SARIO
SLOVAK INVESTMENT AND
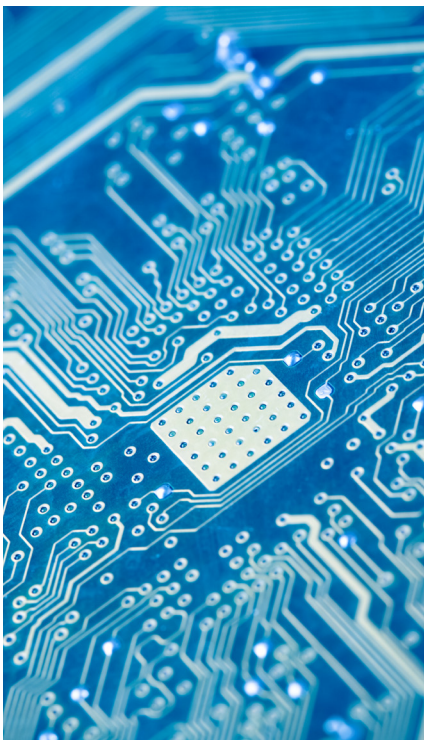TRADE DEVELOPMENT AGENCY

GOOD
IDEA
SLOVAKIA

01/2024

Information & Communications Technology Sector in **SLOVAKIA**
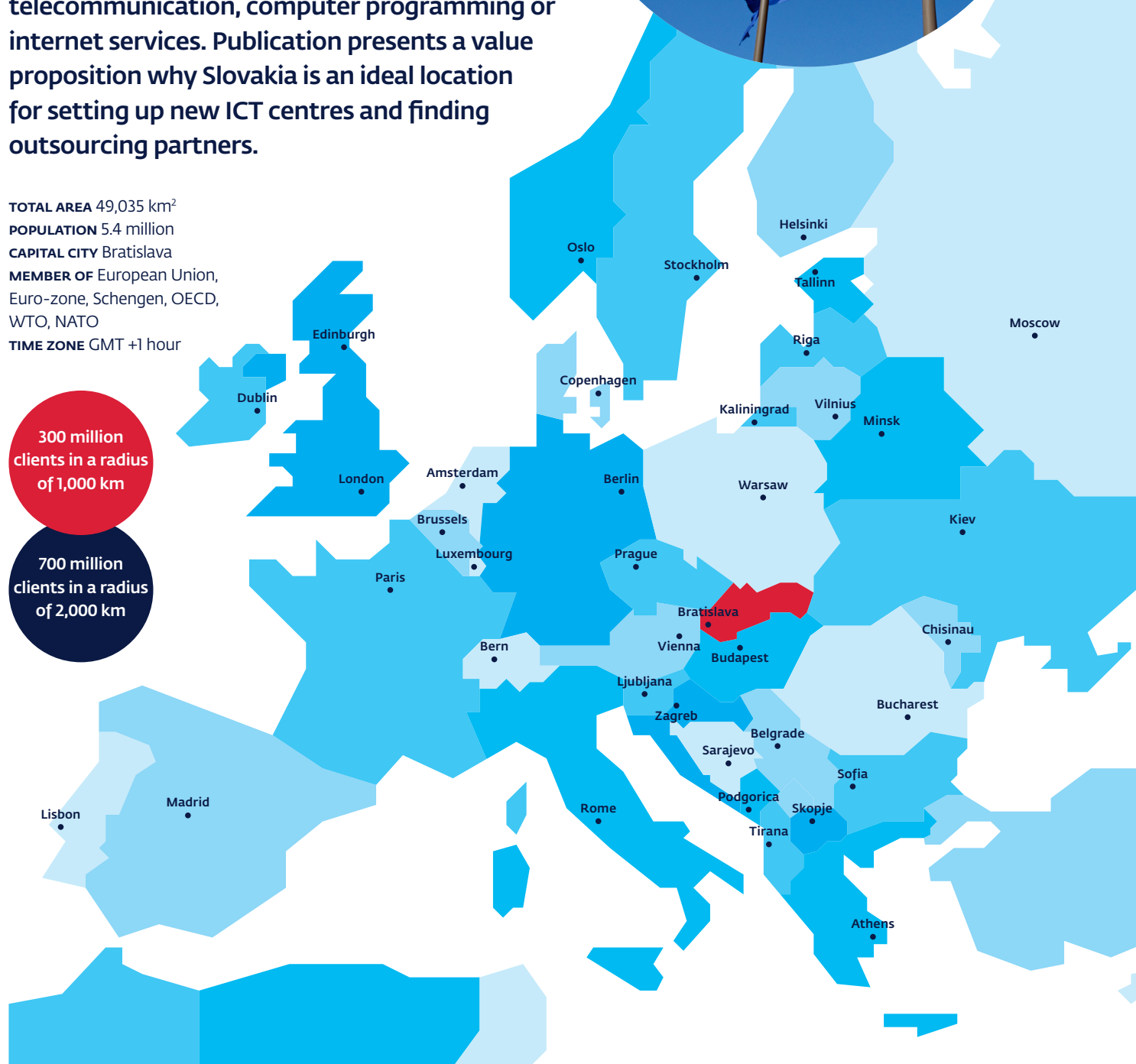
Information & Communications Technology (ICT) Sector in Slovakia

