

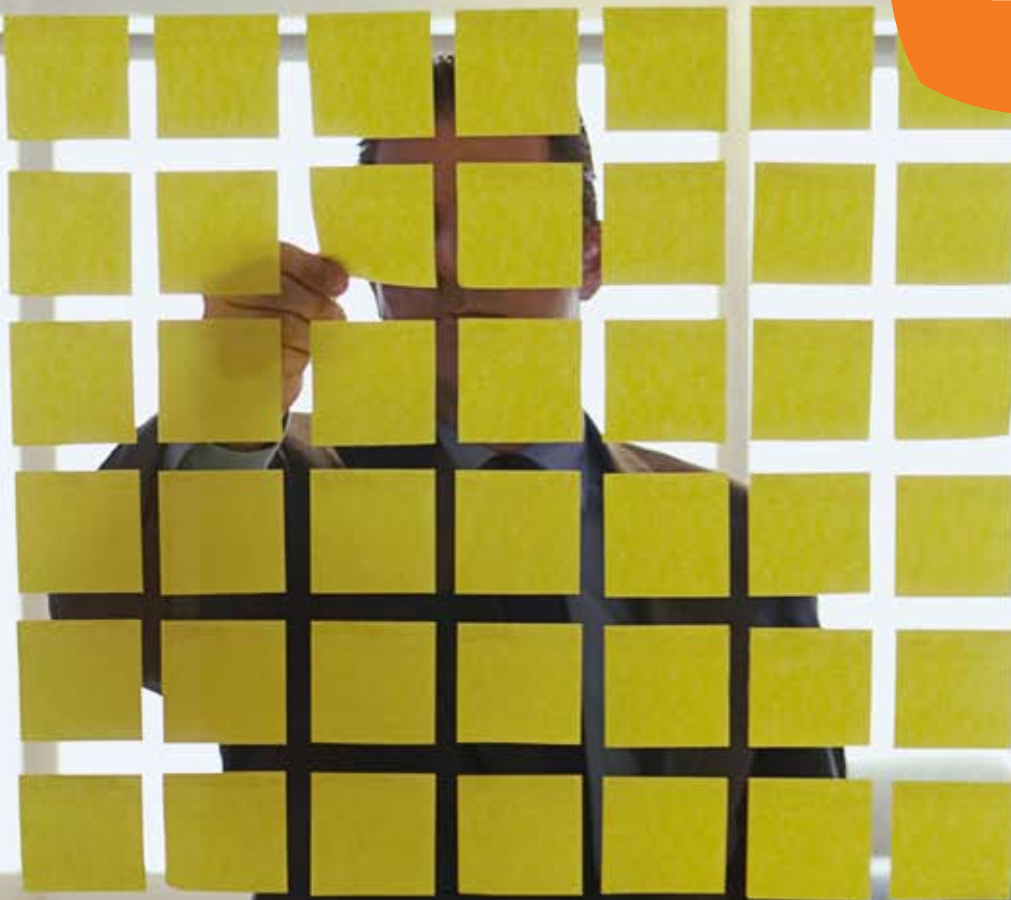
Newsletter

Slovak Investment and Trade Development Agency

Our aim - transparency

More on page 3

November
2010



Logistic park

A new logistics and production park will be built near Lozorno. Holding Company plans to invest around €20m into the park, which should create 300 jobs. The park spreading on 123,000 sqm should consist of 3-5 storage and production halls. The halls will store food, electronics, and textile goods. The park should also house light production and assembly units for the automotive, electro-technical, and machinery industries.

Belgians want to invest

Belgian machinery company LVD S3 plans to build a plant for the production of metal working machines for €6.9m in the town of Tornala. In the next four years it should create 250 new jobs. Already this year it will employ 20 people and the number of employees will rise gradually. The government will support the company with incentives worth €3.4m. The firm has been active in Tornala for 14 years already and currently employs 60 people.

Miners and growers

Mining company Hornonitrianske bane Prievidza spent €3.4m on a new greenhouse, in which it plans to produce 700-750 tons of tomatoes per year. The first fruit should be picked in March 2011. The company thus wants to make use of its excess heat from its central unit and heat energy from the mining water that will be used for heating the greenhouse. The company expects the investment to pay back in seven years. The project will create 15 jobs.

