General information on coronavirus-related measures

Ministry of Economic Development and Technology

The Ministry of Economic Development and Technology has been carefully monitoring the situation at national, European and global levels since the beginning of the coronavirus outbreak. They are also in constant contact with crucial international institutions in tourism, i.e. the European Commission (EC) and the European Travel Commission (ETC), of which the STB is a member. At the European Union level, an informal working group has been formed by both institutions, Member States, and representatives of international organisations and the tourism industry, which monitors the impacts of coronavirus/COVID-19 on European and global tourism.

The Ministry of Economic Development and Technology is managing the situation and the long-term reduction of adverse effects on the economy with a two-tier system:

- 1. Defining immediate intervention measures that may be implemented over a short period.
- 2. Defining strategic measures towards establishing or forming interrupted supply chains or replacing their missing links, reducing dependence on suppliers outside of the EU in the long term.

To seek opportunities for intervention measures and information on the current situation in the Slovenian economy, exchange opinions and proposals for measures, the Minister of Economic Development and Technology, Zdravko Počivalšek, met certain representatives of the economy and tourism on 24 February 2020. It was established that the new coronavirus has already affected Slovenian tourism, which is reflected in fewer reservations and cancellations of trips. Proposals by the present representatives of the economy were aimed at ensuring liquid assets and promotion in the event of fewer orders in industries that will be exposed to the impacts of coronavirus.

Based on the conclusions made at the meeting, the following measures were drafted:

- 1. Act on the Interim Measure of Partial Reimbursement of Wage Compensation dealt with under the urgent procedure. The MGRT has reviewed the Act and submitted its amendments, which they believe will contribute to greater effect for the economy.
- 2. Together with **SID Bank and the Slovene Enterprise Fund**, we are preparing changes to existing and new financial products that will be available for companies in this extraordinary situation.
- 3. We will ensure flexibility in the implementation of existing co-financing contracts, helping companies in this situation when and if projects will actually be affected due to force majeure.
- 4. Additional aid for companies regarding internationalisation.
 - Existing calls for applications and vouchers for fair presentations, and participation at other
 international events and delegations will be expanded so that eligible costs include
 companies' digital participation if fair organisers support this.
 - We also strive to expand the set of existing eligible costs with costs incurred due to the
 planned participation at fairs that were postponed or cancelled by organisers due to
 coronavirus.
- 5. More funds to help companies in difficulty.

- 6. Aid to companies by arranging work from home in the event of quarantine.
- 7. A proposal to delay the payment of tax obligations due to the lower liquidity of companies.
- 8. Measures in the field of tourism:
 - To increase competences, the Ministry of Economic Development and Technology will
 propose to the leading destinations, which received funds on the basis of a public call, to
 carry out crisis management and crisis communication training, and training that will help
 handle problems and facilitate easier recovery of the tourism industry.
 - The **MGRT** and the **STB** will jointly draft a letter for foreign experts, and international institutions and associations that Slovenia is a safe and healthy tourist destination.
 - The Slovenian Tourist Board has published amendments to two public calls by adding the cofinancing of promotional activities in the domestic market, and increased the call for the co-financing of promotions for tourist agencies/tour operators by EUR 70,000.
 Representative offices of the STB abroad enhanced their activities for foreign partners. The STB has adjusted the dynamics of the global digital campaign and the implementation of the planned marketing and promotional activities. Certain additional promotional activities in the domestic market will be carried out. In the autumn, the Academy for Marketing in Tourism will be held at which intensive promotion and the quality of services will be emphasised.
 - An analysis of the impacts of coronavirus on transport and plans to adjust promotion is in progress.
 - Latest information about coronavirus and aid for tourism.
- 9. Activation to adopt measures at the EU level (Commissioners Lenarčič and Breton).
 - Defining strategic measures is planned on the basis of an in-depth analysis of long-term consequences of interrupted supply chains, and particularly based on options that will arise as to which links may be established at home; therefore, we call on the industry to present specific measures.

Important information on measures

1. MGRT's comments on the Act

The Ministry of Economic Development and Technology has been working with the Ministry of Labour, Family and Social Affairs to draft an intervention act on the reimbursement of costs for temporary layoff.

