

GET TO KNOW SLOVAKIA AS YOUR INVESTMENT DESTINATION

BUSINESS FRIENDLY SLOVAKIA

GROWING HEART OF EUROPE

Establishment: 1 January 1993

Official name: Slovak Republic

Area (m²): 49,035

Population: 5,400,000

Capital: Bratislava

Official currency: Euro

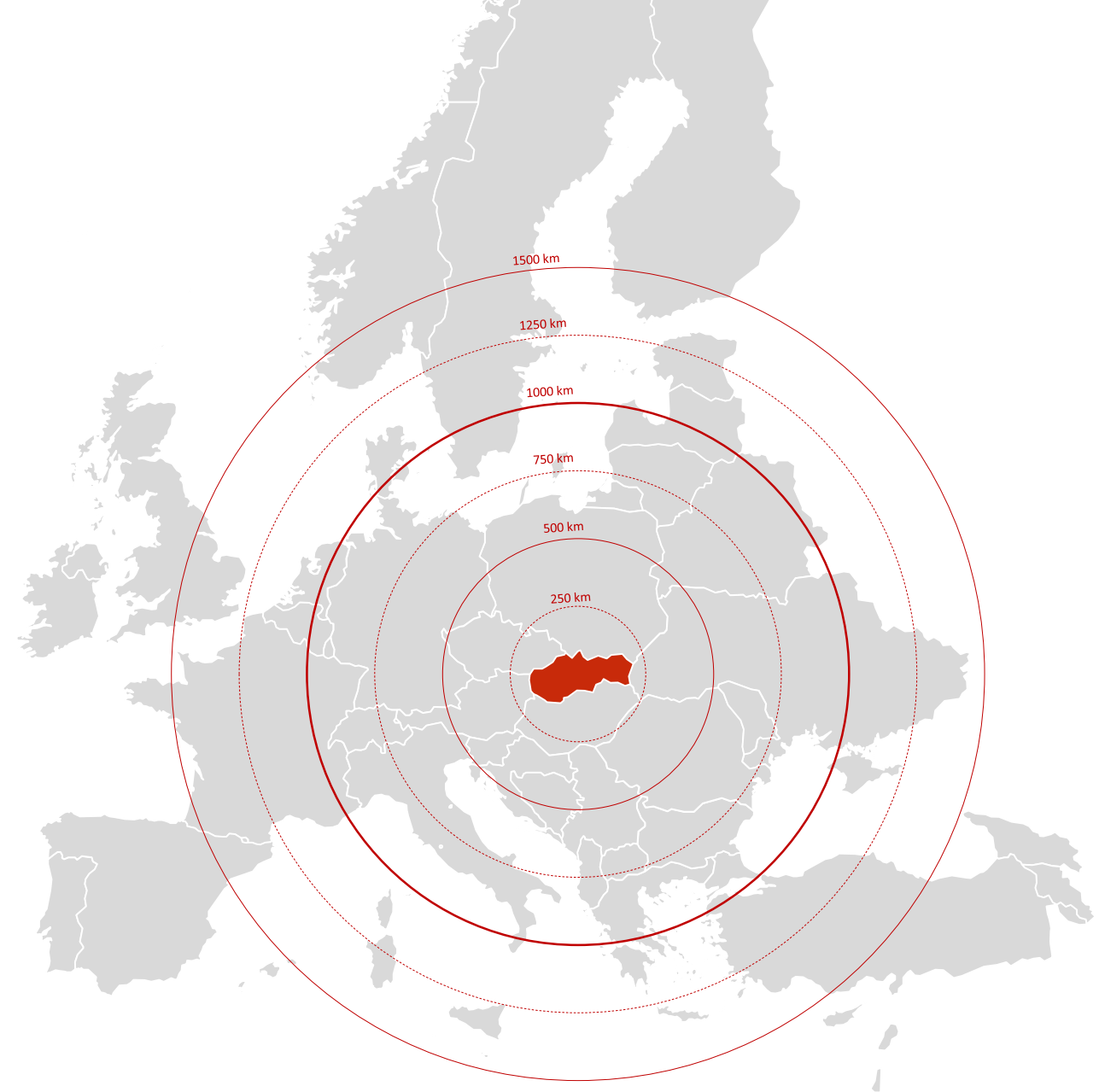
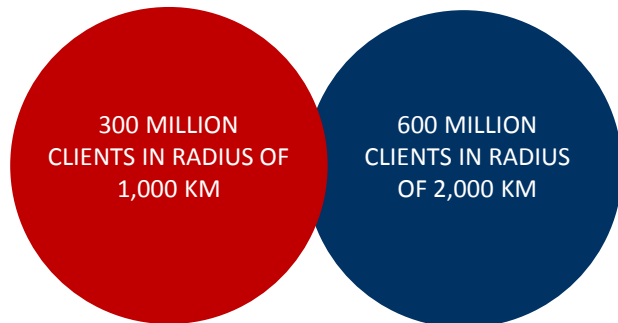
Official language: Slovak

Political system: parliamentary democracy

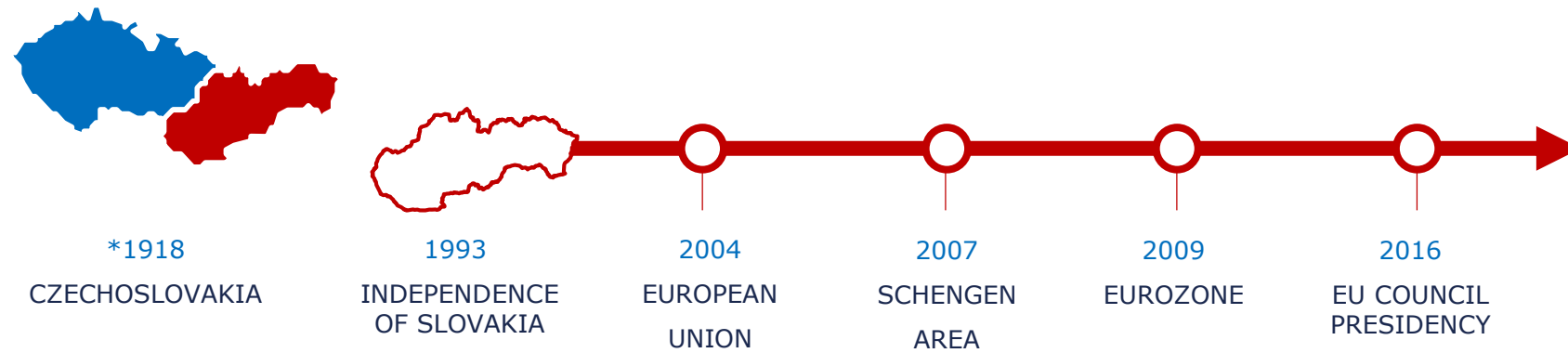
Election term: 4 years

Neighbours: Austria, Czech Republic, Hungary, Poland, Ukraine

Time zone: GMT+1 hour



INTEGRATED IN EU & INTERNATIONAL ORGANIZATIONS



EUROPEAN UNION



NATO



UNITED NATIONS



WORLD BANK



INTERNATIONAL MONETARY FUND



OSCE



WORLD TRADE ORGANIZATION



OECD

EURO ZONE MEMBER



EURO €
since 1 January 2009

- One of a few in CEE
- Euro implementation impact:
 - Limitation of Foreign Exchange Risk
 - Lowering Transaction Costs
 - Growth in Foreign Trade
 - Increased Economic & Financial Stability
- Favorable conditions for long-term business decisions



DOING BUSINESS — AMONG THE BEST IN CEE

- Starting & Closing Business
- Construction permits
- Registering property
- Paying taxes
- Electricity acquirement
- Enforcing contracts
- Protecting investors
- Insolvency resolution
- Trading across borders
- Getting credit

The **World Bank** Project analyzes the **10 areas** of business regulations in **190 countries**



