

Newsletter

Slovak Investment and Trade Development Agency

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American investor aims for Presov

The company Honeywell International Inc plans to launch production in its new plant in Presov, eastern Slovakia next year. According to investment plans, which the company has submitted for Environmental Impact Assessment (EIA), the construction of the plant in the Zaborske industrial park should start in the first half of this year. The investor expects the first phase of the construction to be completed by the end of this year. The firm Honeywell will invest EUR 38 million into the production of turbochargers for passenger cars and trucks. The investment is to create 446 new jobs with 335 people working directly in production and the rest in administration. Forty-three people should be hired already this year, and additional 141 next year. The number of staff should reach the planned total in 2016.



Production doubling

Hundreds of jobs will be open in the region of Povazie. HDTV set manufacturer UMC Slovakia is going to expand and would like to supply markets worldwide in the coming years. The firm will soon increase the number of staffers from some 1,000 by 400. "We want to double production and hire hundreds of employees within three years," says authorized representative of UMC Slovakia Vladislav Khabliev. The company is building a new hall and another line. UMC has capitalized particularly on foreign market penetration.

LCD components production

The Korean company Topaz LGP will employ 150 people in Piestany shortly. Director of the company Hong-Rip Lee told that they would make LGP panels, which are a component of LCD TV sets. Production is scheduled to commence on May 1. At the beginning the company plans to produce 200,000 light guide panels monthly in three-shift operation. The main customer will be Samsung in Slovakia. "We plan to grow and extend production. Following expansion we will employ about 300 people," said Lee. He did not rule out the possibility that the company would sell its products to other companies, as well.

Sulfur processing

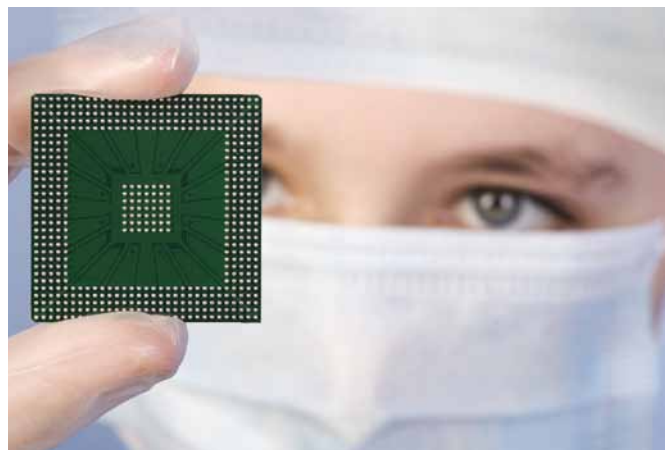
The company Chem-Unio plans to invest approximately EUR 14 million in its plant in Chotin, Komarno district. The company will build a new production hall for sulfur processing in its facility. According to investment plans that the company has already submitted for Environmental Impact Assessment (EIA), fifty people should find jobs in the new hall. The construction of the production hall should start next year. The completion and launch of production are slated for a year later.

State support of industrial parks

The Slovak Republic plans to support the construction of industrial parks in Medzilaborce and Nitra. The Ministry of Economy-established MH Invest company has announced a tender for a contractor to supply the construction works, in the framework of which also landscaping and construction of traffic and engineering infrastructure should be provided. According to the information published in the Public Procurement Bulletin, further construction of the Nitra Juh industrial park should cost almost one million euro, the construction of Medzilaborce industrial park will cost approximately two million euro.

New assembly line

A new assembly line in the plant of Embraco Slovakia in Spisska Nova Ves will go online. The new assembly line will give work to some 300 new employees. Embraco will hire them gradually as the new production will develop. The company invested EUR 13.5 million in the new line. The plant will make 3rd generation EM compressors, the most efficient line-up in its category. Construction works on the new line commenced in May 2010.



