

Towards the Climate Transition: Green Finance and Investment

Insights from the EIB Investment Survey

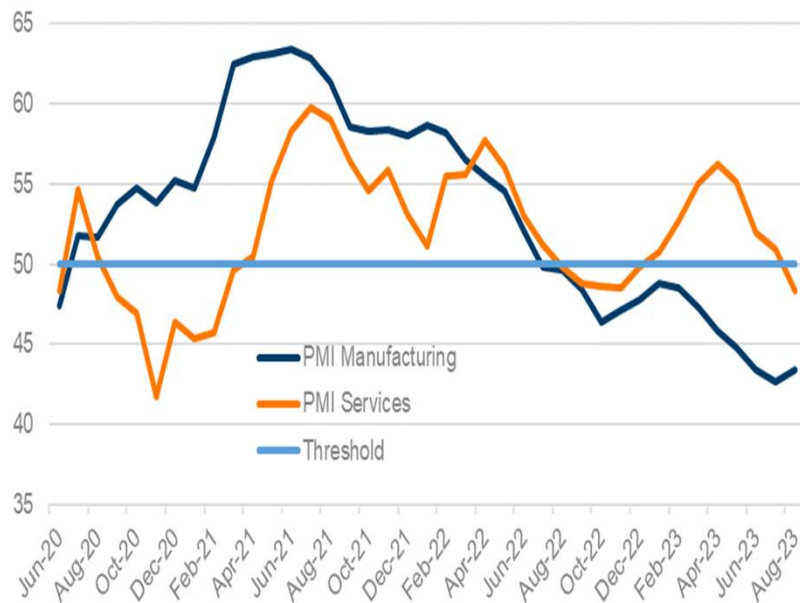
Slovenia

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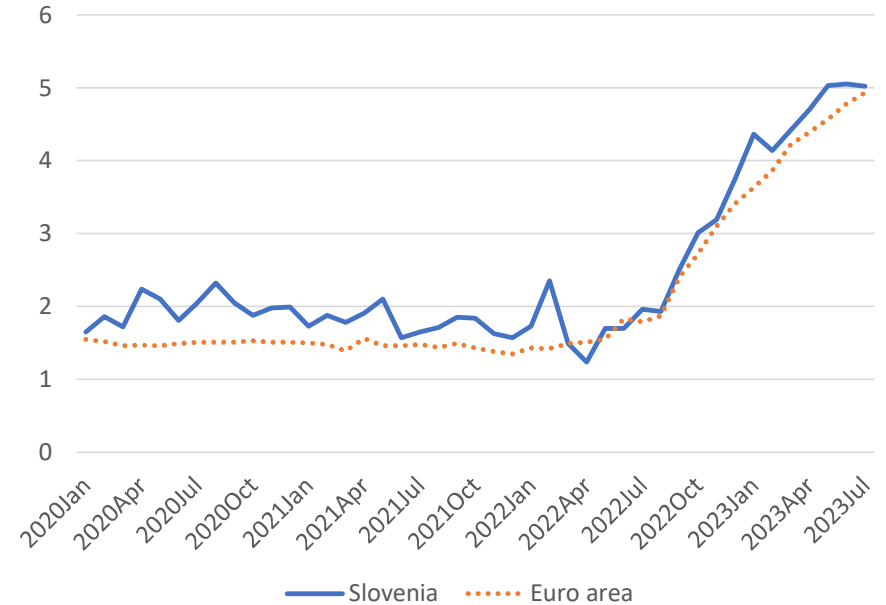
September 29, 2023

In the Euro area the cycle is turning at times of persistently tightening monetary conditions

The cycle is turning
(PMI Manufacturing and services in Eurozone)

