large investments</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>33 RR:M1</td>
<td>Encouraging research and development in tourism</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Legend:

DM:M  Policy of tourist destination development measures
HR:M  Policy of human resource development measures
MP:M  Policy of marketing and promotion measures
SRD:M Policies of sustainable, spatial and regional development measures
Q:M  Policy of quality assurance measures
IT:M  Policy of information technology development measures
BE:M  Policy of business environment and investment development measures
INV:M  Policy of investment encouraging measures
RR:M  Policy of research and development promotion in tourism measures
PHASE IV: DPPST
EVALUATION

The evaluation and control of strategy implementation is a process of monitoring activities and results, and the comparison of actual and desired results. This information helps in planning corrective action and resolving problems.

Even though evaluation and control comprise the last phase of the strategic management process, they are very important, as they allow immediate detection of any divergence from the planned results and, on this basis, timely preparation of corrective action or changes to the strategy.

The introduction of a system for effective evaluation and control of strategy implementation is conditional on:

- the availability and accessibility of the necessary data in a certain time interval, and
- an adequate organisational structure for its implementation.

Neither of the two conditions were met in the strategic period under consideration and, as a result, the monitoring of the implementation of the strategy was ineffective. With the exception of basic statistical data, which allowed monitoring of the quantified objectives, no databases were established that would offer a more detailed picture of the implementation of the strategy. There was no monitoring of the efficiency of the measures implemented with respect to the timetable since the structure for evaluation of the strategy was not set up.

Given the aforementioned weaknesses, and in order to provide for an efficient system of evaluation and control of strategy implementation in the next strategic period, it is necessary:

1. to design a methodology for monitoring the implementation of the DPPST, which will include:
   - a system of indicators for monitoring the implementation of the DPPST,
   - the manner of attaining the objectives,
   - certain standards regarding divergence from set criteria,
   - how corrective action for removing or alleviating this divergence is to be taken,
   - a framework timetable for the measurement of effectiveness in the implementation of the measures concerned and performance in attaining strategic objectives;

2. to establish an adequate organisational structure for carrying out evaluation and control of DPPST implementation, and for proposing corrective measures;

3. to ensure a system of informing all tourism operators regularly of the results of DPPST implementation and the proposed corrective measures by organising annual strategic development conferences.
a. METHODOLOGY:

Indicators foreseen for measuring the performance of DPPST implementation.

Attaining quantified strategic objectives

<table>
<thead>
<tr>
<th>ELEMENT</th>
<th>PLANNED</th>
<th>ATTAINED</th>
<th>DIVERGENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in the number of tourists</td>
<td>6% / year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth in the number of overnight stays</td>
<td>4% / year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth in tourism receipts</td>
<td>8% / year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attaining recognition in target markets</td>
<td>50% in target markets</td>
<td></td>
<td></td>
</tr>
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</table>

Table: Implementation of measures

<table>
<thead>
<tr>
<th>MEASURE</th>
<th>INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>DM:M 1 Upgrading the model of organisation of Slovene tourism</td>
<td>Implementation of the reorganisation of the national tourism organisation in compliance with the upgrading of the model of organisation of Slovene tourism.</td>
</tr>
<tr>
<td></td>
<td>Rationally designed tourist destinations in Slovenia.</td>
</tr>
<tr>
<td></td>
<td>Number of destination or interest networks established (15).</td>
</tr>
<tr>
<td>DM:M 2 Identification of Slovene tourist destinations</td>
<td>Rationally designed tourist destinations in Slovenia (7).</td>
</tr>
<tr>
<td>DM:M 3 Interactive networking system and the development of planning,</td>
<td>Rise in the on-line sales of tourism products.</td>
</tr>
<tr>
<td>designing and marketing integrated tourism products</td>
<td>Rise in the scope of the tourism and the promotion of use of IT for marketing purposes.</td>
</tr>
<tr>
<td></td>
<td>Joining of tourist offers and supporting of marketing of joint brands. Successful operation of integrated business operators.</td>
</tr>
<tr>
<td></td>
<td>Increased tourist demand and revenues.</td>
</tr>
<tr>
<td></td>
<td>Creative and sustainability-oriented culture and atmosphere of tourist destinations.</td>
</tr>
<tr>
<td></td>
<td>Rise in the number of SMEs.</td>
</tr>
<tr>
<td></td>
<td>Number of created RDTB (7).</td>
</tr>
<tr>
<td></td>
<td>Rise in the number of new ITPs.</td>
</tr>
<tr>
<td></td>
<td>Rise in the number of new (sub)destinations.</td>
</tr>
<tr>
<td></td>
<td>Number of supported projects.</td>
</tr>
<tr>
<td></td>
<td>Number of tourist destinations with developed tourist destination management (7).</td>
</tr>
<tr>
<td>destination management</td>
<td>Formulated measures for effective encouragement of the development of tourist destination management.</td>
</tr>
<tr>
<td>MEASURE</td>
<td>INDICATORS</td>
</tr>
<tr>
<td>---------</td>
<td>------------</td>
</tr>
</tbody>
</table>
| **DM:M 5**  
Training in the field of tourist destination management | Existence of teaching materials and studies programmes in the field of tourist destination management.  
Number of participants undergoing training (20/year).  
Existence of a promotion publication for tourist destination management.  
Tourist destination management content included in curricula and study programmes of tourism school at all levels. |
| **HR:M 1**  
System of education, functional education and training | A developed model for systematic assessment and identification of needs for education and work in tourism.  
Annual reports on needs for education and work in tourism organised by tourism job profile.  
The amount of information in the media on education and labour needs in the tourism sector.  
Number of new school and study programmes.  
Rate of improvement of the education structure of people working in the tourism industry.  
A developed system for monitoring and harmonisation of educational needs in the tourism economy with the offer provided by educational institutions.  
Number of education and training programmes for teaching staff (educators) in tourism carried out (at least 5/year).  
Existence of a demand and supply analysis of functional education and training.  
Number of functional education and training programmes prepared (20).  
Number of persons participating in functional education and training programmes (at least 100/year). |
| **HR:M 2**  
Upgrading the system of national certificates and vocational qualifications, national vocational and educational standards | A system for the certification of knowledge obtained from practices in the tourism sector.  
Updated system of national vocational and educational standards and national vocational qualifications.  
Number of available certificates and national vocational qualifications for the tourism sector.  
Correspondence between certificates and national vocational qualifications and the needs of tourism industry and other users of this professional knowledge.  
Number of training programmes conducted for the purpose of obtaining a certificate or national vocational qualification.  
Improved overview of the qualifications of staff in the tourism sector for specific areas of work.  
Creating new vocational opportunities in tourism (at least 3). |
| **HR:M 3**  
Development of systems of practical education and training. | A developed network of school hotels, agencies and restaurant facilities.  
Number of new school hotels, agencies and restaurant facilities (7).  
A concept of mentorship in tourism industry companies.  
Number of qualified educators for carrying out practical training (30).  
Number of qualified mentors in companies (30). |
| **HR:M 4**  
Encouragement of human resources development and working conditions in enterprises | Number of supported training programmes in companies (at least 3 / year).  
Number of supported programmes for introduction of advanced methods for managing intellectual capital in companies (at least 3 / year).  
Number of companies that received an award or a certificate “Investing in People” (at least 1 / year).  
Decrease in illegal employment.  
Staff fluctuation in the tourism industry in comparison with other industries.  
Growth in salaries and wages in the tourism industry in comparison with other industries.  
Perception of tourism as an attractive long-term career opportunity - growth in tourism school enrolment.  
Rate of influx of young persons to the tourism sector. |
| **HR:M 5**  
Improving the reputation of tourism and its impact on the local environment | Number of awareness-raising and tourism entrepreneurial culture enhancement programmes conducted (at least 8 / year).  
Number of kindergartens that carry out special education for tourism programmes - all kindergartens in tourist destinations.  
Number of schools with the optional subject Education for Tourism - all schools in tourist destinations.  
Number of pupils that choose the optional subject Education for Tourism (1/3 of the total number of pupils).  
Existence of a hierarchical system of awards.  
Number of training seminars for kindergarten and school teachers of the optional subject Education for Tourism (at least 2 / year). |
<table>
<thead>
<tr>
<th>MEASURE</th>
<th>INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MP: M 1</strong>&lt;br&gt;Marketing development plan for Slovene tourism</td>
<td>Number and quality of analytical bases for the development plan for marketing. Existence of the marketing development plan.</td>
</tr>
<tr>
<td><strong>MP: M 2</strong>&lt;br&gt;Clear definition of the role of the brand of Slovenia as a tourist destination in relation to the trademarks of Slovenia</td>
<td>Percentage recognition of Slovenia’s tourism brand and its understanding among people working in the tourism industry (100%). Percentage recognition of Slovenia’s tourism brand and its understanding among the general population (at least 50%). Percentage recognition of the agreed symbols among tourists visiting Slovenia for the first time (at least 30%).</td>
</tr>
<tr>
<td><strong>MP: M 3</strong>&lt;br&gt;Encouraging networking and marketing concepts intended for main target markets</td>
<td>Existence of networks and marketing concepts for all major target markets. Existence of partnership cooperation in the context of marketing at the level of destinations or interests. Introduction of annual marketing programmes at the national level according to the bottom-up approach.</td>
</tr>
<tr>
<td><strong>MP: M 4</strong>&lt;br&gt;Establishment of a CRM system</td>
<td>Number of CRM systems established. Number of presentation and education events (at least 5 / year). Number of database entries. Tourism operators qualified for work in a CRM system.</td>
</tr>
<tr>
<td><strong>MP: M 5</strong>&lt;br&gt;Establishing a support system for organisers of various events</td>
<td>Existence of a system, including rules and conditions under which support is granted to organisers of events. Percentage recognition of offers among potential organisers (90%). Number of tourists that come to Slovenia on the basis of such events.</td>
</tr>
<tr>
<td><strong>SRD:M 1</strong>&lt;br&gt;Development of indicators for sustainable tourism</td>
<td>Existence of an adjusted system of indicators for all tourist destinations. Existence of monitoring in all tourist destinations.</td>
</tr>
<tr>
<td><strong>SRD:M 2</strong>&lt;br&gt;Spatial planning concerning tourism development</td>
<td>Number of supported projects (10). Existence of manuals.</td>
</tr>
<tr>
<td><strong>SRD:M 3</strong>&lt;br&gt;Creating conditions for the development of tourism in protected areas</td>
<td>Existence of standards, criteria and conditions for the development of tourism in all protected areas. Existence of zoning of protected areas. Number of supported projects. Number of organised guided events.</td>
</tr>
<tr>
<td><strong>Q:M 1</strong>&lt;br&gt;Destination quality system</td>
<td>Implemented programme of measurement of satisfaction of guests. Implemented programme of designing a specification of services. Implemented programme of quality management. Implemented programme of designing a specification of processes in a destination. Implemented programme of stakeholders management. Implemented programme of measurement of quality control effectiveness. Implemented implementation programme. Implemented environmental programmes.</td>
</tr>
<tr>
<td><strong>Q:M 2</strong>&lt;br&gt;National programme for measuring tourist satisfaction</td>
<td>Existence of: a system of audits including indicators and analyses of tourist demand; a single questionnaire for measuring satisfaction of interested/target groups in tourism; analyses of tourist demand and satisfaction of guests; guidelines for use of respective quality programmes.</td>
</tr>
<tr>
<td><strong>Q:M 3</strong>&lt;br&gt;Standards for key brands</td>
<td>Existence of minimum standards for provision of services.</td>
</tr>
<tr>
<td>MEASURE</td>
<td>INDICATORS</td>
</tr>
<tr>
<td>---------</td>
<td>------------</td>
</tr>
</tbody>
</table>
| **Q:M 4**<br>System of classification and specialisation of accommodation facilities | Existence of a European-comparable classification system.  
Clear systems of technical standards regarding accommodation quality and of quality/price relation.  
Market information on the specialisation of an accommodation facility concerned.  
Register of business operators providing accommodation.  
Improvement of quality of accommodation services.  
Manuals, CD-ROMs, on-line applications for classification and specialisation system.  
Seminars regarding the issue of the classification system (at least 3 / year).  
Qualified evaluators for classification (30). |
| **IT:M 1**<br>Development of an integrated tourist information system | Growth in the number of users.  
Share of participation of tourist services providers (95%). |
| **IT:M 2**<br>Developing and setting up the central Slovene e-booking system | Growth in the number of users.  
Share of participation of tourist services providers (95%). |
| **IT:M 3**<br>Introduction of mobile technologies support for (marketing) Slovene tourism | Growth in the number of users.  
Number of operators offering this service. |
| **BE:M 1**<br>Amendments to the legislation and implementing regulations that hinder the development of tourism and the implementation of strategic objectives | Number of adopted pieces of legislation and implementing regulations in which tourism-related interests are mainstreamed. |
| **BE:M 2**<br>Design and implementation of methodologies related to the internationally comparable monitoring of business operations and development of tourist activities | Existence of annual TSA from 2000 onwards.  
Existence of a methodology for monitoring implementation of strategic objectives.  
Existence of a yearly analysis of strategic objectives implementation.  
Introduction of the USALI international accounting standard in hotels.  
Training of tourism operators on TSA (at least 1 / year).  
Existence of a system of information for tourism operators on TSA results and implementation of strategic objectives.  
Existence of a register of business entities and tourist offers. |
| **INV:M 1**<br>Removing critical obstacles to the implementation of the planned investment cycle | Number of spatial planning implementation acts for the needs of tourism.  
Rate of coverage of planned investments with appropriate spatial planning documents.  
Number of qualified specialised advisors for tourism (30).  
Number of subsidised advising to SMEs (at least 100 / year). |
| **INV:M 2**<br>Promotion of investments in infrastructure in a broader sense | Number of supported projects (at least 20 / year).  
Number of supported projects for SMEs (at least 30 / year). |
| **INV:M 3**<br>Encouraging investments in public tourism, transport and other infrastructure of importance for | Number of supported projects (20 projects / year). |
| **INV:M 4**<br>Encouraging development of new ITPs | Number of new ITPs (5 / year). |
Responsibility: Respective competent authorities are responsible for the realisation of objectives.

Measurements: An analysis of situation and quantitative evaluation of indicators are needed. Furthermore, a benchmark must be set as well as a yearly growth rate against which realisation is measured on a yearly basis.

Divergences: Normal divergences amount to up to 10%.

Corrective actions: During each evaluation, quantitative criteria are justified (positive or negative divergences) in accordance with the sliding planning principle. The divergences concerned are discussed at a development conference held within each year’s Slovenian Tourism Forum.

Framework timetable of the measurement of effectiveness: Every year within the strategic period (in April), an analysis of the actualisation of DPPST is produced for the previous year.

b. ORGANISATIONAL STRUCTURE:

Evaluations are carried out by a group of independent external experts or by an independent institution.

c. SYSTEM FOR THE PROVISION OF INFORMATION:

Given the difficulties connected with inappropriate collecting of data on tourism, a central system must be provided for collecting and analysing data for the needs of strategic decision-making in the context of tourism. An additional task of such a centre would be proving information on the results of the implementation of DPPST to all publics.
REFERENCES
SOURCES:
5. Decree on special protection areas (Natura 2000 areas). Uradni list RS 49-2277/04.
7. Urban Planning and Other Forms of Land Use Act. Uradni list RS 26/90, 18/93, 47/93, 71/93 and 44/97.
8. Spatial Planning Act. Uradni list SRS 18/84 and 15/89.

Data for financial analysis were obtained through personal contacts at the:
- Ministry of the Economy
- Ministry of Finance
- Ministry of Agriculture, Forestry and Food
- Public Agency for Regional Development
- Public Trust Fund for the Promotion of Coherent Regional Development.

WEB SOURCES:
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22. Slovenian Tourist Board . (2006). Cultural and historical heritage (2006). Website access on 18.03.2006: http://www.slovenia-tourism.si/?kul_zgod_znamenitosti=0&srch=t&srchtype=spc&wp_id=_wp_137_0_56_1_0_14&searchKrajName_wp_137_0_56_1_0_14=&searchStr_wp_137_0_56_1_0_14=&searchCategoryId_wp_137_0_56_1_0_14=613
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28. Slovenian Tourist Board. (2006). The most relevant receptive tour operators. Website access on 18.03.06: http://www.slovenia-tourism.si/?major_incoming_tourist_agencies=0
29. Slovenian Tourist Board. (2006). Golf. Website access on 18.03.06: http://www.slovenia-tourism.si/?golf=0
LIST OF ABBREVIATIONS AND DEFINITION OF TERMS

Destination | A logically delineated geographical unit, where tourism is unified under a single trademark for marketing in domestic and foreign markets.

Destination Management | The organisation and management of the processes of the internal and external environment of an individual destination. An essential role of destination management is to ensure care of natural and social environments, alongside sensible investments into the infrastructure and marketing of the destination trademark.

TTP - Thematic Tourism product | A tourist offer intended specially for the provision of specific tourist services (wellness, gambling, congress tourism, etc.)

ITP - Integrated Tourism product | A horizontally linked set of tourist services representing a comprehensive tourist offer of one or more destinations integrated vertically on local, destination, national and international levels, and marketed in the national and international environment.

Cluster | A new networking model that we knew about in the past, featuring interest-based horizontal linking of tourist service providers.

NTDB - National Tourism Development Board | A business system at the national level based on public-private partnership, whose function is mainly oriented to promotion, development and distribution. According to the concept of destination management, it is an up-to-date tourism organisation, developing and promoting the progress of receptive tourism at the national level.

RDTB - Regional Destination Tourism Board | A business system at the destination level based on public-private partnership, whose function is oriented to promotion, development and distribution, and whose role is primarily in implementation / operation. According to the concept of destination management, it is an up-to-date tourism organisation, developing and promoting the progress of receptive tourism and ensuring quality provision of tourist services at the destination level.

LTO - Local Tourist Organisation | A business system at the local or inter-local level based on public-private partnership, whose function is oriented to promotion, development and distribution. According to the concept of destination management, it is an up-to-date tourism organisation, developing and promoting the progress of receptive tourism and ensuring quality provision of tourist services at the local or inter-local level.
| **CRS – Central Reservation Systems** | Reservation systems serving the operating needs of all three receptive organizations (LTO, RDTB, NTDB), CRSs should be compatible with each other to ensure that processes can run vertically. They should also be compatible with GDSs in order to enable smooth running of the distribution process at the global level. |
| **DC – Distribution Channels** | Channels whereby an integrated or individual tourist offer of a single or multiple destinations is placed into global currents. There are direct and indirect DCs. Direct DCs are focused directly on the buyer/consumer, thus operating at the B2C level. The indirect DCs operate at the B2B level, i.e. in cases when an integrated or individual tourist offer of a single or multiple destination is marketed through intermediaries (national, international or global). Recently, channels that appear in the form of electronic media have been very popular and useful in practice, particularly Internet channels. |
| **GDP** | Gross Domestic Product. |
| **B2B – Business to Business** | A distribution channel at the level of business systems: business system. |
| **B2C – Business to Customer** | A distribution channel at the level of business systems: buyer/consumer. |
| **CRM – Customer Relationship Management** | Servicing and treatment of buyers/customers after tourist service or ITP purchase. |
| **CCI** | Chamber of Commerce and Industry of Slovenia. |
| **IT** | Information technology. |
| **PAEFI** | Public Agency for Entrepreneurship and Foreign Investments. |
| **MAB** | Man And Biosphere. |
| **MICE** | Meetings Incentives Conventions Exhibitions |
| **CCS** | Chamber of Craft of Slovenia. |
| **PR** | Public Relations |
| **DPPST** | Slovene Tourism Strategy |
STB  Slovenian Tourist Board.

SWOT  Strength Weakness Opportunity Threats.

TA  Tourist Association.

TAS  Tourist Association of Slovenia.