The purpose of this publication is to introduce Slovakia's dynamically expanding ICT sector, which includes activities especially related to telecommunication, computer programming or internet services. Publication presents a value proposition why Slovakia is an ideal location for setting up new ICT centres and finding outsourcing partners.

TOTAL AREA 49,035 km^2
POPULATION 5.4 million
CAPITAL CITY Bratislava
MEMBER OF European Union, Euro-zone, Schengen, OECD, WTO, NATO
TIME ZONE GMT +1 hour

300 million clients in a radius of 1,000 km

700 million clients in a radius of 2,000 km

Oslo
Helsinki
Stockholm
Tallinn
Moscow
Riga
Edinburgh
Copenhagen
Dublin
Kaliningrad
Vilnius
Minsk
Amsterdam
Berlin
Warsaw
London
Brussels
Kiev
Luxembourg
Prague
Paris
Bratislava
Chisinau
Bern
Vienna
Budapest
Ljubljana
Bucharest
Zagreb
Belgrade
Sarajevo
Sofia
Madrid
Podgorica
Skopje
Lisbon
Rome
Tirana
Athens

ICT in Slovakia
at a Glance

The ICT sector plays an important role in the Slovak economy and has significant potential for growth. Due to a favorable combination of business advantages Slovakia has become an attractive destination for ICT investors.

1st

Digital/Technological skills
Based on the IMD World Digital Competitiveness Ranking, among Visegrad group countries, Slovakia ranks 1st in areas such as Internet users, or Investment in Telecommunications.

23 000

Companies in the IT sector
The number of IT companies grew by 11.4 percent in 2022.

4%

ICT share on the total employment
The sector creates more than 105,000 job opportunities

58%

Growing employment in the ICT sector
The total number of employees in the sector grew by 58% between 2008 and 2022

5%

ICT's contribution to Slovakia's GDP
Significant footprint in the Slovak economy

Top Reasons to Establish an ICT Company in Slovakia

1 Adaptable, educated and cost-effective workforce

2 The highest labour productivity in the region

3 Well-developed ICT institutional network

4 High quality data & network coverage

5 Strategic geographical location from the perspective of time zonation

6 Political & economic stability

7 Euro currency as one of the few in CEE

8 Additional tax deduction for R&D expenses up to 100%

9 Attractive investment incentives for the ICT sector

10 Special tax regime for intellectual property revenues (patent box)

Qualified
Labour Force

Slovak labour force is perceived by foreign investors as educated, motivated, adaptable to culturally different management styles with great multilingual competences and very positive attitude to work habits.

LANGUAGE COMPETENCES

88% of Slovaks speak at least one other language besides their mother tongue. Multilingualism is rising also among young generation. Students learn at least one foreign language already at primary school and continue these studies at higher levels.
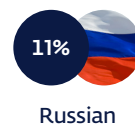
The Most Common Foreign Languages Taught at Slovak Secondary Schools
% of all students learning foreign languages

96%	36%	11%	5%
English	German	Russian	Spanish

Source: Eurostat, 2021

ICT COMPETENCES OF SLOVAK LABOUR FORCE

ICT technologies became an integrated part of the daily life in Slovakia. Their role continues to grow which is reflected by steadily raising adaptability of the Slovak population to ICT technologies.

4G Coverage	**5G Coverage**	**Households with very high capacity network coverage**
98.4%	55.3%	67%
4G coverage of households increased from 82% to 98.4% within last 5 years	5G coverage of households increased from 13,8% in 2022 to 55,3% in 2023	Approx. 2/3 of all households have access to VHCN coverage

Source: Digital Economy and Society Index Report, 2023

ICT Related
Education in Slovakia

Almost half of secondary school graduates keep on studying at universities, thus creating qualified and skilled labour force. Programs including ICT studies are becoming more and more popular & sought after by young generation.

13 ICT Faculties at 11 Slovak Universities

8,550

students enrolled in ICT study fields

1,847

graduates of ICT study fields per year

Success Stories of T–Systems In Košice

DUAL EDUCATION*

As a pioneer in this field, since the academic year 2013/2014 T–Systems has implemented ICT dual education initiative where students receive 70% of practical education.

