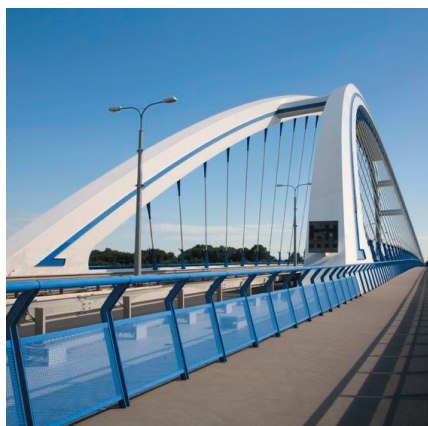
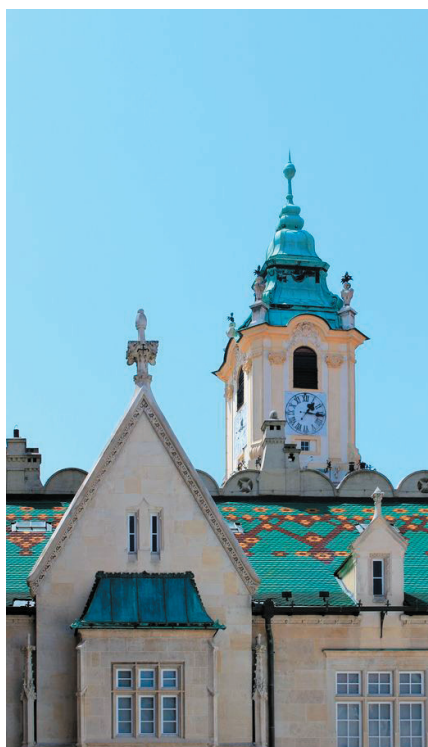