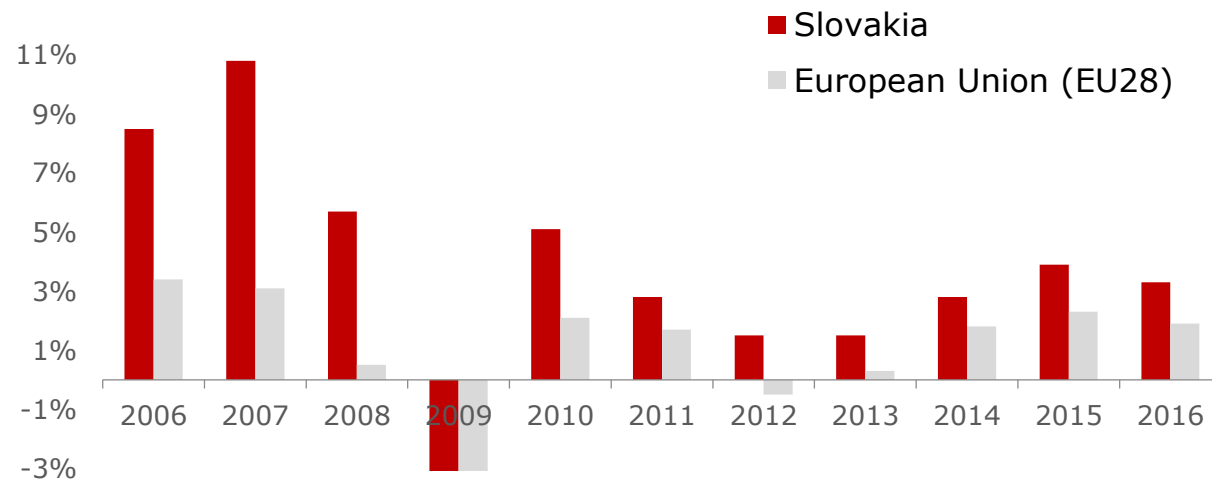
RANKING OF THE SLOVAK REPUBLIC





KEY MACROECONOMIC INDICATORS

MACROECONOMIC OVERVIEW

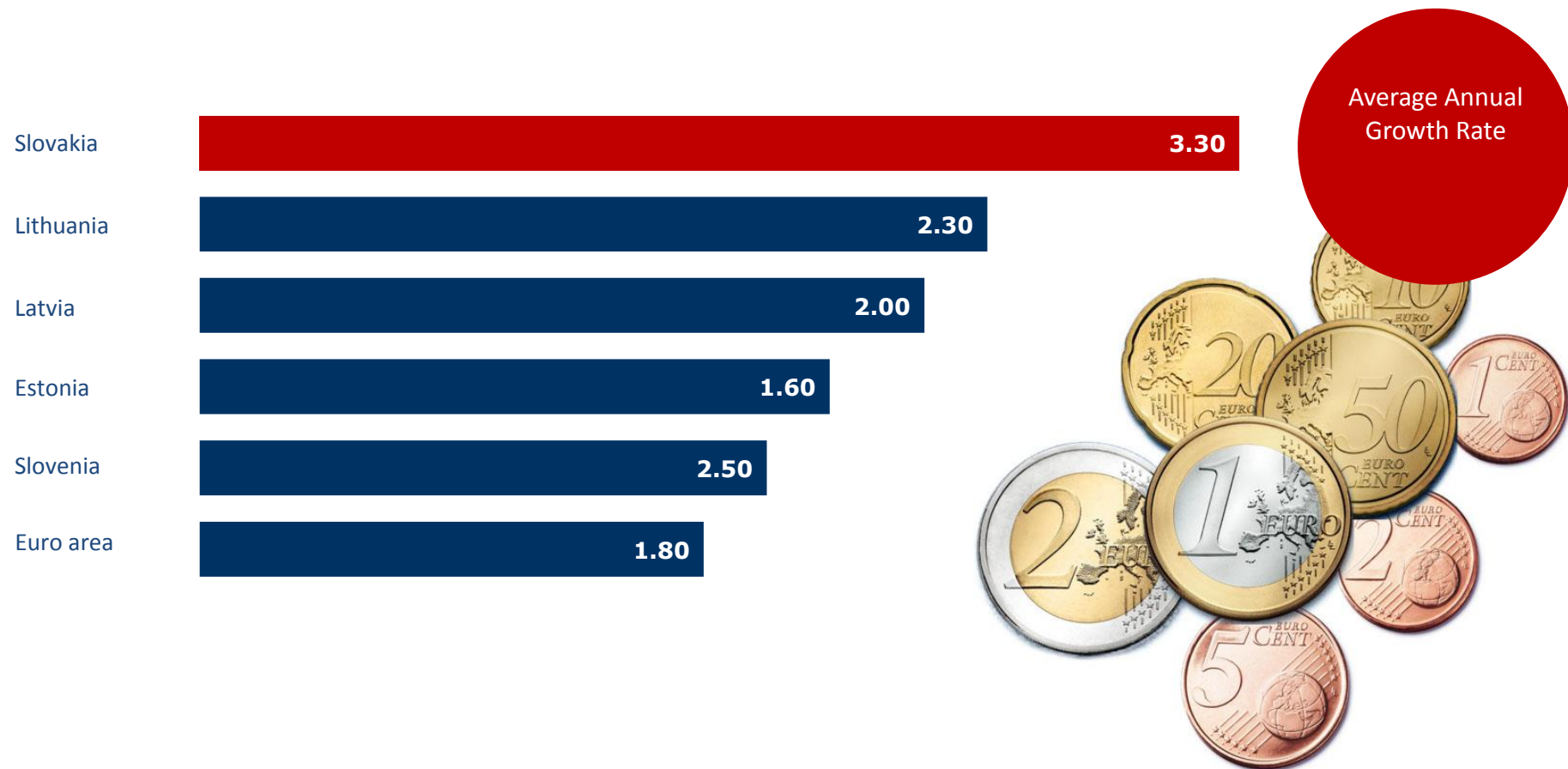


	2011	2012	2013	2014	2015	2016
Real GDP Growth	2.8%	1.5%	1.5%	2.8%	3.9%	3.3%
HICP Inflation	4.1%	3.7%	1.5%	-0.1%	-0.3%	-0.5%
Unemployment	13.7%	14%	14.2%	13.2%	11.5%	9.7%

GDP GROWTH PREDICTION BY EUROPEAN COMMISSION

	2017f	2018f
Germany	2.2 %	2.1 %
Slovakia	3.3 %	3.8 %
Poland	4.2 %	3.8 %
Czech Rep.	4.3 %	3.0 %
Hungary	3.7 %	3.6 %
Romania	5.7 %	4.4 %
Bulgaria	3.9 %	3.8 %

FASTEST GROWTH AMONG CEE EURO-ZONE COUNTRIES 2005-2016



Source: Eurostat, Real GDP growth rate – volume (2016)

ONE OF BEST COUNTRY CREDIT RATINGS IN CEE

CREDIT RATING AGENCY	SLOVAKIA	CZECH REPUBLIC	HUNGARY	POLAND	BULGARIA	ROMANIA
 STANDARD & POOR'S	A+ stable	AA- stable	BB+ stable	BBB+ stable	BB+ stable	BBB- stable
 Moody's Corporation	A2 stable	A1 stable	Ba1 stable	A2 negative	Baa2 stable	Baa3 stable
 Fitch Ratings	A+ stable	A+ positive	BB+ stable	A- positive	BB+ stable	BBB- stable
 JCR Japan Credit Rating Agency	A+ stable	A stable	BBB negative	A stable	BBB stable	BBB- stable
 R&I NOW Rating and Investment Information	A stable	A+/AA- stable	BBB- stable	A-/A stable		
OECD Country risk	0	0	4	0	4	3