New premises, new jobs

Banska Bystrica-based industrial park Majer-Salkova will probably get a new investor. The company Med-Art plans to build distribution premises and warehouses for about EUR 9 million there. The project, which has been already sent for Environmental Impact Assessment is scheduled to open 100 jobs. The firm wants to launch construction of the first phase consisting of distribution premises already in the first half of this year. The completion of the first phase is planned for the beginning of next year while construction of the second one is slated for 2015.

Expansion of production options

The company Ruukki is planning to pump EUR 3 million into a new surface finishing line in its plant in Holic. Its aim is to enable the painting of cabin frameworks at the plant. The line will go online in the spring 2012. The plant makes fully assembled cabins used in mobile machinery (e.g. lift trucks) for manufacturers of manipulation machines.

Incubator

Slovak Minister of Economy Juraj Miskov and President and CEO of the company Plug and Play Tech Center Saeed Amidi have signed a memorandum on understanding, based on which Slovakia will have its first incubator in Silicon Valley in the USA. "The memorandum is a start-up mechanism for cooperation in establishment of the first Slovak pavilion in Plug and Play Technical Center in San Francisco," stated the Ministry of Economy.

10 years gurantee for nuclear power plant

The first and the second units of the Mochovce Nuclear Power Plant (EMO) can generate electricity for at least ten more years. The Nuclear Supervision Office (UJD) has issued an operation permit for Mochovce units until 2021 at the beginning of March of this year. The Nuclear Supervision Office has been assessing the nuclear safety of the Mochovce units for over two years. The office did not identify any significant safety-related circumstance that would stand in the way to ongoing operation of the power plant during the assessment process.

Healing of railways

The revitalization program of railway companies will let go around 5,000 employees of the companies. With these measures, the company should achieve balanced results within three years. The recovery plan in the three state-run railway companies should also secure settlement of receivables between the railway firms and the state and optimize the setup of the railway transport sector. The Transport Ministry wants to select a strategic partner for the freight company ZS Cargo Slovakia, in an international tender by June of next year and offer it a 66-percent stake in the company.

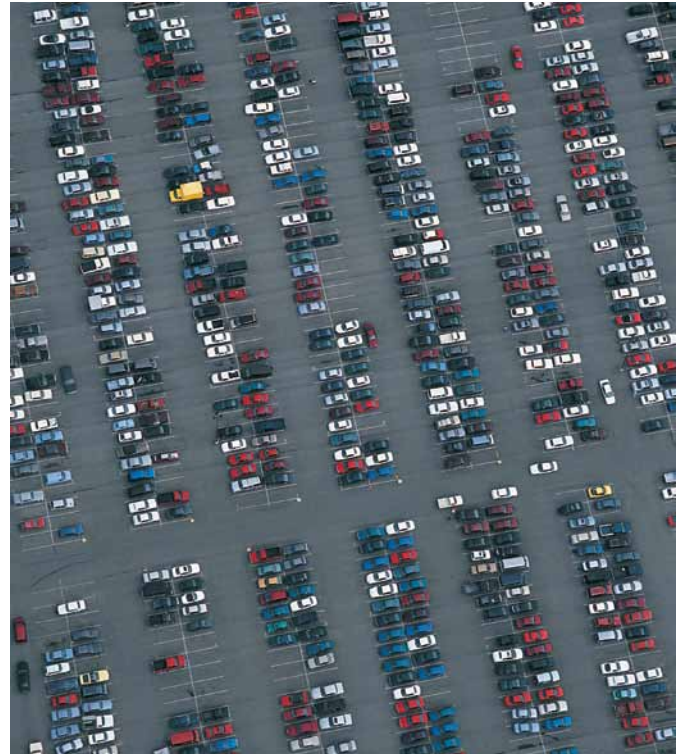
Partner for the airport

Cabinet approved a draft development plan of the Bratislava airport, according to which the Transport Ministry will choose a strategic partner for the airport, who will be granted a long-term concession for operating it before the end of June 2012. According to the ministry, of three versions of plans for further development of the largest Slovak airport, a 30-year concession for operating the airport seems the most suitable. The ministry also considered the possibilities of selling the airport and entering a strategic partnership with the Vienna airport. Before May, the Ministry of Transport should evaluate possible methods for picking the Bratislava airport strategic partner.

