

Newsletter

Slovak Investment and Trade Development Agency

October / 2011



***American IT dream
for Slovak companies***

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ATTRACTIVE SLOVAKIA

Six investments that could create up to 2,000 new jobs in the engineering, automotive and electronics industry are within Slovakia's reach.

On condition of anonymity a well informed source stated that "details are being fine-tuned in talks with most of the companies". Some of these companies would be new at the Slovak

market, while some already operate plants in Slovakia and want to expand. Based on the findings of the HN daily, among the companies that plan to grow is the rubber goods maker Continental Matador

Puchov. Its investment could be one of the largest out of the six new projects and could create jobs for about three hundred Slovaks.



NEW JOBS

Nearly 100 jobs are to be created in Stropkov as of January. Two investors will employ people in the reconstructed industrial zone, third investor is under discussion. One company manufactures electric meters and plans to employ about 60 people. The second investor produces plastics goods and is supposed to create 25 jobs.

The company PR Krajne is building a plant for construction components from recycled textile in the municipality of Krajne in Western Slovakia. The trial operation is to begin in early 2012. The EUR 7.7-million project will create 50 new jobs.

The company Michatek plans to invest app. EUR 3.15 million in its second production plant. The project is expected to increase the number of employees from the current 130 to 200. Production in the first plant in Michalovce was launched in 2005.



HIGHER INCOME, HIGHER TAXES

Wealthy people may see their taxes rise.

A flat tax may be replaced by a progressive tax system; the more people earn, the higher taxes they pay. Right-wing coalition parties KDH and SDKU-DS joined the strongest opposition party SMER-SD in this initiative. Leader of SMER-SD Robert Fico would like to introduce a 25% tax

for people with monthly salary over EUR 2,750 and a 22% tax for corporations with the annual profit over EUR 33 million. Robert Kicina from the Slovak Business Alliance warns that this may miss the target. He believes that higher taxes for the wealthy may send a very bad signal to foreign investors.



INVESTMENTS

*Juraj Miskov
(SaS), Minister of
Economy wants to
help investors.*

His ministry sent seven proposals for investment incentive provision to the interdepartmental review. Companies in the Nitra,

Banska Bystrica, Zilina, Presov and Kosice regions applied for nearly EUR 27 million. These projects are expected to create 1,096 new jobs at the latest within five years.



SLOVAKIA RULES

Renowned economic magazine Forbes has published this year ranking „Best country for business.“ Slovakia was ranked no. 33 worldwide, which means that compared to the last year we have improved our position about five places. Slovakia left behind its neighbors the Czech Republic, Poland and Hungary.

AUTOMOTIVE NEWS

A new paint shop for car bodies of the New Small Family series was opened in the Bratislava plant of the carmaker Volkswagen. The company invested in this facility EUR 100 mil. South Korean car maker Kia, operating a plant near Zilina, launched in mid October production of new model Kia Venga. Kia's major investment this year is a new EUR 100 million plant that will manufacture engines. Peugeot is planning to pump EUR 120 million into production technology by the spring 2012. New car models and production plants will create thousands of new jobs.

POPULARITY OF BRATISLAVA STAGNATES

London remains the most favorite city among managers. Prague is no longer as popular as it used to be, while Bratislava stagnates, being the 32nd best place for doing business, according to a Cushman & Wakefield survey that compared dozens of cities in the Europe. The Slovak capital stagnates because it still does not have enough attractive conditions in terms of rental rates and quality of offices.

AMERICAN IT DREAM FOR SLOVAK COMPANIES

Slovak Investment and Trade Development Agency (SARIO) launched a project called "Start up Development Program".

It aims to help Slovak companies to succeed at the international IT market. Eight companies that will succeed in the competition will go for an internship to Silicon Valley, U.S.

"The main objective of this project is to create a mechanism for the promotion and development of Slovak

innovative and technology-oriented companies aiming to support their future entry to the global market. Besides this we would like to enable the transfer of know-how, technology and capital by attracting high-tech investments to Slovakia", said Robert Šimončíč, CEO SARIO.

The focus group which may apply varies from already established innovative and technology-oriented companies but the door is open also for newcomers and college students as well. The candidates will be selected by the Joint Committee where will be present also representatives of Plug&Play centre from

the U.S. By having these renowned experts in the jury, SARIO wants to ensure maximum transparency in the selection process.

The project is financed from the state budget. The amount of EUR 40,000 has been allocated for the program to be used by the end of this year including the opening of the Slovak incubator in Silicon Valley, U.S. called STIC – Slovak Training Innovation Centre. The first two selected companies are going to join the program in Silicon Valley in January 2012, two following ones next spring. The project is scheduled till the end of 2012.



SLOVAKIA BUILT RELATIONSHIP IN ASIA

SARIO continues in its mission to attract foreign investors and to strengthen foreign trade.

That's why Andrea Gulová, Deputy CEO SARIO and the Head of the FDI Section participated at the official visit of the President of the Slovak Republic Ivan Gasparovic in Indonesia. This trip to South-East Asia was very successful, Slovakia and Indonesia signed 10 cooperation agreements.

"Signing of our mutual cooperation agreements is the evidence that Slovak entrepreneurs have the potential to succeed in developing countries. Interesting is mainly the export of investment products, industrial equipment and assistance in building power plants and infrastructure", said Andrea Gulova.

The Slovak Republic wants to "return to the tradition" while following up on everything positive that manufacturing and trade mark "Made in Czechoslovakia" once meant in Indonesia.

5th Slovak Matchmaking Fair

22nd November 2011, Holiday Inn, Žilina, Slovakia

Auspices: The Ministry of Economy of the Slovak Republic
Partner region: Žilina Region, represented by
Self-governing Region Žilina

SARIO has the pleasure to invite you to an international matchmaking event, which offers a unique opportunity to meet under one roof the representatives of companies from Slovakia and other countries active in your industry sector in order to find new suppliers through bilateral negotiations and your new business partners.

Focusing on presentation of:

- **bilateral negotiations between local and foreign business subjects**
- **subcontracting offers**
- **partnership**
- **tenders**
- **available production capacities**
- **joint-venture proposals**

This event is designed for the professionals from **engineering, automotive, electrotechnics, chemical, wood, energy and IT.**



S A R I O

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