———

INDIVIDUAL PROGRAMS

T–Systems Slovakia, in cooperation with the Faculty of Business Economics of the University of Economics in Bratislava, launched the Honoris PM Program with the focus on project management.

———

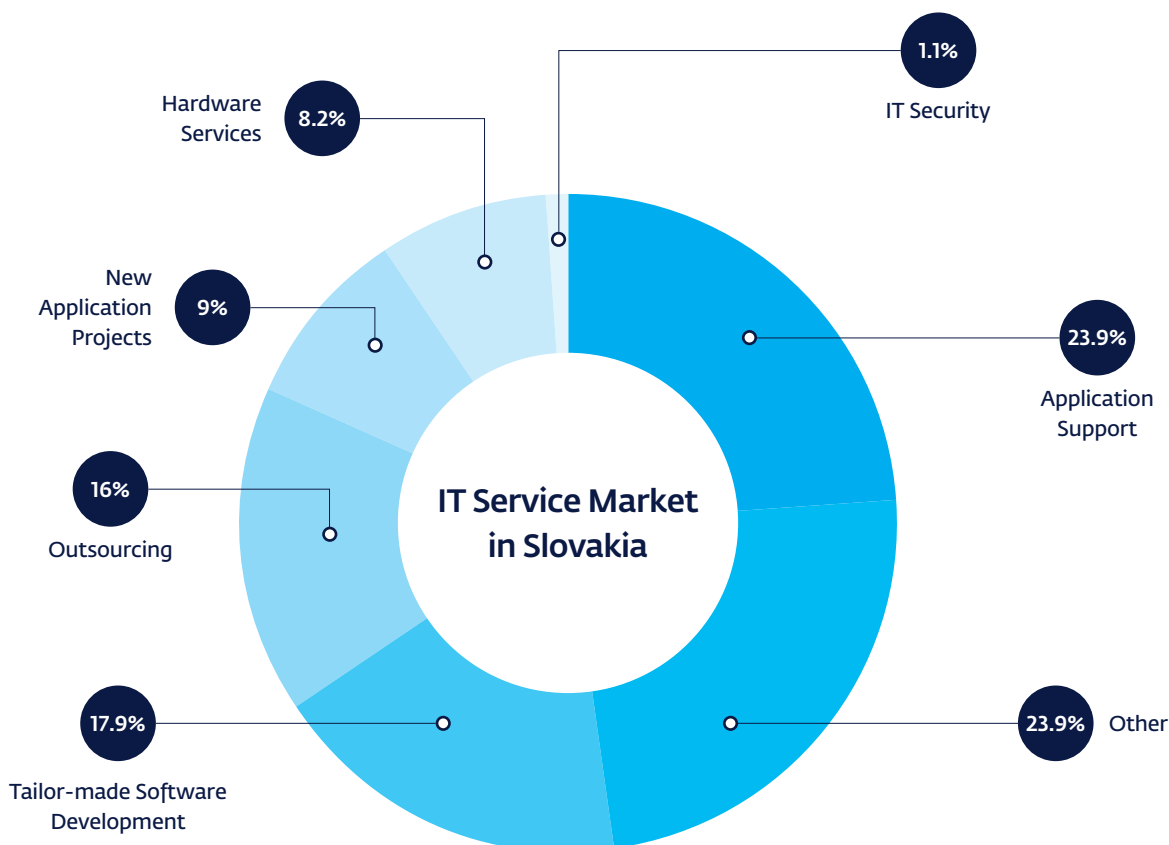**SKILLS FOR SUCCESS — FROM UNIVERSITY TO WORKPLACE**

At the Faculty of Economics of the Technical University in Košice, experts from T-Systems are involved in teaching the subject of SAP, used by most of the centres.

*Note: Education and training adapted to the employer's requirements at secondary grammar schools. Source: Slovak Centre of Scientific & Technical Information, 2022/2023, SARIO, T–Systems

6 Arts Faculties Relevant for Game Development Industry

Besides solely ICT programs there are also other study fields relevant for game development industry, such as animation, visual effects, production, distribution, game design sound production and others. This education is provided by **6 arts faculties**.

1,628

students enrolled in arts faculties relevant for game development industry

509

graduates of arts faculties relevant for game development industry

Inside the Slovak ICT Market

The majority of IT services in Slovakia are composed by application support and other tailor–made services (such as helpdesk, network administration, cloud storage, remote support, etc.) followed by tailor-made software development and outsourcing.

IT Service Market in Slovakia

- 1.1% IT Security
- 8.2% Hardware Services
- 9% New Application Projects
- 16% Outsourcing
- 17.9% Tailor-made Software Development
- 23.9% Application Support
- 23.9% Other

Source: Trend, 2019, (last available data)

Competitive Salaries in Slovak ICT Sector

Although salaries in the ICT sector are above the Slovak average, in comparison with the Western EU countries remain significantly lower and still competitive in the CEE region.

