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Restructuring of manufacturing in Slovenia

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Summary

The share of technologically more intensive industries in value added and employment has increased in Slovenia in the period from 1995 to 2009. The increase was however smaller than in the Czech Republic and Hungary. We have analyzed the intensity and change in the structure using different methods. Sunrise-sunset diagrams showed that productivity growth was most evenly distributed among industries in Slovenia and least in Hungary. The indicator of structural change intensity confirmed that restructuring of manufacturing was more intensive in Hungary, whereas it was weaker in Slovenia, except in the period 2008–2009. Shift-share analysis showed that the movement of the workforce towards more productive industries was stronger in Hungary than in Slovenia, Slovakia and the Czech Republic. With the analysis of the structure of manufacturing at the beginning, in 1995, and at the end, in 2009, of the observed period we confirmed that the share of technologically more intensive industries in value added and employment rose most in Hungary, where - as in the Czech Republic - the share of low and medium low technology intensive industries fell. Structural change was less favourable in Slovenia where besides medium-high and high technology-intensive industries the share of medium-low technology-intensive industries in value added and employment also increased (in Slovakia it remained unchanged). The structure of manufacturing in Slovenia and other new member states was similar to the structure of the old member states at the end of the analyzed period. However Slovenia and other new member states fall behind the EU-27 level of productivity. In spite of higher productivity levels compared to other new member states manufacturing in Slovenia has recover more slowly. Among other things this is a consequence of a less intensive restructuring towards more productive and competitive industries prior to the crisis.