UNESCO  United Nations Educational, Scientific and Cultural Organisation

UNWTO  United Nations World Tourism Organisation

WTTC  World Tourism and Travel Council

ATDS  Association of Tourist Destinations of Slovenia.
APPENDIX 1: Environment Analysis

1 ENVIRONMENT ANALYSIS

1.1 ANALYSIS OF THE INTERNAL ENVIRONMENT

At this stage, we carried out analysis of individual elements of Slovene tourism, which provides the basis for setting further goals, strategies and DPPST policies 2007-2011. The analysis was divided into quantitative and qualitative parts. An overview of two indicators of tourism scope was prepared within the framework of the quantitative analysis:

- the number of guests and overnight stays in the years 1970-2015; and

1.1.1 Quantitative analysis

Included are data on overnight stays and the number of tourists for the years 1970-2005, along with a forecast for the period 2006-2015, with respect to trends in the 90s. The year 1985 is taken as a base year, and indices are calculated in order to determine the dynamics of these categories in the given period. Data on the number of tourists and overnight stays in Slovenia during the period 1970-2005 are presented in Table 4.

Tourist traffic by tourist arrivals and (realised) overnight stays, 1970-2015

Tabela 4:

<table>
<thead>
<tr>
<th>YEAR (T)</th>
<th>TOURIDPPST (in 000)</th>
<th>OVERNIGHT STAYS (in 000)</th>
<th>INX (T)</th>
<th>IN -</th>
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</table>
Tourist traffic by tourist arrivals and realised overnight stays, 1970-2015

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TOURIDPST (in 000)</th>
<th>OVERNIGHT STAYS (in 000)</th>
<th>INX (T)</th>
<th>IN -X (N)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>2246</td>
<td>7503</td>
<td>82</td>
<td>85</td>
</tr>
<tr>
<td>2004</td>
<td>2341</td>
<td>7589</td>
<td>85</td>
<td>86</td>
</tr>
<tr>
<td>2005</td>
<td>2389</td>
<td>7560</td>
<td>87</td>
<td>86</td>
</tr>
<tr>
<td>2006</td>
<td>2478</td>
<td>7960</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>2007</td>
<td>2563</td>
<td>8192</td>
<td>93</td>
<td>93</td>
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<tr>
<td>2008</td>
<td>2650</td>
<td>8388</td>
<td>96</td>
<td>95</td>
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<tr>
<td>2009</td>
<td>2757</td>
<td>8654</td>
<td>100</td>
<td>98</td>
</tr>
<tr>
<td>2010</td>
<td>2853</td>
<td>8888</td>
<td>104</td>
<td>101</td>
</tr>
<tr>
<td>2011</td>
<td>2920</td>
<td>9009</td>
<td>106</td>
<td>102</td>
</tr>
<tr>
<td>2012</td>
<td>3001</td>
<td>9188</td>
<td>109</td>
<td>104</td>
</tr>
<tr>
<td>2013</td>
<td>3088</td>
<td>9404</td>
<td>112</td>
<td>107</td>
</tr>
<tr>
<td>2014</td>
<td>3174</td>
<td>9627</td>
<td>115</td>
<td>109</td>
</tr>
</tbody>
</table>

Source: Statistical Office of the Republic of Slovenia

Since 1970, the number of tourists and overnight stays has been increasing, as shown by the growth rates (Table 4). The peak was reached in the second half of the '80s. After 1990, the number of tourists started to decrease rapidly, until reaching its lowest values in 1991 (for overnight stays) and in 1992 (for number of tourists). In recent years we have been observing slow growth in the number of tourists and overnight stays. In 2005, we had 2.389 million tourists, who generated 7.560 million overnight stays, which means that by these criteria, i.e. the number of guests and the number of overnight stays, the level of tourism has returned to that of 1980 and is approaching the figures seen in 1990.

Source: Statistical Office of the Republic of Slovenia

Considering the growth trends (1995 - 2005), tourist traffic will achieve the same scope as in 1985 only in 2009. By the end of the strategic period, the tourist traffic will be the same as in the most successful years (1986 - 1987).
To obtain a more realistic picture of the growth trend of Slovene tourism, the growth in tourist numbers achieved in Slovenia in the period between 1970 and 2000 was compared with the growth achieved in Europe and the world (Table 5).

### Comparison of tourist number growth in the world, in Europe and in Slovenia in the period 1970-2000

<table>
<thead>
<tr>
<th></th>
<th>World (in 000)</th>
<th>Europe (in 000)</th>
<th>Slovenia (in 000)</th>
<th>base index world</th>
<th>base index Europe</th>
<th>base index Slovenia (base 1970)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>165,8</td>
<td>117,3</td>
<td>1,780</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>1980</td>
<td>286,0</td>
<td>188,3</td>
<td>2,378</td>
<td>172,50</td>
<td>160,53</td>
<td>133,60</td>
</tr>
<tr>
<td>1990</td>
<td>457,2</td>
<td>282,7</td>
<td>2,537</td>
<td>275,75</td>
<td>241,01</td>
<td>142,53</td>
</tr>
<tr>
<td>2000</td>
<td>698,8</td>
<td>403,3</td>
<td>1,957</td>
<td>421,47</td>
<td>343,82</td>
<td>109,94</td>
</tr>
</tbody>
</table>

Source: UNWTO and Statistical Office of the Republic of Slovenia

Table 5 and Figure 5 show that:
- in the given period, the volume of tourism in the world and in Europe has been steeply increasing;
- the volume increase in the world is faster than in Europe;
- in the ’70s, the average annual growth rate in the world totalled slightly over 7%, in the ’80s 10% and in the ’90s nearly 15%;
- in the ’70s, the average annual growth rate in Europe was 6%, in the ’80s 8% and in the ’90s 10%; and
- despite the steady growth with respect to the number of tourists in the ’90s (Table 4), the fact that Slovenia has failed to stay abreast of the growth trends by decades in the world and in Europe raises concern, with the average annual growth rate in Slovenia totalling slightly over 3% in the ’70s, 0.8% in the ’80s and -3% in the ’90s.
Irrespective of the poor results of the volume increase in tourist turnover in the past decades, Slovenia should follow European trends in the future, and initially set quantitative goals (consistent with the concept of sustainable development) in the growth of receipts from tourism. Further analysis will present the dynamics of foreign currency inflows, outflows and the balance for the period 1990-1999 in USD, and then separately for the last decade in EUR, to quantify the importance and volume of Slovene tourism. Dynamics in these categories will be compared with dynamics in the number of tourists and overnight stays. In order to calculate the base indices showing the dynamics of individual categories, 1990 in the first table and 1994 in the second table were taken as base years.

Foreign currency inflows, outflows and balance in USD from tourism in Slovenia in 1990-1999

Table 6:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TOURISTS</th>
<th>OVERNIGHT STAYS</th>
<th>INX (T)</th>
<th>INX (N)</th>
<th>INFLOWS</th>
<th>OUTFLOWS</th>
<th>BALANCE</th>
<th>INX (F)</th>
<th>INX (O)</th>
<th>INX (S)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>1669</td>
<td>7956</td>
<td>100</td>
<td>100</td>
<td>858333</td>
<td>78853</td>
<td>739484</td>
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<td>100</td>
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<tr>
<td>1991</td>
<td>1425</td>
<td>4696</td>
<td>56</td>
<td>61</td>
<td>238045</td>
<td>78796</td>
<td>258669</td>
<td>39</td>
<td>100</td>
<td>33</td>
</tr>
<tr>
<td>1992</td>
<td>1367</td>
<td>5098</td>
<td>54</td>
<td>64</td>
<td>260762</td>
<td>231922</td>
<td>389750</td>
<td>78</td>
<td>358</td>
<td>50</td>
</tr>
<tr>
<td>1993</td>
<td>1440</td>
<td>5386</td>
<td>57</td>
<td>68</td>
<td>243939</td>
<td>305393</td>
<td>428702</td>
<td>86</td>
<td>387</td>
<td>55</td>
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<tr>
<td>1994</td>
<td>1579</td>
<td>5868</td>
<td>62</td>
<td>74</td>
<td>301934</td>
<td>315756</td>
<td>616178</td>
<td>109</td>
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<tr>
<td>1995</td>
<td>1577</td>
<td>5883</td>
<td>62</td>
<td>74</td>
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<td>240000</td>
<td>358000</td>
<td>126</td>
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<tr>
<td>1996</td>
<td>1658</td>
<td>5832</td>
<td>65</td>
<td>73</td>
<td>1229505</td>
<td>542488</td>
<td>687465</td>
<td>143</td>
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<tr>
<td>1997</td>
<td>1823</td>
<td>6384</td>
<td>72</td>
<td>80</td>
<td>1182797</td>
<td>544150</td>
<td>638647</td>
<td>138</td>
<td>690</td>
<td>82</td>
</tr>
<tr>
<td>1998</td>
<td>1795</td>
<td>6295</td>
<td>71</td>
<td>79</td>
<td>1116000</td>
<td>524000</td>
<td>542000</td>
<td>130</td>
<td>728</td>
<td>70</td>
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<td>1005000</td>
<td>593000</td>
<td>412000</td>
<td>117</td>
<td>752</td>
<td>53</td>
</tr>
</tbody>
</table>

Source: SORS and Bank of Slovenia

Legend:
INX (T)... base index for number of tourists
INX (N)... base index for number of overnight stays
INX (P)... base index for foreign exchange inflows
INX (O)... base index for foreign exchange outflows
INX (S)... base index for balance

Conclusions of the analysis were as follows (Table 6):

- a large decrease occurred in 1991 (by 61 index points), but nevertheless, in the following three years inflows grew faster than the number of tourists and overnight stays;
- in 1994 the foreign currency inflow already exceeded that from 1990 by 9 index points in the following two years it grew to 43 index points, thus for the first time exceeding a limit of 1 billion USD;
- a fall after 1996, with foreign currency inflow constantly decreasing, raises concern;
- the situation with foreign currency outflow is different: with the exception of 1991, outflow increased enormously; by 300 index points up to 1994, and by 652 index points until 1999;
- thus outflows in 1999 represented as much as 59% of all foreign currency inflows, a marked difference from 1990 when the share was only 9%, and from 1991 when it was 23%;
- although the balance has been positive throughout the appointed years, it underwent a decrease, by 1999 being only 53% of the balance from 1990;
- a comparison of foreign currency inflows and number of tourists reveals completely different trends in the dynamics of growth. It shows that the dynamics of foreign currency inflow are rather independent of the number of overnight stays. The reasons for a decrease in foreign currency inflow may include reduced foreign currency revenues of touristic companies resulting from non-tourist exports, lower consumption by foreign tourists after 1991, an inadequate methodology in the Central Bank of Slovenia for registering the foreign currency inflow from tourism, or the non-observed economy.
Table 7: Foreign exchange inflows, outflows and balance in EUR from tourism in Slovenia in 1994-2005

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TOURISTS</th>
<th>OVERNIGHT STAYS</th>
<th>INFLOWS</th>
<th>OUTFLOWS</th>
<th>SALDO</th>
<th>INX (T)</th>
<th>INX(N)</th>
<th>INX(P)</th>
<th>INX(O)</th>
<th>INX(S)</th>
</tr>
</thead>
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<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
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<tr>
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<td>100</td>
<td>100</td>
<td>109</td>
<td>136</td>
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<tr>
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<td>989142</td>
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<td>507658</td>
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<td>99</td>
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<td>109</td>
<td>137</td>
<td>142</td>
<td>133</td>
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<tr>
<td>1998</td>
<td>1799</td>
<td>6295</td>
<td>970770</td>
<td>501111</td>
<td>469659</td>
<td>114</td>
<td>107</td>
<td>127</td>
<td>154</td>
<td>107</td>
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<td>1750</td>
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<td>117</td>
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<td>556547</td>
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<td>171</td>
<td>111</td>
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<tr>
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<tr>
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<td>755690</td>
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<td>151</td>
<td>129</td>
<td>188</td>
<td>229</td>
<td>158</td>
</tr>
</tbody>
</table>

Source: Bank of Slovenia

Legend:
INX (T)... base index for number of tourists
INX (N)... base index for number of overnight stays
INX (P)... base index for foreign exchange inflows
INX (O)... base index for foreign exchange outflows
INX (S)... base index for balance

* Provisional data from the Statistical Office of the Republic of Slovenia
Conclusions of the analysis (Table 7 and Figure 6) of this period were as follows:

- foreign currency inflows and outflows are increasing more rapidly than the number of overnight stays and the number of tourists;
- since 1994, foreign currency inflows have been steadily increasing, with the exception of years 1998 and 1999 when decreases of 10 index points and 20 index points respectively occurred relative to the base year;
- in 2000, foreign currency inflow reached the 1997 level again, and grew by 5 to 8 index points in the following years;
- the greatest increase in inflows was registered in 2005, when foreign currency inflow grew by 17 index points;
- balance has been increasing.
The structure of foreign currency inflow in 2005

Table 8:

<table>
<thead>
<tr>
<th>Year</th>
<th>Treatment (payment receipts in foreign currency)</th>
<th>Education (payment receipts in foreign currency)</th>
<th>Other (payment receipts in foreign currency)</th>
<th>Casinos (payment receipts in foreign currency)</th>
<th>Other (payment receipts in foreign currency)</th>
<th>Estimate of cash payments in SIT</th>
<th>Total Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>8975</td>
<td>8760</td>
<td>214041</td>
<td>52966</td>
<td>224781</td>
<td>266490</td>
<td>135834</td>
</tr>
<tr>
<td></td>
<td>(v %)</td>
<td>(v %)</td>
<td>(v %)</td>
<td>(v %)</td>
<td>(v %)</td>
<td>(v %)</td>
<td>(v %)</td>
</tr>
</tbody>
</table>

Source: Bank of Slovenia, 2005

Table 8 shows the structure of foreign currency inflows by type. Proportion/percentage from:

- treatment (health care services for tourists, spas, costs of medical care) - 1%.
- education (education costs, including scholarships and school-fees, costs of specialisation) - 1%.
- other: division into relevant components, with respect to the data available:
  - tourist companies (services of tourist agencies, hotels and other accommodation facilities - payment receipts in foreign currency) - 15%.
  - goods sold in duty-free shops (sales value of goods sold to non-residents for foreign currency) - 4%.
  - casinos (net purchase of foreign currency in cash and cheques from games of chance) - 15%.
  - other (sales of other goods and other services to tourists in foreign currency) - 18%.
  - other credit card payments (credit card payments other than those for treatment, education, tourist company services, purchases in duty-free shops and casinos) - 9%.
  - estimate of cash payments in SIT: sales of tolars to non-residents (estimate based on the number of road border crossings of foreign travellers and the number of overnight stays of foreign tourists); net payments in SIT from foreign currency accounts of non-residents and net purchases of national currency abroad amount to 37%.

Unfortunately, the data from Table 8 do not provide a solid basis for strategic and operative decision-making in tourism. Therefore, a continued (annual) follow-up using the Tourism Satellite Account methodology would seem more rational.
1.1.2 Qualitative analysis

Within the framework of qualitative analysis, we analysed the characteristics of the tourism situation and tourism development achieved so far in Slovenia. A schematic presentation of individual sectors of tourist offer was prepared for the needs of this analysis (Figure 7).

Our overview focused on the analysis of the situation and key characteristics as well as on the main drawbacks of current development with suggestions for their improvement also given. Besides the research of secondary resources (SORS, APLRS, STB, GVIN, different ministries, municipalities, NTA, etc.), the methodology used was limited to different qualitative methods of investigation to obtain opinion from the most relevant tourist experts.
A) ACCOMMODATION SECTOR:

A more detailed distribution is given in Annex 4. Slovenia has in total 867 facilities with 78,654 beds. Among one- or more-star hotels, most beds are situated in three-star hotels. Within this capacity, in terms of accommodation quality, there are still a number of facilities of a trade unionist or social character, which are, as a rule, of lower quality. An increasing proportion of accommodation is intended for secondary school or university students, and thus not fully commercial. The nearly 10% of beds that represent auxiliary accommodation indicate the rigidity of accommodation capacities with relatively poor adaptability to seasonal variations. In 2004, the average occupancy of accommodation capacities was 33%. The highest occupancy rates were achieved by health resorts (48%) and the lowest by accommodation capacities in other places (14%). Average occupancy by type of accommodation shows that the highest occupancy rates are usually registered by hotels (47%) and the lowest by tourist farms (10%). A more appropriate methodology is, however, required for calculating average annual occupancy rates.

The past strategic period was characterised by an intensive cycle of investment in building new accommodation, primarily hotel facilities. Thus, the accommodation capacity in 4- and 5-star hotels has increased; by the end of 2006, there will be 2000 new beds (out of 2500 foreseen in the strategic plan) built solely under projects supported by direct development incentives of the State and the European Regional Development Fund. The investment cycle regarding accommodation capacities in the sector of small and medium-sized enterprises was significantly worse. Among the main reasons are the following:

- a generally unfavourable financial environment in Slovenia, with the lack of stimulating long-term bank credits;
- lack of favourable state development incentives for this sector;
- a generally unfavourable business environment with a considerable administrative burden;
- inadequate and insufficient provision of quality corporate counselling, this being the key factor for achieving suitable quality levels, particularly for small and medium-sized enterprises; and
- readiness of projects for implementation.

Relatively poor exploitation of the development incentives available through the Small Business Development Fund can be attributed to the ignorance of tourist operators about these possibilities, as well as to conditions, which are obviously still not favourable enough to ensure the economic viability of the planned projects. Despite the relatively unfavourable situation in this field, in the last year a positive change has been noted in the banking sector, where banks have started to prepare and offer special credit terms for the tourism sector. In the next strategic period it will be necessary to ensure more favourable development incentives along with a suitable counselling service for project preparation, particularly for small and medium-sized enterprises to provide accommodation in smaller family hotels, apartments and boarding houses in areas with an apparent shortage of such accommodation. It would further seem appropriate that the building of accommodation facilities within the framework of tourist farms should be continued and that the state development incentives intended for this purpose ensured. Considering the attractiveness of youth tourism, it would seem appropriate to intensify endeavours for exploitation of the existing accommodation capacity in youth hostels, and to ensure all assistance needed for expanding the youth hostel network and for marketing these facilities by promoting youth tourism in the country and Slovenia as a tourist destination. Taking into account the relatively low occupancy of the existing accommodation capacity (with the exception of health resorts), the activities of state and business entities should be directed into increasing occupancy of existing accommodation.


The whole catering industry (accommodation & food) comprises 4,208 facilities (details in Annex 4). A total of 29,019 people are employed in the catering sector, of these 79% are females. According to CCI, there were 38,500 employed in that sector. Of these 81% work in catering, 5.6% in casinos and 5.2% in other sports activities. In the last year, the employment growth rate was 9%. In June, the average salary amounted to SIT 144,097 (601,31 EUR) in the pub & bar sector, and up to SIT 485,565 (2026,22 EUR) in casinos. The average gross salary in the hotel industry amounted to SIT 222,397 (928,05 EUR), some way ahead of salaries in camps and canteens. In the period 2004/05, the revenue index from food preparation and serving was 108.1, and from drinks serving 98.6. This classifies work in the sector among the lower paid activities in the country (the highest being financial intermediation with average salaries close to SIT 400,000 (1669,17 EUR) and the lowest being the textile industry with average salaries slightly above SIT 160,000 (667,69 EUR)).

Two basic problems encountered are categorisation and registration, since catering establishments are classified into six basic types by their function and activity. Of these, only the inn and the restaurant are relevant in terms of tourism. Although the boarding house also belongs among the catering establishments, it can be either a restaurant or an inn with accommodation facilities, thus being compatible with both accommodation and catering establishments. Such categorisation renders preparation of an accurate database on this sector impossible while also complicating research in this field. One of the main problems in registering and categorising catering facilities is a high level of business sensitivity in this sector (variation in visits, competition, poor purchasing power, etc.). Therefore the number of facilities undergoes changes on a daily basis. The industry is also faced with considerable personnel problems, which are expected to worsen considering the situation in vocational and technical catering schools. Therefore, it will be necessary to ensure greater promotion of catering services, particularly among younger people.

In the past period, an important achievement was the introduction of Tourism as an optional subject in primary schools, and the campaign “Own Know-How for Tourism Support” by the Tourist Association of Slovenia. In the next phase, it will be necessary to provide adequate training to the teachers of the optional subject, and further promote and upgrade relevant activities in civil society. In order to achieve better results in this area, it will be necessary to carry out coordinated action amongst all social partners, including active promotion of catering as a vocation with examples of good practice, alongside measures to combat illegal work, the latter being particularly common in this sector. Furthermore, it will be necessary to ensure better working conditions for employees in this sector, as regards their payment and performance-related remuneration.