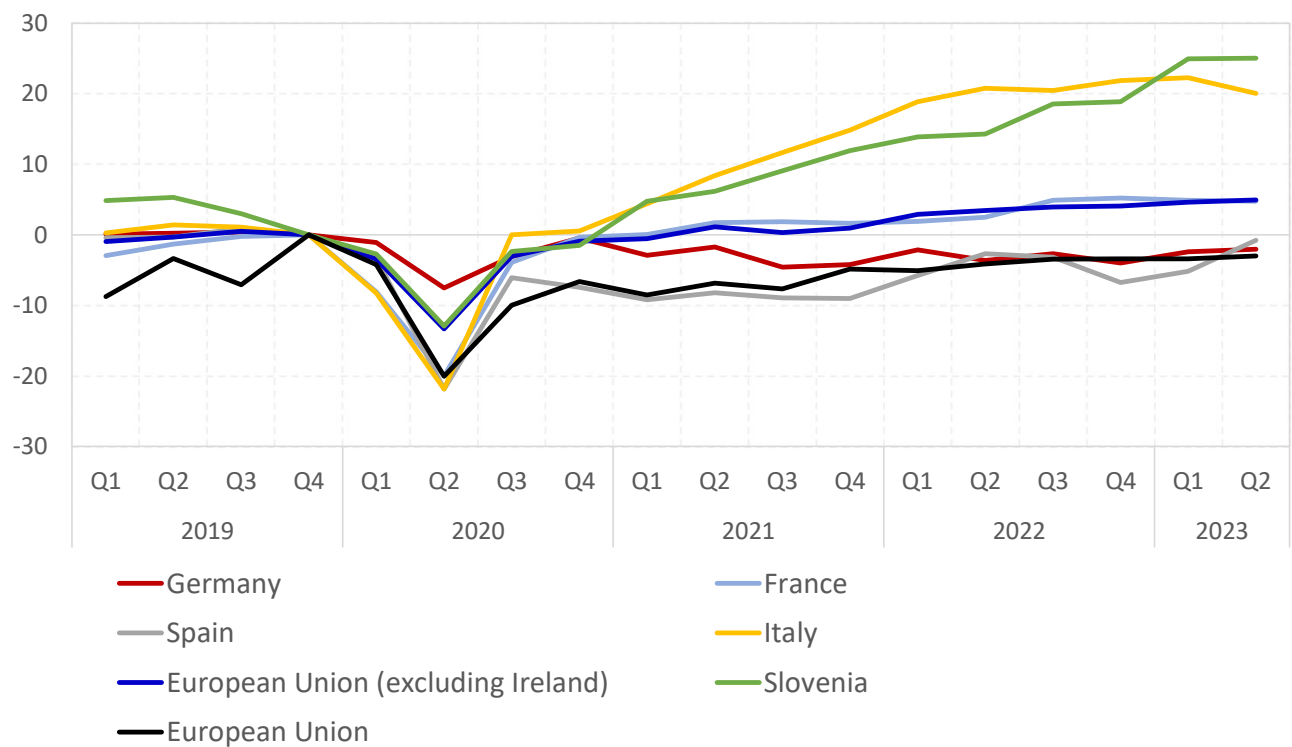


Cost of corporate bank borrowing
(%)



Corporate investment remained so far resilient, with substantial intra-country differentiation and a strong performance in Slovenia

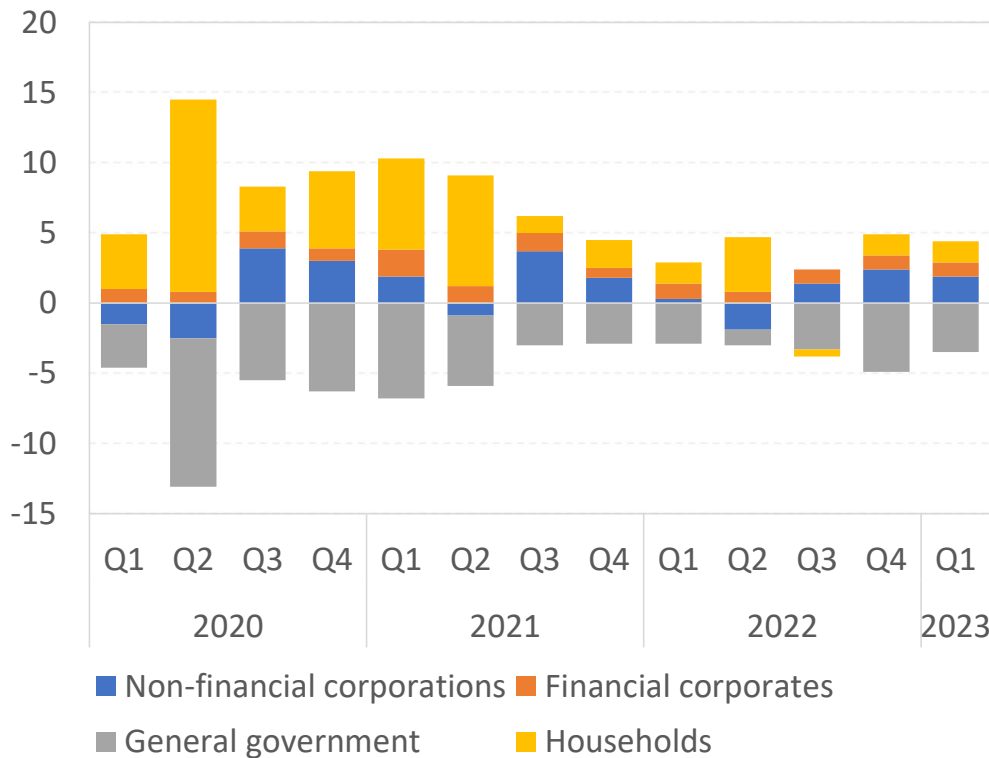
Real investment of non-financial corporations (% change relative to Q4 2019)



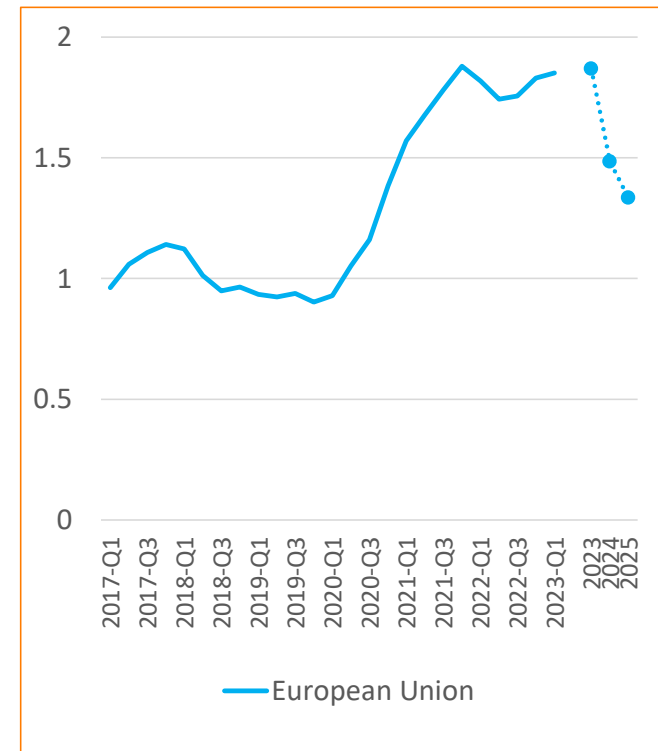
Fonte: Eurostat

Generally in Europe, buffers have been built and policy support/capital transfers are at historical highs

EU domestic net saving by institutional sector
(% GDP)