SIMPLE & FAIR TAX SYSTEM

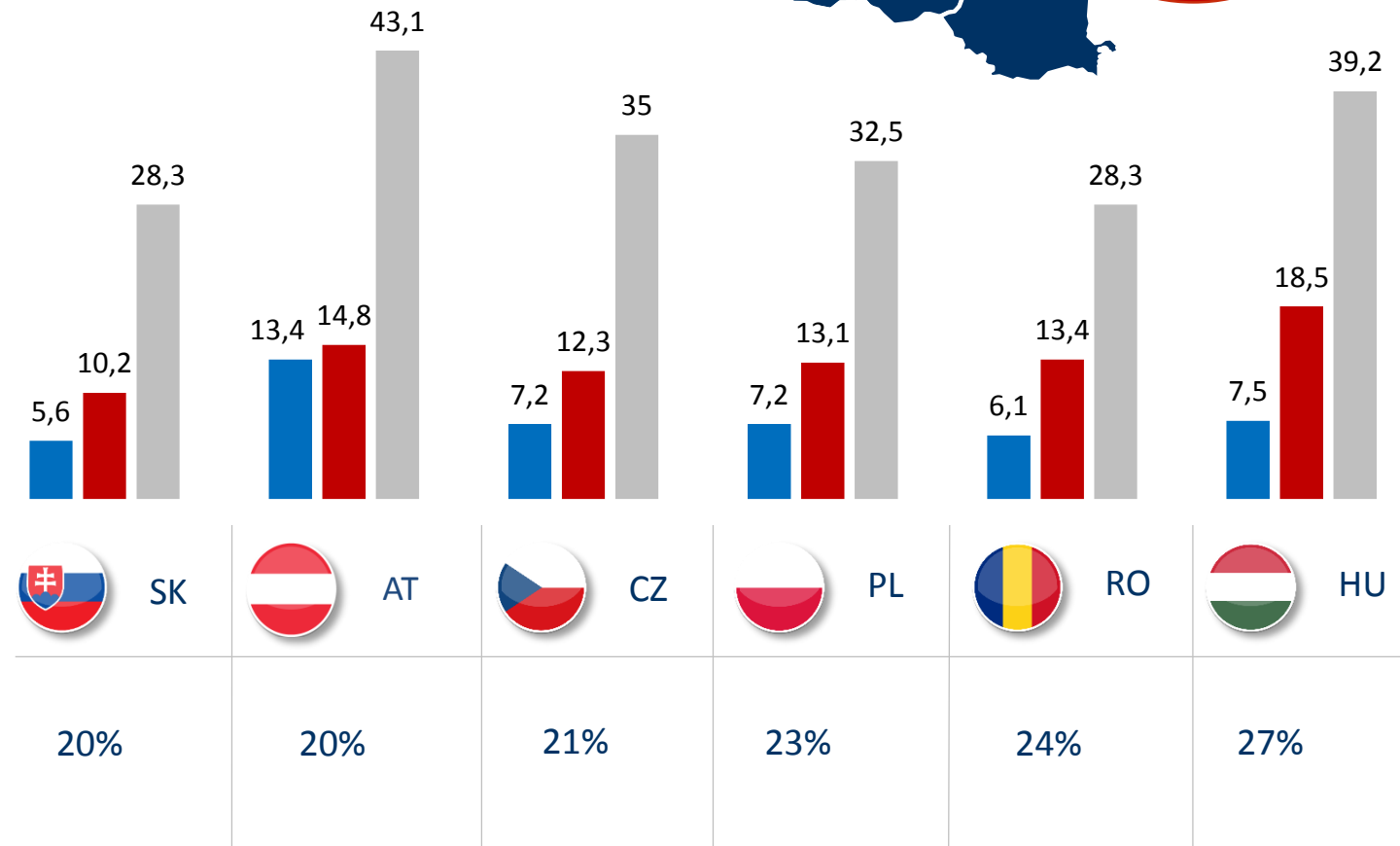


INDIRECT TAXES
% OF GDP

DIRECT TAXES
% OF GDP

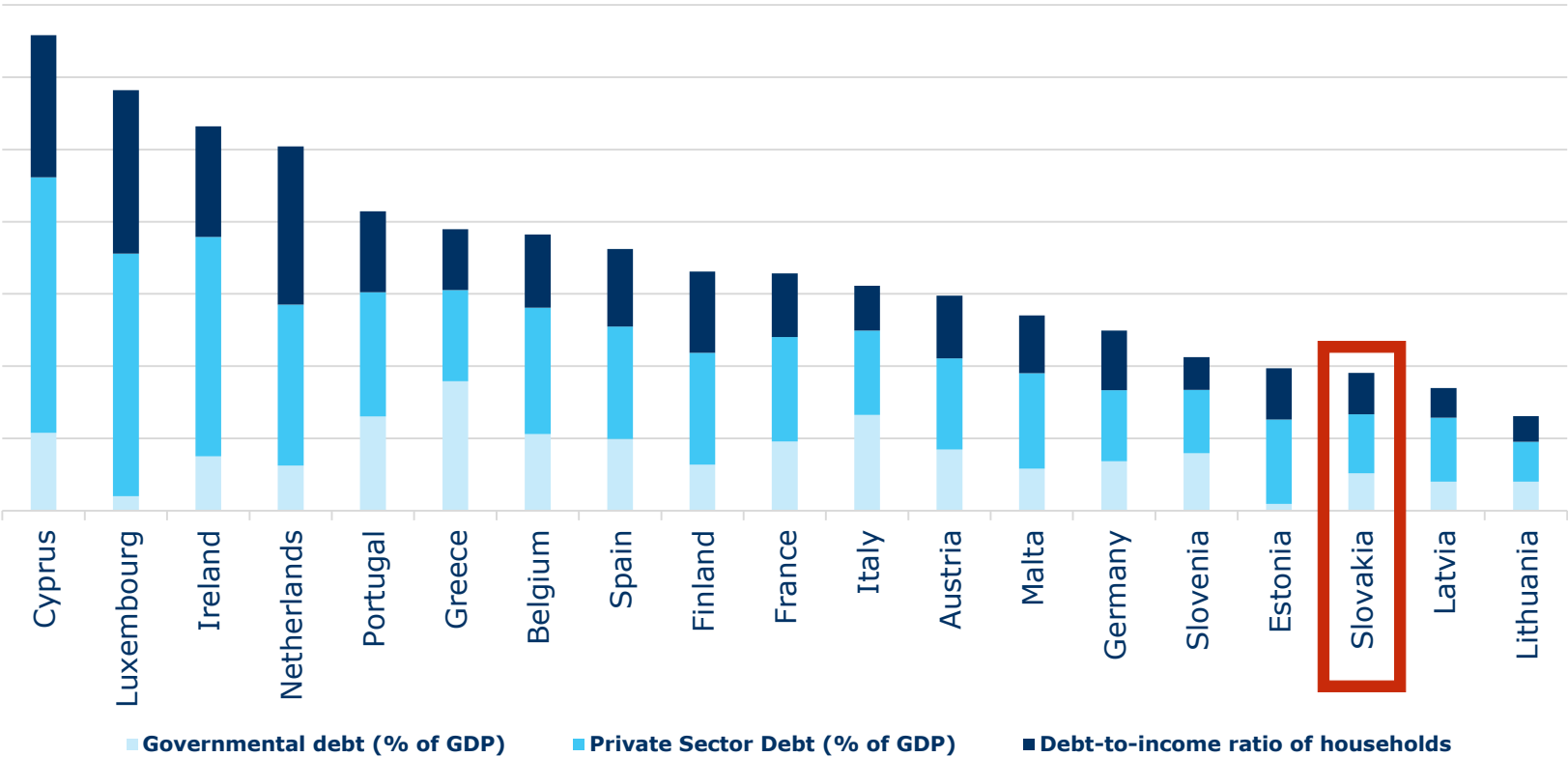
TAX REVENUE
% OF GDP

VAT



Source: European Parliament, 2015, Overview: European Parliaments work on Taxation

THIRD LOWEST INDEBTEDNESS IN EUROZONE

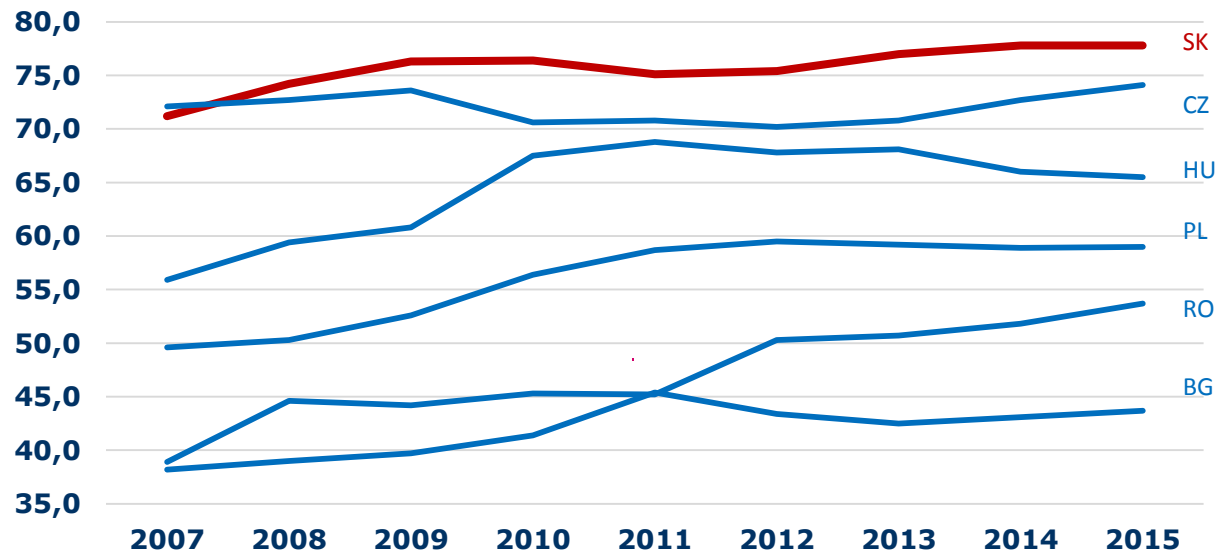


Source: Eurostat, 2015 data as the latest available in May 2017: General government gross debt - annual data; Private sector debt, consolidated - % of GDP; Gross debt-to-income ratio of households