2. SID and SEF credit lines

SID Bank

Together with SID Bank, we will provide financial products to SMEs and large businesses in the total amount of EUR 800 million, of which there will be EUR 200 million worth of new or adjusted products, and EUR 600 million worth of existing products. These funds will be used to solve liquidity problems, including liquidity in the supply of products and services, problems due to lower demand, the loss of production, problems in supply chains, and problems with investments, also in the form of the security and refinancing of bank loans. In particular, we will cover the loan range between EUR 100,000.00 and EUR 7 million, in certain existing programmes up to EUR 20 million.

SID Bank intends to adjust the assessment of the treatment of existing customers facing the consequences of coronavirus (e.g. financial commitments, security, moratoriums, proving justified purposes of financing, etc.).

SID Bank will change or supplement certain financial products that already exist on the market, i.e.:

- We will help SMEs and large businesses in the tourism sector manage liquidity crunch with changes within the sustainable tourism loan fund. In addition to tourism strategy (investments in accommodation capacities, sports and amusement infrastructure, cableways, marines, and tourist resorts), we intend to expand the purpose of loans to working capital. The latter will be extended to the hospitality industry. The measure will be implemented within the existing quota of the sustainable tourism loan fund in the amount of EUR 160 million, which will be partly, i.e. in the amount of EUR 100 million, adjusted to the said needs due to the spread of coronavirus.
- Changes within the loan fund for business financing and capital strengthening will support up
 to 12-year financing of tangible and intangible assets and/or working capital or business
 operations without the current limitation of maximum capitalisation for SMEs. As a result,
 we intend to provide EUR 50 million for the market by rearranging existing programmes of
 this loan fund.
- Banks and savings banks already have a total of EUR 600 million of SID Bank funds at their disposal for indirect financing. The foreseen adjustments will be focused on the omission of certain current limitations to SID Bank source, i.e. higher, even up to 100 per cent, financing of the costs of projects and business operations of SMEs and large companies, and loans may also be used for refinancing.
- SID Bank is also preparing a financing programme that will provide short-term loans for SMEs
 and large businesses from the bank's own resources according to the existing de minimis
 scheme to finance the liquidity of companies facing the consequences of coronavirus. The
 product will be available in the approximate amount of EUR 50 million, and the funds may be
 utilised for six months.
- Regarding security instruments for exporting companies, SID Bank will supplement its
 products and services for loan security for exports and, depending on the circumstances of
 individual cases, provide coverage (insurance and reinsurance) for commercial and noncommercial risks related to the consequences of coronavirus. They will also study the option
 to cover risks arising from interrupted supply chains and to provide security according to the
 "imports for exports" principle.

Financial products will be available on the market from April 2020.

Existing products in the form of loans in the tourism industry and patient capital (without announced changes) are available on the website of <u>SID Bank</u>. Existing instruments of indirect financing for companies through banks and security instruments are also available on the website of SID Bank.

At the same time, SID Bank has been preparing to introduce portfolio guarantees within the Fund of Funds of the ECP, which will be utilised by the participating banks and saving banks to finance companies' investments and current operations of SMEs. In this way, companies will have better access to financing sources also through more favourable borrowing conditions, since, within the Fund of Funds, SID Bank will primarily ensure the coverage of risks arising from loans given to companies under the conditions of the instrument.

In view of the probable slower economic growth, the development or activation of special anti-crisis or countercyclical interventions of SID Bank is also possible in the next months, depending on the course of events.

More information is available on the website of <u>SID Bank</u> or at: 01/200 74 80 or 01/200 75 14 or financiranje@sid.si.

SEF

The MGRT and the SEF are preparing measures that will address micro, small and medium-sized enterprises in the total amount of EUR 115 million.

Money will be available for various purposes, from new quick liquidity loans of the SEF intended to eliminate liquidity crunches of micro, small and medium-sized enterprises due to coronavirus, and existing guarantees for the security of bank loans intended primarily for new investments, and with adjustments, also for the financing of current assets to manage the consequences of coronavirus. These funds will be available on the market from March.