Differences in salaries occur also on the regional level in Slovakia allowing the investors to explore regions outside the main hubs.

AVERAGE GROSS MONTHLY SALARY IN EUR (SELECTED POSITIONS)

AREA	POSITION	BRATISLAVA		KOŠICE		OTHER REGIONS	
		MIN	MAX	MIN	MAX	MIN	MAX
Technical Support	Technical Support Team Leader*	1,700	2,500	1,600	2,450	1,500	2,450
	Technical Support Level 1*	1,100	1,900	900	1,750	850	1,750
SW Development	SW Technical Lead	2,400	3,800	2,300	3,800	2,200	3,750
	SW Engineer (C++, .Net, Java, Javascript), 1—3 years experience	1,700	2,500	1,400	2,200	1,300	2,300
	SW Engineer (C++, .Net, Java, Javascript), 3 and more years experience	2,500	3,600	2,200	3,450	2,300	3,400
IT Consulting	Business Analyst (more than 3 years of experience)	2,000	3,400	1,850	3,300	1,850	3,300
	BI Consultant	2,800	4,000	2,650	3,700	2,600	3,700
	ERP Consultant	2,000	3,300	1,800	3,000	1,800	3,000
	ERP Developer	2,700	4,300	2,500	4,000	2,350	4,000
Other	Network Engineer (3—5 years experience)	2,200	3,250	2,000	3,250	1,800	3,000
	Linux System Adiministrator	2,200	3,000	2,000	2,650	2,000	2,600
	Window Administrator	2,350	3,200	2,200	3,000	2,200	3,000

*depending on language skills
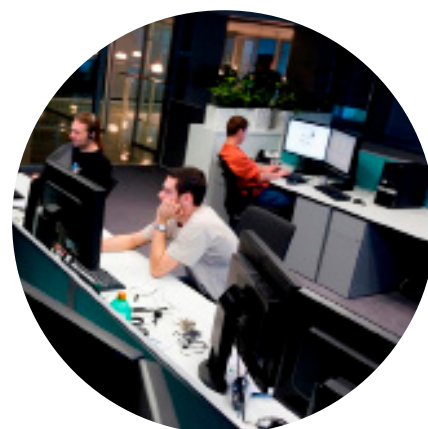Source: Adecco Slovakia, 2023

ICT Companies in Slovakia

The ICT sector has a solid position in the Slovak economy, what is demonstrated by the presence of foreign-owned companies as well as strongly growing domestic companies.

TOP ICT EMPLOYERS — IT & Telecommunication Service (TS) Providers in Slovakia

COMPANY NAME	COUNTRY ORIGIN	FIELD	LOCATION	EMPLOYEES
Deutsche Telekom IT Solutions Slovakia	Germany	IT	Košice	3,900
Slovak Telekom	Germany	TN	Bratislava	2,573
Accenture Technology Solutions	Ireland	IT	Bratislava, Košíce	1,463
Eset	Slovakia	IT	Bratislava	1,231
Orange Slovensko	France	TN	Bratislava, Košice	1,138
Siemens Healthcare	Germany	IT	Bratislava, Košice, Žilina	817
Lenovo Slovakia	China	IT	Bratislava	805
IBM Slovakia	USA	IT	Bratislava, Košice	800
UNIQA Group Service Center Slovakia	Austria	IT	Nitra	744
Asseco Central Europe	Poland	IT	Bratislava, Žilina, Trenčín, Banská Bystrica, Lučenec, Košice, Ružomberok, Snina	527
Fiserv Slovakia	Netherlands	IT	Bratislava	305
Nexi Central Europe	Italy	IT	Bratislava	296
Eviden Slovakia (former Atos)	France	IT	Bratislava, Žilina, Košice, Prievidza	259
PIXEL FEDERATION	Slovakia	IT	Bratislava	252
SOITRON	Slovakia	IT	Bratislava, Košice, Banská Bystrica	218
SAP Slovensko	Germany	IT	Košice	203
Tempest	Slovakia	IT	Bratislava	197
DOXXbet	Slovakia	IT	Žilina	193
DITEC	Slovakia	IT	Bratislava, Žilina, Trnava, Banská Bystrica	178
exe	Poland	IT	Bratislava	103

Source: FinStat, 2023 (data for 2022); SARIO (2023) IMD World Digital Competitiveness Ranking (2022)

Diversification of Telecommunication Segment

Traditional activities of telecommunication operators are gradually expanding beyond mere provision of telecommunication services. Building a diversified portfolio enriched by internet sales or IT services, data centers or sofware houses, is becoming an integrated part of their business.

1st

The highest amount of investments in telecommunications sector among the V4 countries in 2022

SYGIC
Developer of GPS navigation software for mobile devices and solutions for businesses. The most downloaded offline navigation in the world.

