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Importance of selected areas for competitiveness of FIEs in the Slovenian manufacturing ¹					
	Quality control	Patents, licences, R&D	People and training	Management	Total
SAMPLE FIEs DISTRIBUTION BY IMPORTANCE OF AREAS OF COMPETITIVENESS					
Not important	0.0	5.6	1.4	0.0	n.a.
Less important	0.0	15.3	6.9	4.2	n.a.
Important	12.5	40.3	19.4	16.7	n.a.
Very important	30.6	20.8	44.4	47.2	n.a.
Extremely important	56.9	18.1	27.8	31.9	n.a.
Total	100.0	100.0	100.0	100.0	n.a.
INDICATOR OF IMPORTANCE²					
Total	0.861	0.576	0.726	0.767	0.733
High technology industries	0.833	0.750	0.792	0.792	0.792
Medium-high technology industries	0.861	0.611	0.741	0.769	0.746
Medium-low technology industries	0.857	0.571	0.741	0.768	0.734
Low technology industries	0.886	0.409	0.614	0.750	0.665

Source of data: Analysis prepared by Boris Majcen and Matija Rojec in the framework of the Fifth Framework Programme Project: »EU Integration and the Prospects for Catch-Up Development in CEECs: The Determinants of the Productivity Gap«.

Notes: ¹ data are based on the sample of 72 FIEs surveyed in 2002. The surveyed FIEs represent 23.8% of all FIEs in the Slovenian manufacturing sector. They account for 53.6% of all fixed assets, 50.8% of all employees, 62.1% of all sales and 64.2% of all exports of FIEs in the Slovenian manufacturing sector; ² calculated in a way whereby answers »not important« are weighted by 0.0, answers »less important« by 0.25, answers »important« by 0.50, answers »very important« by 0.75 and answers »extremely important« by 1.00. The higher the indicator, the more the particular area is important for the competitiveness of FIEs.

Increasing competitiveness is one of the key wishes of host-countries related to inward FDI. The issue here is how important individual areas of **competitiveness** are for **FIEs** in the Slovenian manufacturing sector (quality control, patents and licences and R&D, people and training, and management) and which sources are important in individual areas of competitiveness (FIEs itself, the foreign parent company, other buyers abroad, other sellers abroad etc; see table below).

All the areas of competitiveness considered are treated as more than »important« (above the 0.50 indicator of importance). The **most important area of competitiveness** is quality control (average mark of 0.861), followed by management (0.767), people and training (0.726) and patents, licences, R&D (0.576). With the exception of patents, licences and R&D, the three other areas are assessed as »very important« or even higher. The relatively **low level of importance** of patents, licences and R&D can be explained by the fact that in most manufacturing FDI projects in Slovenia a relatively standardised technology is used and that relatively few FIEs are in the high technology industry sectors. This is further confirmed by the fact that quality control and management are pretty equally important for the competitiveness of all FIEs, regardless of the technological intensity of the industry in which they are engaged. Quite the opposite is true for patents, licences and R&D, and people and training. These are treated as much more important for the competitiveness of high technology FIEs than of medium-high or medium-low technology FIEs, and even more so of low technology FIEs.

Spearman's coefficients of rank correlation between individual areas of competitiveness show relatively high positive and significant correlations. This demonstrates not only that competitiveness in one area is positively correlated with competitiveness in other areas, but even more so that competitiveness is a complex phenomenon requiring excellence in a number of areas.

Who contributes most to competitiveness of FIEs in Slovenian manufacturing? FIEs themselves and foreign parent companies are the only really relevant sources of competitiveness. **FIEs themselves appear to be the most important source** in all areas, except in patents, licensing, R&D where foreign parent companies are the most important. Other external sources only have some importance for competitiveness in individual areas, most of all in quality control assistance.

Who contributes most to competitiveness of FIEs in Slovenian manufacturing				
	Quality control	Patents, licences, R&D	People and training	Management
FIE itself	0.826	0.590	0.767	0.753
Foreign parent company	0.622	0.632	0.469	0.618
Other buyers abroad	0.639	0.378	0.299	0.333
Other suppliers abroad	0.597	0.347	0.250	0.278
Other Slovenian subsidiaries of foreign parent	0.111	0.090	0.063	0.087
Other buyers at home	0.302	0.302	0.295	0.309
Other suppliers at home	0.549	0.302	0.250	0.271
Other sources	0.330	0.316	0.410	0.361

Source and notes: see table above.