The following products will be available:

- new quick liquidity loans for SMEs to mitigate the consequences of coronavirus for loans between EUR 25,000 and EUR 125,000 to eliminate liquidity crunches in various areas of business. Eligible recipients are expected to be SMEs, sole traders, and cooperatives which work in the industries currently most affected, i.e. hotel, hospitality, tourism, car production industries, and potentially in other processing industries. Maturity is expected to be eight months, with the possibility of reprogramming, moratorium three months, interest rate will be more favourable than market rates, security with a bill of exchange, a pledge or a personal guarantee from the owner. EUR 25 million will be available from 27 March 2020;
- existing guarantees for SMEs to secure bank loans with a lower interest rate in the field of investments (up to EUR 1 million loan) or by adjusting the financing of current assets to manage the consequences of coronavirus (up to EUR 100,000.00 million loan) We address all industries. The set of eligible recipients is open (companies, sole traders, cooperatives, and institutions, and social enterprises with a status of a company, cooperatives and institutions which were transformed under the Social Entrepreneurship Act. Maturity is expected to be ten years, moratorium two years, interest rate will be more favourable than market rates, security will depend on individual cases. EUR 80 million are expected to be available from 20 March 2020. Information will be available through the SEF and all the participating banks;
- existing microloans in problem areas and border problem areas for micro, small and medium-sized enterprises. A company may receive EUR 25,000.00 twice in one year. Various current assets and current operations of companies will be financed. EUR 10 million are available. The call for applications has been published, and the next opening of applications is on 10 April 2020.

More information is available on the website of the <u>SEF</u>.

In general, we wish to ensure flexibility in the implementation of existing co-financing contracts, helping companies in this situation when and if projects will actually be affected due to force majeure. Flexibility means flexibility over observing deadlines, delaying project activities, objectives of projects, etc.

3. Aid regarding internationalisation

Existing measures (a public call for the co-financing of participation at international fairs abroad, a voucher for joint participation of Slovenian companies at international fairs abroad, for participation in business delegations abroad, and for participation in international forums) are expected to be expanded so as to:

- at least partially reimburse companies the costs in relation to fairs or events which organisers
 cancelled or postponed to a later date due to coronavirus if the company's insurance does
 not cover such a risk; and
- co-finance companies' participation at digital fairs or events if organisers provide such an option.

We also wish to cover the costs incurred to SPIRIT Slovenia due to the cancelation of events organised by them, all down to coronavirus.

4. Companies in difficulty

Based on the Act Governing Rescue and Restructuring Aid for Companies and Cooperatives in Difficulty (Official Gazette of the Republic of Slovenia [*Uradni list RS*], No. 5/17; hereinafter: ZPRPGDZT), the ministry may carry out the restructuring of companies and cooperatives in difficulty.

The rescue and restructuring aid for companies and cooperatives in difficulty is only admissible exceptionally when problems that are so acute that they may result in bankruptcy occur in a company or cooperative that has an important systemic role for the state or industry.

To this end, EUR 6 million funds for long-term loans with a favourable interest rate are available for such companies, and a state guarantee may be issued for loans taken from commercial banks.

Therefore, the ZPRPGDZT may be used as an intervention measure but to a limited extent. It is not intended as a systemic measure to rescue a large group of micro and small enterprises.

5. Work from home and quarantine examples (a proposal for the intervention act)

Existing solutions referred to in the Employment Relationships Act provide employers with a certain degree of flexibility in the conduct of work. Work processes may be organised as work from home or temporary layoff of workers if business reason exist. The proposed intervention act will supplement existing solutions to mitigate the negative consequences of coronavirus.

On its website, the Ministry of Labour, Family, Social Affairs and Equal Opportunities published information on "Work from home and ordering other work in exceptional circumstances" including extensive explanations and contact persons.