Why Slovakia

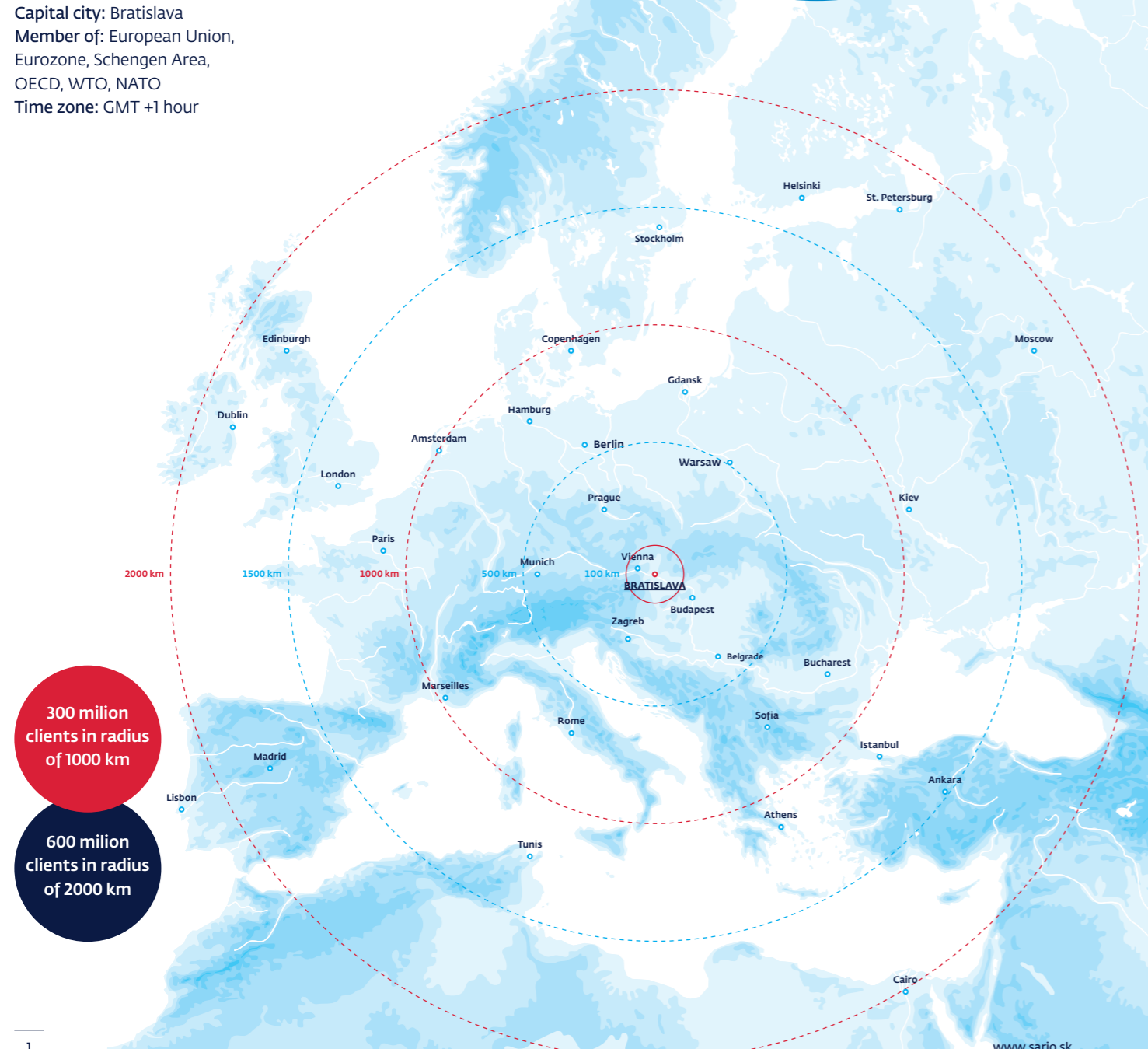


Why Slovakia

This publication is designed to provide information regarding business environment, sector strengths, vision and strategy for economic development to illustrate why Slovakia is an ideal location for business.

GENERAL INFORMATION

Total area: 49,035 km²
 Population: 5.4 million
 Capital city: Bratislava
 Member of: European Union, Eurozone, Schengen Area, OECD, WTO, NATO
 Time zone: GMT +1 hour

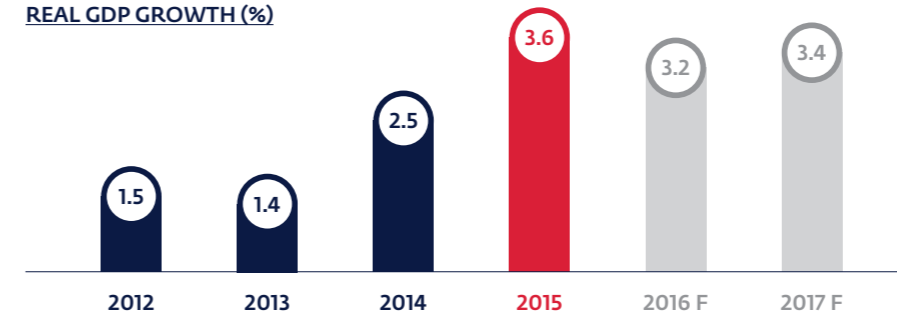


Macroeconomic Overview

Slovakia is experiencing an ongoing economic expansion, driven by continually increasing domestic demand, as well as booming investment — both local and foreign. Real GDP growth has more than doubled since 2013 and reached 3.6% in 2015. The Slovak economy is projected to keep this pace and expand even further. The unemployment rate continues to decline and labour market conditions are expected to continuously improve.

Source: European Commission, European Economic Forecast, winter 2016

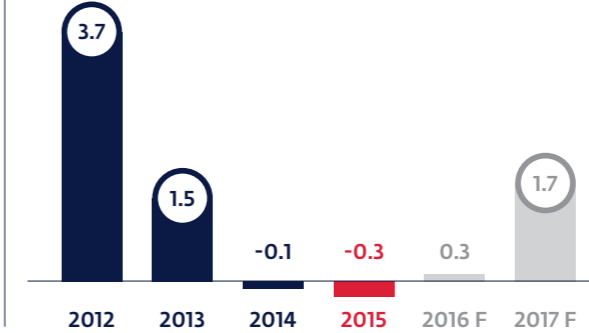
REAL GDP GROWTH (%)



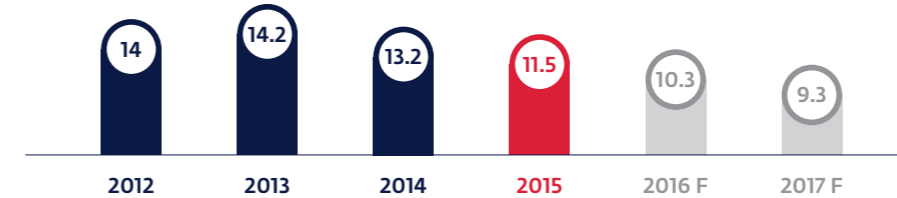
HIGHLY OPEN ECONOMY



HICP INFLATION (%)



UNEMPLOYMENT RATE (%)



SLOVAKIA COUNTRY CREDIT RATINGS



Source: Standard & Poors, Moody's, Fitch Ratings (information as of January 2016), European Commission — Eurostat, European Economic Forecast, Winter 2016 (Data as of 2015)