Although less exposed, the existence of the Slovenian inn in a broader geographical area is nevertheless endangered, since by approaching global trends the catering industry is neglecting Slovenian culinary and gastronomic authenticity. In order to preserve the authenticity of Slovenian inns, in the first phase it would be appropriate to assess the present situation, establish development problems and opportunities, and based on this assessment, prepare adequate measures to ensure further development and its authenticity.

It is significant that, for quite some time, the catering sector has not received special state development incentives. In the 1998 Promotion of Tourism Act this sector was completely excluded as an eligible recipient of state development incentives. The 2004 Promotion of Tourism Act formally overcame this obstacle. However, the Government

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has not developed special incentive measures for this sector since the Act’s entry into force. In this strategic period it would be appropriate to intensify endeavours for promoting the catering sector in terms of quality assurance of its services, ensuring conditions for knowledge transfer and the introduction of new developments in the field of cuisine among catering operators, and alongside the conditions for their continuous training.

Presently, the catering sector is restricted by a number of sector-specific laws and regulations governing the areas of health, hygiene etc., which often represent unnecessary administrative obstacles and entail unnecessary costs for businesses. To improve the situation, apart from eliminating the administrative obstacles that burden the whole corporate sector, it would be necessary to develop and implement a preliminary evaluation of the impacts of proposed laws and of regulations on catering operations and tourism in general. In the case that negative impacts limiting activities or causing additional costs (related to either operations or investments) are established, appropriate regulatory measures should be imposed to reduce negative effects.

In comparison with other catering facilities, catering services on tourist farms that do not offer overnight stay facilities are much more authentic; however, they are faced with the problem of preserving their authenticity as well as business survival. There is a need that basic and supplementary activities be coordinated in accordance with tradition and authenticity (rural culture, wooden spoon, clay pottery, the “black kitchen”, vine jar, majolica, typical farmhouse rooms, etc.), which would ensure functional compatibility of their basic and supplementary activities.

In 2003, the costs of education in catering amounted to SIT 1,243 (5,19 EUR) per person (the highest costs within the economy being in E sector – electric energy, gas and water supply – at SIT 6,667 (27,82 EUR) per person, and the lowest in civil engineering at SIT 1,128 (4,71 EUR) per person)\(^4\).

C) THE TRANSPORT SECTOR

| C1) AIR TRANSPORT AND AIRPORTS | Slovenia has 14 airports and 15 aerodromes, including 3 international airports (Ljubljana, Maribor, Portorož) maintaining connections with 22 destinations. There are 12 companies holding Slovenian operating licence. The major Slovenian air carrier is Adria Airways, which owns 10 aircraft with 836 seats (3 with 162 seats and 7 with approximately 50) undertaking 140 scheduled flights weekly. |

Adria Airways has one of the most up-to-date fleets in Europe and has been an associate member of Star Alliance since 2004. Eleven foreign air carriers offer flights to Slovenia (Malev, EasyJet, JAT Airways, DSA Czech Airlines, Austrian Airlines, Aeroflot, Air France, British Airways, Lufthansa, Swiss, Turkish Airways). The central airport is Aerodrom Ljubljana. In Slovenia, there are 12 recreational airports and 41 aerodromes (Ministry of Transport and Communications, 2006). In 2004, 19,730 aircraft landed at public airports, an increase of 7% on 2003. National air carriers landed over 15,000 times, which represents 76% of all aircraft landings, 58% of these within scheduled air services. Airports play an important role in the accessibility of Slovenia, particularly to more distant countries.

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Therefore their modernisation should be continued in this strategic period. Sports airports play an important role as well, since they can contribute significantly to the attractiveness of tourist destinations and represent an important service in forming attractive integrated tourism products. Generally, these also require modernisation and adaptation to the needs of tourism industry.

**C2) MARITIME PASSENGER TRANSPORT**

Koper, Piran and Izola are three border crossing points for international maritime traffic.

Maritime passenger transport in the country is underdeveloped. Maritime transport as a whole is subject to statistical monitoring, and this is recorded together with maritime passenger transport. Slovenia has no larger passenger ship-landing terminals available. The construction of a passenger terminal would open new possibilities for the development of integrated tourism products in the Slovenian tourism.

**C3 MARINAS AND PORTS**

Slovenia has three marinas (Izola, Portorož, Koper) and one port (Koper). Marinas offer 1,340 sea mooring sites and 480 land-based mooring sites. The infrastructure provides high-quality service to tourists visiting Slovenia with yachts and other vessels.

Nautical tourism is the most rapidly growing and profitable branch of maritime tourism. Well-equipped marinas are true tourist centres comprising all elements of tourism (hotel, catering, shopping, excursion, stationary tourism). The Slovenian marinas are well equipped, thus ensuring high-quality service. Considering the trends in the development of nautical tourism, it would seem appropriate to encourage further development of marinas on the Slovenian coast. The creation of a common trademark for nautical tourism would be important for their successful marketing and for improved recognition.

**C4) RAIL PASSENGER TRANSPORT AND STATIONS**

The Slovenian rail transport operator is Holding Slovenske železnice d.o.o. Slovenia has 1,229 km of railroads. Of these 504 km are electrified and 722 km non-electrified lines. By the end of 2003, Slovenske Železnice had 152 four-axle classical cars and 13 two-axle passenger cars. These included 6 restaurant coaches, 15 sleeping coaches, 4 couchette coaches and 6 luggage vans. In total, seat-coaches offer 8,120 seats. The passenger coaches are 29 years old on average. In 2005, there were 175 locomotives, 130 passenger sets and 168 passenger coaches with outdated equipment.

Slovenske Železnice connects 117 domestic and 7 foreign destinations. Transport links from these destinations extend to a wider international area. **In 2004, 15.3 million passengers were transported, including 1.1 million international passengers.** In domestic passenger traffic, the highest-ranking tilt trains belong to Inter City Slovenia. There are also local trains and Euro City trains for international transport. As regards tourism, the most important services of Slovenske Železnice are as follows: auto-trains for the transport of passenger cars, vans, semi-trucks and sleeper vans as well as bicycles operating along the route Bohinjska Bistrica - Most na Soči - Bohinjska Bistrica. Besides running special programmes, such as Muzejski Vlak, “Po Sloveniji. Z vlakom vendar!”, Pivo in Cvetje v Laškem, etc., Slovenske Železnice also provides transport of bicycles and cars, and runs organised transport service to the seaside (Koper) as well as to the spas Terme Olimje and Zdravilišče Laško. Considering the existing network of railway connections within Slovenia and the country’s connections with the world, these networks should be utilized even more for tourism in this strategic period.

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### C5) TRAFFIC AND TOURIST SIGNPOSTING

Tourist and other signposts are intended to inform road users about the following: cultural, historic and natural heritage and monuments within settlements and tourist areas. Tourist and other signposting also includes: signs to direct tourists to these places of interest; signs to express welcome on entry into the country, region, municipality and settlement; signs posted in traffic areas to convey traffic, tourist and other information. The form and content of signage are laid down in the Rules on traffic signs and equipment on public roads.

Tourist signposting is adequately distinct from traffic signs; however, it lacks traceability in certain areas. These deficiencies occur typically in less-developed areas of Slovenia (Prekmurje, Dolenjska, Koroška). Signposting (as a means of communication) has to convey its message in a language understandable to tourists.

### C6) BUS OPERATORS

In the register of activities at The Chamber of Commerce and Industry (CCI) of Slovenia, the entry under Nr.60.23 (SKD) comprises 68 companies involved in passenger transport other than public regular passenger transport. The entry for providers of public regular passenger transport comprises 34 companies that provide tourist bus transport besides the regular public passenger transport services. In its register of regular public passenger transport operators, CCI keeps a record of 73 companies, two of which certainly offer transport services.

In order to improve the accessibility of the services of Slovenian tourism, it would be necessary to ensure more connections between the emitting markets and the main tourist destinations in Slovenia, as well as between the Slovenian destinations themselves.

### C7) RENT-A-CAR

In Slovenia, rent-a-car services are provided by leading European car rental operators (Avis, Hertz, Budget, National Car, ABC Europe, Thrifty, Dollar, Europcar, etc.), located in larger Slovenian towns (Ljubljana, Portorož, Maribor, Celje, Velenje, etc.) and at entry points (airports, marinas, ports).

Car rental services can be accessed either through the Internet or personally in agency offices. The procedure of car booking, use and return is consistent with global trends. The service providers offer cars across the range of price categories, using advanced distribution channels (TV, Internet, catalogues, leaflets, etc.). Slovenia stays abreast of other countries by achieving globally comparable rent-a-car services.

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C8) CABLEWAYS

The register of companies at CCI comprises ten companies with their activity registered under Nr. 60.213 (cableways)\(^\text{18}\). The Slovenian side was completed in 2005. In Slovenia, there are 8 distribution cableways, 4 six-seat chairlifts, 14 four-seat chairlifts with switch-on grips and 29 four-seat chairlifts with fixed grips, 42 two-seat chairlifts, 64 drag lifts and 163 cableway installations\(^\text{19}\).

Slovenian sports-tourist centres of national importance, using the available cableway infrastructure, carry up to 30% more passengers than comparable centres in Austria. Longer waiting times and queues at ropeway facilities at weekends occur as a result of varying number of passengers during the week. Since 1999 (with the support of state development incentives), a fairly intensive investment cycle for reconstruction and construction of new cableway facilities and artificial snow systems has been underway. Thus, artificial snow systems are currently available in almost all of the most relevant ski centres. A significant number of cableway facilities has already been reconstructed or constructed as planned. Among the nationally relevant ski centres, the high-altitude skiing resorts on Vogel and Kanin are those that lag behind. In contrast to Vogel, Kanin has shown recent positive development by building a new distribution cableway; however, the existing ski lifts no longer meet the requirements of current demand, and, additionally, this is one of the few ski centres in Slovenia without an artificial snow system. One reason for this lagging behind is the centre’s location within the Triglav National Park, which hinders its further development by protective mechanisms. The complexity and specificity of the Vogel ski centre project (reconstruction of cableway facilities on the ski slope, plumbing installation and utilisation of water power for the generation of electric energy, and all in line with ecological and nature-protection standards) requires active involvement of the public sector – the state and local community – and realisation of the project according to the principle of public-private partnership.

Recently, there have been intensive investments (prevailing by state development incentives) made into distribution cableways (new cable car at Vogel, the new cable car at Krvavec and reconstructed cable car at Kanin), which significantly reduced the average age of the distribution cableways.

Considering that the distributing cableways facilitate access to certain areas, they should be attributed the status of public transport infrastructure and allocated for management to interested commercial operators by concession.


\(^\text{19}\) MTC - Railways Directorate (2005). Cable cars in Slovenia. Website access on 18.03.06: http://www.sigov.si/mpz/4pod/3/12z-2.html#1
Roads are managed by DARS (Motorway Company of Slovenia) and the Road Directorate of the Republic of Slovenia. Roads represent the most important transport link for Slovene tourism, significantly contributing to the accessibility of Slovenia as a tourist destination, as well as to the accessibility of individual tourist destinations in Slovenia. Most problems related to the accessibility of Slovenian tourist destinations will be solved by the completion of planned motorway construction. Nevertheless, there are still some bottlenecks blocking the way to important tourist destinations, which adversely affect either their accessibility or the quality of their tourist offer as a whole. Among these, the high-priority projects to be carried out in the present strategic period are as follows: construction of the Bled bypass, construction of a road connection between Koper and Izola, and shifting the traffic from the centre of Portorož. In terms of attracting transit tourists, in this strategic period it would be necessary to stimulate the development of high-quality catering and other tourist services along the main roads, as described below.

Owing to its geographic position, Slovenia is a typical transit country. In 2005 (till October), a total of almost 80 million passengers crossed the Slovenian border, i.e. by 3.5 index points fewer than in the same period in 2004. At close to 80%, international border crossings represent the highest share, followed by interstate and local crossings. Border crossing points on the Slovenian-Italian border are among the most frequented (40%), followed by Slovenian-Croatian border crossing points (31.5%), while the Slovenian-Hungarian and the Slovenian-Austrian borders make up one fifth of the border crossings each. An important business opportunity for Slovenian tourism is to attract transit tourists and gradually turn them into stationary guests. Therefore, a suitable tourist offer, and particularly information points where tourists may receive initial information on Slovene tourism, should be developed at border crossing points. Besides suitable tourist services at border crossing points, adequate tourist signposting and quality tourist services by the highways and other public roads are equally important for transit passengers. In this area, and particularly in the area of staging points for sleeping vans, Slovenia still lags behind rival countries in terms of business volume and in terms of quality. In the approaching strategic period, this segment needs further promotion.

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It is of great importance for tourism that public passenger transport be improved and made accessible. In this development period, emphasis should be laid on the development of public passenger transport and, associated with this, development of car parks, places for entry and exit of passengers, bicycle rentals, taxi services and information services for passengers at public passenger transport system interchanges to make passenger cars an effective part of the public transport system; attention should also be paid to the accessibility of public passenger transport to functionally disabled people, and to developing cross-border public passenger transport. Special emphasis is required on the improvement of connections between individual types of transport, particularly via transfers, the design of a common information system and the implementation of common tickets for the whole transport service. These key points are covered by the Resolution on Transport Policy of the Republic of Slovenia, adopted by the National Assembly in 2006.

D) ATTRACTION SECTOR

D1) THEME AND AMUSEMENT PARKS

Slovenia has 15 adrenaline parks, 15 aquaparks and 1 aquacity.

In recent years, the area of tourism that includes theme and amusement parks has grown rapidly, proving increasingly attractive to tourists by meeting an important demand of modern tourists for experiences. However, this trend is found to have significantly increased development of different theme and amusement parks, which leads to growing competition in this area. Slovenia still has potential for further development of theme parks; however, new developments should follow the principles of uniqueness, specialty and innovation, either with respect to the experience offered, or regarding the approaches and services involved. Therefore, in the appointed strategic period, state development incentives should also be targeted in this direction.

D2) CASINOS

Slovenia has 14 registered casinos, 13 of these operating, and 38 gambling saloons. Casinos are run by six companies (Hit, Casino Portorož, Casino Ljubljana, Casino Maribor, Casino Kobarid, Casino Bled). There are two major casino centres, Portorož and Nova Gorica.

The state has decided to grant 15 concessions to casino operators and 45 gambling saloon concessions. To date, 14 casino concessions have been granted and, of these, 13 casinos are operating. Gambling saloon operators were granted 40 concessions, of which 27 are operating. In 2004 the turnover of the gambling from casino games was SIT 53.2 billion (222 million EUR). In gambling saloons, turnover was SIT 14.6 billion (60.9 million EUR). Concession fees in 2004 amounted to SIT 9.5 billion (39.6 million EUR), and taxes to SIT 11.18 billion (46.65 million EUR). In 2004, casinos and gambling saloons employed 2,460 people who serviced 3,390,000 visitors, with the largest gambling company in Slovenia, HIT d.d. Nova Gorica, dominating the figures. The visitors are mainly foreigners (81%), with Italians predominating.

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22 Oral communication with STB


24 www.sigov.si/mf/slov/unpis/reg_evidence.htm
Games and entertainment is one of the most important segments of Slovene tourism, by revenues generated, value added, number of employees and tourist turnover. In this area, Slovenia still has an important European competitive advantage, and therefore gambling and entertainment tourism represents a tourism development opportunity. The Slovenian gambling industry is clearly export-oriented and most strongly affiliated with the Italian market, which is actively developing its own casino industry. Gambling is concentrated mainly in border areas (Italy, Austria, transport routes), while elsewhere it is subordinate to other tourism services. However, despite the elimination of certain legal impediments in the past years, its development is still restricted by applicable legislation, thus reducing its competitive advantage. Therefore, in order to realise the development plans of this industry, special development relief should be claimed (e.g. concession benefits on development investments). Taking into account the concentration of gaming services and demand in border areas, contrary to the practice of the past strategic period, it is not considered reasonable to extend the offer of gambling saloons throughout Slovenia. It is also necessary to follow the guidelines for granting concessions to gambling saloons in tourist resorts only. The changing situation in the gambling and entertainment industry in Europe and the world indicates that a new development strategy for gambling in Slovenia should be prepared, taking into account changes in the market and the industry, and redefining development objectives and priorities.

Health resorts are united under the Community of Slovenian Natural Health Resorts. This is the oldest Slovenian professional association, which was established in 1957 as the Association of Natural Health Resorts of Slovenia and comprised 10 health resorts. Currently, this is a modern, expert and market-oriented economic interest group with 15 members - 10 spas and 5 health resorts. In 2004, the Slovenian health resorts had a turnover of 529,940 guests, who made 2,491,-975 overnight stays. In comparison with 2003, the indices of visits and overnight stays were 107 and 103, respectively. The health resorts offer complete packages of treatment and rehabilitation, which is an important supplementary programme at each centre. In 2004, resorts had close to 14,000 beds. The average annual occupancy of accommodation is 48%. This exceeds the national average by 15%.

Several years ago, health resorts were primarily building spa-entertainment complexes, so that the area of thermal water pools (38,000 m²) has doubled. The number of registered entries into the thermal pools was twice the number of the entire Slovenian population. Out of 25 Slovenian thermal health resort centres, 18 have acquired the status of a state-verified health resort. In 2005, three locations were granted the status of natural healing facility. Fifteen of the most established Slovenian health resorts are making efforts to develop a unique collective trademark in Slovenian tourism – “Slovenian Health Resorts”.


In this strategic period, wellness health resorts also represent one of the most important tourism products in Slovenia. In the past strategic period, this segment was subject to the largest investment cycle, which contributed to an increase in the volume of activity, as well as to the attractiveness of the services offered. Considering the attractiveness of the health resort and wellness products, the intensive investment cycle should be continued with the aim of improving the quality as well as restoring and building new tourist capacity in areas with natural potential. In this area, it is important to integrate marketing of health, healthy diets, active rest, mental and physical relaxation and experience with an intensive commitment to cultural heritage, natural assets and authentic tourism products and services (performances, customs, etc.) from the environment into the integrated tourism product. In this way, Slovenian health resorts will enhance their uniqueness in comparison to health resorts in competitor countries. Health tourism should also be developed.

Natural assets represent an important part of authentic Slovene tourism, while tourism represents an important means of their preservation. The protected areas represent a relevant development priority for Slovenia and for tourism. However, the legislation concerning the protection of natural assets has not been fully implemented yet (which affects their promotion for tourist purposes). Strong protection and safeguarding of natural assets is intended to contribute to their preservation; however, such preservation without international validity and recognition does not achieve a true value. Natural assets promote the development of an authentic image of the country as a tourist destination. This should be taken as the basis for forming a future policy in this field. In order to promote natural assets more effectively for tourist purposes, it is necessary to provide equal treatment of the protection and development functions by considering the principles of sustainable development. An important step in this direction can be made by clear definition of the level of protection in the protected natural areas, and by special delineation of areas where tourism activity is permitted. The protected natural areas in a national park and regional parks should be clearly classified into three types as follows: strictly protected areas, which cannot be used for tourism activities; partly protected areas, which allow for soft tourism; and economic areas, suitable for the development of all types of tourism activities and corresponding tourism infrastructure. These are the conditions and basis for successful integration of natural assets into integrated tourism products. In order to ensure successful marketing of natural assets along with their preservation, it is necessary to encourage the development of information centres and theme centres, establish special supporting mechanisms for business development, ensure employment and maintenance of the lifestyle of local inhabitants of the parks and train them in managing and carrying out business and other tourism activities within the park.

