

Newsletter

Slovak Investment and Trade Development Agency

*The best
investment
climate!*

more on page 3

August
2010



S A R I O
Slovak Investment
and Trade Development Agency



Will we build Polish highway?

Slovak construction company Doprastav again succeeded on the Polish market. Together with its Polish partner Polimex-Mostostal it presented the best offer for the construction of a 41 km long A4 highway strip Rzeszow–Jaroslaw in Eastern Poland. The project should be built for €549m over a period of 21 months. Doprastav has a 49% stake in the Polish-Slovak consortium. This summer it also gained a contract for building a 15.5 km long speedway S 69 from Bialsko-Biala to Zywc for €197m

Will the Italians help to Prievidza shoemakers?

An unnamed Italian investor is interested in renewing shoemaking production in the town of Prievidza. The first talks between representatives of the investor company and the head of the local labor office Jozef Stopka already took place. According to Stopka, the investor wants to create 500 jobs in the first stage.

investor wants
to create
500 jobs

In the future this figure could increase to 700. The company is interested in placing its operation in the local plant that was recently abandoned by another shoemaker Geox. (Pravda175/10)

Production expansion

Company Continental Automotive Systems Slovakia, which employs more than 600 people in Zvolen, is expanding production. The firm plans a €7m investment that should double its production of brake components and employ 35 people.

Higher production, more employees

German company SaarGummi Slovakia in Dolne Vestenice in Prievidza district should increase the number of workers in its plant by 450 to 1,058 by expanding its rubber production. In financial terms the output should increase by 80%. The expansion mainly lies in the construction of a new production hall close to the existing one. (HN/13)

Increased
number of
workers
by 450 to 1,058

Waste recycling

Company Real Estate Developer wants to adjust an existing production area for the recycling of waste in the Levice-Gena industrial park for more than €17.4m. Thanks to the investment the company should employ 200 people. The firm wants to start the reconstruction works in September and the area should be completed roughly nine months later. The firm will probably launch the trial operation in November 2011. The investor wants to recycle pressed packages in the plant, and produce multi-layer foils, and sound and heat insulation foams and packaging.

Infrastructure aid

The town of Nitra represented by the municipal company Nitrianska investicna gained a funding worth €1.2m from the Economy Ministry for building the infrastructure in the industrial zone Nitra South. Investments into the industrial zone came to €3m thus far. In addition to company Muhlbauer another 10 firms will be active in this area. Another funding from the ministry worth 3.6m went to Nitrianska investicna for building the connection between the industrial park Nitra North in Drazovce directly to the R1 speedway. The connection should lead to the Sony plant area.





The **best** investment climate

The investment climate in Slovakia is the best of V4 states, according to advisory firm Dun & Bradstreet. The country is thus still in the category of low risk for incoming foreign investments but it has not recorded any significant improvement in 1H of 2010 either. A lower rank with slight risk was attributed to Poland while Hungary deteriorated notably representing a middle level risk for investors.

Our economy is the fastest growing one

The Slovak economy grew 4.7% in 1H of 2010. In 2Q of 2010 it grew 4.9%, reads the quick estimate of the statistics office SU. This is the highest pace in the EU. However, economic growth is still just a half of what was achieved in the pre-crisis year of 2007. The country's GDP at that time grew by more than 10%. In 1H of 2010 the Slovak economy profited mainly from exports drawn by the strong demand for Slovak products in states such as Germany and France. Analysts attribute the strong production growth in Slovakia to strong European demand for Slovak cars and TV sets.

**Slovak economy
grew 4.9%
in 2H of 2010**

Slovak banks – what are they like?

Slovak banking sector does not face any significant structural imbalances, however, in the short-term and mid-term period its ability to generate profit will probably be restrained, said Fitch in its latest report. The sector profits mainly from the strong and stable deposits base. The proportion of extended loans in relation to deposits represents less than 90%, thanks to which the system was able to avoid problems with insufficient liquidity and growing costs for the financing. Another advantage of the Slovak banking sector is the low rate of loans in foreign currency. Compared to 2006-07 the growth pace in loans will slow down according to Fitch. In 1H of 2010 banks in Slovakia increased their net profit by a third y/y to €240.42m. Net yield from interest grew 7.7% y/y in 1H to €820.26m. Their revenues from fees and provisions increased roughly a tenth to €278.71m. More than 20 banks provide services in Slovakia, and foreign shareholders control the decisive stake in them.

Commercial counselors under new administration

Commercial counselors will be named by the Ministry of Foreign Affairs, taking into account the Ministry of Economy's requests, agreed the respective ministers,

Mikulas Dzurinda and Juraj Miskov. At present, the Economy Ministry is appointing the representatives, but from November the Foreign Ministry will appoint and manage them. This should make the representatives' cooperation with Slovak embassies abroad more flexible, and should also save costs. At present, Slovakia has 53 trade representatives in 48 countries.