HUMAN CAPITAL

THE HIGHEST LABOUR PRODUCTIVITY IN CEE



**SLOVAKIA
REACHES THE
HIGHEST LABOUR
PRODUCTIVITY**

**GDP (in PPS) per hour
worked as compared to
EU28 (100)**

**GROSS
MONTHLY
SALARIES
2016**


1 020 €
27 227 CZK
Czech Republic


928 €
4,047 PLN
Poland

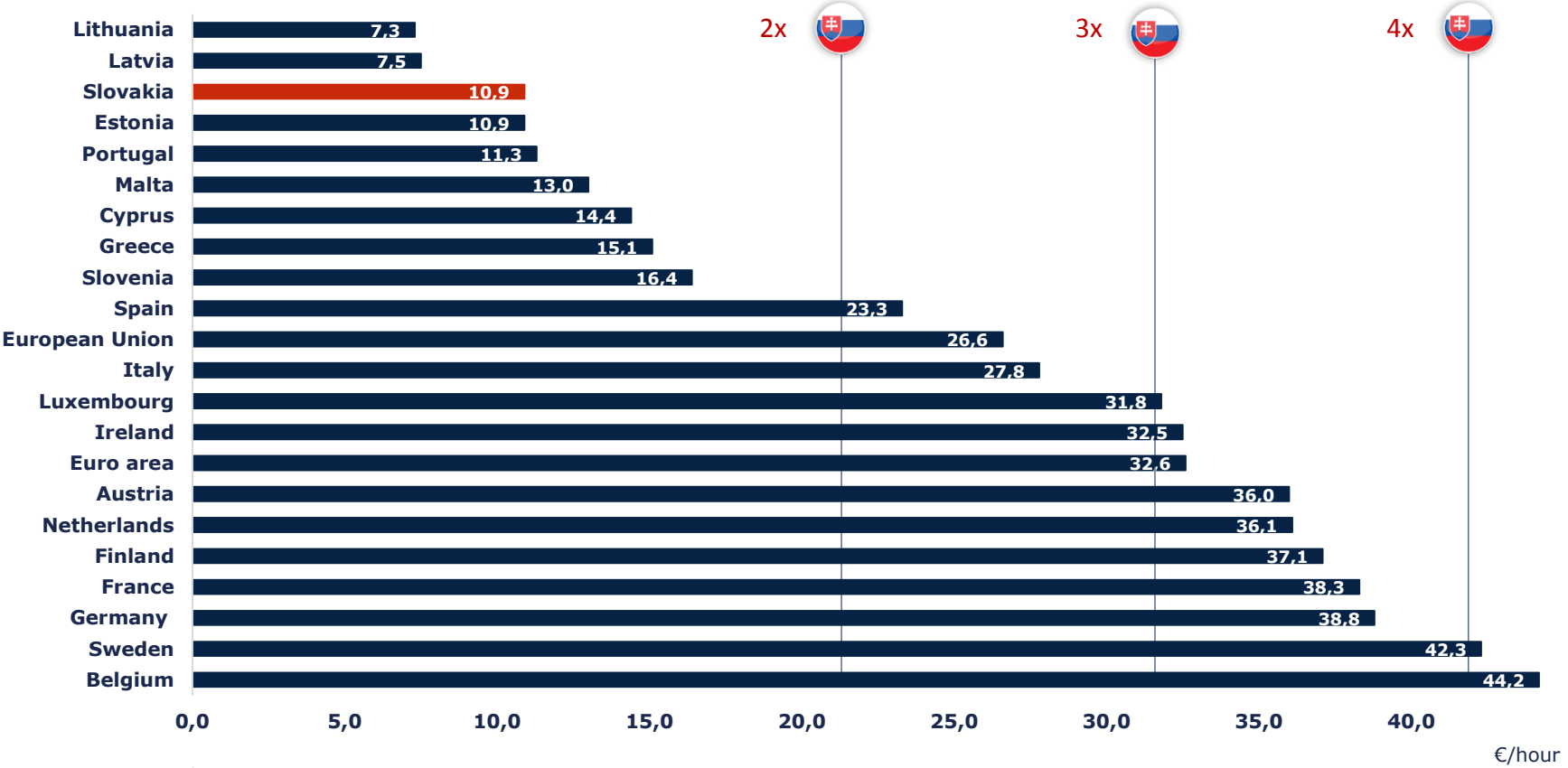

912 €
Slovakia


844 €
263,171 HUF
Hungary


642 €
2,886 RON
Romania


482 €
944 BGN
Bulgaria

SLOVAKIA — 3RD LOWEST PRODUCTION LABOUR COST IN EURO ZONE



Note: NACE Rev. 2, Industry except construction

Source: Eurostat, Labour Cost Annual Data – NACE Rev. 2 (2016)



KEY SECTORS

STRUCTURE OF SLOVAK ECONOMY



AGRICULTURE 3.7%

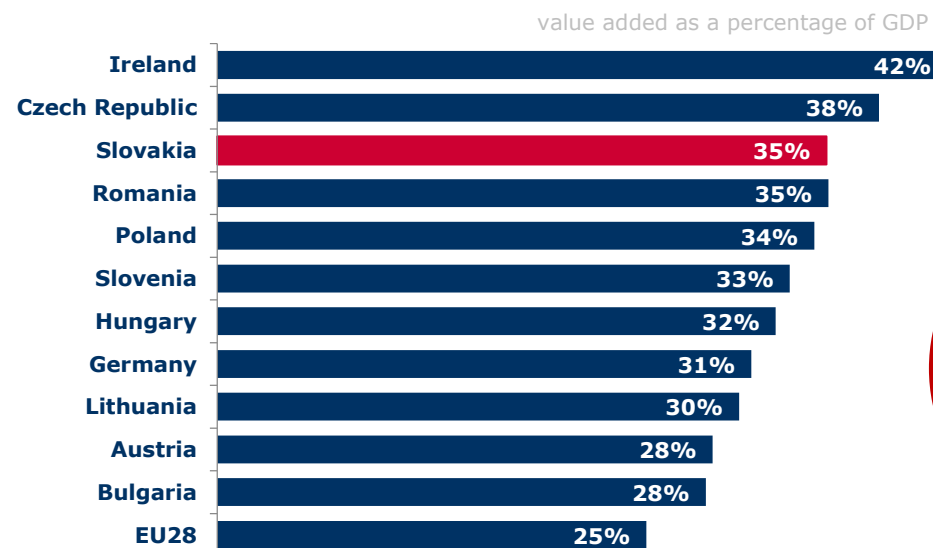


INDUSTRY 34.8%



SERVICES 61.5%

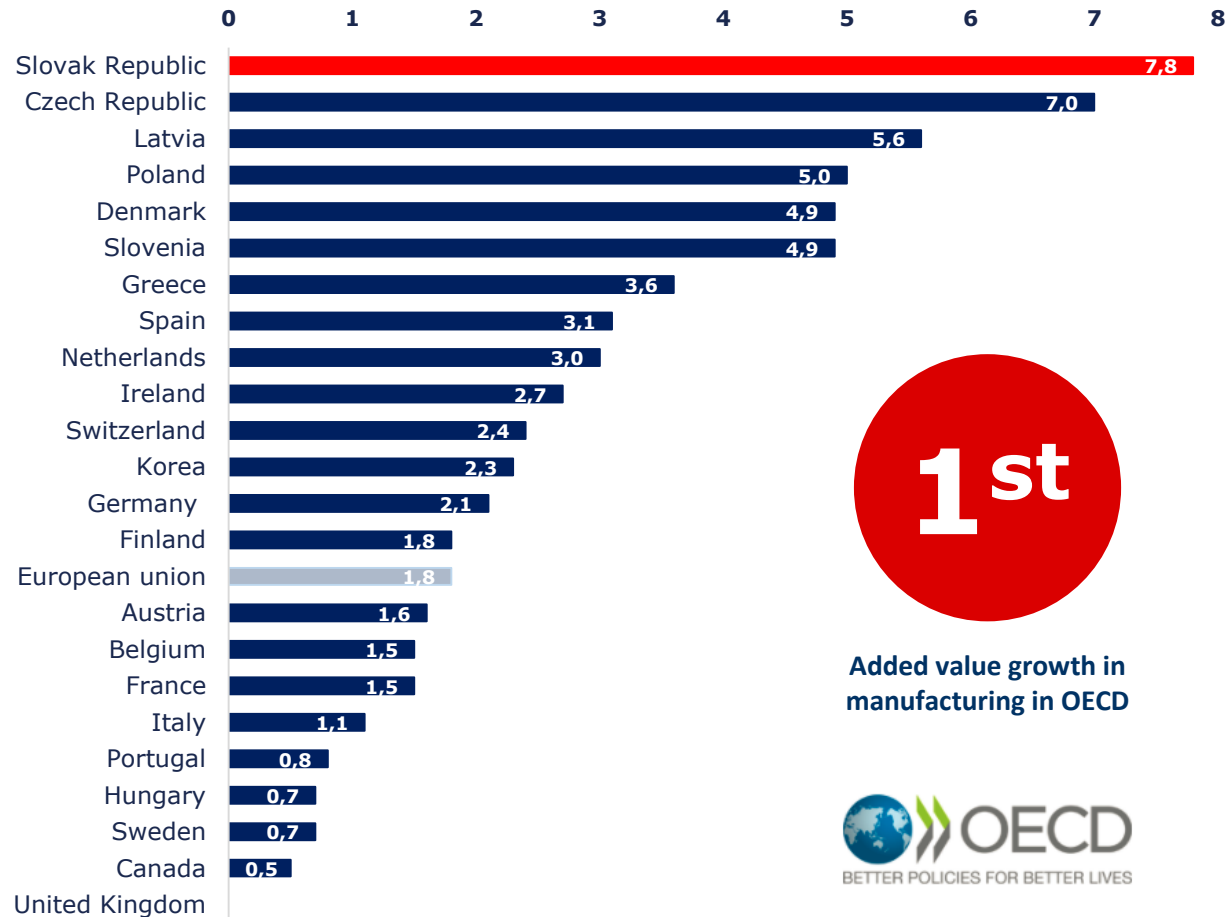
SLOVAKIA
Among the most industrial countries in the EU



43%
growth of added value in industrial production since 2008

GROWTH OF ADDED VALUE IN INDUSTRY

Annual Growth Rate (%)



1st

Added value growth in manufacturing in OECD



2nd

Highest growth of manufacturing in OECD in last 6 years

3rd

Most industrialized country in the EU

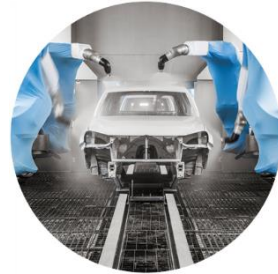
43%

Added value growth in manufacturing since 2008

KEY SECTORS



Electronics
Industry



Automotive



R&D



Information &
Communication
Technologies



Shared Service & Business
Process Outsourcing Centers

Country's pro-business attitude enables companies to grow across business sectors in-line with focus on R&D and innovation.