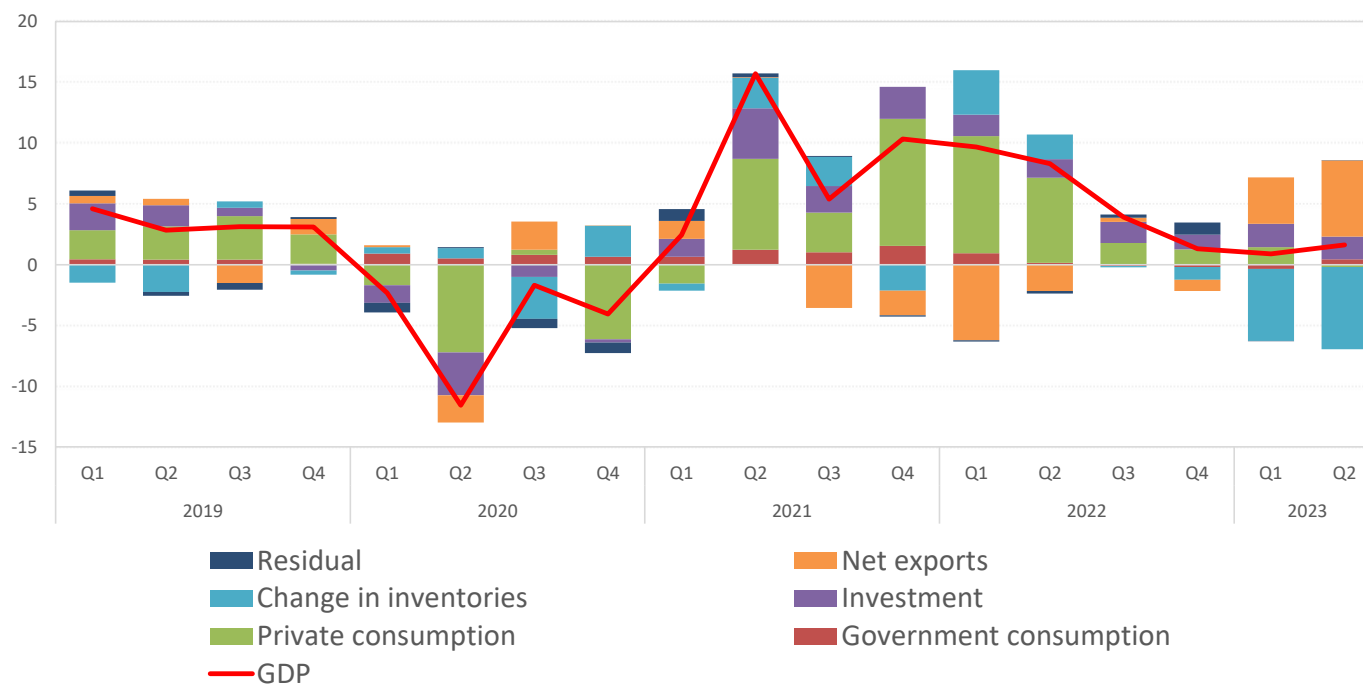


EU capital transfers
(% of GDP)



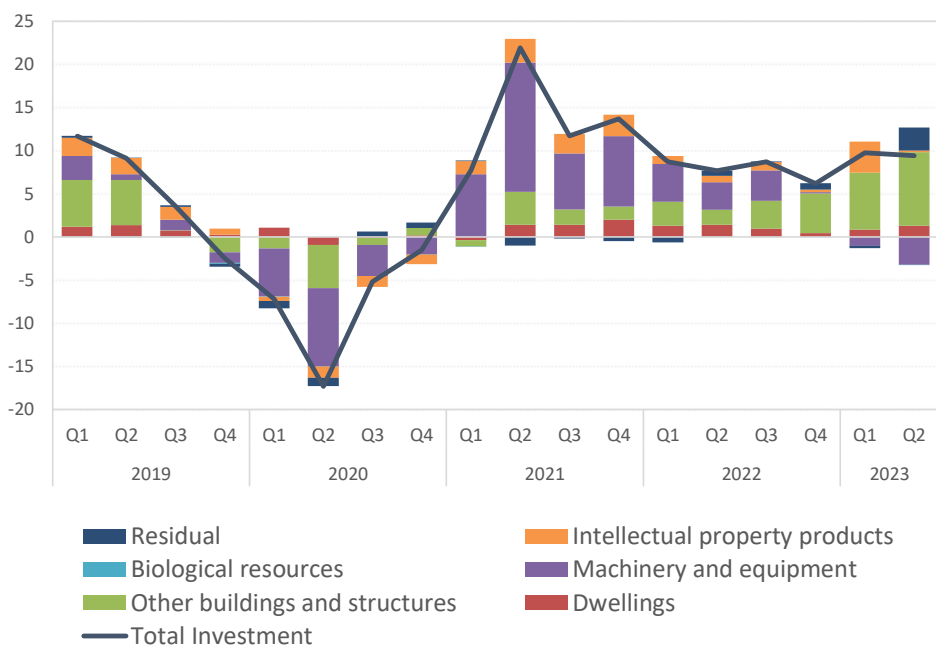
In Slovenia, investment and net export are drivers of GDP growth

Slovenia Real GDP growth by its components (%)