Export support

In 1H of 2010 Eximbanka SR supported Slovak exports worth €1.659bn via its banking and insurance activities. This represents a 15.2% increase y/y. The support via banking activities came to €1.023bn and via the insurance activities €635.9m. The proportion of the Eximbanka's support for exports on the overall volume of the country's exports came to 7.4%.

No loan to the Greeks

Slovakia will not provide Greece a loan worth €818m, decided parliament. Also in line with the government's standpoint, MPs okayed Slovakia's membership in the European Financial Stability Facility. As part of the facility, Slovakia would provide guarantees worth €4.37bn to countries that need it. The agreement on the loan was signed by former finance minister Jan Pociatek before the elections. Even at that time, though, the agreement was conditioned to parliament's approval.

Bus companies sales

The government wants to sell the remaining stakes in the region bus companies SAD. Their privatization started under the second government of Mikulas Dzurinda. Currently the state has roughly 40% stake in 17 SAD firms. The privatization stems from the approved government manifesto and transport minister Jan Figel also confirmed this intention. The stakes in bus companies are administered by the national privatization agency FNM. The accounting value represents roughly €72m but the market price in case of tenders could be much higher.

Memorandum of cooperation with the Self-Governing Region Zilina

Assigned Chief Executive Officer of SARIO Robert Simončič signed the Memorandum of Cooperation with the Vice Chairman of the Self-Governing Region Zilina. Self-Governing Region became the sixth region (after Trnava, Presov, Kosice, Nitra and Banska Bystrica) that has the agreement based relationship with SARIO agency in the field of investment support and creation of production and export cooperation in each region.

Change on the position of the SARIO top representative

Minister of Economy and Construction of the Slovak Republic Mr. Juraj Miškov recalled Mr. Robert Šimončíč from his position of the Assigned Chief Executive Officer of the Slovak Investment and Trade Development Agency (SARIO). In the same time the Minister temporarily designated to the position Ms. Andrea Gulová, since 2009 the director of the Foreign Direct Investment Section of SARIO agency. She has worked in SARIO since 2004. Andrea Gulová will temporarily run the agency SARIO until the new Chief Executive Officer would be selected in an official tender.



Entrepreneurs, connect
your business
with the right partner!

Activate one of our Entrepreneur programs
to increase your business effectiveness!

T-Mobile. The right partner for your business.

Life's for sharing

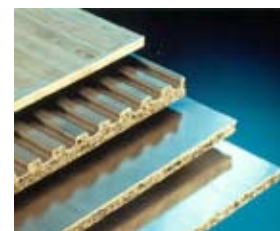
T · **Mobile**

Project Autoclusters

Automotive Cluster – West Slovakia (Auto cluster), established in Trnava currently works on several international projects. In the same time for some of these projects the cluster is the leader of the international project team. The project AUTOCLUSTERS in which there are collaborating 11 project partners from 9 countries of South-East Europe is going to the next phase. Key topic of this project is creation of the 1st cooperative automotive network for innovation support and cooperation support of innovative R&D capacities in the South-East Europe. Auto cluster with its project partners are preparing 3 small pilot innovative projects (sub-projects) and one of them will be oriented on electro mobility infrastructure in SEE with focus on preparing new project proposal in the Framework Programme 7. For more information about the 1st cooperative automotive network in SEE see web page: www.autoclusters.eu

Center of excellence

The greatest pride of Research institute of materials and mechanics of the Slovak Academy of Science in Bratislava is the European patent (2007) on technology for manufacturing of aluminum foam (EP1611262 – Simančík, F.- Jerz, J.: Method for strengthening a component consisting of a deformable cellular material, said component and the use thereof). Research and development of new materials in automotive industry belongs to the most perspective areas for future development. Besides research and development of new and advanced materials, there is another interesting work of researchers. They are building new Centre of Excellence for research and development of structural composite materials for engineering, construction and medical applications www.cekomat.sav.sk. Centre will be serving for future activities mainly in research of new and advanced materials. Some of successful new materials applications of the research institute are used in companies like: Ferrari, Audi, and BMW. More information about research activities of the institute are on the web page: www.umms.sav.sk



4th Slovak Matchmaking Fair

Under the auspices of the Ministry of Economy and Construction of the Slovak Republic



9 - 10 November 2010

Agrokomplex Exhibition Area, pavilion F, Nitra,
Slovak Republic



S A R I O

Slovak Investment
and Trade Development Agency

Strategic partners



Partner



Organized in cooperation with



Media partners



**Slovak Investment
and Trade Development Agency**

Martinčekova 17
821 01 Bratislava
Slovak Republic

Tel: +421 2 58 260 100

Fax: +421 2 58 260 109

E-mail: sario@sario.sk

www.sario.sk



This Newsletter is not in any way legally binding. SARIO does not bear any responsibility for damage caused by inappropriate or incorrect interpretation of information hereby stated.

Tento Newsletter neposkytuje záväzné právne stanoviská. SARIO nenesie zodpovednosť za škodu spôsobenú nesprávnym použitím informácií na nej uvedených.