Source: The Ministry of the Environment and Spatial Planning, 01.06.2006
Neither natural assets nor cultural heritage have been integrated into Slovene tourism, although both represent an important part of the authenticity of our country and thus of its tourism. Nevertheless, in the past strategic period, the first moves in the direction of integrating cultural heritage were made by the renovation of a number of cultural objects for tourism purposes, as well as by inclusion of historic places into Slovene tourism. Regarding cultural heritage, according to an analysis of the planned investment projects in tourism carried out by the Ministry of the Economy in 2003, there were as many as 176 projects for the renovation of castles, old towns, museums and churches with a cumulative value of SIT 37.2 billion (15.25 million EUR), which is indicative of a high level of readiness to integrate cultural heritage into tourism. In the appointed strategic period, this potential readiness should be utilised. Considering that cultural heritage is prevalingly public property and that the implementation of the mentioned projects is financially highly demanding, the main role in this respect should be played by the state with active participation of the Ministry of Culture, Ministry of the Economy and the Ministry of Finance: in the first phase by developing a financial model for the restoration of cultural objects with the inclusion of private entities into financing, and further management and marketing of the cultural objects; and in the next phase, by developing a plan for cultural object restoration in the appointed strategic period, with clearly defined implementation projects and confirmed financial resources.

In addition to the restoration of cultural heritage objects, it is very important to integrate live culture and events into authentic integrated tourism products, which should be based on unique experiences.

No uniform data are available on the number of sports centres or this type of service providers. Theme sports centres include winter sports centres. Slovenia has 86 ski slopes with operating permits - either granted or pending. 18 of these have more than 3 cableway installations, 12 with a capacity of more than 1000 skiers, and 16 with a transport capacity of more than 2000 passengers per hour. In the past four seasons, the Slovenian winter sports centres have averaged more than 1.7 million ski days, and in the season 2005/2006 1.9 million. Over 30% (by some estimates 40%) of ski days include tourist overnight stays.

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29 STO (2006). Cultural and historical heritage (2006). Website access on 18.03.2006: http://www.slovenia-tourism.si/?kul_zgod_znamenitosti=0&tsrch=1&tsrchtype=spc&wp_id=wp_137_0_56_1_0_14&searchKrajName_wp_137_0_56_1_0_14=&searchStr_wp_137_0_56_1_0_14=&searchCategoryId_wp_137_0_56_1_0_14=613


31 http://www.slovenia-tourism.si/?arhitekturne_znamenitosti=0
There is a shortage of information regarding the tourist services offered by sports centres within Slovenia, as no national analysis is available. By far the most advanced information system is that for winter sports centres; however, even here, data from different sources are inconsistent. The web site of the Slovenian Tourist Board promotes: 19 sports and recreation centres, 8 golf courses and 14 golf practising grounds, 10 active holiday providers and 178 hotels offering sports and recreation holidays or managing a specific sports infrastructure. Among the providers of active holidays, which represent a specific and enriched sports and recreation activity, there are 30 different service providers.

As a result of the unsuitable system of distribution and inventory of sports centres, individual entries are either doubled or left out. Sports tourism is an important element in forming integrated tourism products, which requires significant investment into the renovation, building and further maintenance of sports tourism infrastructure. It is characteristic of Slovenian sports centres that a great deal of sports tourism infrastructure is publicly owned, as it is generally built for the needs of the local population. Due to the weak financial standing of municipalities and inappropriate state incentives in the past strategic period, typically, the planned cycle of investment in the sports tourism infrastructure in the public investment sector has not been implemented to the extent planned. Although in 2004, a special measure for the promotion of investments into sports tourism infrastructure by ERDF funds was prepared within the framework of the state’s tourism investment, this instrument was not fully utilised due to a lack of project preparation. Given the great impact of the quality of sports tourism infrastructure on the entire tourist service provision of sports centres, in the next strategic period, greater attention should be paid to appropriate development incentives for the preparation of projects and the construction of public sports infrastructure important for the development of tourism, particularly in tourist destinations with sports and recreation tourism, sports marketing, active holidays and recreation as their basic areas of development. In sports centres, development should be targeted to design that would include specific features of individual sports centres.

Festivals and events are important and well-accepted elements of Slovene tourism. Some of the more important traditional festivals are as follows: Slovenski festival vin (Slovenian Vine Festival), Festival Ljubljana, Festival slovenskega filma (Slovene Film Festival), Festival Lent, Rock OtoDec, Liffe, Festival Brežice, Exodus, Mesto žensk (City of Women), Slovenski festival znanosti (Slovenian Science Festival), Ad Fotura, Festival lezbiDnega in gejevškega filma (Lesbian and Gay Film Festival), Primorski poletni festival (Primorska Summer Festival), Ljubljanski poletni festival (Ljubljana Summer Festival), Break Festival, Balonarski festival Maribor (Maribor Ballooning Festival) and Soča Reggae River Splash. A number of international sports events also take place in Slovenia (Planica, Ski World Cup in Kranjska Gora and Maribor, Handball Champions League, etc.). It is noted that these festivals and other events do not receive wide international recognition. With the exception of film festivals, Lent Festival, advertising festivals (“SOF” and “Zlati boben”/Golden Drum) and certain music festivals (Rock OtoDec and Soča Reggae River Splash), we do not have widely successful festivals. Events are well organised and placed; however, they are insufficiently promoted as part of Slovene tourism. The need for a more intensive and targeted promotion on the B2B level is of key importance for making such tourism elements better recognised, thus playing a more influential role in national tourism.

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22 STB (2006). Golf. Website access on 18.03.06: http://www.slovenia-tourism.si/?golf=0
The Chamber of Commerce and Industry of Slovenia covers 8 professional organizers of fairs and other events. Agromehanika d. d., Celjski sejem d.d., Gospodarsko razstavišče d. o. o., ICM d.o.o., Infos d.o.o., Marina Portorož d.d., Pomurski sejem d.d., Primorski sejem d.o.o. This does not provide a comprehensive picture of event organisers, despite the fact that all the companies in Slovenia should be members of the CCI. CCS also promotes the company STEP Maribor d.o.o.. Among the professional organisers of congresses are the following: Cankarjev Dom, HIT Hotel Casino Perla, Hotel Habakuk, Hotel Piramida, Hoteli Morje, Grand Hotel Metropol, Kongresni Center Bernardin, PCO Avditorij Portorož, Narodni Dom, PCO Maribor, Hotel Golf, Hotel Park, Hotel Toplice.23

Business tourism is one of the most important segments where there are still ample development opportunities for Slovenia. There are five operators actively involved in congress organisation (Cankarjev Dom, Kompas Incoming, Albatros Bled, TOP Line Portorož and Avditorij Portorož). Great success was achieved in this area in the last strategic period, particularly with regards to construction and renovation of congress halls and improved quality of congress services. In order to ensure a quality promotion and marketing of congress tourism, in 2004, a congress cluster - congress office was established by 50 congress service providers (congress centres, hotels and other congress service operators), supported by the state’s development incentives. Successful development and marketing of business tourism requires that the following conditions be met: national security, accessibility, sufficient high-quality accommodation capacity, quality conference facilities, professional service providers, a local business and academic community, tourist attractions, good reputation and a special marketing organisation - a congress office. Accordingly, in the present strategic period, the promotion of renovation and building of new high-quality accommodation and conference facilities needs to be continued, and, in particular, human resources should be further developed. For successful marketing, the congress office, as professional marketing organization for the sector of congress tourism, should receive appropriate development incentives. As with sports tourism infrastructure, the existing public buildings intended for congress activities, which in the last strategic period could not be renovated due to unrealised investments, require special development incentives.

There are 93 education paths. All the education paths are provided with explanatory signposts. Group guidance is organized for most paths24. There are 389 hiking trails and 1 Slovenian mountain transversal, and European transversals (E6 and E7) measuring altogether 600 km25. In Slovenia, there are over 170 mountain cottages, shelters and bivouacs26.
Theme paths represent a good source for designing attractive integrated tourism products, as they represent an experience of nature, culture and recreation. Owing to its geographic features, Slovenia has an excellent basis for the development of mountaineering and hiking activities. High expectations of tourists can be met thanks to the system of hiking trails (including two European transversals), which are mostly very well marked and safe, with well organised mountain rescue service and a long-standing mountaineering tradition. Certain mountain stations lag behind in terms of quality and, in particular, with regard to ecological order; therefore in this strategic period their high-quality renovation, taking into account ecologic conditions, should be promoted. Another problem is an inadequate system of financing the maintenance of mountaineering and hiking trails, which potentially jeopardises the existing high quality of such tourism products. Therefore, in order to eliminate this risk, it is necessary to provide a legal basis for the financing of mountaineering and hiking trail maintenance. In Slovenia, there are also well-kept walking trails (e.g. Transalpine, Trail along the Soča River, Slovenian transversal from Ankaran to Maribor, etc.).

In recent years, there has been a rapid development of different paths intended for education in the fields of history, natural sciences etc., which, as with the hiking trails, represent a unique source of integrated tourism product development; this has been possible thanks to the help of European pre-accession programmes and programmes of cross-border cooperation. The main shortcoming of theme paths is in their exclusion from the integrated tourism products of tourist destinations, and resulting lower marketing success in the tourism market. In view of the high level of authenticity of theme paths, in the present strategic period, their inclusion into the integrated tourism products of tourist destinations should be promoted, along with their marketing in the tourism market. Considering that a majority of theme paths are situated in geographic areas which have still not been revalued for tourism, their inclusion into integrated tourism products on the level of the Slovenian tourist destination, or the nearby developed tourist destinations, is important for the development of touristically underdeveloped areas, as well as for integrated tourism product development in a broader region reaching beyond the Slovenian borders. Individual types of theme paths should be connected and included with theme paths in the broader region, Europe, and based on that, developed into integrated tourism products, which would be of interest to specialised international travel organisers.

The tourist wine roads are as follows: Briška vinska cesta, Vipavska vinska cesta, Kraška vinska cesta, Istrska vinska cesta, Belokrajnska vinska cesta, Podgorjanska vinska cesta, Dolnjedolenjska vinska cesta, Gornjedolenjska vinska cesta, Bizeljsko-Sremška vinska cesta, Šmarisko-Viršanska vinska cesta, Haloška vinska cesta, Vinska cesta Goriško, Srednjeslovenjegoriška vinska cesta, Ormoška vinska cesta, Jeruzalemska vinska cesta, Radgonsko kapelska vinska cesta, Podpohorska vinska cesta, Mariborska vinska cesta, Lendavska vinska cesta 37.

The tourist wine roads are classified under specific theme paths, building their image on local cuisine and wines. These and other cuisine roads are an excellent supplement to the primary tourist offer and an ingredient to be included in the shaping of ITPs. A particularly successful case of supplementary tourism is the development of individual tourist wine and cuisine roads that have grown into independent tourism products offering a complex travelling experience of several days. On the basis of what has been said, it must be noted that this segment of tourism is well-developed. However, it should be better included into the ITPs of the respective tourist destinations.

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### CYCLING TRACKS

Cycling tracks are theme paths; however, due to the specific infrastructure involved and the fact that they are demanding in terms of recreation activities, they are addressed separately. In Slovenia, there are 198 tourist cycling tracts[^38].

A cycling track is a particular segment of sports tourism infrastructure that is specific and demanding. During the last strategic period, a rather intensive development of cycling tracks took place, in particular in the tourist destinations that build their development tourist offer on sports and recreation. An impediment for their faster growth lies in the fact that the construction of a cycling track involves demanding interventions in the environment, with potential land property issues and the preparation of appropriate project documentation. For development to be intensified, relevant development incentives for municipalities are required. Characteristic of the present state in the area of cycle paths is the fact that they are not connected, thus reducing their attractiveness and rendering impossible the provision of attractive ITPs for the target group of cyclists. In this area, Austria is ahead of Slovenia. The Ministry of Transport has already prepared a project of construction of long-distance cycling paths which would interconnect the existing tracks across Slovenia. It would be reasonable to decide to implement this project in the current strategic period to increase Slovenia’s competitiveness in this area.

## E) TRAVEL AGENCIES SECTOR

### E1) TRAVEL AGENCIES

Organiser, intermediary, broker/wholesaler

In Slovenia, there are 267 travel agencies that organise travels, 233 travel agencies acting as intermediaries and 2 online travel agencies/intermediaries. The largest Slovenian organiser of travels, Kompas d.d., acts also as a wholesaler. The CCI recognises 356 registered travel agencies[^39], employing in total 2,006 staff and generating SIT 83 billion (34.6 million EUR) in turnover.

In 2004, Slovenian travel agencies organised or mediated travels for 869,551 tourists, of whom domestic tourists accounted for 74.7%. Out of 650,382 Slovene citizens whose travels were organised by travel agencies, some 12% spent their holidays in Slovenia, and the remainder abroad. The Slovene travel industry sells some 560,000 packaged travel arrangements yearly; of these, 54% are sold by the largest Slovene travel agency, Kompas d.d.

Primary destinations of Slovenians are as follows: Croatia (39%), Slovenia (11%), Italy (9%), Greece (7%), France and Turkey (3%), etc. An important item offered by Slovene travel agencies is one-day trips, organised mostly by Slovene travel agencies themselves; in 2004 a good tenth of Slovenes participated in a one-day trip in Slovenia or abroad[^40]. The number of trips of the domestic population, organised by travel agencies, had grown between 1992 and 2004 by a factor of three in terms of value compared to 1992. Average duration of stays on holidays organised by travel agencies is 5.6 days. Slovene travel agencies also act as mediators and sell packaged travel arrangements organised by other foreign and domestic travel organisers. Among foreign travel operators organising packaged travel arrangements, the most frequently encountered include TUI, Gullet, 1-2 fly, Intechalet, Touropa, Neckermann Reisen, Tera Reisen, Meier Ds, FTI, Dr. Tigges, Unirope, Gebeco, Fun&Sun, Robinson, Atlas Airtours, etc.

[^38]: ACENTA d.o.o (2006). Cycling routes in Slovenia by regions and road types. Website access on 18.03.06: [http://www.sloveniabike.com/](http://www.sloveniabike.com/)


Occasionally, other Slovene travel agencies also engage in organising and providing travel and tourism services, since due to the small size of the source market it is hard to achieve positive business results by being merely an emitting travel agency. In Slovenia, there are few specialised receptive agencies. However, they mostly specialise in a certain market. In Slovenia, the role of destination organisations which carry out the function of joint development planning, coordination of destination offers, shaping of integrated tourism products, promotion and market communication at the level of tourist destinations, contributing to the appearance of tourist destinations and the quality of tourism services, is currently played mostly by local tourist organisations. These are mostly public institutions, set up by municipalities. The network of operators carrying out the tasks of destination organisations also includes regional development organisations (12 agencies) which incorporate tourism development units. Typically, the role of a local tourist organisation is limited primarily to promotion and, to a lesser extent, to market communication within the tourist destination. In their work they are faced with a challenge in that a relatively high share of private operators, and even the organisations that had set them up, are not interested in cooperating with them or in their development. In order to ensure more efficient development of destination management organisations, in this strategic period their development will need to be supported by providing training, in particular with regards to other functions of destination management, such as planning and shaping integrated tourism products; furthermore, in the context of destination management activities, partnership, cooperation and networking of tourism operators at the level of tourist destinations will need to be encouraged. With a view to ensuring efficient development of tourist destination management, it is also important that this be correctly understood by all stakeholders involved in a particular tourist destination - and this can be achieved through appropriate education and through mainstreaming destination management contents into school curricula at all levels. In order to understand the reasons for the relatively slow and inefficient development of tourist destination management, an expert analysis needs to be made and on that basis efficient State sponsored incentive measures need to be adopted.

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41 STB (Slovenian Tourist Board). (2006). The most relevant receptive tour operators. Website access on 18.03.06: http://www.slovenia-tourism.si/?major_incoming_tourist_agencies=0

42 STB (Slovenian Tourist Board). (2006). The most relevant receptive tour operators. Website access on 18.03.06: http://www.slovenia-tourism.si/?major_incoming_tourist_agencies=0

1.2 ANALYSIS OF THE EXTERNAL ENVIRONMENT

The analysis of the external environment is divided into two sections:

- business environment
- social environment.

1.2.1 Business environment

Included are: the analysis of demand and consumption, analysis of competition and analysis of trends.

1.2.1.1 Analysis of demand

Unfortunately, market research in Slovenia is extremely rare, and therefore it is difficult to carry out an analysis of demand. Since we believe that this is one of the key deficiencies in Slovene tourism, we paid great attention to this issue in the formulation of policies and programmes. However, we have summarised a few key characteristics of demand from existing sources.

The analysis includes data on the number of tourists. The data are divided into the following two categories: domestic and foreign tourists, who are first divided according to their country of origin constituting our primary markets. Indices representing the trends and shares of individual countries indicating the structure of these elements have been calculated (see Appendix 2 and Figures 8, 9, 10 and 11).

Structure of tourists according to their country of origin in the 1985-2005 period

Source: Statistical Office of the Republic of Slovenia
In 1985, there were 2.753 million tourists in Slovenia; in 1990 2.536 million; in 1995 1.578 million; in 2000 1.957 million; and in 2005 2.389 million. The structure analysis brought the following conclusions:

- until 1991, foreign tourists prevailed with over 70%;
- later, the majority of tourists were domestic guests (until 2000);
- foreign tourists are mainly Austrians, Germans and Italians, whose share as expressed in the number of tourists is the largest;
- in the last 15 years, these three countries have had an average 50% share of the total number of foreign guests and represent primary emitting markets for Slovenia;
- the remaining countries (the Netherlands, Great Britain, USA) are represented by less than 5% and represent secondary emitting markets but also opportunities where better results can be attained through enhanced promotion;
- the analysis does not include the countries of the former Yugoslavia – Croatia should be included among our primary markets, and other countries (Benelux, Switzerland, Hungary and Ireland), which are included among our secondary markets by the STB.

Source: Statistical Office of the Republic of Slovenia
Tourists according to their country of origin - trends in the 1985-2005 period

Figure 10:

Source: Statistical Office of the Republic of Slovenia

Foreign tourists according to their country of origin - trends in the 1985-2005 period

Figure 11:

Source: Statistical Office of the Republic of Slovenia
The analysis of trends brought the following conclusions:

- the number of foreign tourists increased until 1991 and then decreased;
- the fall was already evident in 1990, except in the case of the Italians, consequently the war in the territory of the former Yugoslavia cannot be blamed as the only reason for poor results, which also derived from the outdated and inappropriate tourism products and trends in international tourism (increased demand for overseas destinations);
- in 1991, there was a major drop of 63 index points, in Dutch guests even by 92 index points, in comparison with 1985, and in Germans by 84 index points;
- there are also a few exceptions, particularly Austrian guests, who are the only tourists, apart from Slovenians, whose number has been increasing in comparison with the figures achieved in the eighties;
- since 1996, the number of Italians has been increasing as well, closely approaching the peak figures from the best years (at the end of the eighties) and which are now considerably exceeded (by 89 index points);
- the number of German tourists reaching only 80% of the figures from 1985, remains to be an object of concern, as well as the number of tourists from certain secondary markets (the Netherlands);
- in comparison with 1985, the total number of foreign tourists rose from 37 index points in 1991 to only 44 index points in 1999 and to 77 index points in 2005;
- these figures do not include the countries of the former Yugoslavia and other countries (Benelux, Switzerland, Hungary and Ireland).

