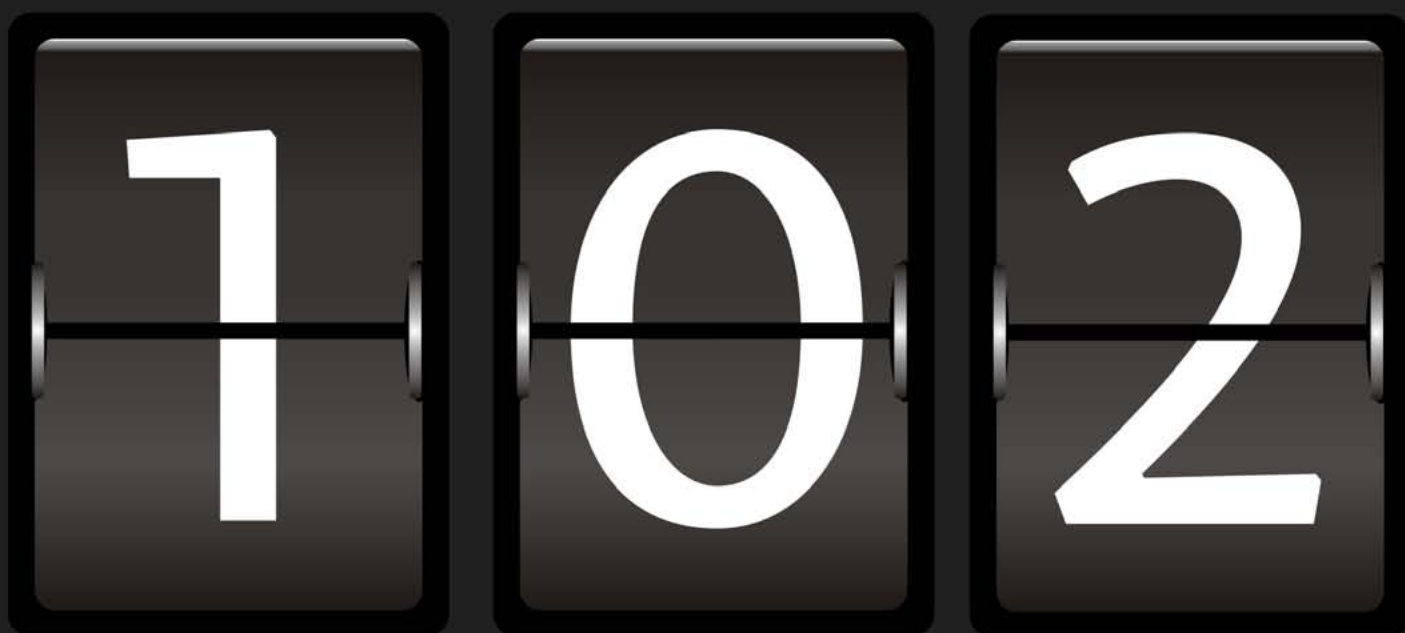


# Newsletter

Slovak Investment and Trade Development Agency

June / 2011



*new registered  
projects for  
Slovakia !*

*More on page 8*



## AUO OPENING IN SLOVAKIA

**T**aiwanese company AU Optronics has launched its first production operation in Slovakia. Trencin branch of the Taiwanese

company, which will produce LCD TV sets, should offer jobs to 3,300 people. By the end of 2013, some 1,300 jobs should be created directly

through AU Optronics and around 2,000 indirectly.



## AMAZON IN SLOVAKIA

*The largest e-store amazon.com with the help of SARIO will open its sales support center in Bratislava by the end of next year.*

**T**he facility in the Slovak capital will employ 200 people. On its arrival in Slovakia, the U.S. company Amazon.com "had initially planned to open 100 jobs but, according to the latest information, their number is to exceed 200," Economy Minister Juraj Miskov reported. "Since

the investment is coming to a region that we do not support, namely Bratislava, the company won't be entitled to any form of assistance. Therefore, we are very happy that such investor has arrived here even without any support," the minister remarked.