GREAT BRANDS IN SLOVAKIA — MEDIUM HIGH-TECH

MEDIUM-HIGH TECHNOLOGY: MANUFACTURING

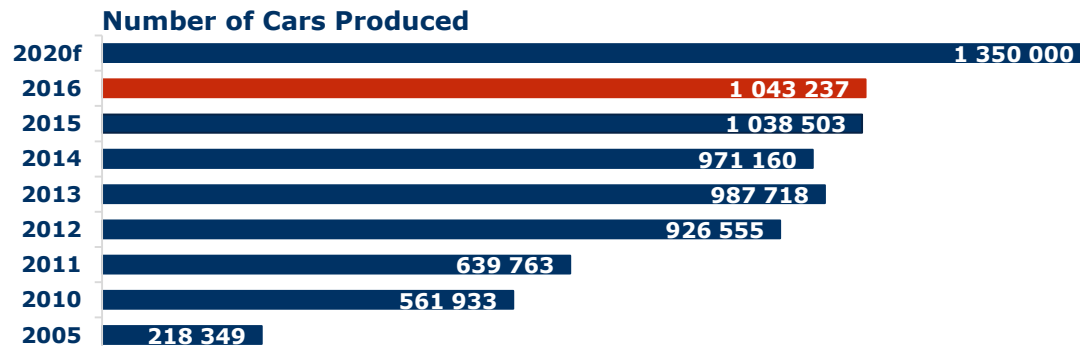
Chemistry	Defence industry	Electrical equipment	Machinery equipment	Auto. industry, supplier sector	Other transport equipment	Medical and dental instruments

AUTOMOTIVE

SLOVAKIA
Leader in World Car Production Per Capita (2016)

192 Vehicles | 1,000 Inhabitants

World Average = 10 Vehicles | 1,000 Inhabitants



250,000

People employed directly & indirectly by the automotive industry

44%

Share of the automotive industry of the country's total industrial production

26 bn €

Volume of industrial export generated by the automotive industry

2.5 bn €

Added value in the automotive industry

KEY SECTOR NR. 1 — AUTOMOTIVE



VOLKSWAGEN
Germany | 1992 | Bratislava



VOLKSWAGEN Touareg
VOLKSWAGEN Touareg Hybrid
VOLKSWAGEN up! & e-up!
ŠKODA Citigo
SEAT Mii
AUDI Q7& Q8
PORSCHE Cayenne



PSA PEUGEOT CITROËN
France | 2003 | Trnava



CITROËN C3 Picasso
PEUGEOT 208
new **CITROËN** C3



KIA MOTORS
South Korea | 2004 | Žilina



KIA cee'd
KIA cee'd Sportswagon
KIA pro_cee'd
KIA Sportage
KIA Venga
+ **ENGINE** shop for **KIA**
and **HYUNDAI**