Notable Slovak Patents

Did you know that Slovak companies stand behind numerous globally well-known products? Here are some examples of successful Slovak brands.

ESET
Protects users in
180 countries
One of the global leaders in security software development including award winning NOD32® Antivirus

RESCO
One of the global leaders in developing cross-platform mobile software solutions
Resco Cloud solution is the ultimate tool for offline access to data, interactive maps for businesses & more

SOITRON
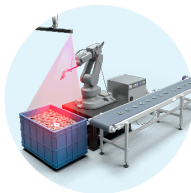Soitron developed
a system for intelligent police cars
Developer of IT solutions from integrated communication systems to mobile police units

NG AVIATION
One of a kind software
for safe & smooth aviation
NG Aviation is an unique platform for digitization of aeronautical data making Aviation digital for Airports, Air Navigation Service Provider and Airlines

PHOTONEO
A leading provider of
robotic vision & intelligence
Development of the world's highest resolution and highest accuracy 3D camera solutions

INNOVATRICS
Wide range of application —
from attendance system to
presidential elections
Biometric Software for identity management based on fingerprint & face recognition technology

Source: SARIO, 2023

Slovak Fastest Growing IT Companies of 2022

Ranking positions in top 50 fastest growing companies in Central Europe based on the Deloitte Technology Fast 50 Central Europe 2022 programme.

LUIGI´S BOX
Slovak companny that provides an intelligent search engine and products recommendations.

GOSPACE LABS
Innovation leader developing new IP-protected technological features for its hardware and software solutions.

KONTENTINO
Slovak company that focuses on social-media management tool for marketing, which enables straightforward and effective collaboration between agencies and their clients.

BETTLE.AI
Building conversational style user solutions to help automate and streamline customer care, augment sales and marketing and enrich communications across the entire e-commerce spectrum.
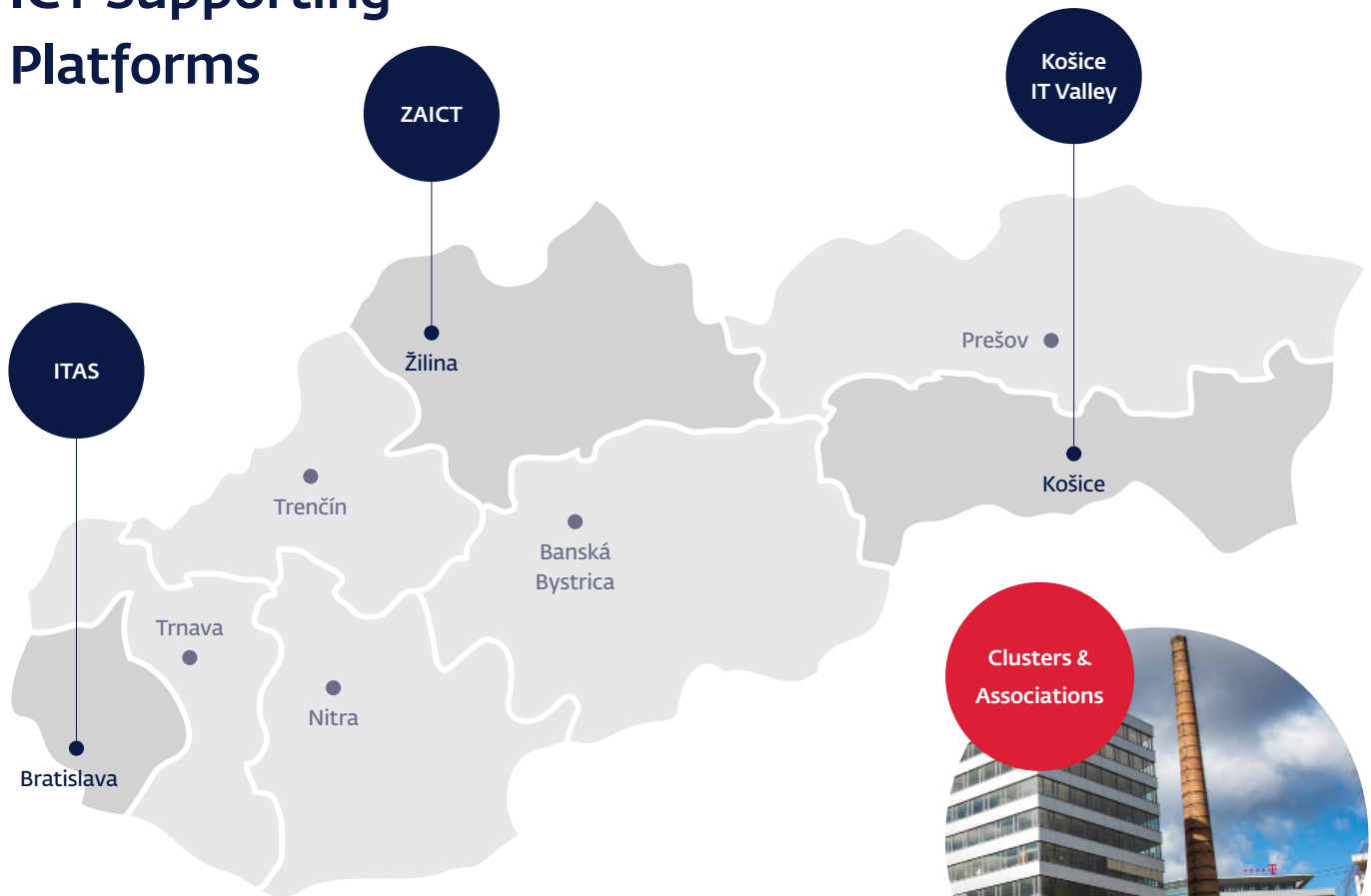
GENTLEMEN'S
Slovak company providing services in multi-channel user acquisition strategies, soft launch and global launch planning and business advisory.