## NEW PLANT OF DELTA ELECTRONICS

*SARIO is happy to announce the expansion of Delta Electronics in Slovakia.*

The company confirmed its plan to hire 500 people. The new plant is to be as large as the existing one but since the new factory will focus on a

new product mix and have a higher automation level, the number of new employees will reach 450-500 after the full operation starts.



### NEW MODEL OF KIA

The Zilina-based Kia car maker will start production of a new model in 2012, which could be one of the best investment projects in Slovakia ever. The new project is expected to open 1,000 jobs at the car factory and 4,000 among its suppliers.

### IT KOŠICE

Producer of security software Eset is opening a new branch in eastern Slovakia where it plans to employ forty people. Kosice-based branch will specialize in programming of antispam solutions. Another IT company Ness Slovensko is preparing the recruitment of at least 60 employees. T-Systems is also looking for new staff and according to personnel agencies other significant foreign companies are considering entering the local market.

### RETAIL PARK IN ZVOLEN

Some 1,500 people could find work in retail and

production firms in the Zvolen Retail Park from 2014. The park was built by the company CC Development on 38-hectare premises in the northwestern part of the town. CC Development started constructing civil engineering networks for the Retail Park in summer 2009; overall investment to buy land and constructing infrastructure were EUR 25 million. Before the year ends, some 500 people may find jobs in the park; this number could reach 1,000 by 2014.

### CAR BODY FACTORY FOR 85 MIL. €

The company Volkswagen (VW) Slovakia is finalizing the preparatory works for the construction of a new car body factory in its Bratislava plant. The new investment will cost EUR 85 million and create 100 new jobs. The construction of the factory is to start the second half of this year. It will cover an area of 19,242 square meters. The start of the production is planned for the third quarter of 2013. The volume of production is to reach 580 containers of pressed body parts per day.

### EKOPLASTIKA IS EXPANDING

The company Ekoplastika based in Slovenska Nova Ves near Trnava is planning to build a new plant in the Roznava industrial park. The factory will produce heating oil from used plastic packaging and supply it particularly to refiners. The 3-million-euro investment will open forty jobs.

### GOOGLE IN BRATISLAVA

Google Inc. is coming to Slovakia to open a new business representation in Bratislava. The aim of Google Slovakia is to support the development of electronic trading through education and support in the area of e-marketing, with emphasis on exporters, entrepreneurs, and small and medium-sized businesses.



## STABLE RATING A+

*Fitch Ratings has affirmed Slovakia's long-term foreign and local currency Issuer Default Ratings at 'A+', respectively.*

**F**itch has simultaneously affirmed Slovakia's short-term foreign currency IDR at 'F1' and country ceiling at 'AAA'. The Outlooks for Slovakia's long-term IDRs are stable. Slovakia's general government deficit overrun of 7.9 percent of GDP for 2010 represented significant slippage compared with the original budget deficit

target of 5.5 percent of GDP. The overrun reflected a shortfall in tax revenues, fiscal stimulus measures and expenditure caused by the impact of summer floods and increasing state liabilities against railway companies and hospitals.

## CORRUPTION SURVEY IN EUROPE

More than 80 percent of managers and executive staff members perceive corruption as widespread in Slovakia compared to the EU median of 62 percent, shows a survey by Ernst & Young. More than two-thirds of managers and executive officials in Slovakia addressed

in the pan-European research believe that offering personal gifts, coverage of above-standard costs of promotion or bribes in cash are excusable if they help win a contract.

## LACK OF LOCAL FOOD PRODUCTS

Local food products are not represented in Slovakia's

stores at volumes typical for its neighbours. A nationwide representative survey conducted by the GfK agency in mid-April of this year in 360 stores showed that the share of local food products on the Slovak market is less than 50 percent. The survey was ordered by the Slovak Food Chamber. In Poland, the share of food from local production is over 85 percent according to the latest data of the EU Statistical Office Eurostat. In the Czech Republic, the share is less than 72 percent and over 71 percent in Hungary.