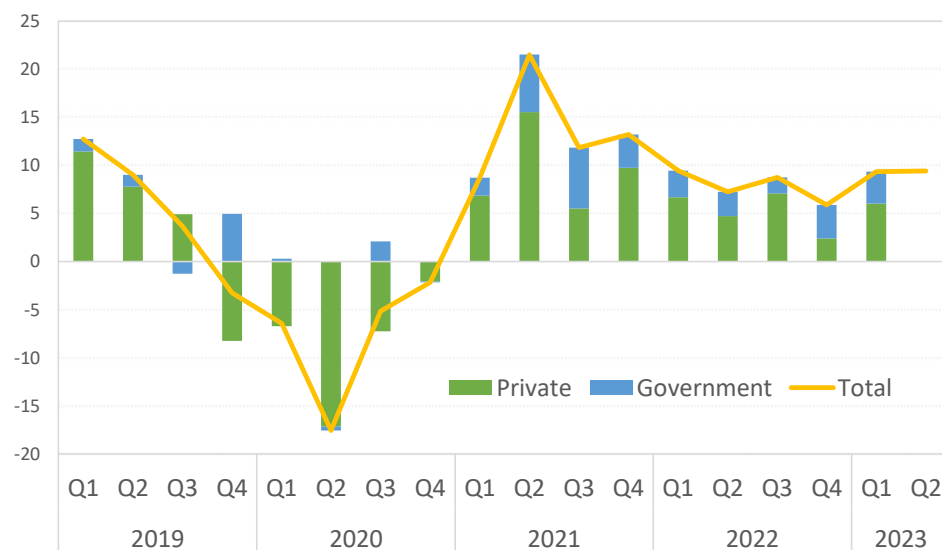


Investment resilience is driven by buildings and transport infrastructures supported by the public sector and EU funds

Slovenia: Real Investment Growth (in % y/y) by Assets



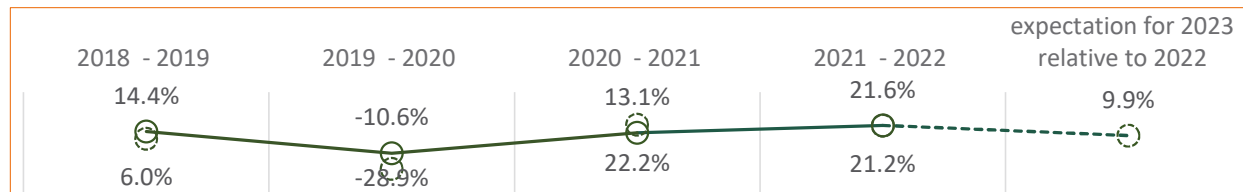
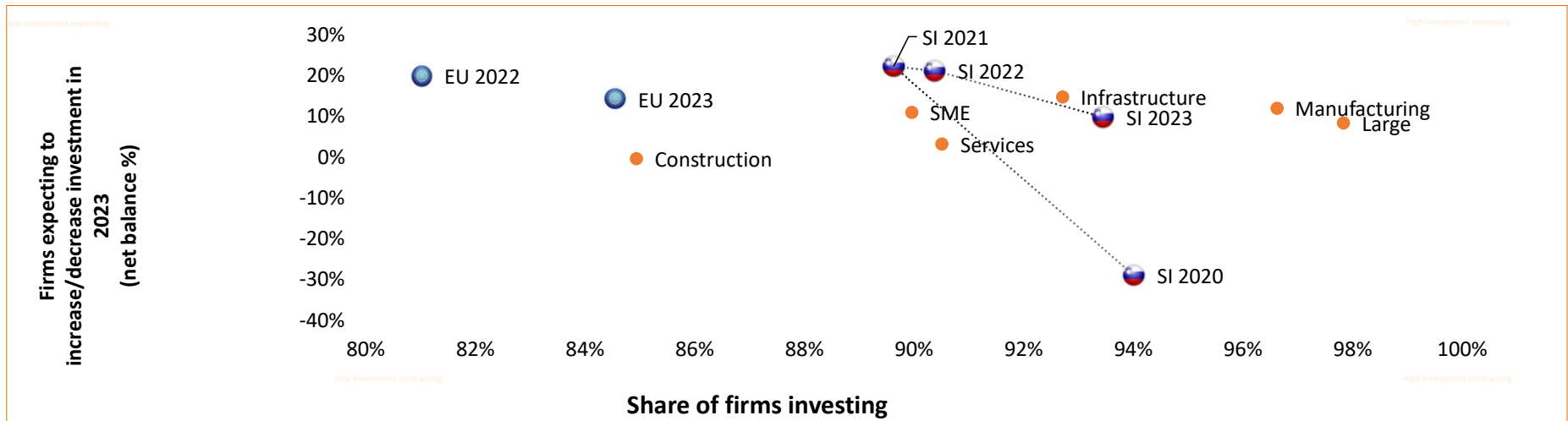
Slovenia: Real investment by institutional sector (in % y/y)



Note: 2023 Q2 breakdown between private and government not available yet.