Source: SARIO, Deloitte Technology, Fast 50 Central Europe, 2022

ICT Supporting Platforms

Clusters & Associations

ITAS
- Headquartered in Bratislava
- Established in 1999
- Slovak association of 100+ ICT companies representing about 80% of the Slovak IT market
- Members employ more than 30,000 people

ITAS runs several projects including:
- Digital transformation of private sector interlinking the ICT sector with other Slovak industries
- Digital transformation of public sector via active cooperation on Digital Coalition project
- Support of educational iniciatives at all levels — from academic programs to requalification
- IT Testing — verification of IT skills among population in Slovakia among population in Slovakia

KOŠICE IT VALLEY
- Headquartered in Košice
- Established in 2007
- Slovak association of 55 members and sympathizers, including the private, public and academic sector
- Cluster Management Excellence Gold Label — in 2015 certificated as the 1st in Central Europe

Activities of Košice IT Valley are carried out in Eastern Slovakia:
- Over the years focus on education stays as one of the priorities, but scope of the cluster itself has gone beyond
- Innovations, research & development, support of collaboration within the cluster and support of investments become an integral part of the cluster

ZAICT
- Headquartered in Žilina
- Established in 2008
- Slovak association of 14 members, including the private, public and academic sector
- In 2014 certificated as European Cluster Excellence Initiative Bronze Label

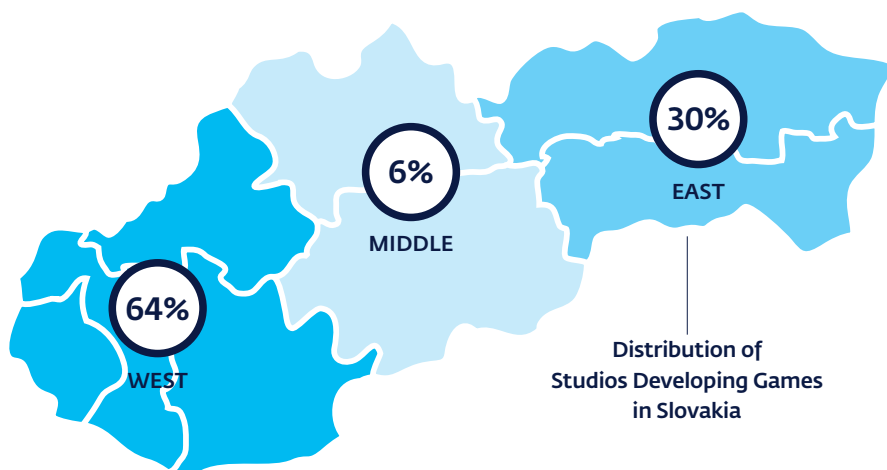ZAICT activities that are mainly in the Žilina region at:
- Interconnection of private sector and R&D institutions
- Supporting lectures of ICT companies at secondary schools
- Offering educational programs and organizing school camps for raising IT skills

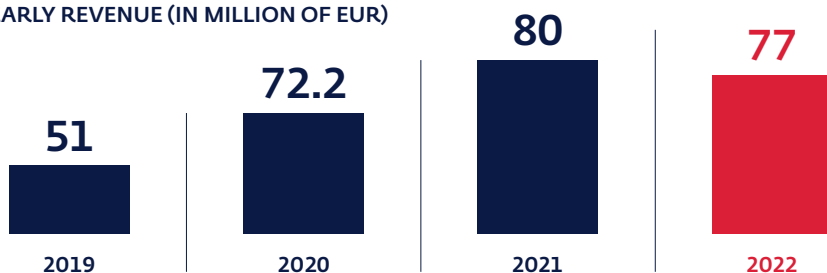Source: ITAS, Košice IT Valley, ZAICT

Emerging Slovak Game Development Industry

The game development industry in Slovakia has been gaining pace by uniting a wide range of studios. This rapidly growing market with nearly doubled revenues in the past two years is a result of the world's top industry professionals presence and together with relevant educational programs, a new generation of game developers is shaping in Slovakia.