Top 10 Reasons to Invest in Slovakia

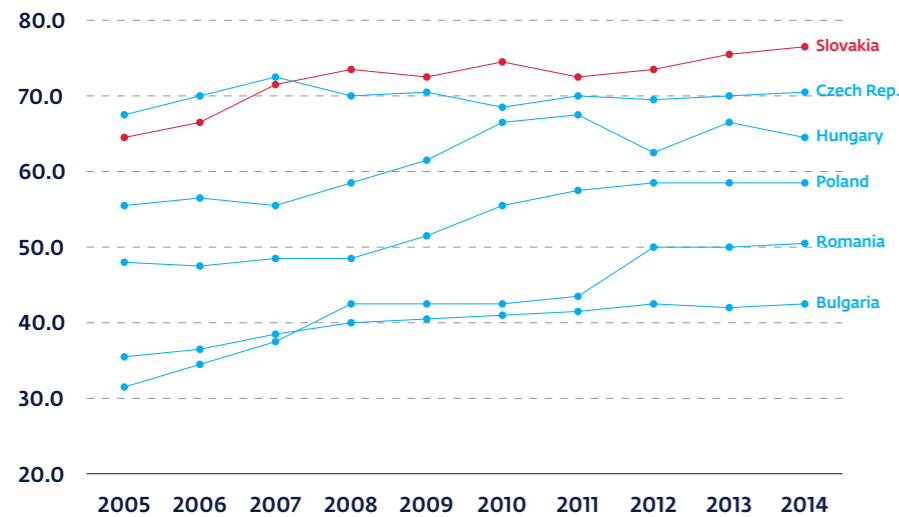
- 1 Strategic location in Europe with great export potential
- 2 Political & economic stability
- 3 Fastest growing Eurozone member within the last 10 years
- 4 CEE leader in labour productivity
- 5 Cost-effective, skilled and educated labour force
- 6 Excellent multilingual skills
- 7 Euro currency as one of a few in CEE
- 8 Developed & steadily growing infrastructure network
- 9 Great potential for R&D and innovation
- 10 Attractive investment incentives

Qualified Labour Force

Availability of skilled workforce is a key factor for successful site selection. In Slovakia, investors can find workforce which excels in three major areas – productivity, qualification & labour costs. The Slovak labour force is also often praised for its loyalty and high adaptability to culturally different management styles.

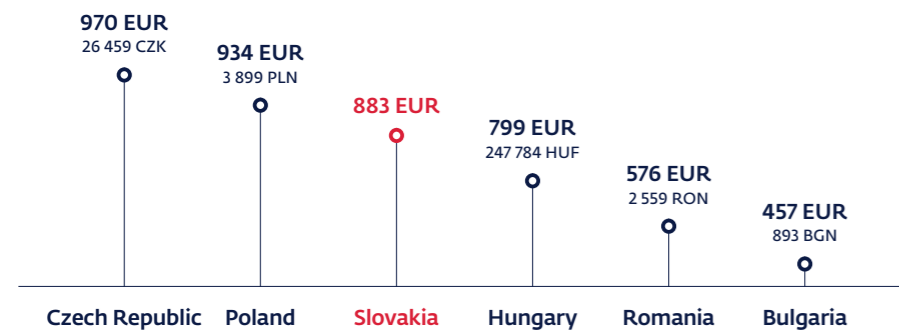


LABOUR PRODUCTIVITY IN CEE



Source: Eurostat, 2014, GDP (in PPS) per hour worked as compared to EU 28 (100)

AVERAGE GROSS MONTHLY SALARIES IN CEE



Source: National Statistical Offices of Slovakia, Czech Republic, Hungary, Poland, Bulgaria & Romania, National Bank of Slovakia, 2015

Tax System



Education & Language Competencies

Slovakia has a well-established system of secondary schools and universities preparing students to gain the skills and knowledge demanded by the employers.

SECONDARY EDUCATION

Slovakia has one of the highest proportions of secondary educated people in the EU – 72% of the total population attained upper-secondary education.



Dual Education

The Slovak Government fully implemented a new dual education framework facilitating shared theoretical education in schools and practical training in companies. Companies joining the new scheme have the advantage of not only benefiting from a prepared and qualified labor force, but also of the possibility to utilize a related tax relief.