In the quality analysis, we used data obtained by a survey of foreign guests in Slovenia carried out by the Statistical Office of the RS in the summer seasons 1994, 1997, 2000 and 2003. This provided us with key information on the satisfaction of foreign tourists and primary motives for their arrival. According to the survey results, the main characteristics from 2003 are the following:

- A good half (55.4%) of the foreign tourists interviewed came from the three countries most relevant for tourism in Slovenia: Germany, Italy and Austria, but this share has been decreasing consistently in comparison with the years 1994 (60%) and 1997 (58%).
- The age structure has changed and almost one half of the tourists were between 30 and 50 years old. The share of senior foreign tourists increased and the share of younger tourists decreased considerably. The share of foreign tourists aged 20 to 39 amounted to 34.7%.
- Almost three-quarters of tourists were employed or self-employed. This share corresponds to the share from 1994. The share of pensioners decreased slightly, and there were slightly fewer tourists who were neither employed nor self-employed, pensioners or included in school education.
- The employed, self-employed and pensioners were interviewed about their occupations. The structure was the following: senior official, manager 15.7%; professional 22.1% (engineers, professors); technician, technical assistant 15.1%; official 15.3%; service or trade technician 12.8%; worker in industry and craft trades 7.9%; and other.
- Slovenia is not a country frequented by families with children, reaching only an 18.8% share. On average, two persons travelled together.
- Prevailing among the reasons for coming to Slovenia are holidays or visits to relatives, the only exception being Ljubljana, where business reasons amount to 40%.
- The structure of tourists regarding their eating habits shows that the majority of them took food at the place of their accommodation (48.2%) and in catering establishments (30.6%).
- 41.7% of foreign guests spent one to three overnights and a third of foreign tourists spent 4 to 7 overnights.
- The main motives in making a decision to spend the holidays in Slovenia are the following: natural beauties (24.0%), climate conditions (16.5%), relaxation (17.0%), prices (8.45%) and cultural events (6.1%).
- Unfortunately, the motives that could grant Slovenia a kind of competitive advantage in tourism in comparison with other countries (recreational activities, services in health resorts, entertainment opportunities, gambling, shopping, proximity of tourist accommodations) represent only 19.1%. This indicates that the complementary tourist offer in Slovenia is not yet developed enough to provide differentiation.
• 27.7% of foreign tourists decided to spend holidays in Slovenia less than a month before their departure, 34.7% from 1 to 3 months, 18.2% from 3 to 6 months and 19.4% 6 months before their departure.
• In making a decision for holidays in Slovenia, personal experience has been the most important (34.7%), followed by recommendations of relatives and friends (31%), travel agencies (10.9%), promotional material, posters, advertisements (4.8%), media (14.8%), and exhibitions and fairs (1%).
• Over 40% of foreign tourists were in Slovenia for the first time and 54.5% were on holidays in the place of their interview for the first time, which is a good indicator that no true attachment is created between the providers of services and their guests that would lead to the loyalty and commitment of guests to a specific provider, and only 5.2% were permanent guests (who visited Slovenia more than 6 times).
• Almost two-thirds of foreign tourists would again spend their holidays in Slovenia and 2% replied that they would not. One half of tourists would return to the place where they were interviewed and 2% would not return.
• 60.6% of foreign tourists said that their general impression of Slovenia is close to what they had expected and 0.9% were disappointed with Slovenia. This is less when compared with the year 2000, when such foreign tourists amounted to 1.2%.
• Among 20 elements of tourism, the following are evaluated highly: preserved natural sights, opportunities for trips, opportunities for recreational activities, suitability for family holidays (although as stated before, only 18.8% of foreign tourists come to Slovenia with their children), peace and quiet, quality of the environment, quality of catering services, hospitality of the people, possibility of communication in foreign languages, personal safety and level of cleanliness. The highly evaluated last five elements are encouraging, because they represent important dimensions of the quality of services.
• Most negative evaluations were given by tourists to entertainment opportunities, shopping, quality of roads and services offered along the road and opportunities for attending cultural events.
• For the majority of tourists (74.9%) the costs and expenses were within expected limits, while 18.8% of them said they exceeded what they had expected.
• They mostly paid in tolars bought in Slovenia (49.3%) and credit cards (29.1%).
• On average, they spent 24,204 tolars (101,0 EUR) for transport from their place of residence to Slovenia and back, taking all transport means into account. The transport was the cheapest for tourists travelling by car, motorbike or bus.
• The average daily consumption per tourist amounts to 20,276 (84,61 EUR) tolars; in hotels 23,489 (98,0 EUR); in Ljubljana 27,719 (115,67 EUR); and other places 27,519 (114,8 EUR).
• Traditionally, the Italians come first according to their average daily consumption (SIT 29,883 (124,7 EUR)), followed by Croats (SIT 21,807 (90,9 EUR)), Austrians (SIT 20,216 (84,4 EUR)), British (SIT 16,510 (68,9 EUR)), Germans (SIT 16,211 (67,6 EUR)), with Dutch spending the least.
• A holiday tourist without a holiday package spent approx. SIT 23,135 (96,5 EUR) daily in the following manner: 35% for full-board or half-board accommodation, 18% for food and beverages, 17% for gambling and over 8% for different purchases not including food and beverages.

These data obtained in the survey are an excellent source of information (unfortunately the only one) on the advantages and weaknesses of our tourism offer and will be by all means taken into account in the analysis of the environment and the strategic objectives.
1.2.1.2 Analysis of competition

The emphasis in the analysis of competition was on destinations chosen by Italians, Germans, Austrians, British, Dutch and Slovenes as the prevailing tourists in Slovenia (Table 9), on the destinations chosen by inhabitants of our new potential markets (second part of Table 9) and what these destinations offer (Table 10).

Table 9: Five most frequented destinations targeted by selected European countries and the USA

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>FIRST PLACE</th>
<th>SECOND PLACE</th>
<th>THIRD PLACE</th>
<th>FOURTH PLACE</th>
<th>FIFTH PLACE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITALY</td>
<td>France</td>
<td>Spain</td>
<td>Germany</td>
<td>Croatia</td>
<td>Austria</td>
</tr>
<tr>
<td>GERMANY</td>
<td>France</td>
<td>Italy</td>
<td>Austria</td>
<td>Spain</td>
<td>Great Britain</td>
</tr>
<tr>
<td>AUSTRIA</td>
<td>Italy</td>
<td>Germany</td>
<td>Croatia</td>
<td>Greece</td>
<td>Spain</td>
</tr>
<tr>
<td>GREAT BRITAIN</td>
<td>USA</td>
<td>France</td>
<td>Germany</td>
<td>Ireland</td>
<td>Netherlands</td>
</tr>
<tr>
<td>NETHERLANDS</td>
<td>France</td>
<td>Germany</td>
<td>Spain</td>
<td>Belgium</td>
<td>Great Britain</td>
</tr>
<tr>
<td>SLOVENIA</td>
<td>Italy</td>
<td>Germany</td>
<td>Austria</td>
<td>Great Britain</td>
<td>Netherlands</td>
</tr>
<tr>
<td>SLOVENIA</td>
<td>Croatia</td>
<td>Italy</td>
<td>Greece</td>
<td>Austria</td>
<td>Turkey</td>
</tr>
<tr>
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<td>France</td>
<td>Spain</td>
<td>Great Britain</td>
<td>Italy</td>
<td>Germany</td>
</tr>
<tr>
<td>FINLAND</td>
<td>Russia</td>
<td>Sweden</td>
<td>Spain</td>
<td>Italy</td>
<td>Germany</td>
</tr>
<tr>
<td>ŠVEDSKA</td>
<td>Spain</td>
<td>Germany</td>
<td>Denmark</td>
<td>Great Britain</td>
<td>Greece</td>
</tr>
<tr>
<td>NORVEŠKA</td>
<td>Sweden</td>
<td>Spain</td>
<td>Great Britain</td>
<td>Denmark</td>
<td>Germany</td>
</tr>
<tr>
<td>FRANCIJA</td>
<td>Spain</td>
<td>Great Britain</td>
<td>Italy</td>
<td>Tunisia</td>
<td>Morocco</td>
</tr>
<tr>
<td>ŠVICA</td>
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<td>Spain</td>
<td>Austria</td>
<td>Germany</td>
</tr>
<tr>
<td>IRSKA</td>
<td>Great Britain</td>
<td>France</td>
<td>Spain</td>
<td>USA</td>
<td>Italy</td>
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<tr>
<td>RUSKA</td>
<td>China</td>
<td>Turkey</td>
<td>Dubai</td>
<td>Italy</td>
<td>Germany</td>
</tr>
<tr>
<td>POLJSKA</td>
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<td>Italy</td>
<td>Czech Republic</td>
<td>Slovakia</td>
<td>Austria</td>
</tr>
<tr>
<td>ŠPANIJA</td>
<td>Portugal</td>
<td>France</td>
<td>Great Britain</td>
<td>Italy</td>
<td>Germany</td>
</tr>
<tr>
<td>HRVAŠKA</td>
<td>Germany</td>
<td>Italy</td>
<td>Slovenia</td>
<td>Austria</td>
<td>Czech Republic</td>
</tr>
<tr>
<td>ZDA</td>
<td>Caribbean</td>
<td>Mexico</td>
<td>Canada</td>
<td>Great Britain</td>
<td>France</td>
</tr>
</tbody>
</table>

Source: UNWTO, Statistical Office of the RS, statistical offices of individual countries, 2004

44  Slovenia arrivals

45  Slovenia departures
Table 9 indicates the following:

- tourists coming to Slovenia most often go to France, Italy, Germany, Croatia, Spain, Austria and Greece, that is, destinations focusing on the main summer season when the majority of tourism takes place.
- Slovenia is not among the most popular destinations, except for Croatians.
- the popularity of a destination depends on its proximity (the most popular are the neighbouring states).

Table 10 shows the products representing competition to our tourism offer.

Main product areas and sub-areas of our competitors

<table>
<thead>
<tr>
<th>MAIN PRODUCT AREAS</th>
<th>SUB-AREAS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ITALY:</strong></td>
<td></td>
</tr>
<tr>
<td>Art cities</td>
<td>Sea and beaches</td>
</tr>
<tr>
<td>Culinary delights and wines</td>
<td>Alps</td>
</tr>
<tr>
<td>Congress and incentives</td>
<td>Skiing</td>
</tr>
<tr>
<td>Health resorts</td>
<td></td>
</tr>
<tr>
<td><strong>GREECE:</strong></td>
<td></td>
</tr>
<tr>
<td>Nature</td>
<td>Coast</td>
</tr>
<tr>
<td>Archaeological sites and monuments</td>
<td>Islands</td>
</tr>
<tr>
<td>Museums</td>
<td>Sea</td>
</tr>
<tr>
<td></td>
<td>Mountains</td>
</tr>
<tr>
<td></td>
<td>Greek nature</td>
</tr>
<tr>
<td></td>
<td>Culinary delights</td>
</tr>
<tr>
<td></td>
<td>Special forms of tourism (sports, cultural, congress, religious, therapeutic, rural, ecological)</td>
</tr>
<tr>
<td><strong>GERMANY:</strong></td>
<td></td>
</tr>
<tr>
<td>Places by rivers, lakes, spas, etc.</td>
<td>Special forms of tourism</td>
</tr>
<tr>
<td>Health resorts</td>
<td>Sports</td>
</tr>
<tr>
<td>Cities</td>
<td>Family</td>
</tr>
<tr>
<td>Theme parks</td>
<td>Youth</td>
</tr>
<tr>
<td>Culinary delights</td>
<td>Religious</td>
</tr>
<tr>
<td>Music Events</td>
<td>Short “urban” holidays</td>
</tr>
<tr>
<td>• Musical</td>
<td></td>
</tr>
<tr>
<td>• Sports</td>
<td></td>
</tr>
</tbody>
</table>

In the analysis we looked at 10 most popular destinations of the selected countries and Slovenia is not among these 10 top destinations.
Table 10 represents a point of departure for formulating key orientations/objectives of Slovene tourism. Because similar thematic tourism products (congresses, wellness, sports, cities) tend to be provided by the majority of competitors, it is hard to be competitive by making an identical offer to the same markets. The analysis indicates that we should focus on smaller segments outside the main summer season and become more specialised in our tourist offer if we want to attract new guests.
1.2.1.3 Trend analysis

In just one hundred years the growth of the tourism industry expanded. In only a few decades, holidays and travelling changed from once-in-a-lifetime events to annual events. In recent times, travel has changed from a luxury to a need, thus expressing the tendency for a greater influence of local industries and a pleasant life.

This new meaning of tourism brings a new, changed understanding of the scope and relevance of this industry in the developed world. This means that when we speak of the tourism industry, we do not refer only to the main organizations of this industry (aircraft, hotel, catering, agency...) but also on other activities (ecology, urban planning, architecture, interior design, engineering, IT, politics, public relations, marketing, publishing, telecommunications, finances, food industry, culture, etc.).

Many tourists travel all over the world and are increasingly enthusiastic about new ways of travelling, experiences, impressions and independence in their travels.

That the activities of visitors changes the way of life in local communities, and has significant economic and social impact, cannot be denied; modern society has to take into account environment-related issues, cultural differences and different levels of complexity. Industrial tourism is a huge global business, and still increasing. The challenge is planning that covers all parts of the world from Asia, Africa, Australia, USA to Europe.

The range of people employed in the travel industry will continue to expand and will thus demand better organisation at all levels. The macro level will have to be reassessed in Slovenia in order to establish the causes of poor income earned by tourism; in other words, does participation in the tourism industry provide the possibility of Slovenia’s survival in Europe, where we will be up against modern organisations and globally associated industries? Also, do we in Slovenia really have such an excess of resources (financial, professional and creative) that we can afford to duplicate them in an uncoordinated manner, competing unfairly when we meet on the markets where we could successfully cooperate and thus create the possibility of a successful penetration of these markets?

Taking into consideration the conclusions of UNWTO, WTTC, World/European Travel Monitor and others, we have identified a few trends that might represent opportunities for Slovene tourism. These trends refer to the following fields:

- demography
- health
- awareness and education
- leisure time
- travel experience
- lifestyle
- information technology
- transportation
- sustainable development
- safety and security

Certain changes are underway in every one of the above areas, affecting the behaviour patterns of tourists. We have selected those that represent opportunities for Slovene tourism in the following years:

1. Greater emphasis on quality, safety and comfort.
2. Increased demand for offers that include animation and relaxation elements (golf courses, health resorts, etc.).
3. Increased demand for personalised tourism products (individual treatment, custom travel, etc.).
4. Extending the main tourist seasons, increased tourist movement before the season and after the season (desaisonalization).
5. Marketing will emphasize comfort and not just age.
6. Greater emphasis on prestige.
7. Greater demand for custom individualised travel (FIT).
8. Increased demand for short vacations abroad in periods that are not so popular today.
9. The perception of so-called less healthy destinations will be increasing and this will make these more visible and thus less popular.
10. The decline of so-called "sunny holidays" will continue in the future, while the popularity of active holidays and consequently of the demand for their supply and infrastructure that corresponds to such demand will continue to increase.
11. The demand for wellness tourism, which includes spas, fitness and destinations promoting the "wellness philosophy", will be increasing.
13. The latter will have a great impact on the increased integration of culture, art and history in tourist travels.
14. The need for more effective and more creative communication.
15. Demand for new destinations in Central and Eastern Europe.
16. The need for cheaper travelling products.
17. Increased variety of leisure-time tourism.
18. The trend of short and repeated vacations.
19. Alternative ways of spending leisure time and consumption will have a considerable impact on the form (destination, accommodation, scope, type of integrated tourism product) and the frequency of holiday making.
20. Diversity of consumer habits in tourism will be demonstrated by changes in the aim of travelling (relaxation, healing, education), changes in the length of holidays (short, long holidays), changing the quality of travel product (simple cruising travel arrangements).
21. The selection of holidays and their frequency will become fragmented and thus the total length of annual holidays will be changed.
22. Loyalty to the selected destinations and tourism products will decrease.
23. The experience and selectiveness of a tourist will be demonstrated by a more critical attitude to artificial tourism and in the increased search for authenticity, particularly in the area of experience and customised holidays. Artificial and sham tourism fails to provide authenticity, recognisability and particularly the special features, which affect their appeal. Globalisation also brings uniform standards affecting the achieving of the expected quality of the tourist experience.
24. Experience and a critical attitude will stimulate loyalty to quality tourist destinations and individual travel products.
25. A greater desire for mobility and individuality will increase car rental and thus affect the volume of the rent-a-car industry.
26. Destinations or individual regions offering balanced, varied and sustainable tourism will be more popular.
   Designing competitive and attractive tourism products demands appropriate destination management.
27. In spite of the identified investing in tourist infrastructure (accommodation), the latter will affect the reduction of investments into inferior quality tourist infrastructure (motels, rooming houses, boarding houses), where the latter is estimated as a "cheap".
28. Social status is becoming less important and behaviour during leisure time is becoming personalised, leading to an increased demand for smaller and individual accommodation units (family hotels, holiday farms, etc.)
29. Individualised orientation of the tourist consumer will reduce of the selection of organised tourist packages.
30. Tourism service providers will be successful only if they succeed in specialising their offers, which will distinguish them from their competitors and thus provide them with an important competitive edge. Value added will be an important competitive factor.
31. Increased specialisation of tourist offers related to hobbies and personal interests of tourists will constitute an important competitive edge in the tourism and travel industry.
32. The back-to-the-nature trend is demonstrated as a preference for simpler holidays: from a hotel to a bungalow, from mobile home to a tent, etc.
33. The existing possibilities for obtaining tourist information and sophisticated Internet browsers provide greater analysis of information, which increases the competitive edge in the market of tourism supply and demand.
34. Experienced tourists will more frequently design their own holidays (DIY - Do It Yourself) through direct shopping for travel and travel products.
35. The role of travel agents will continue to decrease as a result of the direct sale and purchase of travel services.
36. The Internet will rapidly transform the classical role of tourist organisations due to the development of new marketing channels. Destination tourist organisations will personalise marketing tools and develop successful consumer-oriented marketing policies.
37. The marketing of tourist destinations (for example, more efficient marketing with the support of the local host environment) will have an important impact on the use of the Internet as a source of information through verbal promotion.
38. Accessibility of up-to-date information on integrated tourism products and providers will have a decisive impact on the value of the Internet as a marketing tool.
39. The possibility of purchase through the Internet will increase the number of late reservations.
40. A destination will benefit from easier geographical and price accessibility. This development will be especially evident in the case of larger events taking place outside the tourist season.
41. The increasing possibility of railway and airline transport links will encourage the demand for holidays abroad, mainly in urban centres and regions to the detriment of rural areas.
42. Traffic jams will have a negative impact on travel by personal transport means (cars), particularly during the main tourist seasons.
43. Barriers caused by uncoordinated transport infrastructure and unattractive forms of passenger traffic will have a negative impact on the attractiveness of tourist destinations, because they will not be capable of developing in compliance with global transportation trends.
44. Cruising (in all price brackets) will be becoming more popular, particularly with senior tourists.
45. The politics of destination management should be based on integrated and consistent planning.
46. Promotion and recognisability of a destination will increase with the support of the local community, thus expressing the host destination’s hospitality.
47. The pressures of saturated tourist infrastructure, particularly in places where it has not been strategically placed in the local environment, will seriously impede the success of the tourism economy.
48. Water quality (lakes, pools, dams) will be an important factor in selecting destinations; therefore, the latter will have to stress the importance of safeguarding the waters.
49. Critical tourists will complain more often if a tourism product fails to comply with the expected standards.
50. The costs of providing security and safeguarding will rise rapidly.
51. The tourism industry should be better prepared in order to be capable of meeting the high expectations of tourists and should be particularly flexible in periods of crisis.

1.2.2 Social environment

Tourism activity (in the context of economic activity) includes, in addition to the main activities of tourism (catering and accommodation and the organisation and sale of tourist packages), complementary tourist activities (gambling, entertainment, congresses, events, recreation, etc.) and activities in the public tourism sector (tourism promotion, quality of environment, providing information and technical assistance to tourists, etc.). The immediate and direct effects of tourism are also evident in other economic activities (transport, trade, agriculture, food industry, crafts services, public utilities services, banking, insurance, etc.) and non-economic activities (culture, sport, health service, science, education, etc.). We should not overlook the return impact and effects of these activities (economic and non-economic) on the tourism. Tourism is important for the country because:
• it is an area of opportunity for Slovenian companies and one of the main instruments of the national and regional development;
• tourism brings together a large spectrum of various small and middle sized companies;
• in 2005, 1.5 million foreign tourists spent EUR 1.4 billion in Slovenia;
• EUR 1.4 billion of income from foreign tourists represents 10% of the exported goods and services in Slovenia;
• it creates 54,000 jobs (6.4% of all employees);
• it represents 3.7% of GDP,
• SIT 400 billion (1.67 billion EUR) of total production, and
• 6% of value added.

Hereinafter, we present certain strategic factors that have positive or negative impacts on the general external environment or the development of tourism at certain destinations.
1.2.2.1 Analysis of the organisation of tourism

The mutual cooperation and association of tourism service providers, public sector operators and civil society under the principle of public-private partnership at all levels, from local to the national, in the joint planning, development, designing, marketing and evaluation of integrated tourism products, will be a key factor in the successful development of tourism in the coming decade.

The following question arises: Is the structure of Slovene tourism capable of adjusting to social changes and the new requirements of the market and thus increase a competitive edge in our tourism economy?