Italian kitchens from Poltar

Italian firm Cinema & Cinema plans to produce kitchen furniture and wooden pellets in the industrial zone in Poltar. The Italians want to invest around €30m here. The plant's products should be exported throughout Europe. In the initial stage the company will create around 80 jobs.



Good news for skiers

Ski resorts' operators invested more than €25m into skiing infrastructure this year. More than half the sum went into the construction of three funiculars in Tatranska Lomnica in the High Tatras, Jasna in the Low Tatras, and Kubinska hola in Oravska magura. This year Slovakia will also see 11 km of new artificial snow tracks for €5.76m. The total length of artificial snow tracks in Slovakia will exceed 160 km. The largest investments went into the Jasna and Tatranska Lomnica resorts.

Production revival

New investor entered the Siderit plant in Nizna Slana. Investment and consulting company Sevis Zilina wants to restart the production of blast furnace pellets at the plant in cooperation with the firm ECO Global from Moldava nad Bodvou. By renewing the operation around 100 jobs should be created in the first stage.

Competition for alpine Milka

The company Agrocontract is investing €7m with the aim of building one of the biggest farms in Slovakia. The firm specializing in the production of milk wants to double its production capacities in the next few years and make its way onto the EU market. At the moment the company has 1,200 cattle in Dubnik near Nove Zamky. In the next few years it should be 300 more. Within the next eight years this number should rise to 3,000. New breeding buildings should be built in order to achieve these goals.



New projects, new employees

Galanta based company Brovedani Slovakia, which belongs to the Italian Brovedani Group, is expanding its production capacities and hiring new workers. The firm focusing on the production of mechanic micro-components for the automotive sector is investing a total of €11.1m this and next year. The firm recently gained new contracts from the companies Bosch and Sandoz, which generated demand for new capacities and workers in Galanta. This year's new projects will increase employment by 128 people to 290 workers and next year another 45 new jobs should be created.

Coleseed oil from Humenne

Within two years a new plant for the production of colza oil for €29m should be built in the Chemes industrial park in Humenne. The investment is backed by the company Bio Products Industries (a member of the European holding group Eurocontract), which plans to process 100,000 tons of colza per year and employ almost 80 people. The construction of the plant should be launched next year. The investor estimated an annual turnover of the plant at the start of production at €44.6m.



Our aim - transparency

The Economy Ministry plans to increase the transparency of the provision of investment assistance. Economy minister Juraj Miskov said that his ministry wants to mainly support investments with higher added value. The proposal for the revision to the Act on Investment Assistance should be prepared by the ministry in February next year. According to Miskov, the ministry will also focus on reducing the administrative burden of businesses. The ministry wants to cut this burden by 25%.

Slovakia ahead of its neighbours

The best conditions in the world for doing business are in Singapore according to the latest World Bank (WB) study Doing Business 2011. Next ranked Hong Kong and New Zealand. In this year's WB chart Slovakia ranked 41st, having dropped one place y/y, but is still the best of all V4 states. The study compared the conditions in 183 states. The WB report evaluated the situation between June 2009 and the end of May this year.

Green light for nuclear energy

The current government will continue supporting the completion of the third and fourth blocs in Mochove. The construction of a new nuclear power plant in Jaslovské Bohunice should also receive the government's backing. On the place of the currently decommissioned V1 nuclear power plant, the nuclear energy company JESS, which was established by the nuclear decommissioning company JAVYS and the Czech energy firm CEZ, wants to build a new nuclear power plant. The Economy Ministry expects the decision on the construction of the new power plant in 2012 at earliest when the respective feasibility study should be prepared.

Decreased dependency

Slovakia's dependency on Russian gas supplies through Ukraine will decrease. If there are problems with the supply of gas from Russia, Slovakia can now take gas from Austria. The reverse gear of gas was made possible thanks to adjustments on the Austrian gas pipeline hub in Baumgarten. The reverse gear should secure enough gas for Slovakia even at the time of greatest consumption, in winter. Construction work at Baumgarten also cost €4m, of which a half came from the EU.