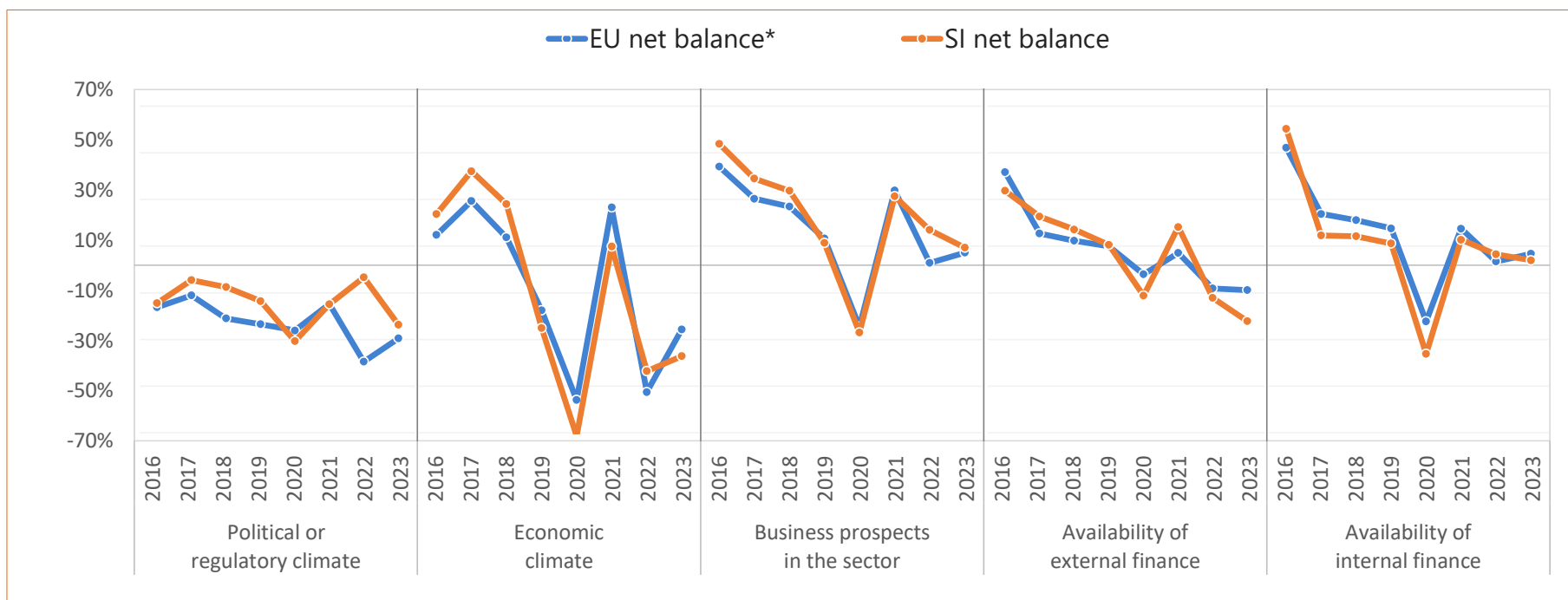
EIBIS 2023 shows that Slovenian firms remain positive on investment

Investment cycle – share of firms investing back at pre-pandemic levels and outlook slightly positive
(% firms)



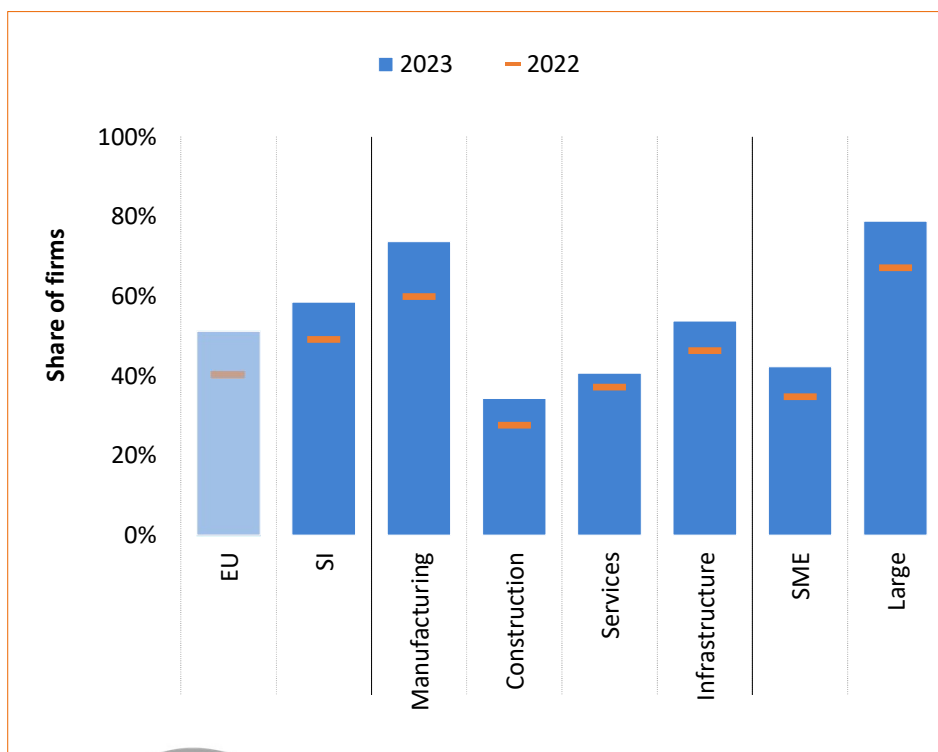
External finance to become more of a drag on investment

12M investment outlook – net positives (% firms)