The present structure of Slovene tourism fails to provide a satisfactory linking of activities and implementation of the interests of the public sector, tourism economy and civil society. Old patterns of associating, negotiating and decision-making, characteristic of the former social structure, have been abandoned, and new ways are only now being developed.

The organisational scheme of Slovene tourism (Figure 12) indicates that Slovene tourism is relatively well organised and associated in the vertical direction:

- The Government of RS and the relevant ministries - administrative units, local authorities;
- Slovenian tourist organisation - local tourist organisations or tourist areas;
- The Slovenian Chamber of Commerce and Industry and the Chamber of Craft of Slovenia - tourist companies and craftsmen;
- Tourist Association of Slovenia - tourist societies.

Organisational scheme of Slovene tourism

Figure 12:
Public interest at the national level in the broader sense is represented by the Government of the RS and directly by the Ministry of the Economy and within its framework the Directorate for Tourism. The working area of the Directorate for Tourism includes the following:

- providing systemic conditions for the development of tourism including the drafting of specific legislation and other regulations in the area of tourism and cooperation in the preparation and implementation of the laws of other ministries referring to tourism (Gaming Act, Cableways and Ski Lifts Act, Safety on Ski Slopes Act, Societies Act, Consumer Protection Act, etc.);
- professional assistance and cooperation with administrative units in implementing regulations in the area of catering;
- management of administrative procedures in the field of tourism (status for operation in the public interest in the field of tourism, determining delineated tourist areas for gaming activities);
- drafting strategic development documents in the field of tourism and their coordination with partners from the private sector and civil society and monitoring their implementation;
- drafting annual tourism policies and on the basis thereof, coordination and implementation of adopted measures and activities in the area of encouraging tourism development (promotion, investment policy, human resources, promotion of quality);
- drafting and coordination of implementation of research and development tasks and assignments in the field of tourism;
- drafting proposals in the field of tourism for integration in international programmes and EU programmes (PHARE, structural funds, international technical assistance, ...);
- cooperation in international organisations and groups in the field of tourism (UNWTO, Advisory Committee for Tourism, GD Enterprise EU, CEI - a special group for tourism, Adriatic - Ionian incentive - a special commission for tourism, bilateral commissions, etc);
- drafting proposals for bilateral agreements in the field of tourism and coordination of their implementation;
- design, organisation and coordination of the work performed by the Expert Council for Tourism.

Successful implementation of development tasks and assignments in the field of tourism also requires intensive intersectoral cooperation, mainly in the areas of culture, sport, transport, spatial planning and environment, health and training, and education.

An Expert Council for Tourism has been set up within the Ministry of the Economy and has the role of the Ministry’s expert-consulting body. Members of the Expert Council for Tourism are representatives of all interest groups in tourism. The Council deals with important substantive issues in the field of tourism and develops proposals, opinions and positions related to:

- implementation of development strategy of Slovene tourism;
- implementation of programmes of tourism development;
- coordination of activities deriving from programmes for tourism development;
- coordinated operation of economic interest groups in the field of tourism and operation of associations of members of communities with other operators, groups and government sectors;
- regulation of other relevant issues pertaining to individual tourism sectors.

The Government of the Republic of Slovenia established the Slovenian Tourist Board for the implementation of umbrella promotion and marketing of Slovene tourism at home and in particular abroad. In addition to implementing programmes of umbrella promotion, this Board also implements joint marketing programmes of Slovene tourism at home and abroad, develops the integral tourist information system, organises research activities in the area of marketing Slovene tourism and organises, coordinates and implements tasks in the area of developing new tourism products. Its important role is coordination and linking the promotion and marketing of tourism activities at the national level.

The Tourist Association of Slovenia is the most important civil society organisation in the field of tourism. The Tourist Association of Slovenia (TAS) operates as a national, non-governmental, independent, umbrella association of voluntarily associated tourist societies, municipal and regional tourist associations, municipal and regional tourist
associations, collective members and other organizations. It brings together over 610 tourist societies, 30 municipal and regional tourist associations and 15 collective members. It operates at the local (tourist associations, clubs and related organisations), regional (tourist associations) and national level (TAS). Based on the experience it has gained and its hundred-year tradition, it focuses its operation on the effective development of tourist society activities and contributes, together with the public and private sector, to a more rapid and high-quality development of tourism in Slovenia.

The Tourist Association of Slovenia has an important role in the development and promotion of tourism through the network of societies at the local, regional and national level, particularly in developing tourism culture and raising the awareness of the population. Tourist societies and associations are partners in the development of tourism and designing tourism products at local and regional levels. The activity of tourist societies is important in any environment and particularly in areas where there are no other entities competent for tourism. In tourist societies, people connect on the basis of their interests and under the principle of free association and the voluntary nature of their work.

Tourist societies as a civil society operate, above all, as a constituent part of the tripartite cooperation between public and private sectors. At the national level, the Tourist Association of Slovenia is an entity coordinating the interests and activities of societies at local and regional levels and at the same time formulating its policy towards other national bodies competent for tourist development (Ministry of the Economy, STB, Chamber of Commerce and Industry of Slovenia, Chamber of Craft).

Tourist societies established by natural and legal persons help to create the conditions for the development of tourism through their activity and co-designing of the tourism culture, and in special cases they may also be providers of tourist services in compliance with legislation on the operation of societies that permits them to perform their economic activities as non-profit entities. Tourist societies as a civil organisational network are a fully equivalent body to the public and private sector in tourism.

Unlike the Tourist Association of Slovenia, which connects natural persons interested in performing certain common activities in the field of tourism promotion, the National Tourism Association (NTA) is an organisation bringing together individuals, tourist companies, organisations in the field of tourism and other entities related to tourism. This organisation was established in 1993. The activities of the NTA include the following:

- promotion of development and promotion of tourism as a philosophy of life, economic development and strategic development opportunities for Slovenia;
- promotion of entrepreneurship and the competitive position in tourism;
- promotion of expert treatment of tourism and its development;
- development of the “Towards excellence in tourism” concept;
- contribution to education and training in tourism.

The interests of the tourism economy at the national level are represented by two other organisations: the Catering and Tourism Association at the Chamber of Commerce and Industry of Slovenia and the Catering and Tourism Section at the Chamber of Craft of Slovenia. The activities of both Chambers are similar, with the only difference that the Catering and Tourism Section at the Chamber of Craft of Slovenia (CCS) represents the interests of smaller economic operators, i.e. craftsmen and entrepreneurs, mainly in the area of catering and private boarding houses that are members of this Chamber. The Catering and Tourism Association at the Chamber of Commerce and Industry of Slovenia (CCI) brings together the interests of all members of committees of tourist agencies, cableways, gaming houses, with a subcommittee for gaming saloons, marinas, camping sites, congress activities and bathing establishments, with sections bringing together border area shops, owners renting rooms, hotel hostesses, directors of food and beverages, cooks and confectioners and sommeliers. Their common concern is:

- appropriate working conditions,
- training and concern for quality,
- implementing business interests,
• asserting the reputation of the activity and profession,
• having a presence in the respective European and international expert field.

Their main activities are:
• monitoring the conditions of work and operation of their members and performing activities for its improvement;
• proposing amendments to legislation;
• representing the interests of members when concluding collective branch contracts;
• concern for bringing forward the common interests of members;
• concern for regular and additional professional training of members.

At the national level in Slovenia, there are a number of interest associations and communities, bringing together tourism service providers of similar tourist services. The oldest and the most effective is the Community of Slovenian Natural Health Resorts, operating since 1957. In addition to this Community, the following interest groups are operating in Slovenia: Association of Tourist Agencies of Slovenia, Hotel Association of Slovenia, Association of Gaming Houses of Slovenia, Economic Interest Association of Cableway Operators of Slovenia, Association of Tourist Farms of Slovenia, Community of Castles in Slovenia and Economic Interest Association of Tourist Caves.

The main purpose of bringing together these associations is the implementation of certain business interests in the sectors in which they operate. The objectives and activities of these associations are almost identical. These are:
• consolidating the reputation of the Slovenian tourist companies in their areas of activity;
• implementing business interests in their areas of activity;
• promotion of industry, education and training;
• implementation and promotion of the quality of tourist services in their areas of activity;
• implementing rules of operation in their respective business areas;
• promotion of marketing and active promotion of Slovene tourism;
• protection of tourists or consumers of tourist services;
• associating with related organisations at home and abroad;
• building the image of their activities at home and abroad.

During the last two years, the first tourism clusters have been appearing, among them a congress cluster, organised in the form of the Congress Office of Slovenia, then a Cluster of Smaller Hotels of Slovenia, a wellness cluster, Country of Three Hearts and P-S-M Savinjska Region.

At the national level, there is the Association of Tourist Destinations of Slovenia, including 21 LTOs and other destination organisations, bringing together over 2300 members, mainly entrepreneurs in tourism.

Regional level

Unlike the organisation of tourism at the national level, the linking of tourism operators at the regional level in Slovenia is underdeveloped.

Regional organisations include, in addition to regional tourism associations (Celje, Gorenjska, Dolenjska with Bela Krajina, Istra, Maribor, Gornje Posočje, Pomurje, Kras-Notranjska), the Community of the Julian Alps (Skupnost Julijskih Alp), which connects four tourism centres in the area of the Julian Alps, i.e. Bled, Bohinj, Kranjska Gora and Bovec-Zgornje Posočje. The Community of the Julian Alps (hereinafter the Community) was founded in 1990 by an agreement between the four stated partners for their common presence at fairs. The aim of founding the Community was to streamline the costs of tourism promotion and marketing through common promotional activities. During the first years, the activity of the Community was directed towards appearances at fairs and marketing events.
Today, the activity of the Community includes:

- strategic marketing planning;
- organisation and implementation of appearances at fairs and other presentations of tourism;
- marketing communication with the public at home and abroad;
- designing and publishing common advertising materials;
- implementing interests in organisations at the national level and in associations of producers;
- collection and forwarding of information on various markets to their members.

Local level

Today, tourism societies prevail at the local level. In Slovenia, there are over 610 tourism societies and 30 regional and municipal tourism associations registered. Tourism societies at the local level inform tourists at various venues, regulate and protect the environment, organise events and raise the awareness of the local population, particularly young people. The effectiveness of individual tourism societies and the scope of their activities are very different. The main factor affecting the activity of an individual tourist society is the availability of human resources. Certain tourist societies connect well with the domestic population, tourism economy and municipality, with the aim of satisfying the needs of tourists. Some of them also perform marketing activities in the local community or at their tourist destinations, in addition to the above-mentioned activities.

Tourist societies at the local level in particular:

- encourage the domestic population to cooperate in tourism-related activity (cleaning the environment, embellishment of sites, events);
- guide the domestic population in their conservation of cultural heritage and high natural assets;
- cooperate in encouraging the tourism culture among young people in kindergartens, and primary and secondary schools;
- perform tourist-information activities in locations where there are no other institutional forms of tourist operation;
- organise or cooperate in designing and implementing tourist events;
- organise activities related to the improvement of the physical environment, protection of heritage, encourage various experiences and contribute to tourism as part of the quality of life.

In addition to tourist societies, new forms of association between the tourism economy and municipalities have been appearing in recent years at the local level, i.e. local tourist organisations (LTOs). Their main activity is promoting the development of tourism at the local level. The main objective is joint marketing of existing tourism products and cooperation in designing new products within a tourist destination. According to data from the survey of the Slovenian Association of Tourist Destinations, LTOs and tourist-information centres in 2004 implemented programmes totalling SIT 2.2 billion (9,18 milion EUR) in marketing and promotion, joining over 2000 companies, entrepreneurs and other organisations. The main characteristics of LTOs are that:

- in the majority of cases, their founders are municipalities;
- in implementing their activities, they often depend on public funds earmarked for financing the development of tourism.

At tourist destinations and in areas where there exist potential possibilities for tourism development, municipal administrations within their departments for economic activity also deal with tourism, particularly in the context of promoting and regulating development. Their task is, above all, to prepare appropriate local legislation in the field of tourism, long-term planning of tourist activities in their area and providing the basic conditions for their implementation, reflected in the planning and building of required general infrastructure, drafting of appropriate spatial plans and cooperation in the building of tourist infrastructure.

The analysis of the organisation of tourism on the vertical axis leads us to the conclusion that Slovene tourism is considerably diversified. The regional level is the most poorly organised, while at the national level, there is a question of the effectiveness of organisation in the context of providing actual coordination, particularly the intersectoral
coordination of proposals for tourism development within the Government of the RS. At the local level, the problem of insufficient interest in associating on the part of private tourist service providers is highlighted. The question of appropriate organisation of Slovene tourism in the horizontal direction and integration of the tourism economy thus remains one of the key issues for the further development of tourism in Slovenia.

Considering the fact that tourism depends on good organisation, which should reflect the demands of the present time through the planned and coordinated cooperation of the public and private sectors and civil society in its development, attention in this strategic period should also be focused on upgrading the organisational model of Slovene tourism so as to eliminate the identified deficiencies and provide favourable organisational conditions for its successful development. The emphasis in the upgraded model of organisation must be on reorganisation at the national level, on the setting up of an appropriate model of organisation at regional and interest levels, and on the introduction of public-private partnerships at all three levels.

1.2.2.2 Analysis of legal and political environments

In the last strategic period, there was positive movement in the improvement of the legislative framework regulating the specific field of tourism. A new Promotion of Tourism Development Act was adopted, setting up the legal basis for the implementation of the new development paradigm and new development concepts for the strategic development of Slovene tourism (sustainable development, building of public-private partnerships, implementing the adoption of strategies and annual tourism politics, expanding the instruments of tourism development promotion). Amendments to the Catering Act were also adopted, bringing positive changes to the area of renting private rooms and eliminating abuses related to performing catering activities in societies and clubs. The amended Gaming Act and the previously mentioned Promotion of Tourism Development Act eliminate both financing sources earmarked for the development of tourism (tourist tax and concession fees in organising special games) from the regular sections of municipal budgets, thus restricting the possibility of unspecified use of these funds.

With the aim of creating a more favourable environment for the operation and development of tourism, certain other legislative and implementing regulations have been adopted as well. The major expectations concerned amendments to spatial legislation, legislation in the area of entrepreneurship promotion and tax legislation. The following acts were passed in this period:

- Spatial Planning Act
- Construction Act
- Cableway Installations and Ski Lifts Act
- Act Amending the Small Business Act
- Entrepreneurship Act
- Promotion of Balanced Regional Development Act

Despite positive development in the legislative area, the implementation of new and amended legislative and implementing regulations still fails to yield any considerable results in practice. The reason lies partially in the fact that secondary legislation enabling the implementation of the new legislative solutions in practice has not yet been adopted and put into effect for all laws. In certain cases, the implementation of new legislative and implementing regulations has turned out to be unsatisfactory in practice.

In general, it may be concluded that the legal, legislative environment is still unfavourable for tourism in Slovenia, in that there is a series of regulations that indirectly restrict the competitive edge of Slovene tourism, particularly concerning conditions and permits for the implementation of individual activities. It will thus be necessary to pursue, within the next strategic period, the improvement of existing and new legislative and implementing regulations, particularly in the context of reducing unnecessary administrative burdens, thus creating a more favourable environment for competitiveness and the development of tourism. With regard to the relatively great impact of both general and special legislation on the competitive
edge and development of tourism, initiating an instrument of preliminary impact assessment of the proposed amendments to the laws and implementing regulations that affect the competitiveness and development of tourism is essential.

Concerning the political environment, there are several unexplored possibilities. Certain political parties, their public rhetoric aside, still do not basically recognise tourism as a development possibility for the Slovenian economy (except in certain documents). Actual political support is rather low (Appendix 3).

1.2.2.3 Analysis of the macroeconomic environment

The following is characteristic of the past strategic period: a generally unfavourable financial environment (unfavourable long-term bank loans) and adverse business environment (a number of administrative barriers), along with an inappropriate and insufficient supply of quality counselling to entrepreneurs in tourism. The adverse business environment is also the main reason for the lack of foreign investment in Slovene tourism over the past strategic period.

For the competitiveness of Slovene tourism, appropriate tax policy is of decisive importance. Table 11 shows different value-added tax rates in hotel and catering activities in European countries.

Value-added tax rates in catering in the 15 EU Member States

<table>
<thead>
<tr>
<th></th>
<th>Hotels</th>
<th>Restaurants</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Denmark</td>
<td>25,0</td>
</tr>
<tr>
<td>2.</td>
<td>Great Britain</td>
<td>17,5</td>
</tr>
<tr>
<td>3.</td>
<td>Germany</td>
<td>16,0</td>
</tr>
<tr>
<td>4.</td>
<td>Ireland</td>
<td>13,5</td>
</tr>
<tr>
<td>5.</td>
<td>Sweden</td>
<td>12,0</td>
</tr>
<tr>
<td>6.</td>
<td>Italy</td>
<td>10,0</td>
</tr>
<tr>
<td>7.</td>
<td>Austria</td>
<td>10,0</td>
</tr>
<tr>
<td>8.</td>
<td>Greece</td>
<td>8,0</td>
</tr>
<tr>
<td>9.</td>
<td>Finland</td>
<td>8,0</td>
</tr>
<tr>
<td>10.</td>
<td>Spain</td>
<td>7,0</td>
</tr>
<tr>
<td>11.</td>
<td>Belgium</td>
<td>6,0</td>
</tr>
<tr>
<td>12.</td>
<td>Netherlands</td>
<td>6,0</td>
</tr>
<tr>
<td>13.</td>
<td>France</td>
<td>5,5</td>
</tr>
<tr>
<td>14.</td>
<td>Portugal</td>
<td>5,0</td>
</tr>
<tr>
<td>15.</td>
<td>Luxembourg</td>
<td>3,0</td>
</tr>
</tbody>
</table>

Slovenia is somewhere in the middle with an 8.5% value-added tax rate. The current value-added tax rate structure in catering indicates possible competitive advantages, but an increased value-added tax rate would make us lose this advantage. It would be necessary to reconsider how to promote the development of other tourism sectors with an appropriate value-added tax rate.
1.2.2.4 Analysis of tourism development financing

Tourism is one of the rare activities provided with earmarked public funds for the financing of its development, i.e. the tourist tax and funds obtained through concession fees on the organisation of special games of chance.

The annual amount of tourist tax funds in Slovenia is around SIT 1 billion (41,7 million EUR). Until the adoption of the Promotion of Tourism Development Act, the main problem of this source was its integration in the regular part of municipal budgets, which is the reason why the municipalities devoted part of these funds to financing other tasks of the municipality. The new act separated the tourist tax out from the regular part of the municipal budgets, thus ensuring the most important financing source for the development of tourism in already touristically developed areas.

Funds from concession fees on the organisation of special games are collected in the national budget and in compliance with the Gaming Act, 48% of them being earmarked for the development and promotion of tourism at the national level. A 48% share is intended for the development of tourism infrastructure in delineated tourism areas where gaming houses are located. The annual volume of concession fees amounts to around SIT 9.5 billion (39,64 million EUR) and represents the main source of tourism development financing at the national level and a very important source of financing tourism infrastructure in these delineated tourism areas. As with the tourist tax, this source was included in the regular part of municipal budgets until 2004 and was thus often not used for the intended co-financing of tourism development. By amendments to the Gaming Act, this source was eliminated from the regular part of municipal budgets and has becoming an earmarked source for financing tourism infrastructure in the aforementioned tourism areas.

The annual amount of funds earmarked for tourist activities thus totals SIT 10.5 billion (43,81 million EUR). It is characteristic for both earmarked public sources of tourism development financing that their volume depends on the number of accommodation facilities and the corresponding overnights, and the location of gaming houses generated on this basis. Thus the major part of these funds is collected at already developed tourist destinations. The main source for financing the development of tourism in touristically undeveloped areas is the development funds of municipalities and national budget funds allocated to the implementation of regional development programmes and promotion of more coordinated regional development, which are not, however, devoted exclusively to tourist activities.

The main source of tourism development financing at the national level is the funds collected by concession fees on gambling, assigned to direct development incentives for the financing and promotion of tourism. In this period, the state directed immediate development incentives for tourism activity into the following: financing of umbrella promotion and marketing of Slovene tourism to national and mainly foreign markets, financing the development of an integrated tourist information system, development of new integrated tourism products and co-financing of investments in tourism infrastructure.