Address:

MINISTRY OF LABOUR, FAMILY, SOCIAL AFFAIRS AND EQUAL OPPORTUNITIES Labour Relations and Labour Rights Directorate

Štukljeva cesta 44

1000 Ljubljana

E mail address: an mddsz@gov.si

E-mail address: gp.mddsz@gov.si Phone number: 01 369 77 08

MINISTRY OF LABOUR, FAMILY, SOCIAL AFFAIRS AND EQUAL OPPORTUNITIES Labour Inspectorate of the Republic of Slovenia Štukljeva cesta 44 1000 Ljubljana

E-mail address: gp.irsd@gov.si Phone number: 01 280 36 60

6. A proposal to delay the payment of tax obligations due to lower liquidity of companies

If significant economic damage as a result of coronavirus is imminent or if submitting suitable security (without proof of significant economic damage), businesses* may make use of existing, and favourable ways to fulfil their tax obligations in accordance with the applicable Tax Procedure Act, i.e. the deferral of tax payment for up 24 months or tax payment in up to 24 instalments.

*Businesses are: legal entities without restrictions/sole traders and natural persons who carry out an activity, only for taxes related to their activities (e.g. VAT, fee for the use of construction land for business premises).

Businesses must file an application with the finance office where they were entered in the tax register or through the eDavki portal. An application may be filed any time between the day the tax liability was incurred to its payment. It is recommended to apply as soon as possible, i.e. before the expiry of the deadline for tax payment.

For more information visit the website of the Financial Administration.

a. Imminent significant economic damage (Article 102 of the ZDavP-2)

Conditions:

- a taxpayer is at risk of significant economic damage (due to long-lasting insolvency or loss of the ability to generate revenue which are out of the taxpayer's control); and
- the deferral of tax payment or tax payment in instalments would prevent significant economic damage for taxpayers;

b. Without imminent significant economic damage if a business ensures suitable security (Article 103 of the ZDavP-2)

Conditions:

- if the applicant submits a suitable security instrument that ensures the payment of the tax liability in full; or
- allows the entry of lien in a suitable register.

Deferral and payment in instalments pursuant to Articles 102 and 103 of the ZDavP-2:

- not permitted for all types of taxes;
- for the time of permitted deferral or payment in instalments, interest is charged for deferred or unpaid taxes (including interest rate);
- if a taxpayer does not pay an instalment by deadline (or pays it only partially), all subsequent unpaid instalments become payable on the maturity date of the unpaid instalment;
- the filing of an application does not suspend the tax enforcement procedure. Tax enforcement is only suspended if a decision approving payment in instalments or the deferral of tax payment is issued.

7. Measures implemented in tourism

The STB has responded to the current situation in tourism and implemented measures to restructure co-financing funds for tourist companies, and published amendments to public calls.

STB PUBLIC CALLS FOR THE CO-FINANCING OF THE PROMOTION OF TOURIST COMPANIES AND LEADING DESTINATIONS – ADAPTED TO PROMOTION IN THE DOMESTIC MARKET

The STB expanded the co-financing on foreign markets in February with an additional option to carry out activities **on the domestic market as well,** while reducing the entry value limit for the approval of projects EUR 20,000 excluding VAT to EUR 10,000 excluding VAT. The total value of co-financing for 2020 is EUR 2 million.

AN INCREASE IN FUNDS FOR THE PROMOTION OF SLOVENIAN TOURIST AGENCIES AND TOUR OPERATORS BY EUR 70,000

The basis is the annual call for TO/TA for promotional activities, CURRENTLY A TOTAL OF EUR 200,000.

BUSINESS EVENTS

In accordance with its 2020/2021 work programme, the STB carries out all marketing and promotional B2B activities on the selected emitting markets, and also considers the measures imposed by countries with regard to the occurrence of coronavirus on individual markets. **Activities are adjusted to the situation on a daily basis.**

ENHANCED ACTIVITIES WITH FOREIGN PARTNERS

The STB has stepped up activities with foreign partners through representative offices abroad.

- Additional sales calls carried out through individual visits and visits together with the Slovenian tourism industry with crucial TO and TA.
- WEBINARS/e-learnings programmes within large TO and TA.
- Product presentations in Italy, Germany, and Austria (cuisine, outdoor, etc.).