Future in the energetics and IT

Economies of central and eastern Europe will grow in the next years, but at a slower pace than thus far. Managers from central and eastern European countries expect such development, according conclusions of a Roland Berger Strategy Consultants study. Slovakia has a good chance to complete the transformation process by 2020 and get to the level of developed economies,

stems from the survey carried out among 320 managers. The study conclusions suggest that the whole region needs to re-focus on new areas. Those that are currently most important, such as mineral resources based industry, chemical or automobile industries, will be losing importance. On the contrary, the energy sector and IT will develop rapidly in the next ten years, the company writes in the study.



On the top again

Central European countries are in the group of the largest car manufacturers by vehicle production in proportion to population. Most cars per capita were assembled in Slovakia last year, according to a research paper by UniCredit Bank. Slovakia returned atop the chart after a year followed by the Czech Republic and Slovenia. These countries manufacture some 100 passenger cars per 1,000 residents in annual terms. In the world chart, Slovakia placed nineteenth last year, with 557,000 passenger cars. In 2009, the country occupied the 20th position. Slovakia's output last year accounted for one percent of the overall car production worldwide.

Stable prognosis

Bank analysts' outlooks regarding economic growth and inflation in Slovakia this year remain stable in March. According to the banks, Slovak economy should grow by 3.6 percent of the gross domestic product (GDP) this year. Analysts predicted the same growth a month ago. Next year, the growth pace of the Slovak economy should accelerate to 4.5 %. The banks have, however, moderately increased their estimate of this year's growth of consumer prices. Harmonized inflation is expected to reach 3.8 %, compared with 3.7 percent from a month ago. This stems from the March round of a regular survey of the National Bank of Slovakia (NBS) among analysts of commercial banks.



Successful investment mission

The Ministry of Economy of the SR and SARIO agency organized investment road show in the U.S. During the business trip to the US, Juraj Miskov, the Minister of Economy of the SR, Robert Simoncic, SARIO CEO and Martin Chren, the Deputy Minister of Economy of the SR, had attended many formal meetings and business negotiations and they participated in the total of four investment seminars (Washington, New York, San Francisco and Chicago).

SARIO CEO presented positive economic results of Slovakia, government's efforts to improve business environment and declared the openness of the country towards American investment. *"The success of American companies currently operating in Slovakia proves that it is worth it to invest here"*, said Robert Simoncic and added that we are not only industrial producer but that Slovakia marks growth and exceptionally good results for example in IT sector as well.

Based on the comments of American investors, Slovakia has a chance to receive more than 2,500 jobs that also resulted from the activities of this road show. According to the Minister of Economy IB M should create 550 jobs, AT&T somewhere between 300 and 500 jobs, Hewlett-Packard 600 jobs and Johnson Controls 250. *"These are jobs with higher added value from companies that are already active in Slovakia, but we have promises also from companies that are not yet present here"*, added minister Miskov. In this connection he also mentioned the

investment of Honeywell International in the total volume of 38.309 millions EUR which should create about 446 new jobs in the industrial park Záborské pri Prešove.

In San Francisco the Minister met with the founder of Plug and Play Tech Center Saed Amidi. This meeting was important for the road show and especially for Slovakia and its business visions. Plug and Play is one of the most successful private incubators in the US. Today well known companies such as Google, PayPal, EBay and Logitech came from here. Minister Miskov and Saed Amidi signed the Memorandum of Understanding which shall become the starting mechanism for the Slovak pavilion in Silicon Valley.

Slovakia had come to the U.S. as a small country with large expectations and it left as a country that won recognition and interest that it deserves, said Minister Miskov and added: *"Slovakia has ambitions, preconditions and intention to become the gateway to Europe and stay business friendly. We wanted to persuade the U.S. about it during our first U.S. road show and I believe we have reached this goal."*

SARIO

Slovak Investment
and Trade Development Agency

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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



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