6%
MIDDLE

30%
EAST

64%
WEST

Distribution of
Studios Developing Games
in Slovakia

66

Number of game
development companies
& studios in Slovakia

49

Number of fully–released
Slovak games

221

New working positions
opened by game development
studios in 2022

YEARLY REVENUE (IN MILLION OF EUR)

51	72.2	80	77
2019	2020	2021	2022

NUMBER OF PROFESSIONALS

762	870	1,079	1,080
2019	2020	2021	2022

Source: Slovak Game Developers Association, 2023

Top Game Studios in Slovakia — Based on Turnover in 2022

STUDIO	EMPLOYEES/ PROFESSIONALS	YEAR OF ESTABLISHMENT	HQ	TURNOVER (THS. EUR)
Pixel Federation	>300	2007	Bratislava	47,420
SuperScale	>60	2015	Bratislava	4,140
Nine Rocks Games	>50	2020	Bratislava	3,464
Inlogic Software	>80	2005	Banská Bystrica	3,289
PowerPlay Studio	>80	2007	Bratislava	3,211
Studio 727	>25	1997	Bratislava	1,571
Noise Artillery	>30	2014	Bratislava	1,306
Blue Brain Games	>15	2015	Bratislava	1,008
60fps	<5	2014	Bratislava	977
Games Farm	>50	2001	Košice	888

Game Development Platform in Slovakia

As a civic association supports digital game development as well as game developers and start–ups in Slovakia. The association helps new talents to improve their artistic, technological and business skills, and promotes education of professionals and general public in the field of digital games.

Bratislava Game Jam

Game Events in Slovakia

UNICON TRNAVA
TRNAVA
University event consisting of discussions, e–sports, table games, cosplays and others.

BRATISLAVA GAME JAM
BRATISLAVA (ANNUALLY)
A contest for individuals and teams of programmers, script writers, graphics, philosophers and illustrators whose main aim is to make a video game prototype in just 40 hours and to experiment with bold game design.

GAME DAYS
KOŠICE (ANNUALLY)
The only international videogame festival in Slovakia providing opportunities for leading figures of the sector to present their experience with progressive video game creation. The event combines digital games with artistic qualities.

SLOVAK GAME DEVELOPERS ASSOCIATION
BRATISLAVA, KOŠICE (MONTHLY)
Community meetings of digital game developers to present their work, to exchange know-how and to encourage networking among them, creating a compact and collaborative meetup platform.
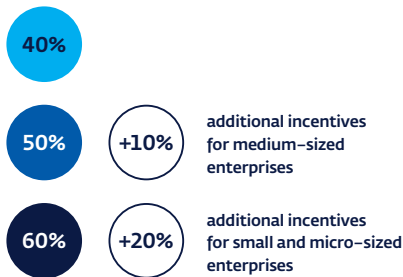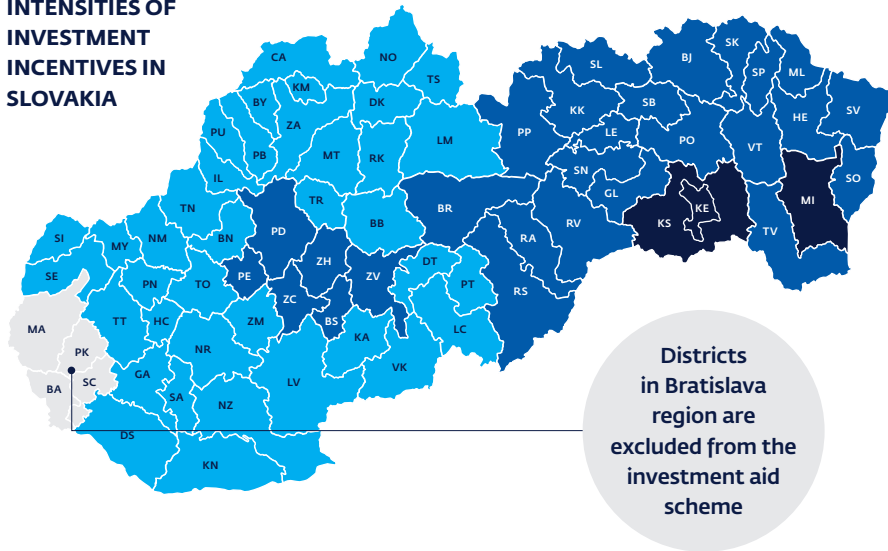
Source: FinStat, 2023 (data for 2022)

Investment Incentives

The primary role of the investment incentives is to motivate investors to place their new projects in regions with higher unemployment and to attract projects with higher added value.