ADJUSTED DYNAMICS OF THE GLOBAL DIGITAL CAMPAIGN

As part of the global digital campaign which, according to the STB work programme, is planned on 16 markets with a focus on nearby markets, i.e. Germany, Austria, Italy, Great Britain and Ireland, France, Russia, the Benelux countries, the Nordic countries (Denmark, Sweden, Finland), Switzerland, the USA, and Canada, we intend to boost advertising intensity in the second half of the year. The campaign is set to start in mid-March. The advertising will take place in six advertising rounds until mid-December, whereby the activities according to the initial plan will be reduced in the first few advertising rounds as per the current situation and will then be intensified in the later rounds.

ADDITIONAL PROMOTION IN THE DOMESTIC MARKET

In the aggravated situation, we will step up promotion on the domestic market in addition to promotion on foreign markets:

- A new stage of the "Two Million Reasons Why We Feel Slovenia" campaign.
- The "Na lepše" TV show and other promotional activities.

• Through a call for co-financing for companies and destinations.

INTENSIFYING DEVELOPMENT AND EDUCATIONAL ACTIVITIES

The objective is to get ready for the period of tourism recovery when target groups (the ACADEMY FOR MARKETING IN TOURISM in the autumn) will have to be addressed with intensive promotion and higher quality.

INFORMING THE SLOVENIAN TOURISM INDUSTRY

Since the beginning of the coronavirus outbreak, the STB has been monitoring impacts on tourism, collecting information on measures, and keeping the Slovenian tourism industry and the public regularly up-to-date (weekly on the TTA and regular information online). An analysis of the impacts of coronavirus on transport and plans to adjust promotion is in progress. The results will be known on Wednesday.

PROPOSALS FOR MEASURES BY THE TOURISM INDUSTRY

The European Commission has initiated activities due to coronavirus. They have activated the Health Security Committee within which Member States meet weekly and thoroughly monitor the situation. The European Commission has also approved EUR 232 million to globally mitigate economic consequences. Additional measures may be expected from the European Commission soon.

The Ministry of Economic Development and Technology is studying measures to limit the adverse effects of coronavirus on the business operation of Slovenian companies, and is in contact with other ministries. Measures must be well-thought-out and have long-term effects.

The Slovenian Tourist Board (STB) responded promptly to the currently unstable economic situation in tourism by amending the current STB public calls and adjusting its activities on emitting markets of Slovenian tourism.

A meeting has been organised by the Association of Slovenian Natural Spas (SSNZ) in cooperation with the National Institute of Public Health (NIJZ) and the Ministry of Health. The key message of the consultation was that spas are well prepared for the possible occurrence of coronavirus and have been informed of the procedures in case of possible infections in spas. The measures taken will foster the security guests and patients in spas as much as possible.

We have received proposals for measures from the tourism industry, which refer to labour legislation, financial and tax measures, measures in the field of marketing and public relations, legal advice and advice in the field of health care and health insurance, and liquidity loans.

Proposals from the business sector (the ZTAS and the TGZS) which refer to various fields and competences of various ministries:

1. Labour legislation:

- Exemption from contributions and taxes
- Introduction of part-time work until 30 June 2020
- Financing of termination benefit costs (if they decide on dismissal until 30 June 2020)
- Greater flexibility over employment and dismissal (provision of compensation)
- Work from home

- Co-financing of temporary layoff
- Shorter duration of sick leave covered by the employer
- Extended deadline for the employment of foreigners
- Inclusion of prior service supplements in the minimum wage
- Lower disabled quota for tourist companies (disproportionate financial strain)

2. Financial measures:

- Subsidy for the loss of revenue for tourist companies
- Abolishing the payment of taxes and contributions
- Lower payroll tax
- Lower gambling tax
- Provision of liquid assets (non-refundable funds, interest-free loans with longer loan terms
- Extended deadline for the payment of VAT and corporate tax obligations
- Exemption from water fees and concessions
- Exemption from fees for the use of construction land
- Exemption from tourist tax (or a delay or a reduction)
- · Establishing mechanisms for accounts receivable insurance
- Provision of non-refundable funds for urgent investments
- Tax relief for rewards for good performance of employees
- Co-financing of the costs of energy products until 30 June 2020 in accommodation facilities
- Co-financing of contractual penalties hotels impose on tour operators and tourist agencies if they cancel reservations
- Co-financing of training for tourism workers (in crisis management)