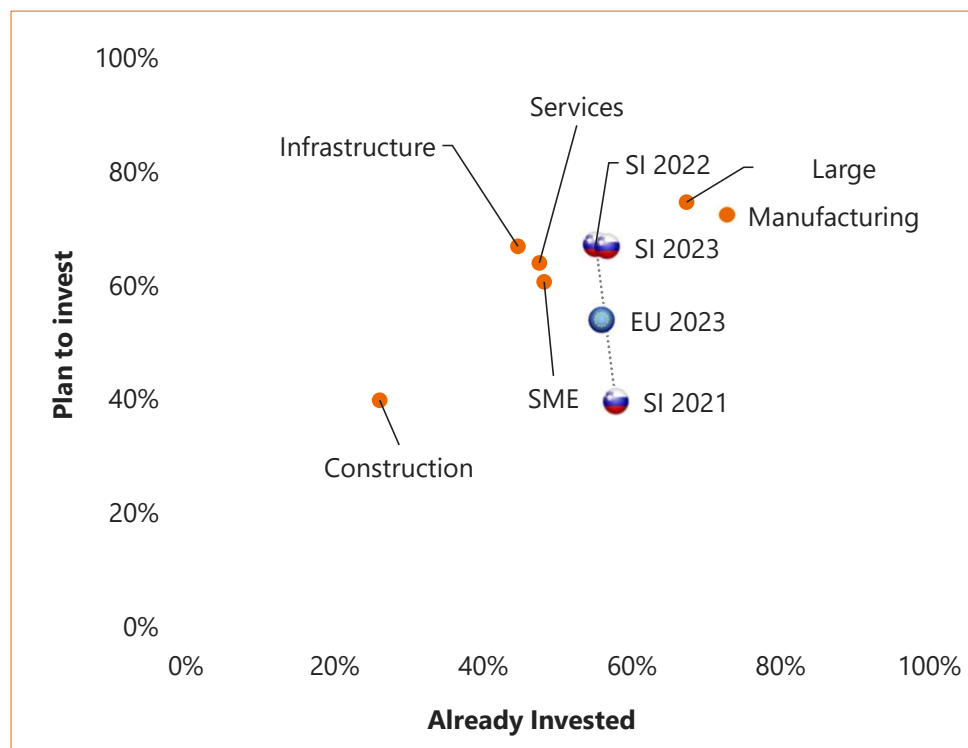


In the last year, energy efficiency investment increased and there are plans for more climate action

Share of firms investing in measures to improve energy efficiency (% firms)

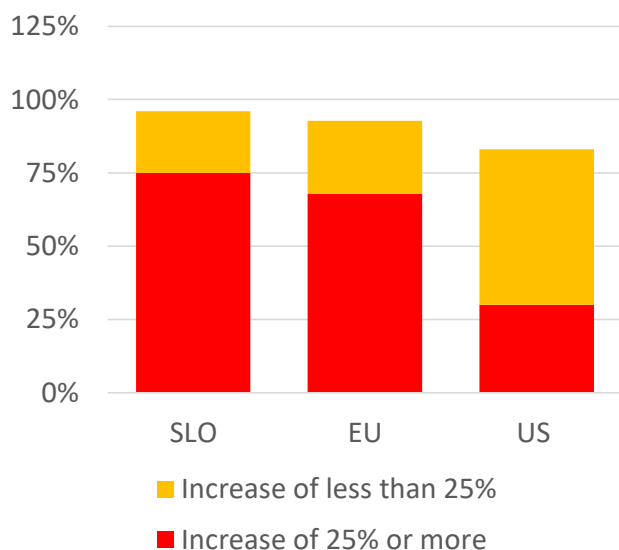


Investment to tackle climate change (% firms)

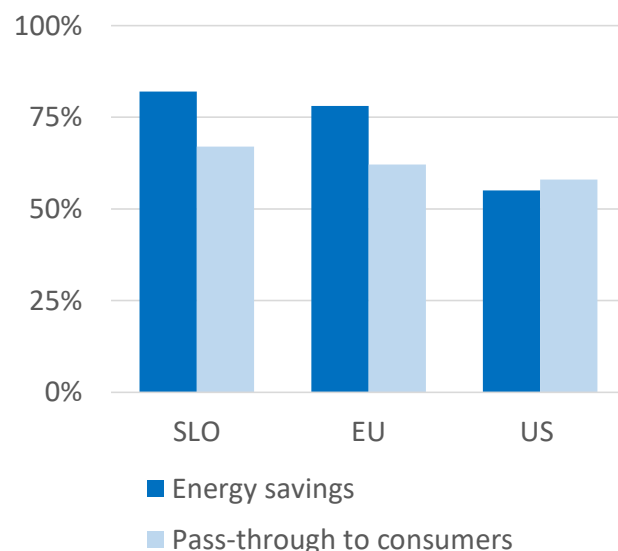


The energy shock hit particularly strong in Slovenia, stimulating transformation, but highlighting the EU long term competitiveness issue

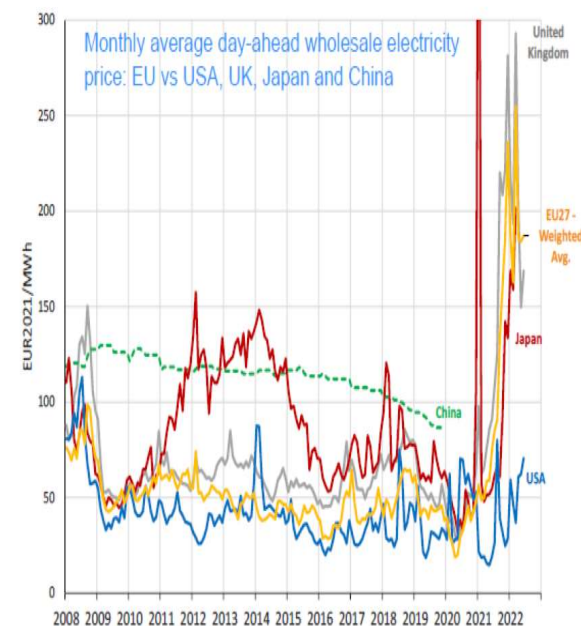
The energy shock was particularly strong
(% firms)



Firms have reacted, passing through costs and focusing on energy savings
(% firms)