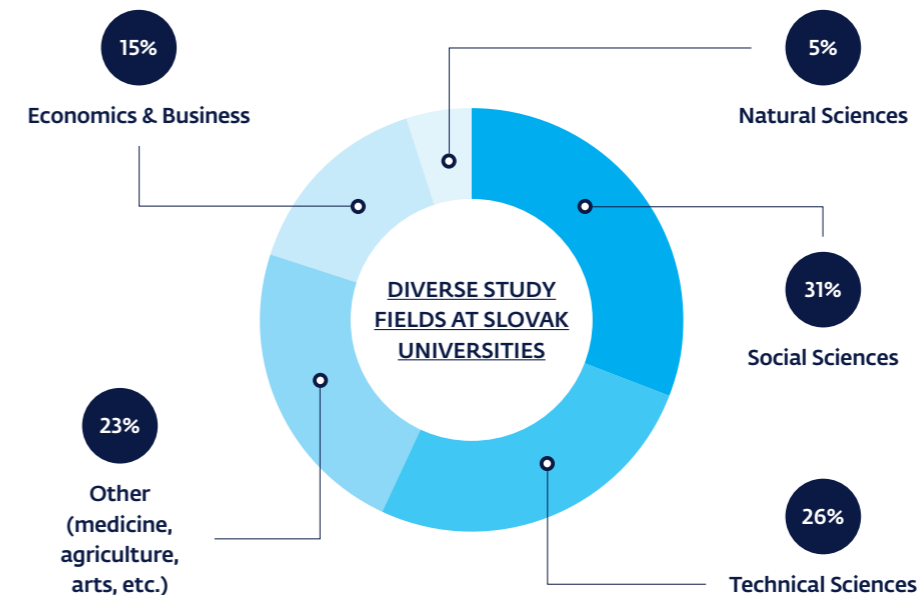
UNIVERSITY EDUCATION

Slovak universities offer large variety of study fields enabling multidisciplinary skill-set for future graduates.

36 Universities

162,568 Students

58,089 Graduates



MULTILINGUAL COMPETENCIES

85%

of Slovak population speaks at least one foreign language

98%

of all secondary school students study at least one foreign language

THE MOST COMMON FOREIGN LANGUAGES TAUGHT AT SLOVAK SECONDARY SCHOOLS

92% English

46% German

13% Russian

5% French

956 companies already cooperate with 19 universities across Slovakia

UNIVERSITY COOPERATION WITH COMPANIES

Different forms of systematic cooperation between universities and companies enable transfer of knowledge from theory to practice.

Source: The Institute for Information & Prognosis in Education for Academic Year 2015/16, State Vocational Training Institute, Center of Scientific & Technical Information, Automotive Industry Association of the Slovak Republic

Key Sectors

Slovakia prides itself on its industrial heritage which has provided a stable base for the development of certain sectors such as automotive or electronics. Over the last decade, global corporations representing various sectors have selected Slovakia as the top location for their expansion in the CEE region.

AUTOMOTIVE

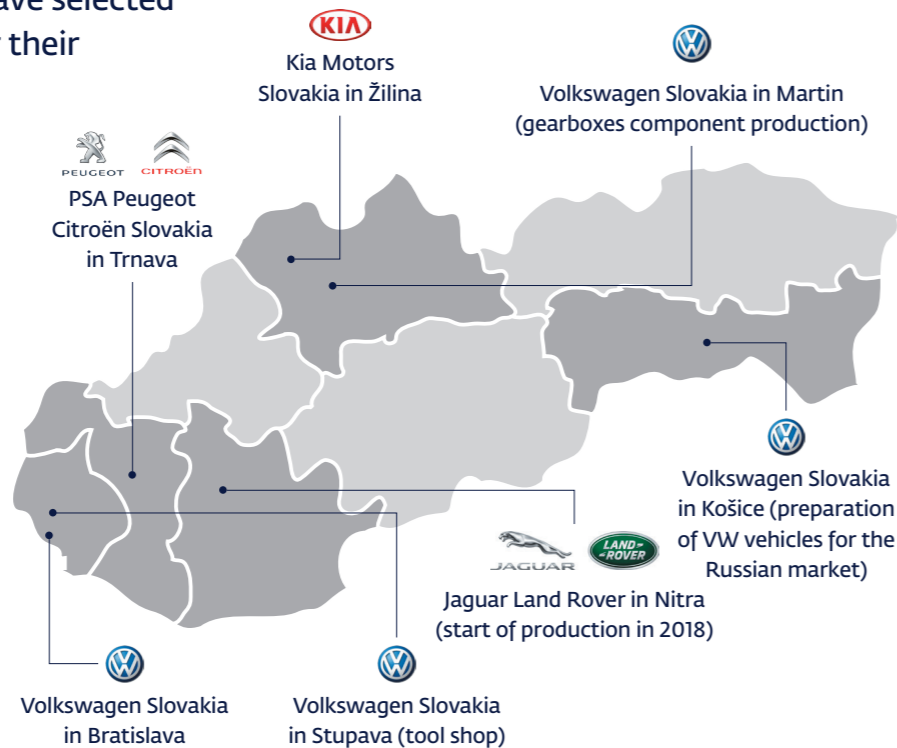
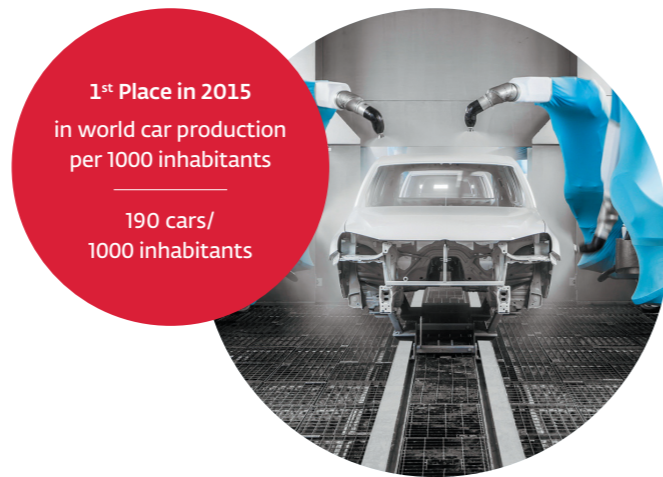
The automotive industry has a strong tradition in Slovakia. All three established car producers — Volkswagen, Peugeot Citroën and Kia are regularly achieving top score on global corporate level resulting in constant expansion of their Slovak manufacturing plants. The position of Slovakia as one of the key players in the automotive industry will be further strengthened by the world class manufacturing facility of Jaguar Land Rover which is already being built in Nitra. The investment project of Jaguar Land Rover in Slovakia has been the largest business case in Europe during the last 7 years.