The annual volume of available funds for direct development incentives rose during the last four years from SIT 1.7 billion (70,93 million EUR) in 2001 to SIT 2.5 billion (10,43 million EUR) in 2004. Within this framework, the share of funds for financing umbrella promotion and marketing of Slovene tourism (from 56% in 2001 to 67% in 2004) grew most rapidly and was supplemented in 2003 and 2004 by funds for the development of an integrated tourist information system. The development of integrated tourism products was supported in 2001 and 2002. The share of funds for the promotion of investments in tourism infrastructure fluctuated between 29% and 35% during this period. The amount of funds available for investments in tourism infrastructure increased considerably in 2004 with input from the European Regional Development Fund totalling SIT 7.9 billion (32,96 million EUR), earmarked for co-financing investments in tourism infrastructure until the end of 2006. Of this, SIT 400 million (1,67 billion EUR) was devoted to financing tourist destination management development projects, in the framework of which the financing of the development of integrated tourism products is also possible.
The results of all public invitations to tender for the promotion of development of integrated tourism products and development of tourism infrastructure showed that the amount of available direct development incentives in 2001 and 2002 was considerably lower than expected or planned in the elaborated projects. In the field of tourism infrastructure, the proposals justified for co-financing exceeded the funds available in 2002 by a factor of 2.2. Despite the highest annual growth, the funds for implementing the umbrella promotion and marketing of Slovene tourism were modest, especially in comparison with other competitive countries, throughout the whole period. If the earmarked funds obtained from concession fees on the organisation of special gambling that remained in the national budget had been used in a consistent manner, the state could have increased the amount of available direct development incentives by around SIT 2 billion (83.45 million EUR) annually during that period.

The greatest positive shift in the field of financing tourism development in that period was in financing the start-up of the investment cycle. With the aim of improving the financial environment for investments in tourism, several activities were planned in tourism policy for 2003 with guidelines for 2004, including the following: incentives for the elimination of obstacles to implementation of the investment cycle (direct development incentives for drafting spatial plans covering the needs of tourism development and indirect development incentives for co-financing the drafting of project documentation through the voucher consulting system), direct financial incentives for financing investments in tourism infrastructure, encouraging banks to be more open to financing tourism projects and activities for a better-linked and coordinated allocation of funds from individual ministries to the development of tourism. In addition to immediate development incentives for tourism, indirect development incentives not intended exclusively for tourism but which may be used were also available within this framework. Indirect development incentives for the start-up of the investment cycle were the following:

- incentives of the Small Business Development Fund for co-financing tourism investments of lesser values (up to SIT 90 million (375.500 EUR)) – in the future, the amounts will depend on the available funds, the policy of the Ministry of the Economy and the Slovenian Enterprise Fund;
- incentives of the Ministry of Agriculture, Forestry and Food for co-financing investments in tourism capacities and recreational areas on farms;
- incentives of the Public Trust Fund for the Promotion of Balanced Regional Development;
- incentives of the Ministry of Education, Science and Technology;
- incentives of the Ministry of Culture for co-financing public investments in sport and tourism infrastructure, reconstruction of cultural heritage sites, and transport and education infrastructure relevant for tourism (SIT 4.059 billion (16.9 million EUR)).

An important part of indirect development incentives in this period was also represented by the European funds for pre-accession assistance within the PHARE programme and European funds intended for the cross-border cooperation of Slovenia with Italy, Austria, and Hungary and in the last year also with Croatia, within the INTERREG IIIA programme. These indirect development incentives were intended primarily to co-finance projects for developing integrated tourism products in 3A, 3E and 3D tourism programmes and for the construction of local regional tourist information systems. Funds for the promotion of entrepreneurship and competitiveness were indirectly allocated to the activities of tourism. Tourist companies did not use these incentives to any great extent. The best used were incentives for the development of clusters. Such incentives in this period were used by five tourism clusters (congress cluster, a cluster of smaller hotels, wellness cluster, a Country of Three Hearts and the P-S-M Savinjska region).

In the past four-year period, about SIT 18 billion (75.11 million EUR) was earmarked in the national budget for tourist activities.

The growth of financing sources for the development of tourism at the national level is characteristic for the past four years. In addition to direct development incentives, focused exclusively on tourism activity, there were possibilities for obtaining other sources of financing in the past years, basically intended for the implementation of...
other objectives (promoting entrepreneurship, more coherent regional development, promoting diversification of activities on farms, promoting economic and social cohesion in border regions, promoting the development of human resources, etc.). The latter so-called indirect development incentives contributed considerably to increasing the amount of funds available for financing tourism development. An important new source of financing in that period was European structural funds, which contributed to the start-up of the planned investment cycle in tourism.

In the first period of drawing development funds from European structural funds, the incentives were directed to larger investments in tourism infrastructure in basic geographical and product areas, defined in the 2002–2006 Strategy of Slovene Tourism. This investment cycle was intensive in large companies that had a sufficient share of their own capital and, above all, knowledge for the preparation of feasible projects through 2006, despite the unfavourable financial environment in Slovenia. The most important development was achieved in the areas of wellness, health tourism, reconstruction of cableways and construction of artificial snow systems. The offer of congress capacities in hotels has improved considerably, and accommodation capacities in four- and five-star hotels, where 2000 new beds out of a planned 2500 will be built by the end of 2006 within the framework of the projects supported by direct development incentives, have also significantly improved.

As already mentioned, the investment cycle in the segment of small and medium-sized companies was considerably poorer. The main reasons include a generally unfavourable financial environment in Slovenia with the absence of favourable long-term bank loans and a generally unfavourable enterprise environment with a series of administrative barriers. Despite a relatively unfavourable situation in this field, a positive change was noted last year in the banking sector, which started to prepare and offer special loan terms for the field of tourism.

In comparison with investments in the private sector, the investment cycle in public tourism infrastructure was lower during this period as well. The analysis of implementation of strategic objectives in the 2002–2006 period shows that around 72% of the planned investments of the private sector were implemented during this period and that only around 11% of the planned public investments in public tourism infrastructure, public utilities, traffic and other infrastructure relevant for the development of tourism were realised. The poorer implementation of planned public investments is particularly evident in investments made in congress and sports halls, and other investments from private or public investors. While private investors succeeded in almost fully implementing the planned investments, the implementation of such investments in the public sector is more of an exception. The planned investments in traffic infrastructure, construction of parking garages and partly in the regulation of parking facilities were not fully implemented. It may thus be concluded that municipalities (as the main bearers of public investments in this period) were financially incapable of keeping up with the investment cycle in the economy. The main reason for this is the lack of available development incentives for public investment. Considering the great impact of the quality of public infrastructure on the overall quality of a tourist destination and, as a consequence, the danger of achieving lower returns than planned on previously implemented private investments and the related inferior amount of gross proceeds, greater attention should be paid in the future strategic period to the designing of appropriate development incentives for the construction of public infrastructure relevant for the development of tourism.

Despite a relatively sufficient volume of available direct and indirect development incentives for the development of new integrated tourism products and promotion of the development of tourist destination management and a relatively large number of supported projects - together with the European funds for promotion of cross-border cooperation and funds for the promotion of development of tourist destination management, 182 projects totalling around SIT 3.2 billion (13,35 million EUR) were supported - no considerable progress was made during this period in all three programme fields 3A, 3E and 3D. These represent an important basis for maintaining the competitive position of Slovene tourism. In our estimation, the main reason lies in inappropriate marketing or inclusion of elaborated projects for the development of integrated tourism products in the overall offer of tourist destinations and of Slovenia as a whole. Special attention in the next strategic period should be paid to a more detailed analysis of the causes and to initiating appropriate measures for the promotion of development of integrated tourism products.
1.2.2.5 Analysis of the technological environment

The development of information technology has a positive impact on the operation and marketing of tourist activities. It shortens intervals of information flow and reduces the possibility of human error. It facilitates marketing and promotion at the best prices and rapid communication. It requires new approaches, to which Slovenia will have to adapt. IT development is a part of all branches of tourism but is most relevant in the booking field. A booking system needs to be set up in Slovenia that will provide easy integration of individual suppliers as well as compatibility with global suppliers. Certain Slovene tourism operators have well-elaborated central reservation systems (CRS), while the others will still have to upgrade or introduce reservation systems in their business process. We are, however, fully operational in the Global Distribution System (GDS), given that Adria Airways has a licence for the marketing this system in Slovenia.

1.2.2.6 Education analysis

A) EDUCATION BEFORE PRIMARY SCHOOL

TAS has been implementing the project “Through play to the first steps in tourism for the education of preschool children.” The parents of the children are also involved in this project. The project involves actions aimed at cleaning the environment where kindergartens are located, cooperation with tourist societies in the vicinity, cooperation in cleaning forests and marking paths, visits to theatres, performances, museums and libraries, cooperation in different events, learning about other cultures and nations by means of a project under the auspices of UNICEF, learning foreign languages, participation in exhibitions, sport and recreational activities, trips in the near vicinity

B) PRIMARY SCHOOL EDUCATION

In primary schools, tourism-related education is already being carried out. Primary school pupils may choose tourism education as their elective subject. It is incorporated in the 9-year primary school education curriculum prescribed in 2003. Before transitioning from 8-year primary school education to the 9-year structure, tourism education was only carried out in a few primary schools (as a course activity or as part of interest activities).

C) SECONDARY SCHOOL EDUCATION

In Slovenia there are 13 secondary schools offering education for different vocations and professions in tourism. These include cook, waiter, catering technician, tourism technician and catering-tourism technician. The programmes have been implemented for 3 or 4 school years and the tourist technician programme is in the form of 3 + 2 years.

According to the data provided by the Vocational and Professional Education Centre of the RS, the reform of secondary vocational education programmes has been started with funds provided by the European Social Fund. The programmes will be reformed so that the education will be carried out under the same national programme both for the students concluding an individual contract for the implementation of practical training at their employers and those concluding a collective agreement through the school.
D) POST SECONDARY EDUCATION
Post-secondary education programmes are offered by two schools. These are Višja strokovna šola za gostinstvo in turizem Bled (Vocational College for Catering and Tourism, Bled) and Višja strokovna šola za gostinstvo Maribor (Vocational College for Catering, Maribor) (VŠGT). Both schools offer higher vocational programmes for the organisers of catering and tourism businesses. These post-secondary schools also educate students for middle management, which takes 2 years of study.

The study programme is adapted to the needs of the catering and hotel sectors and emphasises practical education and training. VŠGT Maribor (Vocational College for Catering, Maribor) has a Consortium of Tourism Economy that influences the content of the study programmes and selects the content of the training programmes.

E) HIGHER EDUCATION
There is one higher education institution for tourism specialised at the higher education level - UP Turistica, Portorož, implementing a higher education programme for the hotel industry and tourism. In addition, a higher education study programme is implemented by the Faculty of Economics at the University of Ljubljana, Business School programme, Department of Tourism; and the Faculty of Business and Economics at the University of Maribor, Business Economy programme - Department of Tourism.

In the higher education study programmes, the education of personnel for middle and upper management in tourist companies is carried out in the area of work organisation in tourism, in the area of tourism economy development and marketing in tourism. With the development of new education programmes at the undergraduate and graduate level, a trend in increasing the professional qualifications of personnel employed in Slovene tourism has been noted in the area of professional higher education.

F) UNIVERSITY EDUCATION
Education is carried out under the principles of the Bologna Process (3+2). There is no 4-year faculty study programme in the field in Slovenia. There is, however, a university education programme at the Faculty of Arts of the University of Ljubljana, Department of Tourism Geography.

G) POST-GRADUATE EDUCATION
Under the principles of the Bologna Process, the Higher Education Council of the RS approved a post-graduate study programme in tourism, registered and implemented by Turistica - College of Tourism in Portorož. A post-graduate master study programme in tourism is also offered by the Faculty of Economics at the University of Ljubljana.

H) TRAINING CENTRES
School hotel Astoria VŠG Bled (Vocational College for Catering and Tourism, Bled).

In Slovenia, there is only one school hotel operating within the framework of the Vocational College for Catering and Tourism, Bled, the Hotel Astoria (Višja šola za gostinstvo Bled Hotel Astoria). Taking into consideration the need for improving practical training, the promotion of construction of a network of school hotels, agencies and catering facilities should be continued during this strategic period.
I) FUNCTIONAL EDUCATION

UP Turistica offers three nationally accredited programmes for practical education (tourism animator and tourism guide in cooperation with the STB and an IATA-UFTAA Foundation Course in cooperation with Adria Airways.) Other certificate and practical education and training are also being carried out in Slovenia:
- tourist guides (CCI), local tourist guides (municipalities), croupier, dietician, head of catering, sommelier, cheese adviser, waiter, cook, assistant cook, assistant waiter.

The National Institute of Tourism offers in cooperation with the VŠGT Bled practical and certificate training in the following fields:
- management in tourism, marketing in tourism, planning tourism development, quality business operation and control, human resources management, communication with guests, motivation, language learning, food & beverage in catering, and IT in the hotel and catering industry.

The analysis of human resources in the present strategic period (as well as in the previous one) shows that education programmes exist, but that demand for them has been decreasing (except in the case of higher education). The main disadvantages in this area are as follows: inferior education structure of those employed in tourism; a gap between education programmes and limited practical training in tourist companies; a gap between education and training programmes and the needs of the economy and a decreasing interest among young people in choosing catering vocations. A fall in enrolment in basic catering vocations (for example, cook and waiter) is particularly evident. Taking into consideration the relevance of personnel for the purposes of ensuring quality and thus the competitive edge of Slovene tourism, more attention should be paid to the development of human resources in this strategic period.
## Tourists in Slovenia according to national origin, 1985-2005

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S.A.</th>
<th>Britain</th>
<th>Germany</th>
<th>Austria</th>
<th>Netherlands</th>
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</table>
APPENDIX 3: Tourism in the programmes of parliamentary parties

SLS (Slovenian People’s Party)

In Slovenia, the rural area is a spatial, developmental and historical category, representing almost 90% of the surface area of our country and inhabited by almost 60% of the population. Large urban centres constitute the remaining part. Consequently, the SLS perceives rural development in Slovenia to be in the interest of all the inhabitants of our state. The preserved cultural landscape, varieties of nature, great biological diversity, varieties in customs and cuisine are values which should be understood and maintained by all Slovenians. These are riches we value and offer as a development strategy within Europe, as well as in the framework of tourism.

SNS (Slovenian National Party)

Foreign capital entering the country must be encouraged; however, it must also be controlled in compliance with Slovenian legislation. We are in favour of the “Cyprus” economy model, which would be interesting to foreign investors and useful for our country. In this connection we oppose large complexes of basic and heavy industry, and support programmes facilitating the preservation of green nature and the development of tourism, tertiary services, the small economy and organic farming.

DESUS (Democratic Party of Retired Persons of Slovenia)

In the party’s programme, tourism is not mentioned.

LDS (Liberal Democracy of Slovenia)

We will accelerate development of primary service activities in areas such as tourism and business, finance, transport logistics and information services in high-technology fields. As a priority, we will direct EU Structural Funds sources to achieve this goal. Special attention will be paid to promoting an innovative environment for tourism. Slovene tourism is an important business opportunity for the economy and social development. We will support the development of tourism, one of the fastest growing branches of the economy, via encouragement of partnership between public and private sectors, as a civil society, in order to jointly find sustainable development solutions at the level of tourist destinations.

As a priority, we will direct development incentives to tourist areas and to development of integrated tourism products where Slovenia has recognized competitive advantages in the global market. Slovene tourism will become one of the leading industries in the economy. Till 2010, the planned investment cycle of EUR 1.6 billion represents an important economic, regional, local and entrepreneurial development opportunity at the national level. The basic quantitative objective of Slovene tourism is an increase in annual tourism turnover to EUR 1.6 billion and an increase in overnight stays to 9 million. The number of beds included in hotel capacities should increase by no less than 4000. We will further intensively encourage development of agritourism farms with overnight stay capacities and encourage an increase in the number of capacities in other accommodations.
The new development paradigm of Slovene tourism is based on entrepreneurship and creation of attractive market niches within the framework of European tourism. The development of tourism is based on a project approach and connection of tourism products into interesting and adventurous tourism clusters. To carry out the most demanding investment projects in the field of tourism, we will develop a model of project financing based on public-private partnership. In this respect, special attention will be paid to training tourism staff. We will encourage the sustainable development of tourism based on equal treatment of economic, social and environmental development components.

**NSI (New Slovenia – Christian People's Party)**

Money from gaming houses will be channelled into tourism. In the development of tourism, we will facilitate additional offers at notable historical sites in Slovenia. We will promote tourism projects that present the history of certain areas (the Isonzo Front, Roman fortresses and roads, Argonauts and lake dwellers, inhabitants of ancient Celje and the Counts of Celje, Kozjansko transport trail, Crusaders fortresses in Prekmurje, etc.), cultural and natural monuments, folk tradition and the modern way of life.

Let us show the natural beauties of Slovenia to Europeans. We will support a comprehensive presentation of natural beauties via special projects. We will include Slovenian experts in the spatial development projects. We will promote the opening of hiking trails and recreational bike paths. We will support the efforts of voluntary mountaineering societies and organisations for maintenance of mountain and alpine trails since this cannot be based only on the care of individuals and groups.

As a small country distinguished by its varied landscape, Slovenia can also achieve a special position in international tourism with sport facilities and physical activity programmes. We believe that this could be among the special offers to neighbouring countries. This is why we will support comprehensive programmes for spending active and sportive holidays. Such an orientation can provide high-quality tourism as well as provide our top sports figures with possibilities of remaining active in the field of sport at the end of their competitive careers. Along with this we will strive for regulated construction of sport facilities areas within the whole area of Slovenia, which can be achieved through long-term planning.

**SD (Social Democrats)**

Environmental protection must become a mechanism of economic renewal and job creation. One of the basic objectives of environmental protection policy is job creation in ecologically non-intensive industries and services. This can especially be applied in tourism where a healthy and preserved environment represents one of the key advantages.