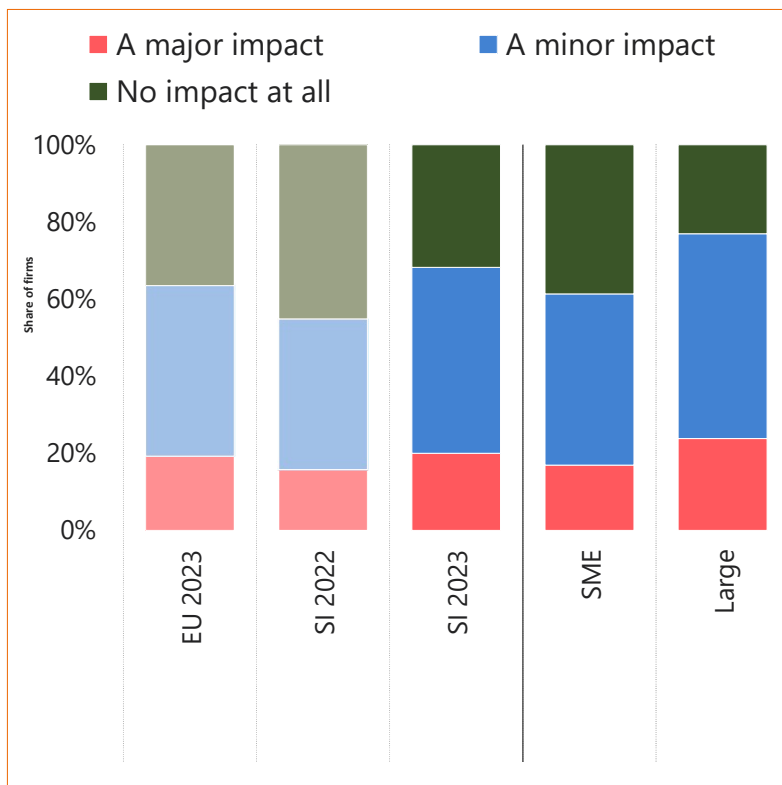
Wholesale electricity prices)



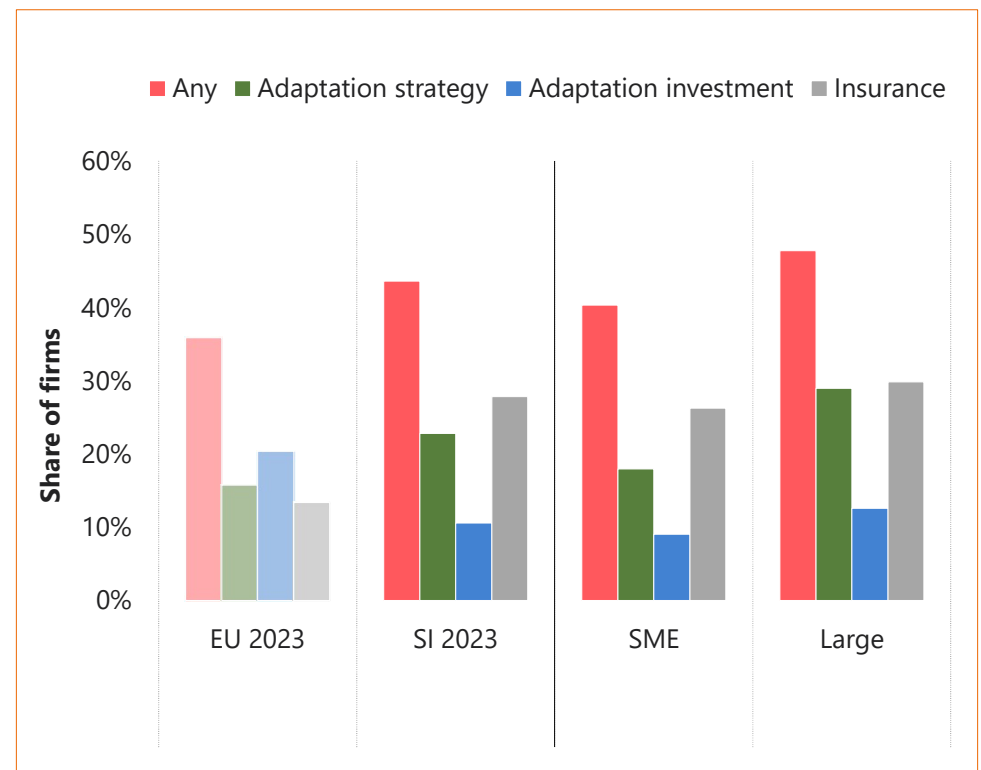
Energy costs will remain 3x for long
– competitiveness is the issue

Firms are affected by physical climate risk and they start doing something about it. A much stronger focus on insurance, compared to the rest of the EU

Physical risk - (% firms)



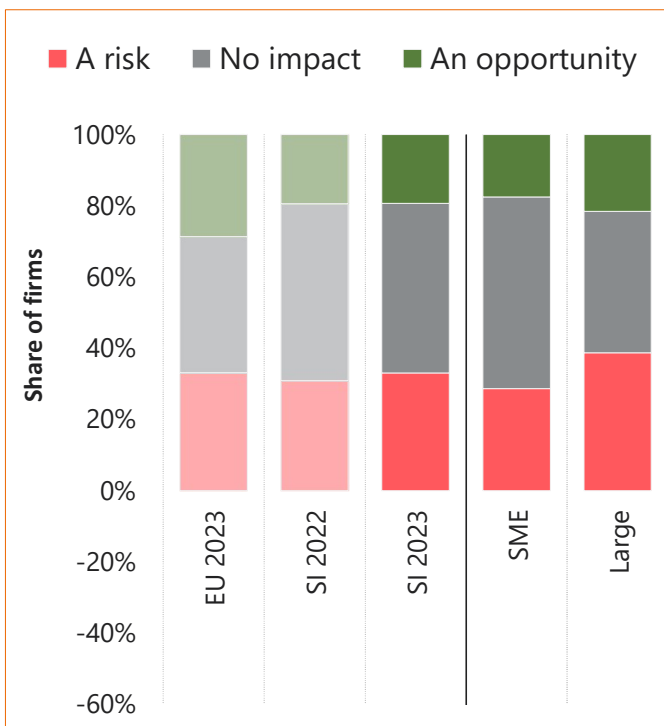
Physical risk – actions taken by firms – (% firms)