250,000 People employed by the automotive industry

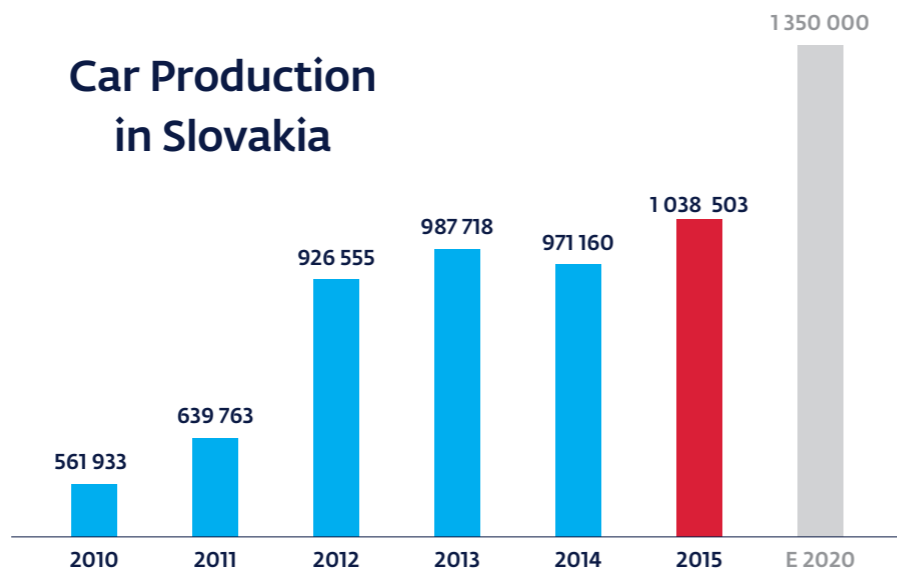
44% Share of the automotive on the country's total industrial production

26 BN € Volume of industrial export generated by the automotive industry

Source: Automotive Industry Association of the SR (ZAP SR)



Car Production in Slovakia



ELECTRONICS INDUSTRY

Slovakia has very strong tradition in the electronics industry. It has become the second largest pillar of Slovak industry after automotive sector the second strongest employer and exporter.



43,000

People employed in the electronics industry

11%

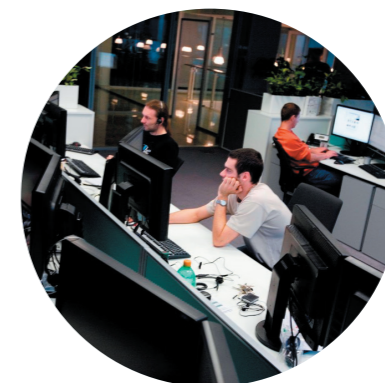
Share of electronics industry on total industrial production

1.18 BN €

Added value in the electronics industry

SSC & ICT

Most Shared Service Centers and Information & Communication Technology Centers (SSC & ICT) in Slovakia are concentrated in the capital city of Bratislava or the second largest city of Košice. Nevertheless, new hubs, such as Banská Bystrica, Nitra, Prešov, Trenčín, Trnava or Žilina, are gradually developing and offering great combination of conditions for doing business in SSC & ICT sector.



70,000+

People employed by the Slovak SSC & ICT centres

40+

SSCs already established in Slovakia

110+

ICT Centres already established in Slovakia

Top Reasons Why to Place SSC & ICT in the Slovak Republic

- adaptable, educated and cost-effective workforce
- excellent multilingual skills
- 36 universities providing qualified pool of labour force
- candidates willing to relocate or commute daily in the radius of 60–80 km
- dynamically growing real estate market with modern and affordable offices
- high quality data & voice networks
- attractive investment incentives for SSC & ICT sector
- strategic time zonation and geographic location
- well-developed ICT institutional network