MAXIMUM REGIONAL INTENSITIES OF INVESTMENT INCENTIVES IN SLOVAKIA

Districts in Bratislava region are excluded from the investment aid scheme

40%

50% **+10%** additional incentives for medium–sized enterprises

60% **+20%** additional incentives for small and micro–sized enterprises

Minimum conditions, such as minimum investment, number of created jobs, or salary level, must be met when applying for investment aid. Please contact us at invest@sario.sk for more information.

ELIGIBLE PROJECTS
The Act on Investment Incentives divides the projects, which may be supported, into four categories:
- Industrial production
- Technology Centers
- Combined Projects of Industrial Production and Technology Center
- Shared Services Centers

ELIGIBLE COSTS
- Costs of land acquisition
- Costs of buildings acquisition & construction
- Costs of new technological equipment and machinery acquisition
- Intangible long-term assets — licences, patents, etc.
- Rent of new land/building
OR
- Total wage costs of all new employees calculated over a period of 2 years

FORMS OF INVESTMENT INCENTIVES
- Corporate income tax relief
- Cash grant
- Contributions for the newly created jobs
- Rent/Sale of real estate for a discounted price

**SUPERDEDUCTION —
SPECIAL R&D TAX REGIME**
Companies with the R&D activities can benefit from the special tax regime. By the calculation of the income tax, the additional 100% of the R&D expenses can be deducted from the tax base. As a result, for every 100 EUR spent on the R&D activities, company can save 21 EUR (respecting the current income tax rate 21%).

SUPERDEDUCTION
- is automatically claimable in tax return form
- is not subject to any application procedures nor subject to an approval by any state authority
- all sectors are eligible
- is applicable throughout Slovakia
- if the claim cannot be applied in the given tax period, it is transferable to up to 5 consecutive tax periods

*An amendment to the Governmental Regulation no. 195/2018 Coll. is currently in the legislation process. Map of maximum intensities above already reflects these changes (maximum aid intensity in the Western Slovakia increased from 30% to 40%). Please contact us at invest@sario.sk for more information (including minimum conditions).

AIM INVESTMENT AWARDS UAE 2022

CEE & TURKEY REGION
Best Investment Promotion
Agency in 2022

660+

successful SARIO
projects since
2002

SARIO Profile

Slovak Investment and Trade Development Agency (SARIO) is a governmental investment and trade promotion agency of the Slovak Republic. The agency was established in 2001 and it operates under the Ministry of Economy of the Slovak Republic.

01 INVESTMENT SERVICES

FOR POTENTIAL INVESTORS
- investment environment overview
- assistance with investment projects implementation
- starting a business consultancy
- sector and regional analyses
- investment incentives consultancy
- site location & suitable real estate consultancy

FOR ESTABLISHED INVESTORS
- identification of local suppliers, service providers
- assistance with expansion preparation and execution
- assistance with Industry 4.0 solutions and R&D implementation

02 FOREIGN TRADE SERVICES

IF YOU ARE LOOKING FOR
- Slovak supplier or sub–contractor
- information about Slovak export/trade environment
- sourcing opportunities
- forming a joint venture, production cooperation or other forms of partnership with a Slovak partner

SERVICES FOR EXPORTERS
- information on foreign territories
- customized search for foreign partners
- online database of business opportunities
- export Training Centre
- subcontracting assistance

03 INNOVATION SOURCING

- matching local tech companies with the operations of large companies that plan to implement innovative solutions to streamline and optimize their processes
- focused mostly on Industry 4.0 solutions such as digitalization, intelligent automation, and robotics as well as advanced and complex IT solutions for various industries
- based on a database of more than 300 local tech companies which is constantly updated and expanded

04 SLOVAK SPACE OFFICE

FOR SLOVAK ENTITIES
- tailor–made sector entry consultancy
- startup creation through hackathons and incubation programs
- cooperation opportunities through matchmaking events
- internationalization of the Slovak space companies and research institutions

FOR FOREIGN PARTNERS
- customized search for local partners
- assistance with establishing branch in Slovakia
- cooperation on space industry events

SARIO IS YOUR ONE STOP SHOP FOR INVESTMENT & TRADE IN SLOVAKIA.
TALK TO US TODAY!

———

SARIO I **Slovak Investment and Trade Development Agency**
Mlynské nivy 44/b I 821 09 Bratislava I Slovakia

 GPS +48°08'39.8", +17°08'24.2"

invest@sario.sk I trade@sario.sk I **www.sario.sk**

———