## BETTER BUSINESS ENVIRONMENT WILL REPLACE INVESTMENT INCENTIVES

According to the Ministry of Economy investment incentives should be gradually replaced by better business environment. The minister specified that it is possible to replace the investment assistance for example by quality business environment. "A radical improvement of the business environment can represent a benefit for Slovakia, able to easily replace any investment stimuli," thinks Miskov whose department is currently working on the Singapore project. After implementing 100 measures the project is to contribute to reducing the red-tape load of businesses in Slovakia. In the next year according to the plans of Miskov only tax relief will be granted and by the end of the term will lead to total abolition of investment incentives.





## NEW REGISTERED PROJECTS FOR SLOVAKIA

*The Slovak Investment and Trade Development Agency (SARIO) currently registers 102 investment projects.*

**T**hese projects could bring investments worth EUR 3.5 billion and create nearly 24,000 jobs. Investors from various areas have expressed interest in Slovakia. Potential investments involve supplies for the automotive industry as well as the electrotechnical industry, production of

plastic components, metal structures, production of electrical appliances, food production, a center of shared services, and others.

SARIO tries to locate investment projects in particular in eastern Slovakia, which has the highest unemployment rate. SARIO Agency completed twenty investment projects

last year that are to create about 2,000 new jobs, as its annual report shows. At the end of last year, the agency registered 69 investment projects in the “phase of active decision-making”, with the planned investment volume of up to EUR 2.9 billion and a potential to create over 19,000 jobs.



## WE WANT TO HELP SLOVAKIA TO GROW

On June, 24 2011 SARIO organized at its premises in Bratislava a press conference.

The conference was attended by Minister of economy of the Slovak Republic Juraj Miškov, SARIO CEO Robert Simoncic, Deputy CEO and Director of the Foreign Direct Investment Section Andrea Gulova and ISA Executive Committee member Michal Kviecinsky.

SARIO launched a new strategy with a main goal to build a modern agency, which

will be perceived as a driver of growth and innovation and as a gateway for investment into Slovakia for foreign investors and local partners.

SARIO wants to contribute to the development of the Slovak economy by attracting new investments and trade promotion, both resulting in the number of new jobs and increased living standards. Priority will be given to investments into R&D.

As one of the most effective tools we see proactive search of foreign investment include establishment of SARIO representative offices in key regions of the world.

Investment Support Association (ISA) has been established in order to support SARIO in fulfillment of its strategy. It represents a group of reputable companies providing a wide range of services for investors.

*(More information on page 10)*



## PLATFORM FOR INVESTOR SUPPORT

### What is Investment Support Association ISA?

ISA is an association of corporate entities and companies doing business in Slovakia.

ISA represents companies of all sectors operating in Slovakia, offering a wide range of professional services for investors enabling smooth implementation of their investment objectives.

The Association serves as the "think-tank" or "support base" to satisfy needs of SARIO, its marketing and project activities in Slovakia and abroad.

In cooperation with ISA partners, the association provides financial and organizational support for SARIO, with the support of its investment promotion activities to boost economic development in all regions of Slovakia.

### ISA objective

ISA assists the SARIO Agency and provides professional services based upon effective cooperation of all ISA members. Actively support the improvement of the Slovak business environment and FDI inflow. Create a forum for networking opportunities among investors and Slovak political and business elites.

### Wide range of ISA services

- Legal services;
- Real Estate Consultancy;
- Environmental consultancy;
- Financial consultancy audit and tax services;
- Management advisory services;
- Quality management;
- Personnel consultancy and recruitment, executive search;
- Architecture and design;
- Project and Construction Management;
- Construction – Engineering,
- IT and Telecom Services;
- other Professional services

Investment Support Association was established on General meeting ISA on the 5th May 2011, where the founding members have signed a memorandum approved by the ISA Code of Ethics, as well as intended person authorized to act on behalf of the ISA.

On establishing a general meeting were also approved and appointed members to the bodies of the Association and the Board of Directors, Supervisory Board and Executive Committee.



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