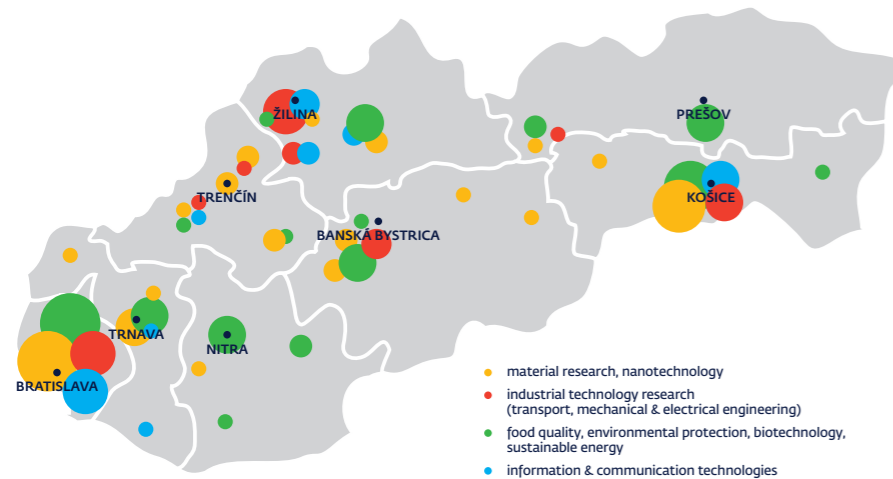
SSCs & ICT Stories in Slovakia



Research & Development

As a top priority, the Government of the Slovak Republic is determined to attract and support investments with high added value and innovation potential.

PUBLIC R&D INFRASTRUCTURE



Source: Slovak Organization for Research & Development activities (2013)

RIS3 — NATIONAL R&D SPECIALISATION STRATEGY

National R&D Specialisation Strategy is focused on innovation support through cooperation between enterprises and research institutions in key sectors of the Slovak economy, thus increasing the role of applied research. RIS3 identifies following priorities linked to R&D funding:

- material research and nanotechnology
- biomedicine and biotechnology
- ICT (incl. electronics)

Source: Research & Innovation Strategy for Smart Specialization of the Slovak Republic (2013)

SLOVAK R&D SUCCESS STORIES

SPINEA, Prešov



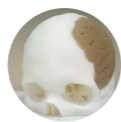
twin spin gearboxes

VRM, Trenčín



virtual reality simulators

CEIT, Košice



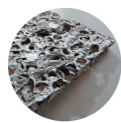
skull implants

AeroMobil, Bratislava



flying car

SAV, Bratislava

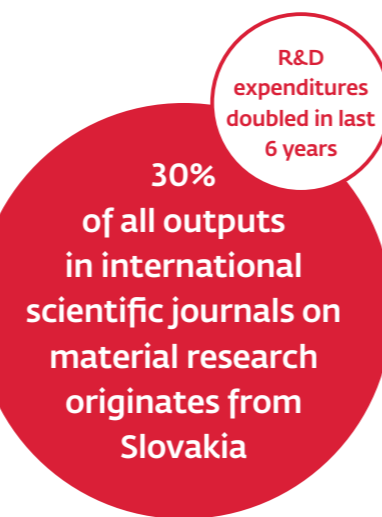


aluminium foam

CEIT, Žilina



automatic logistic systems



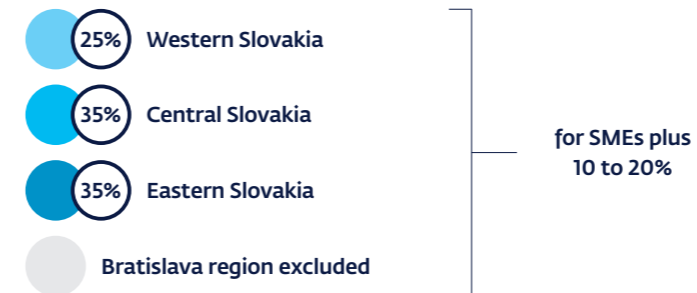
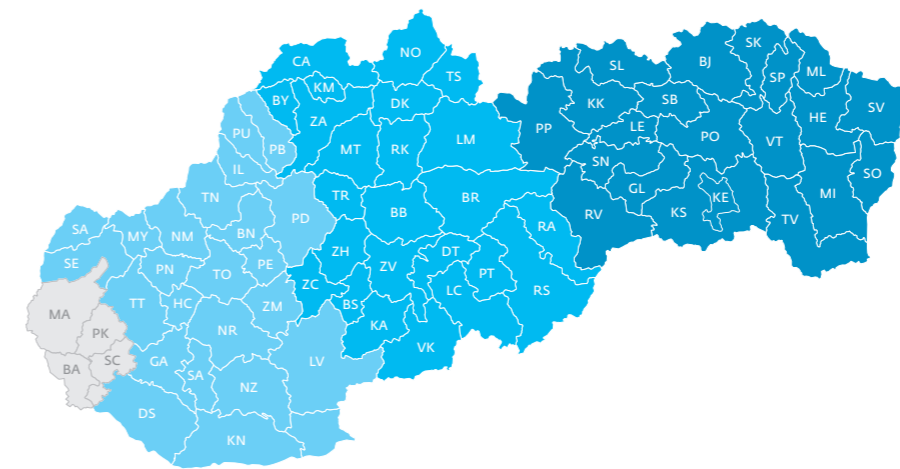
Key Facts Why to Consider Slovakia for R&D