**SDS (Slovenian Democratic Party)**

We support continuance of employment and/or job creation in rural areas via activities that can be connected with agriculture, forestry and food (catering, craft industry, tourism). We will connect cottage industries and work carried out jointly (sharing of work among the farms), sales of products (production of drinks, cheese production, meat production, baked goods, etc.) with summer and winter farm tourism and catering, which will improve farm viability and opportunities.
### APPENDIX 4: Accommodation and Food Sector

#### Accommodation Sector

<table>
<thead>
<tr>
<th>Sectors/ Elements</th>
<th>Facts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accommodation Sector</strong></td>
<td>Hotels provide 27,828 beds. There are 25,183 permanent beds of which slightly less than 10% are supplementary beds. Rooms total to 13,778. On average there are 2.02 beds per room. In 2004, the average room occupancy was 47%.</td>
</tr>
<tr>
<td><strong>HOTELS</strong></td>
<td>13 motels provide 680 beds, of which there are 630 permanent beds and 50 (7.35%) supplementary beds in 311 rooms. On average there are 2.18 beds per room. In 2004, the average room occupancy was 21%.</td>
</tr>
<tr>
<td><strong>MOTELS</strong></td>
<td>39 apartments provide 3,809 beds in 1,023 rooms. Of these there are 3,320 permanent beds and 489 (12.84%) supplementary beds. On average there are 3.72 beds per room. In 2004, the average occupancy was 35%.</td>
</tr>
<tr>
<td><strong>BOARDING HOUSES</strong></td>
<td>60 boarding houses provide 1,883 beds in 735 rooms. Of these there are 1,761 permanent beds and 122 (6.5%) supplementary beds. On average, there are 2.6 beds per room.</td>
</tr>
<tr>
<td><strong>GUEST HOUSES</strong></td>
<td>39 camps provide 16,100 beds in 5,583 rooms. Of these there are 14,880 permanent beds and 1,220 (7.6%) supplementary beds. On average there are 2.88 beds per room. In 2004, the average room occupancy was 30%.</td>
</tr>
<tr>
<td><strong>LODGINGS</strong></td>
<td>36 agritourism farms with accommodation provide 560 beds in 206 rooms. Of these there are 528 permanent beds and 32 (5.75%) supplementary beds. On average there are 2.71 beds per room. In 2004, the average occupancy was 10%.</td>
</tr>
<tr>
<td><strong>APARTMENTS</strong></td>
<td>84 guesthouses provide 1,417 beds in 609 rooms. Of these there are 1,323 permanent beds and 94 (6.64%) supplementary beds. On average there are 2.33 beds per room. In 2004, the average occupancy was 24%.</td>
</tr>
<tr>
<td><strong>CAMPS</strong></td>
<td>3 marinas provide 1,100 beds in 274 rooms. Of these 1,100 are permanent. On average, there are 4.01 beds per room.</td>
</tr>
<tr>
<td><strong>AGRITOURISM FARMS WITH ACCOMMODATION</strong></td>
<td>33 lodgings provide 844 beds in 352 rooms. Of these there are 771 permanent beds and 73 (8.65%) supplementary beds. On average there are 2.4 beds per room. In 2004, the average occupancy was 24%.</td>
</tr>
<tr>
<td><strong>PRIVATE ROOMS</strong></td>
<td>39 apartments provide 3,809 beds in 1,023 rooms. Of these there are 3,320 permanent beds and 489 (12.84%) supplementary beds. On average there are 3.72 beds per room. In 2004, the average occupancy was 35%.</td>
</tr>
<tr>
<td><strong>MOUNTAIN GUEST HOUSES AND MOUNTAIN HUTS</strong></td>
<td>132 holiday homes provide 3,868 beds in 1,018 rooms. Of these there are 3,501 permanent beds and 367 (9.5%) supplementary beds. On average, there are 3.8 beds per room.</td>
</tr>
<tr>
<td><strong>HOLIDAY HOMES</strong></td>
<td>In total, 10 holiday homes provide 1,744 beds in 275 rooms. Of these there are 3,501 permanent beds and 367 (9.5%) supplementary beds. On average, there are 3.8 beds per room.</td>
</tr>
<tr>
<td><strong>HOLIDAY HOMES FOR CHILDREN AND YOUTH</strong></td>
<td>In total, 21 accommodation facilities provide 371 beds in 144 rooms. Of these there are 366 permanent beds and 5 supplementary beds. On average, there are 2.6 beds per room.</td>
</tr>
<tr>
<td><strong>OTHER ACCOMMODATION FACILITIES</strong></td>
<td>In total, 10 facilities provide 2,536 beds in 870 rooms. Of these there are 2,476 permanent beds and 60 (2.4%) supplementary beds. On average, there are 2.92 beds per room.</td>
</tr>
<tr>
<td><strong>TEMPORARY ACCOMMODATION FACILITIES</strong></td>
<td>3 marinas provide 1,100 beds in 274 rooms. Of these 1,100 are permanent. On average, there are 4.01 beds per room.</td>
</tr>
</tbody>
</table>


*In Slovenia there are 228 holiday farms with accommodation totalling 3,054 beds, according to the Holiday Farms Association of Slovenia.*
### Sectors/ Elements

<table>
<thead>
<tr>
<th>Sectors/ Elements</th>
<th>Facts</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOOD SECTOR</td>
<td>In Slovenia there are 672 facilities, employing 9,210 staff (30% of the food sector). The activity performed by hotels and restaurants is similar to the craft industry only when carried out by individual independent entrepreneurs (s.p.) in the following types of hotels and restaurants: boarding houses, restaurants, inns, refreshment facilities, cafés and patisseries. The structure of hotel and restaurant activity among craftsmen is 5.6%, representing 450 outstanding Slovene hotels and restaurant complying with the criteria of the Chamber of Craft of Slovenia, which includes 232 restaurants and hotels, keeps the register of craftsmen in the field of hotels and restaurants. According to the Chamber of Commerce and Industry, in 2004 there were 526 hotels and restaurants registered in Slovenia, out of which 521 were small companies. The industry employed 3,329 staff of whom 2,390 worked in small companies. The hotel and restaurant industry had a turnover of nearly SIT 33.5 billion, of which nearly SIT 23.5 billion was generated by small companies. The Value Added Index growth per employee was 106.2 and the Labour Cost Index 105.5.</td>
</tr>
<tr>
<td>RESTAURANTS and INNS</td>
<td>AGRITOURISM FARMS WITH NO GUEST ROOMS</td>
</tr>
<tr>
<td>REFRESHMENT FACILITIES</td>
<td>336 facilities, employing 3,894 staff.</td>
</tr>
<tr>
<td>Pâtisseries and cafés</td>
<td>47 facilities.</td>
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<tr>
<td>Bars</td>
<td>2,955 facilities, employing 5,954 staff.</td>
</tr>
<tr>
<td>Canteens and catering</td>
<td>168 facilities.</td>
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</tbody>
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APPENDIX 5: List of acts regulating tourism and acts having special impact on tourism

LIST OF ACTS REGULATING TOURISM AND ACTS HAVING SPECIAL IMPACT ON TOURISM

I. ACTS REGULATING TOURISM

1. Promotion of Tourism Development Act (Ur. list RS (Official Gazette of the Republic of Slovenia), No 02/04)
2. Catering Act (Ur. list RS, Nos 1/95, 29/95, 44/96, 40/99, 36/00, 110/02, 04/06)
3. Mountain Guides Act (Ur. list RS, Nos 63/99, 37/04, 99/04)
4. Gaming Act (Ur. list RS, Nos 27/95, 85/01, 101/03, 134/03, 132/04)
5. Safety on Ski Slopes Act (Ur. list - RS, Nos 110/02, 98/05, 3/06)

II. ACTS HAVING SPECIAL IMPACT ON TOURISM

1. Companies Act (Ur. list RS, Nos 30/93, 22/94, 45/94, 82/94, 20/98, 32/98, 37/98, 84/98, 6/99, 54/, 31/00 L, 36/00, 45/01, 59/01, 50/02, 124/04, 15/05)
2. Small Business Act (Ur. list RS, Nos 50/94, 36/00 - ZPDZC, 61/00, 42/02, 31/03 - CC Decision and 18/04, 46/04)
3. Promotion of Balanced Regional Development Act (Ur. list RS, No 93/05)
4. Act Regulating Supportive Environment for Entrepreneurship (Ur. list RS, No 40/04)
5. Protection Against Death by Drowning Act (Ur. list RS, No 44/00)
6. Employment Relationships Act (Ur. list RS, No 42/02)
7. Housing Act (Ur. list RS, No 69/03)
8. Act Regulating the Recognition Procedure for Qualifications of Citizens of EU Member States Relating to Access to Regulated Professions and Professional Activities in the Republic of Slovenia (Ur. list RS, No 21/02)
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<tr>
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<th>Nature Conservation Act (Ur. list RS, No 96/04)</th>
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<tr>
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<td>Consumer Protection Act (Ur. list RS, No 98/03)</td>
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<td>Prevention of Illegal Work and Employment Act (Ur. list RS, No 36/00)</td>
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<td>Restriction of the Use of Tobacco Products Act (Ur. list RS, No 15/03)</td>
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<td>Waters Act (Ur. list RS, No 15/03)</td>
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<td>Societies Act (Ur. list RS, No 89/99)</td>
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<td>Health and Hygiene Safety of Foods, and of Materials and Articles Intended to Come into Contact with Foods Act (Ur. list RS, Nos 52/00 and 42/02)</td>
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<td>Copyright and Related Rights Act (Ur. list RS, Nos 21/95, 9/01 and 30/01)</td>
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<td>Personal Data Protection Act (ZVOP-1)</td>
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<td>Rules on traffic signs and equipment on public roads</td>
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<td>Natural Parks Act</td>
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<td>Exercising of the Public Interest in Culture Act (ZUJIK) (Ur. list RS, No 966-4807/2002)</td>
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<td>Cultural Heritage Protection Act (ZVKD) (Ur. list RS, No 7- 287/1999; Ur. list RS, No126-5393/2003)</td>
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</table>
Calculation of the number of tourist and overnight stays and tourism receipts considering strategic objectives. (2005 served as the basis)

Average annual growth in the number of tourists was 6%; average annual growth in overnight stays was 4% and growth in tourism receipts was 8%.

<table>
<thead>
<tr>
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APPENDIX 7: Model of the organisation of Slovene tourism (additional explanation)

The model of upgrading the system of the organisation of Slovene tourism comprises the following four levels:
- international,
- national,
- regional, and
- local.

The model includes the basic novelties to be implemented according to the framework time schedule of individual policy measures and thus achieve the planned objectives of the DPPST (Slovene Tourism Strategy).

The basic novelties are:
- redefinition of the role and reorganisation of the Slovenian Tourist Board (STB) to increase its effectiveness and clearly define its role and functions, as well as its reorganisation in order to introduce public-private partnership;
- development of new development regional destination organisations (RDTB) according to the public-private partnership and interest association principle;
- development of clusters of thematic tourism products at the national level and other interest clusters at regional and national levels;
- redefinition of the role and reorganisation of the LTOs (Local Tourist Organisations) to increase their effectiveness and clearly define their role and functions, as well as their reorganisation in order to introduce public-private and civil partnerships.

The upgraded model of Slovene tourism with an organisation network connecting tourism operators can be operational only when placed in the environment, together with its links, where the model network functions as the starting point for harmonisation and balance in the modern environment.

Implementation of the model in practice depends upon the identification of tourist destinations in the Slovene environment. The adoption, as soon as possible, of the Public-Private Partnership Act, will contribute to its effectiveness.

Basic tourist organisation at the various levels:
- international level: representative offices;
- national level: NTDB (National Tourism Development Board); STB (Slovenian Tourist Board) – redefined and reorganized;
- destination level: RDTB (Regional Destination Tourism Board) – destination development organisation;
- local/interlocal level: LTO – redefined and reorganized.

Summary description of the organisation model of Slovene tourism:
- according to its functions and organisation, the area is divided into four levels (international, national, regional and local);
- processes in the model are implemented in two directions:
  - horizontally
  - vertically
• in the horizontal direction every level functions independently:
  • international: establishment/renewal of representative organisations in primary emitting markets;
  • national level: generates all the interested stakeholders; develops, performs and controls tourist activity at all levels;
  • destination level: generates all the interested stakeholders; develops, performs and controls tourist activity in the destination impact area and ensures adequate cooperation in the interdestination environment;
  • local/interlocal level: generates all the interested stakeholders; develops, performs and controls tourist activity in the local and interlocal impact area and ensures adequate cooperation within the destination environment;

• in the horizontal direction every level functions synergistically:
  • international: carries out tasks and operations defined at the national level and provides counselling on integration of Slovenian tourism products into international ITPs and as an expert for the influential emitting markets advises in development of ITPs for individual markets;
  • national level: develops, performs and controls processes among individual levels;
  • destination level: develops, performs and controls processes at destination and local/interlocal levels and provides placement of destination ITPs and thematic tourism products at national and international levels;
  • local/interlocal level: develops, performs and controls processes at local/interlocal levels and provides placement of local/interlocal ITPs and thematic tourism products at destination, national and international levels.

Description of the basic organisations by level and their key functions:

International level: representative offices
Representative offices shall be established in the most influential emitting markets. It is suitable to encourage clusters of interested stakeholders with a presence in individual emitting markets.

Functions in detail:
• Promotional function:
  • looking for the most suitable tools and strategic opportunities (market niches) to effectively promote Slovenian tourism in influential emitting markets;
• Distribution function:
  • placement of thematic tourism products and ITPs in the influential emitting markets (tourist agents and tourism end users);
• Development function:
  • influential emitting market research and advising to all interested tourism providers at all levels;
• Operational function:
  • assistance in carrying out ITPs;
  • active integration of Slovenian tourism products into international ITPs.

National level: NTDB (National Tourism Development Board); STB (Slovenian Tourist Board) – redefined and reorganised
The basic and key organisation of Slovene tourism in the new model of organisation remains the STB in its redefined role. The STB will be legally transformed according to the model of public-private partnership where the interests of all interested publics (the public, private and civil) are balanced. Since it is the Slovenian umbrella tourist organisation, it will be majority- owned by the government, followed by the private and civil sectors. The STB in its redefined role represents the umbrella organisation with three key functions:
• promotion
• distribution
• development.

A newly organised department will cover the promotion function. Its distribution function will be particularly focused on the task of maintenance of the central booking system and provide business flows among all levels. In addition to the modern electronic distribution channels that will be enabled by the central reservation system (CRS), we must not neglect the other distribution channels at the B2B\textsuperscript{51} and/or B2C\textsuperscript{52} levels. Indirect and direct placement of Slovenian tourism in the global flows of the tourism industry will be promoted. Special attention will be paid at the B2B level where the traditional distribution channels still prevail among tourist agencies, tour operators and wholesalers in tourism services. The electronic distribution channel functions only as a tool for cheaper, faster and more efficient business operations. At the B2C level, promotion via traditional distribution channels does not suffice for effective placement of Slovenian tourism offers, and for this reason we will maintain and promote the electronic distribution channel.

The development function will be covered by a newly organised department where representatives of all the three publics and other influential stakeholders of Slovene tourism (for example, the representatives of research institutes, universities, etc.) will meet.

**STB functions in detail:**

- **Promotion function:**
  - implementation of the overall promotion of Slovene tourism for the purposes of increasing its recognisability in global markets;
  - implementation of the market communication programme at the national level via the application of modern tools of market communication, harmonised with local, regional and interested tourism operator networks.

- **Distribution function:**
  - continued development of the tourist information system in line with the latest information technology;
  - promotion of the use and development of tourist information systems at the entrepreneurial, local and regional levels and provision of their integration into the national tourist information system;
  - establishment and development of the central reservation system at the national level providing the integration of tourist services and ITPs into global systems of the tourism industry.

- **Development function:**
  - encouraging the development of thematic tourism products on the horizontal axis and of ITPs on the vertical axis;
  - promoting research activities in the tourism industry and provision of knowledge transfer to the tourism economy and other knowledge users through the established information system for supporting the decision-making of tourism operators at all levels;
  - promoting the training of tourism operators.

\textsuperscript{51} *Business-to-business system level.*

\textsuperscript{52} *Business-to-customer system level.*
Destination level: DDO – destination development organisation

The destination level is newly integrated into the organisational structure of Slovene tourism. It plays its most important role in the implementation of destination management in practice. It is the basic unit and/or organisation of this level, which functions as a generator of tourism industry development at destinations as well as in the local/interlocal environment. Like the STB at the national level, it is defined according to the principle of public-private partnership where the rule that the majority shareholder is the public sector does not always apply. The civil sector also plays an important role in this concept.

Certain destination environments have only one umbrella organisation.

DDO functions in detail:

- Promotion function:
  - implementation of the overall regional/destination promotion of Slovene tourism in order to increase its recognisability in national and global markets;
  - implementation of the market communication programme at the regional level via the application of modern tools of marketing communication, harmonised with local, regional and interested tourism operator networks.

- Distribution function:
  - continued cooperation in development and use of the tourist information system in compliance with the latest information technology at the regional and national levels;
  - promotion of the use and development of tourist information systems at the entrepreneurial, local and regional levels and provision of their integration into the national tourist information system;
  - assistance in developing the central reservation system at the national level providing the integration of tourist services and ITPs of regional character into global systems of the tourism industry.

- Development function:
  - implementation and operationalisation of concepts of modern destination management;
  - promotion of development and implementation of thematic tourism products on the horizontal axis, on the one hand, and ITPs on the vertical axis on the other;
  - implementation of demanding investment projects with their promotion and integration of the tourism economy and other interested tourism operators into clusters at the regional destination level;
  - realisation of research activities at the regional level and increasing the awareness of the importance of integration of services, offers and ITPs into the central reservation system;
  - enhancement of training and networking of tourism operators at regional and local levels;
  - development, concept and organisation of ITPs at regional and local levels;
  - realisation of the transfer of knowledge to the operational level and the motivation to integrate tourist offers into ITPs and their inclusion in the central reservation system.

- Operational function:
  - operationalisation of integrating thematic tourism products into clusters at the horizontal level;
  - operationalisation of integration of tourist services into ITPs at the horizontal level in the local, regional and interregional areas;
  - provision of tourist services and ITP quality performance;
  - organisation of tourist guide services in the destination impact area.
Local/interlocal level: LTO - redefined and reorganised
The basic representative of this level remains the LTO, but redefined and reorganised. It is defined according to the concept of public-private partnership, similar to that at national and local levels. At this level, the important role of the civil society should not be neglected. In the LTO, all tourist offices should be integrated into one (the offices of the LTO, TIC and tourist association in the impact local/interlocal environment).

LTO functions in detail:

- **Promotion function:**
  - implementation of the umbrella local promotion of Slovene local tourism in order to increase its recognisability in national and global markets;
  - implementation of the marketing communication programme at the local level via the application of modern tools of marketing communication, harmonised with local, regional and interested tourism operator networks.

- **Distribution function:**
  - continued cooperation in the development and use of the tourist information system using the latest information technology;
  - promotion of the use and development of tourist information systems at the entrepreneurial and local levels and their integration into the national tourist information system;
  - assistance in development of the central reservation system at the national level providing the integration of tourist services and ITPs of local and regional character into global systems of the tourism industry.

- **Development function:**
  - implementation and operationalisation of concepts of modern destination management;
  - promotion of development and implementation of ITP on the vertical axis;
  - implementation of demanding investment projects and their promotion and integration in the tourism economy and other interested partners into clusters at the local level;
  - enhancement of training and networking of tourism operators at the local level;
  - development, concept and organisation of ITPs at the local level;
  - realisation of the transfer of knowledge to the operational level and motivation to integrate tourist offers into ITPs and their inclusion in the central reservation system.

- **Operational function:**
  - implementation of thematic tourism products;
  - operationalisation of integration of tourist services into the ITP at the horizontal level in the local area;
  - provision of the quality performance of tourist services and ITP at the local level;
  - provision of local tourism infrastructure;
  - implementation of a tourist information office in the local environment;
  - organisation of tourist guide services in the local/interlocal impact area.
APPENDIX 8: Planned structure of financing sources for the planned investment cycle per individual purpose
<table>
<thead>
<tr>
<th>Type of Investment/ Source of Financing</th>
<th>Public invest. in tourism, sport, transport and other infrast. (in %)</th>
<th>National budget</th>
<th>Municipality budget</th>
<th>EU Structural Funds</th>
<th>TOTAL</th>
<th>Share (in %)</th>
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in EUR million
APPENDIX 9: DPPST Framework Financing Plan per policy and financing source in the period 2007-2011

The financing plan is indicative and will actually be realized only within the framework of available resources provided by the national budget and municipal budgets in the period 2007-2011. It will also depend on the policies of individual ministries and other policy bearers.
### Table 17: DPPST Framework Financing Plan per policy and financing source in the period 2007-2011

(in SIT million)

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Legend:
- TRP = targeted research programme
- PIT = existing public invitation to tender
- ME-competit. = sources from the competitiveness programmes
- ME-PAEFI = sources from the voucher system
- Not allocated among the Ministries = assets allocated for implementation of the investments in tourism, sport and transport infrastructures and renovation of cultural heritage objects

Translator's Note:
MAFF Ministry of Agriculture, Forestry and Food
MC Ministry of Culture
MC-TRP Ministry of Culture - Targeted Research Programme
ME Ministry of the Economy
ME-TRP Ministry of the Economy - Targeted Research Programme
ME-PAEFI Ministry of the Economy - Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments
MESP Ministry of the Environment and Spatial Planning
MESP-PIT Ministry of Education and Sport - Existing Public Invitation to Tender
MESP-TRP Ministry of the Environment and Spatial Planning - Targeted Research Programme
MESP-TRP Ministry of Education and Sport - Targeted Research Programme
ME-TRP Ministry of the Economy - Targeted Research Programme
MHST Ministry of Higher Education, Science and Technology
MHST-PIT Ministry of Higher Education, Science and Technology - Existing Public Invitation to Tender
MHST-TRP Ministry of Higher Education, Science and Technology - Targeted Research Programme
MLFSA Ministry of Labour, Family and Social Affairs
MLFSA-PIT Ministry of Labour, Family and Social Affairs - Targeted Research Programme