Car makers are growing

Car makers in Slovakia reported an annual growth in output. In 1H of 2010 Volkswagen Slovakia produced almost 65,000 cars, which represents a 43% annual growth. Kia Slovakia made 161,000 cars in the first nine months of the year (+41%). For the whole of this year it plans to produce 220,000 cars, which will be more than in 2008. In 1H of 2010 PSA Peugeot Citroën produced more than 100,000 cars.

Closer to standard

Slovakia's living standard is growing the fastest of the V4 states. "While 10 years ago Slovaks achieved just over a half of the EU average, in the case of the Czech Republic it was almost 70% at that time javascript:void(0). However, Slovaks are nearing the EU average and in 2008 and 2009 they achieved 72% of the EU's living standard," said Eva Sadovska, analyst with Postova banka. Within the V4 states only Czechs are better off than Slovaks. Their living standard currently comes to 80% of the EU average.

Living standards in the V4 states (as a % of the EU average)	
Czech Republic	80%
Slovakia	72%
Hungary	63%
Poland	61%

Decrease of unemployment rate

Unemployment in Slovakia dropped to 12.29% in October, informed labor office UPSVR. In September it was at 12.42%. Compared to October 2009 unemployment dropped 0.11 percentage points. The number of people who were immediately available to take up jobs dropped to 330,200 persons in October from 333,841 in September.

Our bright future

This year GDP in Slovakia will grow 4.1% following last year's contraction of 4.7%, forecasts the OECD. The OECD stated that the Slovak economy was recovering fast thanks to exports, while domestic consumption remains dampened. This year, the Slovak economy will be among the most dynamic in the EU. The Finance Ministry expects the Slovak economy to grow 4%, central bank NBS expects a 4.3% growth. According to the latest prognosis, the International Monetary Fund foresees a 4.1% growth.

4th Slovak Matchmaking Fair

The SARIO Agency was the main organizer of the event under the auspices of the Ministry of Economy of the SR - the 4th Matchmaking Fair in Nitra on November 9-10, 2010. This event, organized in cooperation with the Embassy of the Republic of France in Slovakia, French-Slovak Chamber of Commerce, Nitra Self-governing Region, City of Nitra, Agroinstitute Nitra and other partners. 4. SKB is the international matchmaking event focusing on bilateral negotiations between local and foreign business subjects with the aim to create new business relations. It follows in the footsteps of three successful years that took place in Trenčín, Banská Bystrica and Prešov and met with exceptional interest of businessmen, associations and professional public. The main mission of the 4th Slovak Matchmaking Fair is the presentation of subcontracting partnership offers, tenders, available production capacities, joint venture creation demands and search for cooperation partners of Slovak companies in the field of machinery, automotive, electrotechnical, energy, chemical, wood and plastics procession industries and IT. 72 Slovak and 61 foreign business subjects from 14 countries (Belarus, the Czech Republic, France, Croatia, Ireland, Hungary, Germany, Poland, Austria, Russian Federation, Slovenia, Serbia, Switzerland and Italy). France was the partnership country of the fair.



Investment seminars in Japan

Slovak investment seminars have already established tradition. The Embassy of the Slovak Republic in Japan and the SARIO Agency, in cooperation with Tokyo Chamber of Commerce and Industry and Japan External Trade Organization (JETRO) have prepared already third seminar that took place in Tokyo. It was different from two prior years when the seminars have been specifically focused on electrotechnics and R&D, this year it was devoted to the investment environment of the Slovakia in general and to comparison of Slovak economy before the economic crisis, its current state and predictions for the future. H. E. Drahomir Stos, the Ambassador of the Slovak Republic in Japan has opened the seminar and he spoke about mutual relation of the Slovak Republic and Japan. Presentation of SARIO agency on the business environment of the SR and investment aid followed in program his speech. Lucia Guzlejova, Assigned Director of SARIO FDI Section and Dalibor Surovy, Project Manager, presented the advantages of investing in the SR and the options of state support for private sector. Program included also speeches describing the experience of doing business in Slovakia. They were delivered by Mr. Kazuki Hatsuda from Takenaka; Mr. Kenji Myakita, representative of Mitsubishi Plastics Corporation (Dia Moulding Slovakia, s.r.o. in Nitre is part of this corporation); and Mr. Tasuku Furukawa from Japan External Trade Organization (JETRO).