- 1 Highly qualified human resources at affordable costs
- 2 Presence of production plants in high-tech industries
- 3 Presence of R&D centres and technology clusters
- 4 Broad R&D and innovation network
- 5 Established cooperation between companies and domestic universities
- 6 R&D incentives

Investment Incentives

The primary role of the investment incentives is to motivate investors to place their new projects in regions with higher unemployment. The positive impact of a new investment shall be proved by jobs creation, improved chances for the graduates to get a job, as well as by creation of new entrepreneurial opportunities for local companies.

MAXIMUM REGIONAL INTENSITIES OF INVESTMENT AID IN SLOVAKIA



INDUSTRY

Minimum investment amount and share of new technology for industrial projects are subject to the unemployment rate in the selected districts:

- 10 mil. EUR (60% share of new technology)
- 5 mil. EUR (50% share of new technology)
- 3 mil. EUR (40% share of new technology)
- 0.2 mil. EUR (30% share of new technology)
- Minimum 40/10 newly created jobs
- Expansion includes minimum increase in the production volume or turnover by at least 15%

TECHNOLOGY CENTERS

- Min. investment amount 500 ths. EUR on the fixed assets (at least 250 ths. EUR covered by own equity) in all regions
- The company must employ at least 70% employees having university education
- Minimum 30 newly created jobs

SHARED SERVICES CENTERS

- Min. investment amount 400 ths. EUR on the fixed assets (at least 200 ths. EUR covered by own equity) in all regions
- The company must employ at least 60% of employees having university education
- Minimum 40 newly created jobs



Eligible Projects

The Act on Investment Aid divides the projects which may be supported into four categories:

- Industry
- Technology Centers
- Shared Services Centers
- Tourism

Eligible Costs

- Costs of land acquisition
- Costs of buildings acquisition & construction
- Costs of new technological equipment and machinery acquisition
- Intangible long-term assets — licences, patents, etc.

OR

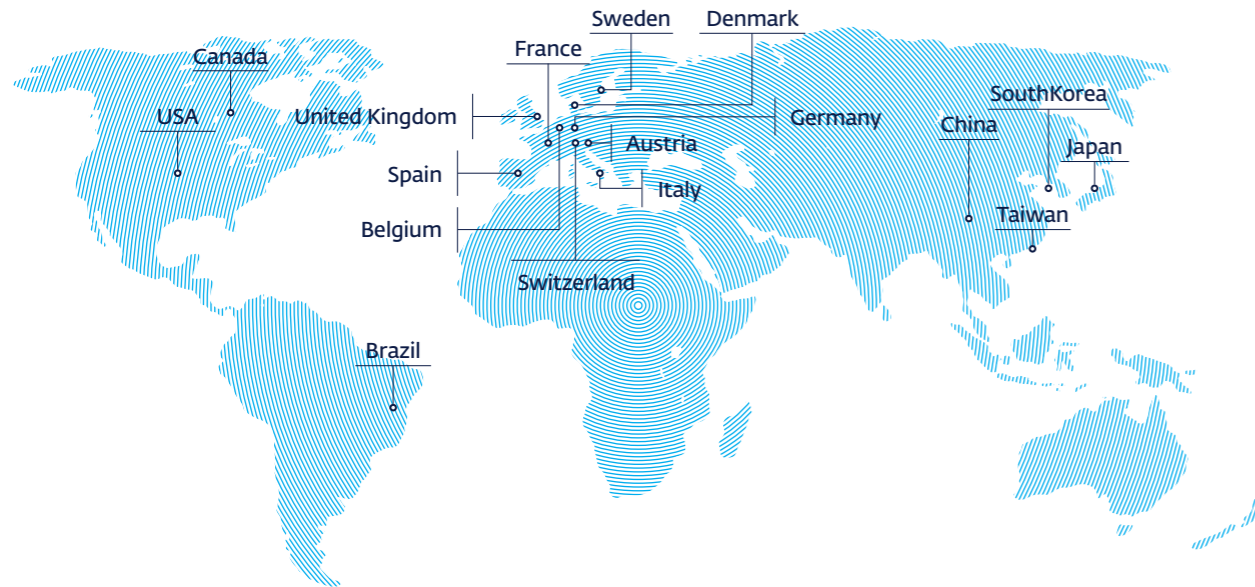
- Wage costs of new employees for the period of 2 years

Forms of Investment Incentives

- Tax relief
- Cash grant
- Contributions for the newly created jobs
- State/municipal property for discounted price

Success Stories in Slovakia

Slovakia has been the final investment destination for several hundreds successful projects from various countries and in a wide range of industrial sectors.