3. Measures in the field of marketing

- Media campaign for the Slovenian market
- Additional financing of communication and sales activities on foreign markets Subsidies for guests brought
- Additional funds for promotion on foreign markets (for the STB)

4. Public relations

• Correct and realistic reporting of the media

5. Other:

• Legal advice for hotels and instructions of the Ministry of Health and the NIJZ regarding the right to reject guests with symptoms of the disease.

• The ZZZS covers costs if employees are infected with the virus.

The Association of Tourist Agencies of Slovenia (ZTAS) points out:

Therefore, we call on you once again that the taken measures that will apply to the whole Slovenian business sector include **solutions "per se" in the field of receptive tourism**.

- Co-financing of temporary layoff
- Deferral and postponement of the payment of advance tax on profit for companies
- Co-financing of at least 50 per cent of specialised specific absolutely necessary jobs
- Funds for new sales and marketing participation on crucial markets

SLOVENIAN TOURIST BOARD (STB)

The Public Agency of the Republic of Slovenia for the Marketing and Promotion of Tourism, i.e. the Slovenian Tourist Board (STB) is **in constant contact with crucial international institutions in tourism and the Slovenian tourism industry** (on 18 February, a meeting with key representatives of the Slovenian tourism industry was held at the STB head office, during which additional promotional measures and activities were adopted; on 2 March, a meeting with the Association of Tourist Agencies of Slovenia (ZTAS) was held, during which additional promotional measures were agreed; on 2 March, a meeting with the Slovenian Convention Bureau (SCB) was held; other meetings with the business sector).

CONSUMER PROTECTION

Consumers who have questions regarding the cancellation of a trip due to coronavirus can find more information at https://www.epc.si/pages/topics/koronavirus.php. They may also get advice at free phone number: 080 88 99, on Mondays, Wednesdays, and Fridays between 9 and 10am.

8. ACTIVATION TO ADOPT MEASURES AT THE EU LEVEL (COMMISSIONERS LENARČIČ AND BRETON)

The Minister of Economic Development and Technology, Zdravko Počivalšek, is in constant contact with Commissioner Lenarčič for measures prepared and to be prepared by the Government of the Republic of Slovenia to be coordinated with measures taken at the EU level.

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Actions at border crossings with neighbouring countries

- Measures at the border with Italy are in place and fully operational.
- Austria continues to control at the internal Schengen borders.
- Hungary has introduced stricter measures at its borders than Slovenia has at its border with Italy. Without exception, it rejects all foreigners who are not resident or temporarily resident in Hungary and who have stayed or travelled through Italy.
- It takes several hours to enter the HR at the Border Crossing point for trucks.

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Useful links:

As the situation in Slovenia with regard to coronavirus is changing very fast, we send you useful links in Slovenian and English, where all current information is published:

- · A single governmental website containing all relevant information related to covid-19 virus, measures, current issues and situation information in individual countries around the world: https://www.gov.si/podrocja/zdravje/preventiva-in-skrb-for-health/infectious-disease-control/coronavirus/
- The **Slovenian Press Agency** (STA) announces an English channel intended for coronavirus information: https://english.sta.si/in-focus/slovenia vs covid19
- · The **Government** of the Republic of Slovenia and the **Ministry of Foreign Affairs** announce on their twitter the current information and changes in the situation in Slovenia and abroad: @vladaSI, @GovSlovenia, @MZZRS
- · Links to **live broadcasts** of the Government of the Republic of Slovenia press conferences on the topic of Coronavirus: https://www.gov.si/direct-download/
- Chamber of Commerce and Industry of Slovenia: www.gzs.si/koronavirus/ (also contains updated information on the status of cross-border transport of goods: www.gzs.si/zdruzenje za promet/vsebina/Novice-za-newsletter/ArticleID/74491/state-border-coronavirus-covid-19)