Fonte: EIBIS

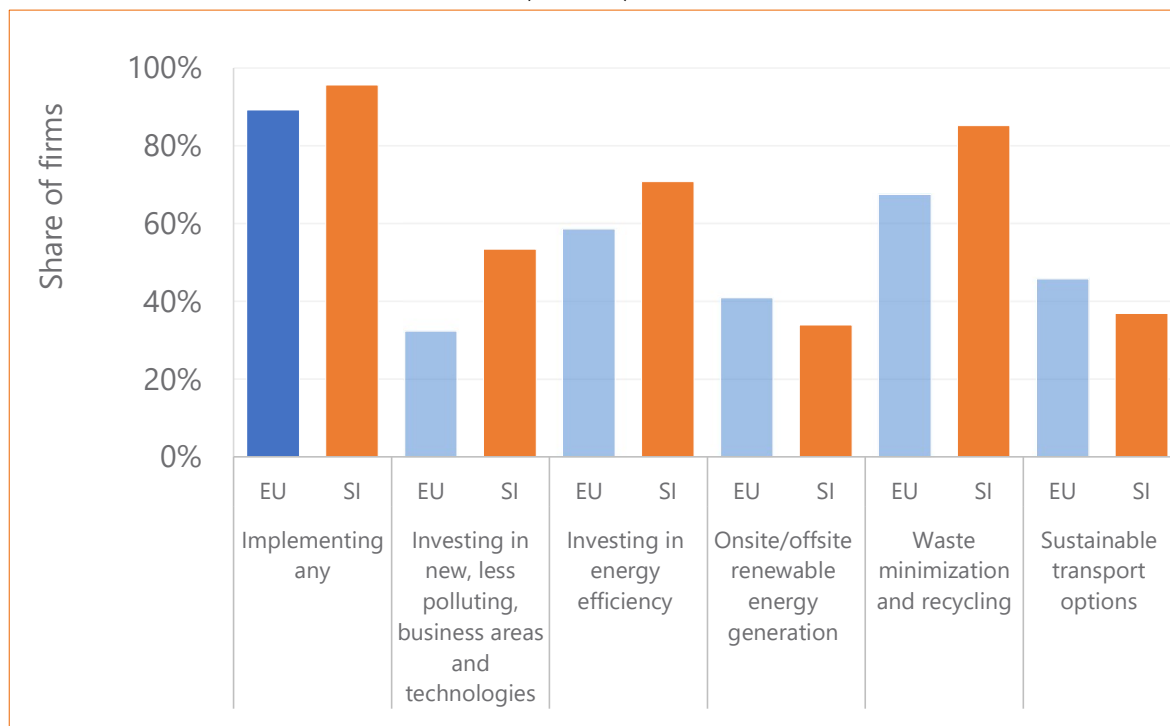
Firms are reacting to transition risks, with some transformation also in terms of radical change of the business model

Transition risk % firms



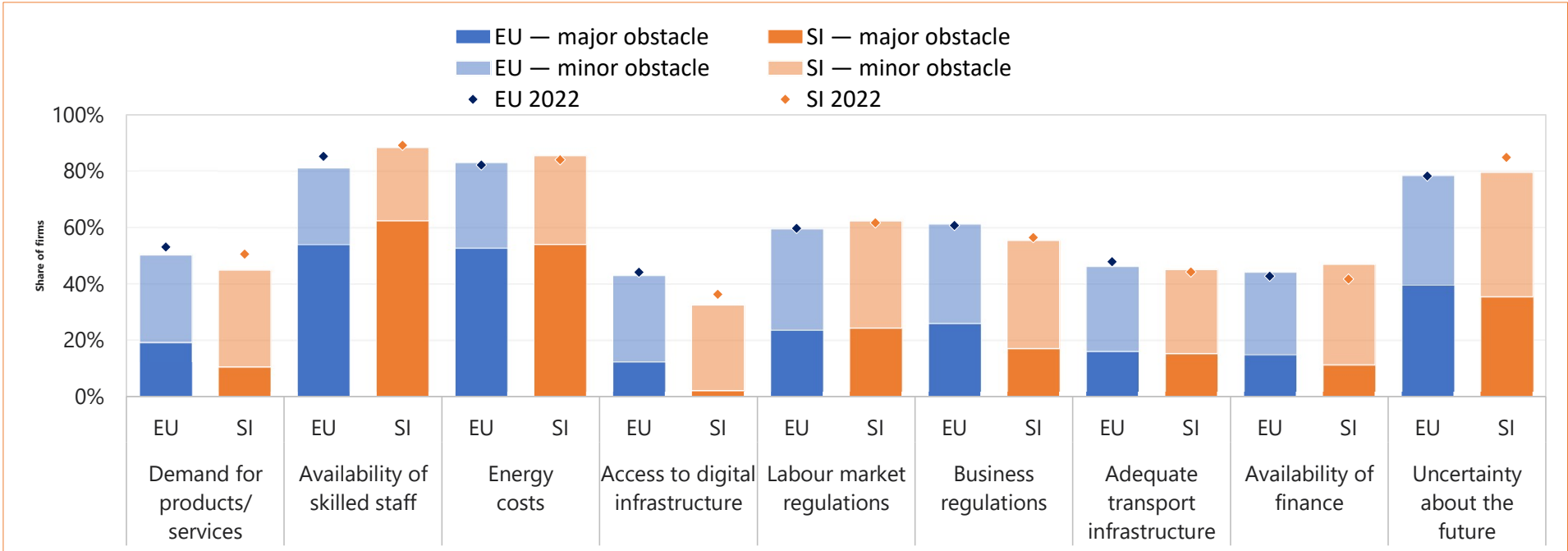
Actions to reduce greenhouse gas emissions

(% firms)



Skills, energy costs and uncertainty remain key constraints

Barriers to investment
(Share of firms, %)



Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Conclusions

- Investment needs remain
- The buffers are depleting and financial conditions are tightening
- Targeted support for competitiveness and sustainability enhancing investment is needed