SARIO at the Slovak - Cyprus Business Forum

The representatives of the SARIO Agency participated at the Slovak – Cyprus Business Forum which took place at the Crowne Plaza Hotel on the occasion of the visit of the President of Cyprus in Slovakia. The event was prepared in the cooperation with the Slovak Chamber of Commerce and Industry and the Cyprus Investment Promotion Agency CIPA. CIPA introduced economic and investment environment of Cyprus under, Mr. Christoph Christophoros from PricewaterhouseCoopers compared the processes of establishing a Limited liability company in Slovakia and Cyprus and project manager FDI Section of The SARIO Agency presented Slovakia to the Cyprian business representatives as an ideal business destination for covering their business activities in the Central and Eastern European region. The Business Forum was attended by the President of the Slovak Republic Mr. Ivan Gašparovič and the President of the Republic of Cyprus Mr. Demetris Christofias.



Presentation of Slovakia in Cuba and Mexico

Andrea Gulova, assigned Chief Executive Officer of the SARIO agency was a member of the Slovak delegation under the auspices of the Slovak Ministry of Economy in Cuba. Aim of the mission was to evaluate the implementation of tasks derived from the first council of the Inter-Governmental Commission of the SR and the Cuban Republic, and to prepare the second council meeting taking place in 2011 in Bratislava. Mrs. Eva Szaboova, Director General of International Trade Section of the Ministry of Economy, was the Chief Representative of the Slovak mission. She has opened "the Slovak Day" at the international fair FIHAV in Havana in the presence of Cuban representatives. Andrea Gulova during a meeting with CEPEC – Agency of the Ministry of Foreign Trade and Foreign Investments - has negotiated possible forms of cooperation for enhancing mutual trade in the coming period. Delegation of the Slovak Ministry of Economy under the leadership of Eva Szaboova has conducted a Second meeting of the Common Economic Commission between the United Mexican States and the Slovak Republic. The Mexican side was led by Mr. Manuel Luna, Director General of the Foreign Trade Section of the Mexican Ministry of Economy, the business community was represented by the Vice-Presidents of the Mexican National Council for Foreign Trade (COMCE) and other state institutions were present via representatives of the Mexican MFA and state agency for the support of foreign trade and investments PROMÉXICO. During the Commission meeting, a seminar took place organized by the Economic Counselor of the Ministry of Economy of SR in Mexico, where Andrea Gulova presented the trade and investment conditions and opportunities in the SR. The Second Commission meeting between the United Mexican States and the SR ended with signing a protocol, which included specific topics and projects focusing on the improvement of mutual trade and contacts expansion between Mexican and Slovak entities.

China Investment Forum

The SARIO agency as the partner of the China Investment Forum in Prague, participated in the event, which aim is to become a continuous platform actively supporting economic dialog, investment flow and trade development between Europe and China by connecting representatives of both sides and providing first-hand information. Within the forum specific presentations were organized solely for the Chinese businessmen, who are interested to penetrate to the European markets through the gateways of Central and Eastern Europe (CEE) and are interested in investment opportunities in the region. The representatives the agency SARIO were to present the Slovak Republic and use this networking opportunity to connect with potential Chinese investors.

SARIO supports the entry of Slovak machinery to Iraqi market

Slovak company BOST SK, a.s., Trenčín, supported by the Slovak Investment and Trade Development Agency (SARIO) and civic association EAST (Export Alliance for Strategic Technologies), presented its activities at the 37th Baghdad International Fair as the only company from the Central European countries. The wide range of Slovak machinery products and service and technology supply for reconstruction and transformation of Iraqi machinery companies were presented during the fair as well as the possibilities of Slovak engineers help in drinking water sources and import of other Slovak products. The significance of Slovak presence at the Baghdad fair had been stressed also by the visit of H. E. Jozef Marhefka, the Ambassador of the Slovak Republic in Iraq. He underlined the importance of Slovakia in reconstruction process of the Republic of Iraq and also mentioned the large possibilities for future business entry of Slovak companies into Iraqi market.

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