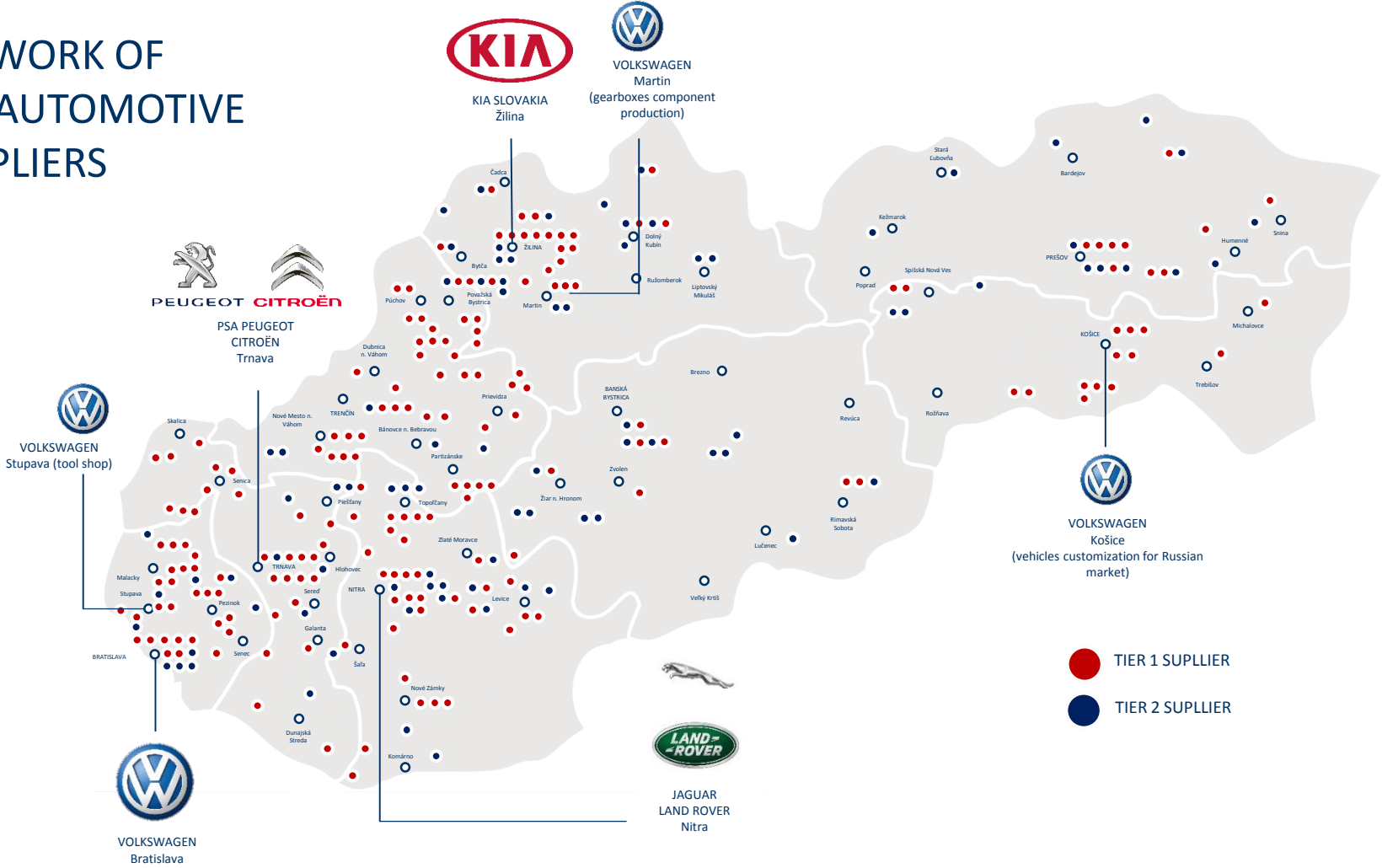


JAGUAR LAND ROVER
United Kingdom | 2018 | Nitra



Land Rover Discover
+ other medium-sized
luxury SUVs to be
specified

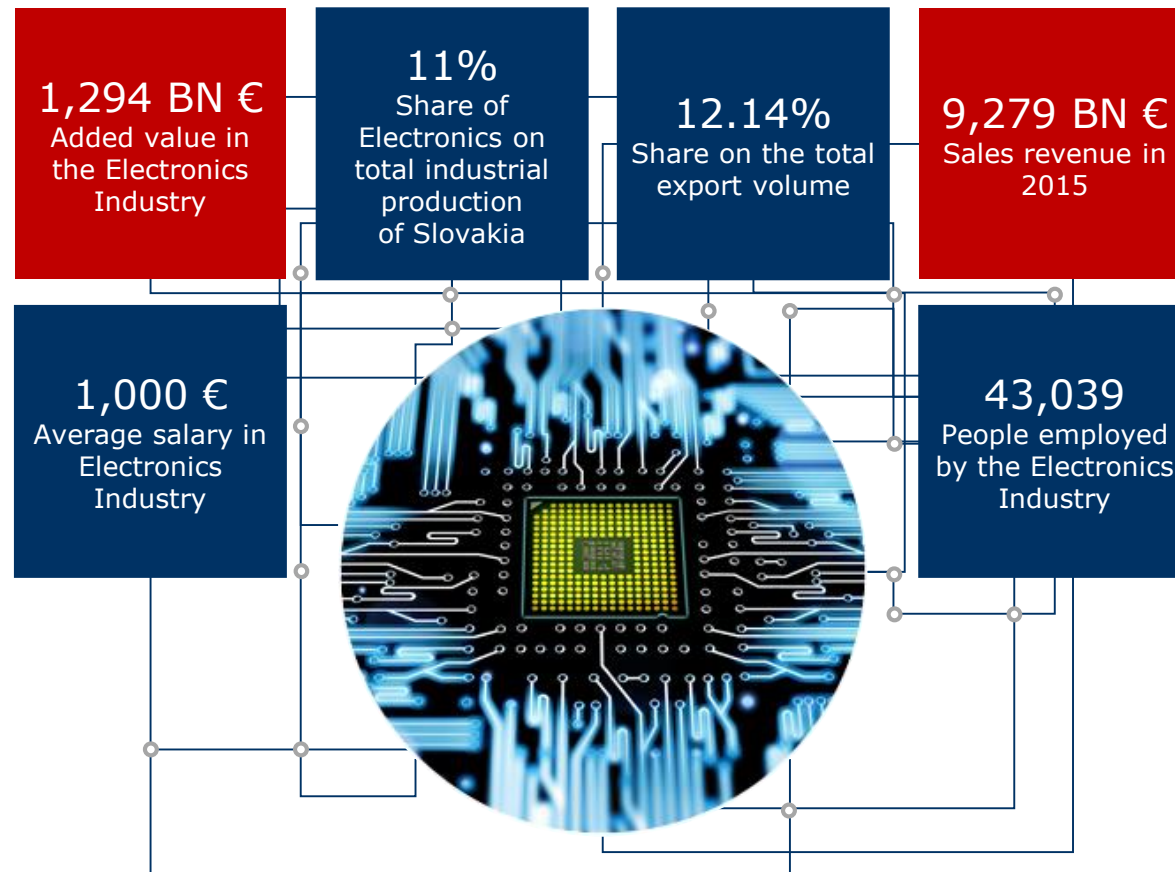
NETWORK OF 316 AUTOMOTIVE SUPPLIERS



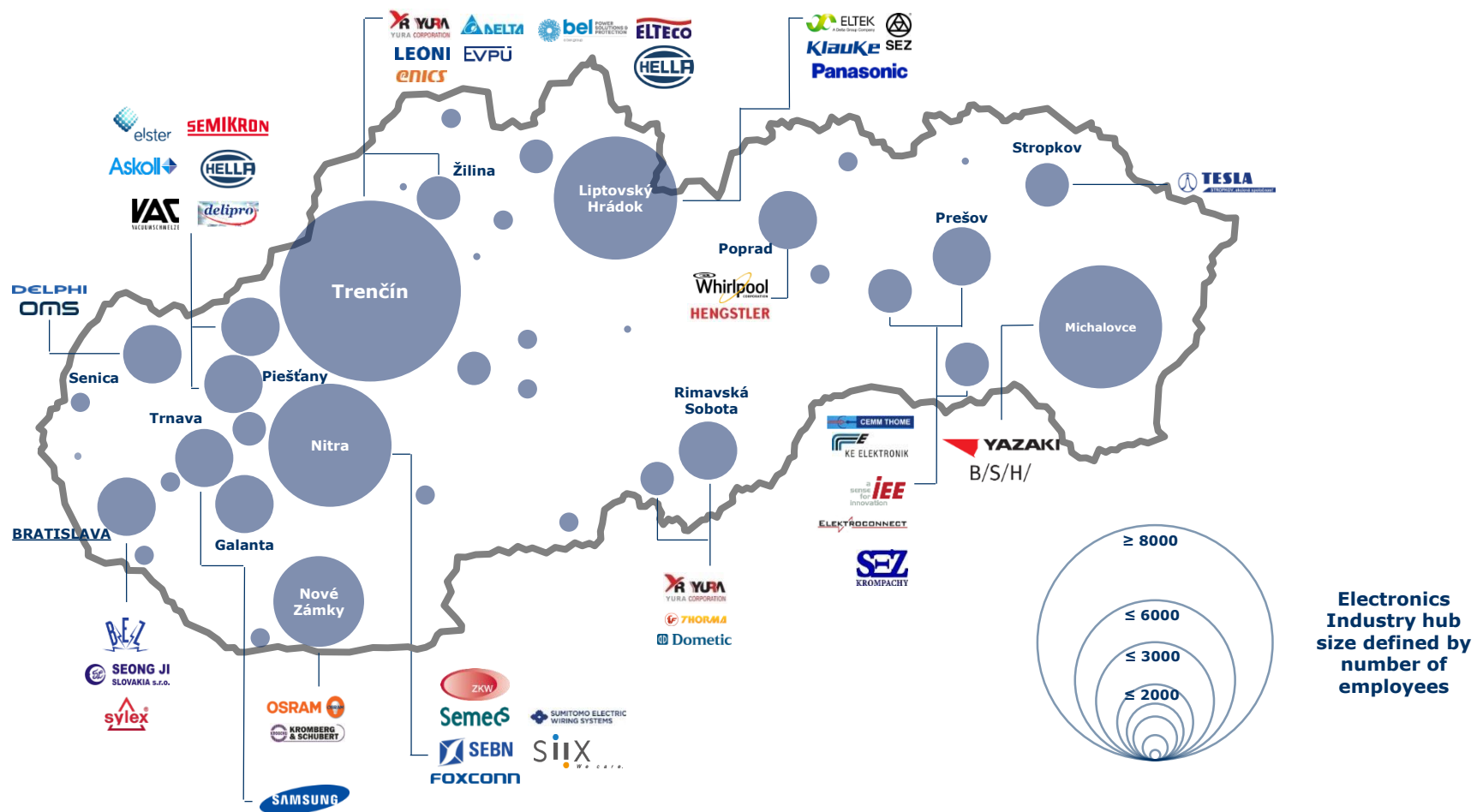
- TIER 1 SUPPLIER
- TIER 2 SUPPLIER

Source: SARIO; Online Matchmaking Fair for Automotive Slovakia; GLOBAL Slovakia (2016)

ELECTRONICS



ELECTRONICS INDUSTRY – MAJOR HUBS



Electronics Industry hub size defined by number of employees

SHARED SERVICES CENTERS

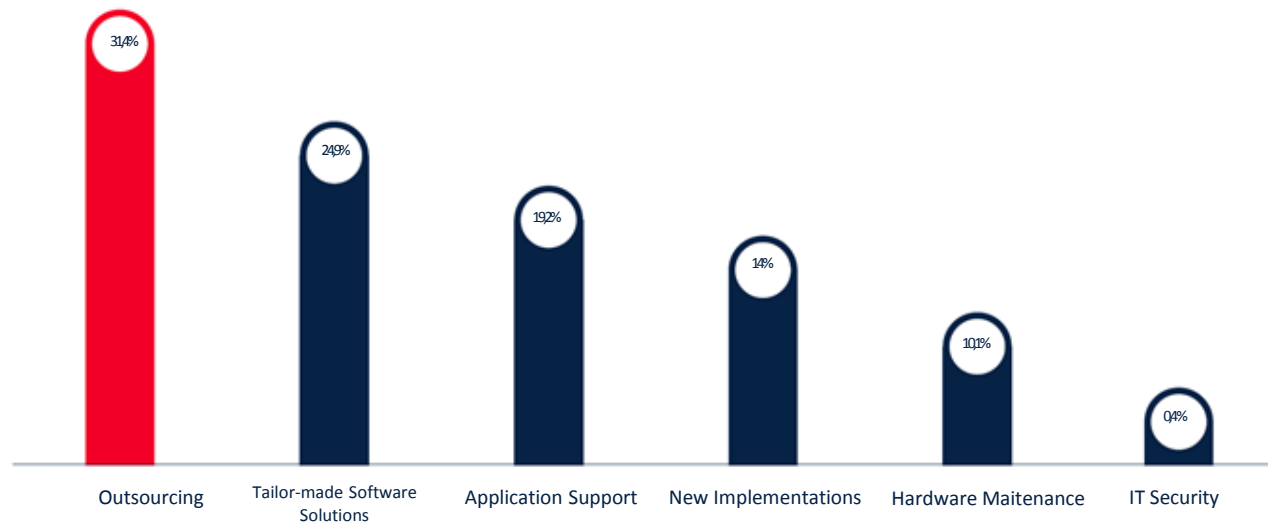
- over the last 10 years, Slovakia has developed a leading reputation for quality & high value services
- more than 60 Shared Services Centers (SSCs) and Business Process Outsourcing Centers (BPOs) are established in Slovakia providing multifunctional scope of operations
- Typical areas covered includes Accounting, IT, Sales & Marketing, Customer Service, HR or Procurement



INFORMATION & TELECOMMUNICATION TECHNOLOGIES



ICT
Slovakia has one of the most advanced ICT infrastructures in the region and is preferred location for number of high-performing global ICT leaders operating mainly in following fields.



INFORMATION & TELECOMMUNICATION TECHNOLOGIES

4%

ICT CONTRIBUTION TO
SLOVAK GDP

108
ths

NUMBER OF PEOPLE EMPLOYED
IN ICT

79%

DIGITAL LITERACY
AMONG POPULATION

ICT

Slovakia has one of the most advanced ICT infrastructures in the region and is preferred location for number of high-performing global ICT leaders operating mainly in following fields.