AUSTRIA

Glock, MIBA, Michatek, Neuman Aluminium, ZKW

BELGIUM

Aspel Bekaert, Carneuse, Deltrian, Fremach, Plastiflex, Team Industries

BRAZIL

CRW Slovakia, Embraco, Micro Juntas SK, Rudolph Usinados SK

CANADA

KraussMaffei, Machine Group, Magna, Martinrea, Windsor

DENMARK

Danfoss Power Solutions, DK1 Plast, Ecco, Glunz & Jensen, Kragelund, Nissens, Unomedical, Velux

FRANCE

Air Liquide, Alcatel Lucent, Atos, Bourbon Automotive Plastics, BEL, CCN Group, Faurecia, NPL S, Orange, Plastic Omnium, PSA Peugeot Citroën, Treves

GERMANY

Air Berlin, Brose, BSH Drives & Pumps, Cemmm Thome, Continental, ContiTech Vibration Control, Deutsche Telecom, Eissmann, Giesecke & Devrient, Hella, INA, KUKA, Leoni, Mahle, Osram, Porsche Werkzeugbau, SAS Automotive Systems, Schaeffler, Secop, Semikron, Siemens, T-Systems, Vacuumschmelze, Vaillant, Volkswagen, ZF

CHINA

Boge Elastmetall, Huawei, Lenovo, Mesnac, Yanfeng, ZTE

ITALY

B.C.B., Bonfiglioli, MTA, Brovedani, C.I.M.A., Immergeas Europe, FGV, Lombardini, Magneti Marelli, Mevis, Prysmian Group, SISME, Z Industries SK

JAPAN

Akebono, Brother Industrie, Minebea, Panasonic, Sanyo, SE Bordnetze, Siix, U-Shin, Yazaki

SOUTH KOREA

Donghee, Dongil Rubber Belt, Hanon Systems, Hyundai Dymos, Kia Motors, Mobis, Samsung Electronics, Shin Heung Precision, Sungwoo Hitech, YURA

SPAIN

ArcelorMittal Gonvarri SSC, Cikautxo, Cortizo, Ederlan, Edscha (Gestamp), Elastorsa, Estamp, Fagor, Farguell, Grupo Antolin, Jobelsa, MAR SK, Technometal

SWEDEN

Camfil, Cloetta, Dometic, Ericsson, IKEA, Lindab, Metal Design, Nefab, SCA Hygiene

SWITZERLAND

ABB, Enics, Holcim, Nestlé, Nexis, Novartis, Schindler, Swiss RE, Vetropack

TAIWAN (CHINA)

AU Optronics, Delta, Electronics, ESON, Foxconn

UNITED KINGDOM

Amec Foster Wheeler Nuclear, Boxperfect, de Miclén, DS Smith, ELE Advanced Technologies, GlaxoSmithKline, Innopharma, Jaguar Land Rover, KMF, Tesco

USA

Accenture, Amazon, AT&T, Dell, Delphi, Emerson, Getrag Ford, Hewlett Packard, Honeywell, IBM, Johnson Controls, Lear Corporation, Microsoft, Mondelez International, ON Semiconductor, Oracle, Tower Automotive, Trim Leader, US Steel, Whirlpool

SARIO Profile

Slovak Investment & Trade Development Agency (SARIO) is a governmental investment and trade promotion agency of the Slovak Republic. The agency was established in 2001 and it operates under the Ministry of Economy of the SR.

INVESTMENT SERVICES

Services for Potential Investors

- investment environment overview
- assistance with investment projects implementation
- starting a business consultancy
- sector and regional analyses
- investment incentives consultancy
- site location and suitable real estate consultancy

Services for Established Investors

- identification of local suppliers, service providers
- assistance with expansion preparation and execution
- relocation assistance, work/stay permits
- support of innovation and R&D activities
- business networking

FOREIGN TRADE SERVICES

If you are looking for

- Slovak supplier or subcontractor
- information about Slovak export/trade environment
- sourcing opportunities
- forming a joint venture, production cooperation or other forms of partnership with a Slovak partner

Services for Exporters

- information on foreign territories
- customized search for foreign partners
- on-line database of business opportunities
- export Training Centre
- subcontracting assistance

INNOVATION SUPPORT

- support activities for development and popularization of Slovak innovations and R&D environment
- establishment of relations with domestic and foreign well-established innovative companies
- interconnection of Slovak R&D capacities with industrial production and investors' needs in order to transfer leading innovative technology processes closer to production praxis
- encouragement to foreign investors to bring investments with substantial R&D components to the SR
- ecosystem analysis of local investment opportunities as well as domestic and foreign investors in order to support acquisitions and joint ventures projects
- specific information from the field, in order to obtain capital and foreign markets penetration



Number of SARIO investment projects from 2002—2015



Our Award



2014 Global Best to Invest 2013
Selection Site magazine

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TALK TO US TODAY!**

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