SOITRON*

Atos

T-Systems

ASSECO

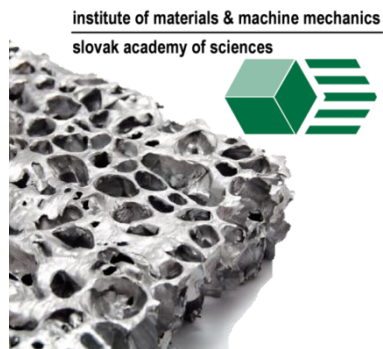
eset

Syngic



SUCCESS STORIES

SLOVAK SUCCESS STORIES — WELL KNOWN IN THE WORLD



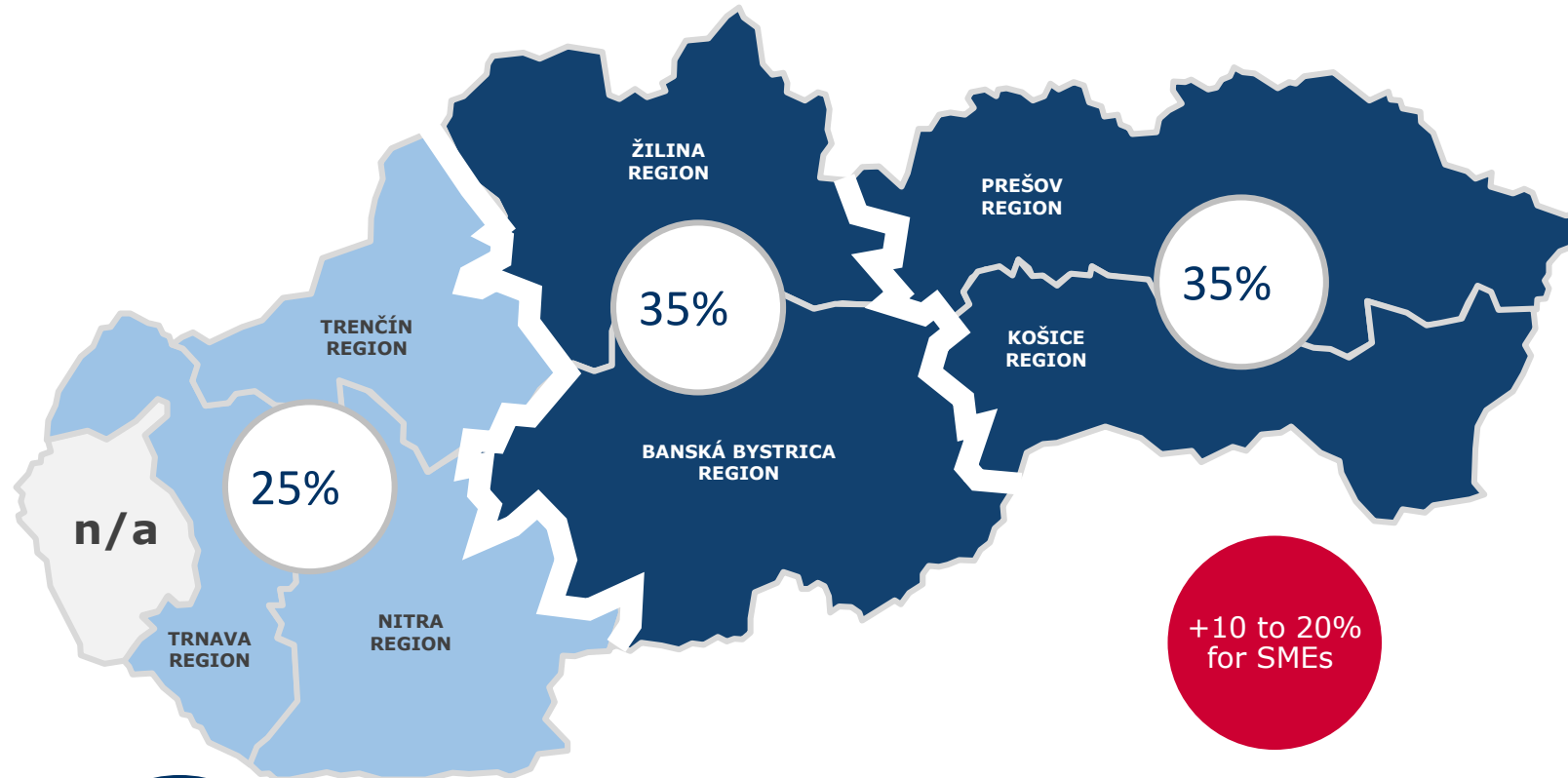
Great ideas from Slovakia went global earning success in IT, automotive and machinery sectors with unique innovation potential





INVESTMENT INCENTIVES

MAXIMUM INTENSITY



**AVAILABLE
FORMS OF
AID**

- **INCOME TAX RELIEF**
- **CASH GRANT**
- **CONTRIBUTIONS ON NEW JOBS**


**+10 to 20%
for SMEs**



WHY
SLOVAKIA

WHY SLOVAKIA

- Safe investment environment: **POLITICAL & ECONOMIC STABILITY**
- The highest **LABOUR PRODUCTIVITY** in the CEE region
- High **LOYALTY & LOW ATTRITION** of employees
- Strategic **TIME ZONATION & LOCATION** in heart of Europe with great export potential
- **36 UNIVERSITIES** PROVIDING POOL OF **QUALIFIED graduates** with multidisciplinary skill-set & multilingual competencies
- **COST EFFECTIVE & SKILLED** labour force
- **HIGH QUALITY OF LIFE** in regional capitals & their ability to attract skilled people from other regions and even from abroad
- Dynamically growing **REAL ESTATE MARKET & INFRASTRUCTURE NETWORK**
- 10 Year CEE Leader in **DOING BUSINESS** 2004 – 2013 (WB); CEE **LEADER IN LABOUR PRODUCTIVITY**
- **FLAT INCOME TAX RATE** (21%) & no taxes on dividends paid to legal entities
- **GOVERNMENTAL SUPPORT** & attractive investment incentives
- **SUCCESS STORIES** track record & positive experiences of established investors



Key facts
why to choose
Slovakia as your
next investment
destination



SARIO
SERVICES

OUR SERVICES

The Slovak Investment and Trade Development Agency (SARIO) is a governmental investment and trade promotion agency operating under the supervision of Ministry of Economy of the Slovak Republic.



FOREIGN TRADE DEPARTMENT

- Supports Slovak manufacturers in their export activities
- Assists foreign companies to identify potential new products for export from Slovakia
- Identifies potential suppliers and subcontractors
- Monitors free production capacities
- Manages online databases
- Trade Fairs
- Organizing B2B meetings

INVESTMENT PROJECTS DEPARTMENT

- FDI attraction
- Assistance, consultancy for investment project implementation
- Database of available real estate
- Consultancy on investment aid
- Preparation of starting business related materials and analyses
- Promoting Slovakia abroad via seminars
- Manages M&A database, open projects for investments

SARIO

SLOVAK INVESTMENT AND TRADE DEVELOPMENT AGENCY

Your ONE STOP SHOP
for investment and trade in Slovakia

Slovak Investment and Trade Development Agency
Trnavská cesta 100
821 01 Bratislava, Slovakia

tel: +421 2 58260 100
email: invest@sario.sk



ALL OUR SERVICES
ARE FREE OF
CHARGE

TYPES OF ELIGIBLE PROJECTS



1. INDUSTRIAL PRODUCTION



2. STRATEGIC / SHARED SERVICES CENTRES



3. TECHNOLOGY / R&D CENTRES



4. TOURISM CENTRES

SMALL AND MEDIUM-SIZED ENTERPRISES

	Number of Employees	AND	Turnover	OR	Total Balance Sheet
MEDIUM	up to 250		up to 50 mil. €		up to 43 mil. €
SMALL	up to 50		up to 10 mil. €		up to 10 mil. €
MICRO	up to 10		up to 2 mil. €		up to 2 mil. €



Partner enterprises

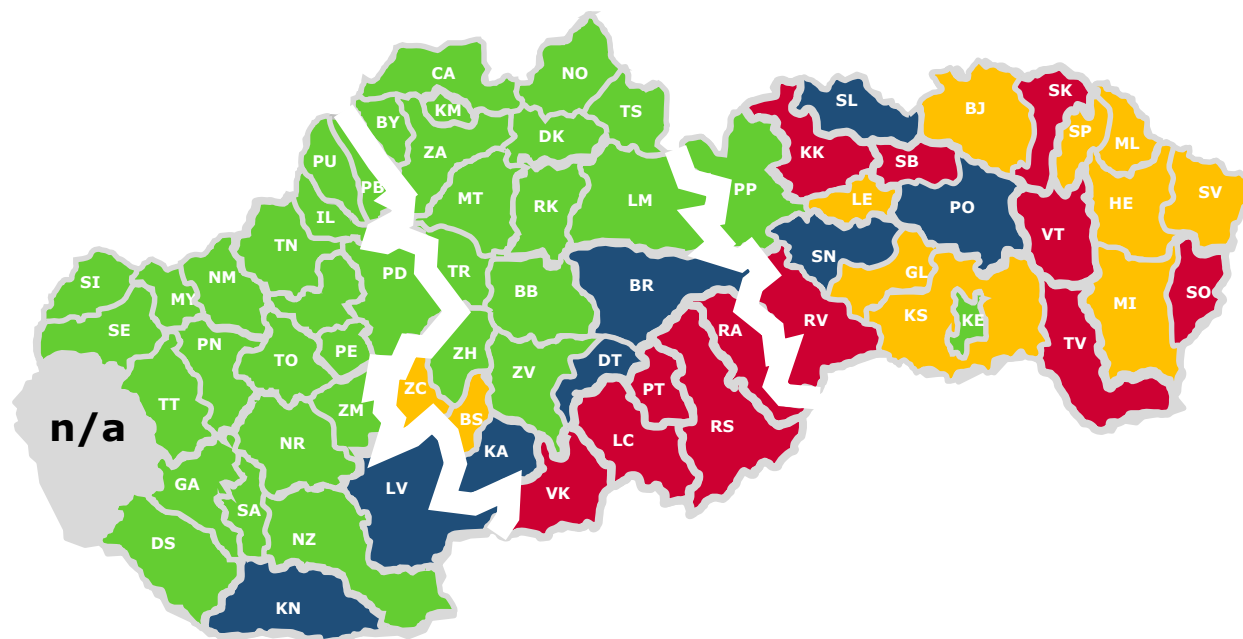
25 - 50% ownership share.
Proportional data must be added






Linked enterprises

50 - 100% ownership share
All data must be added

INDUSTRIAL PROJECTS | MINIMUM REQUIREMENTS



	Unemployment Rate	Minimum Investment into Eligible Costs	Minimum Share of New Technology on Eligible Costs	Minimum Number of New Jobs
	Lower than Slovak average	10 mil. € (SMEs 5 mil.)	60%	40
	Higher than Slovak average	5 mil. € (SMEs 2,5 mil.)	50%	40
	More than 35% higher than Slovak average	3 mil. € (SMEs 1,5 mil.)	40%	40
	Least developed regions	0.2 mil. € (SMEs 0,1 mil.)	30%	10

INDUSTRIAL PROJECTS | ESSENTIALS

ELIGIBLE PROJECTS

NEW GREENFIELD OR BROWNFIELD INVESTMENT

OR

EXPANSION OF EXISTING FACILITY (obligation to increase the production volume or production turnover by at least 15% compared to an average for the past three fiscal years)

Examples of non-eligible projects: Steel, Synthetic fibers, Mining, Transport, Agriculture, Energy

ELIGIBLE COSTS

**LAND
BUILDINGS
NEW MACHINERY & TECHNOLOGY EQUIPMENT
LICENCES & PATENT RIGHTS**

or alternatively

WAGE COSTS OF NEW EMPLOYEES DURING 2 YEARS

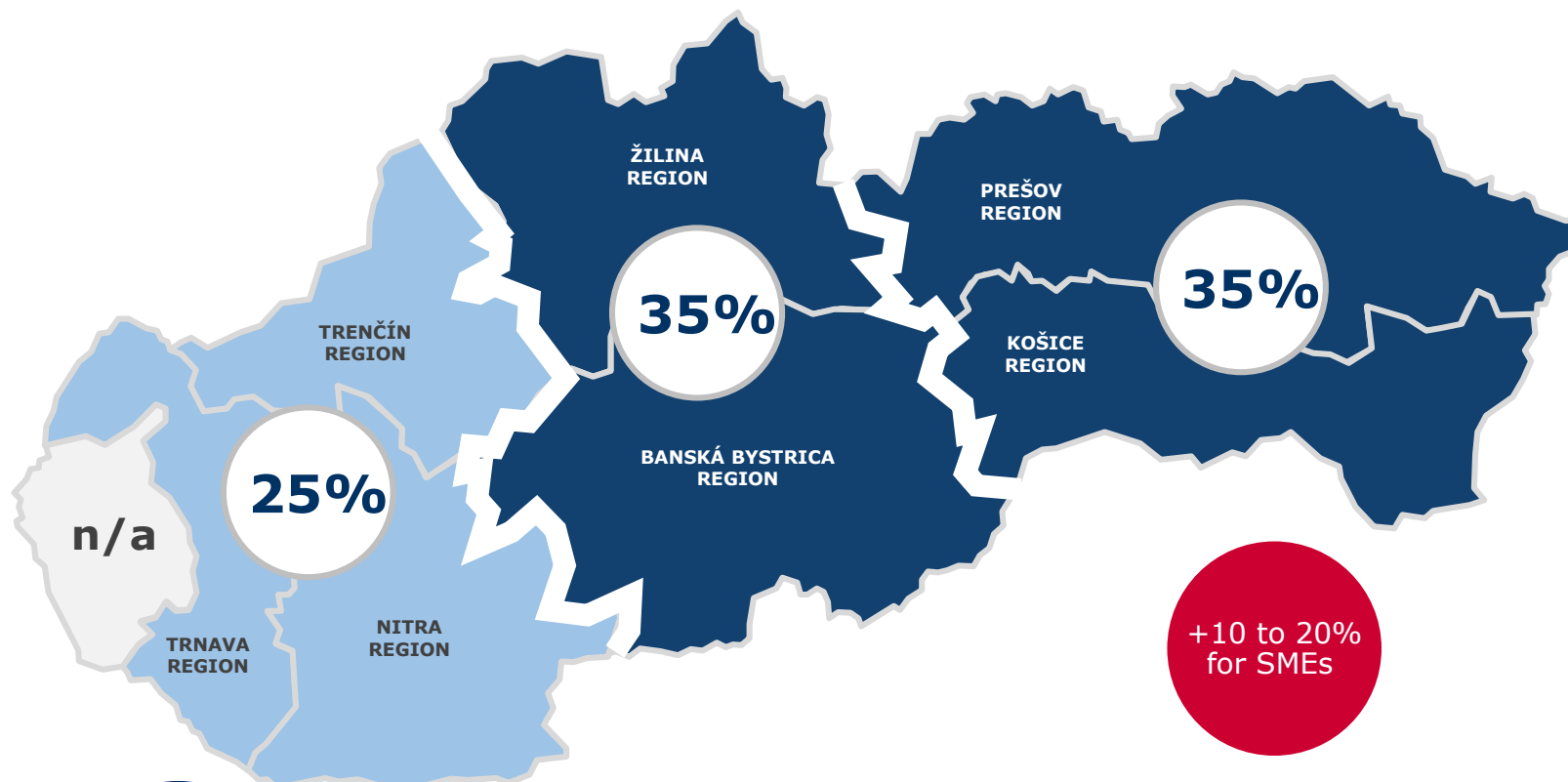
Examples of non-eligible costs: Rental costs, Vehicles, Costs accrued before the submission of aid application

TIME FRAME

Investment period: Maximum **3 YEARS** (5 years for projects with eligible costs over 50 mil. €)

Recruitment period: Maximum **6 YEARS** (8 years for projects with eligible costs over 50 mil. €)

MAXIMUM INTENSITY



AVAILABLE
FORMS OF
AID

- INCOME TAX RELIEF
- CASH GRANT
- CONTRIBUTIONS ON NEW JOBS

TECHNOLOGY CENTRES | ESSENTIALS

ELIGIBLE PROJECTS

NEW INVESTMENT or **EXPANSION OF EXISTING FACILITY**

Centres for **development or innovation of high-tech products, technologies or production processes**, provided that the development or innovation does not include ordinary or regular modifications, even if such changes may represent improvements. Manufacturing is not considered as an eligible activity of the technology center.

ELIGIBLE COSTS

**LAND
BUILDINGS
NEW MACHINERY & TECHNOLOGY EQUIPMENT
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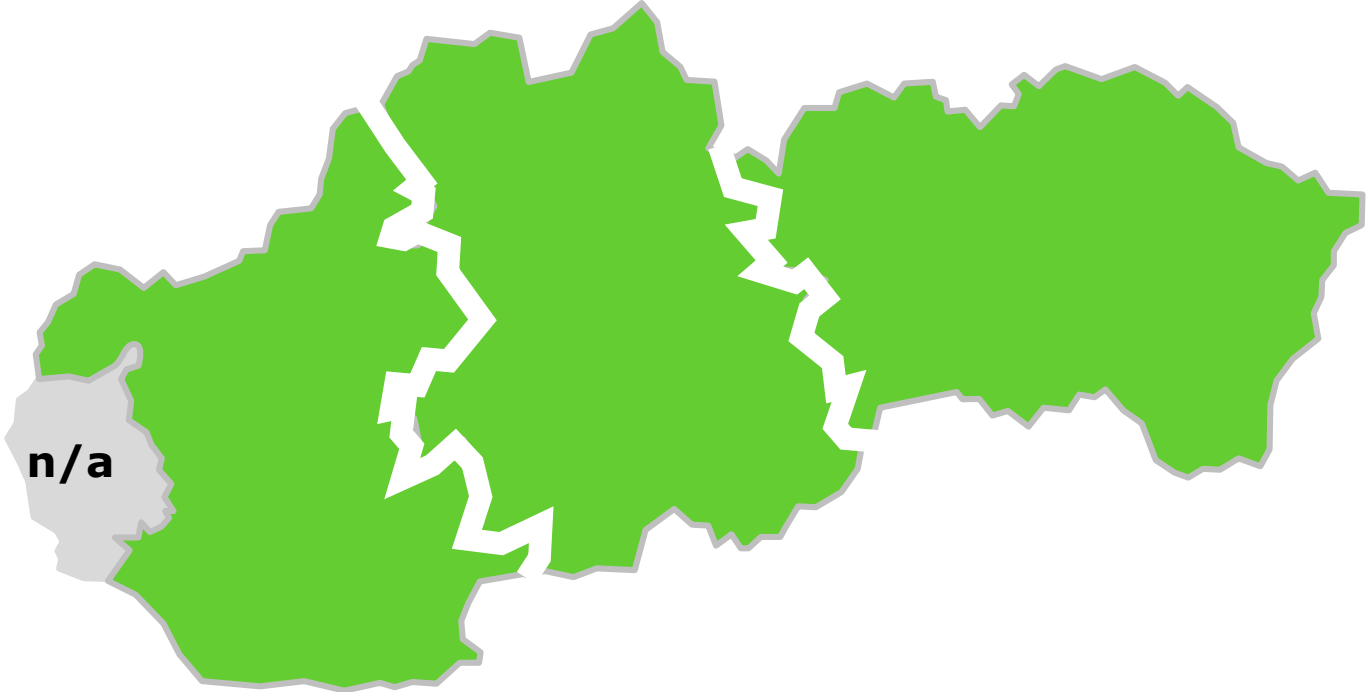
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TECHNOLOGY CENTRES | MINIMUM REQUIREMENTS



**Minimum Investment
into Eligible Costs**



500 000 €

**Minimum Number
of New Jobs**

30

**Minimum Share of New Employees
with University Education**

70%