

SARIO Newsletter

**Slovak
Industry
VISION Day
2023**

**17TH
INTERNATIONAL
BUSINESS FORUM**

**Sustainable
industry**

**November 23, 2023
X-Bionic® Sphere
Šamorín, Slovakia**

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ECONOMY

SLOVAK ECONOMY

The Slovak economy should grow by 1.3% in 2023, according to the latest macroeconomic forecasts of several selected banks that are released by the Slovak central bank every month. In August, the analysts slightly lowered expectations for inflation this year, forecasting the average harmonised index of consumer prices for 2023 at 11.2%. In July, the prediction was 11.4%. The forecast for average core inflation has fallen from 11.9% to 11.2%.

INDUSTRIAL PARKS

At the end of last year, Slovakia registered 479 industrial buildings, sites, plots, and offices available to potential investors. Most of them, 72, were located in Banska Bystrica County, while the Bratislava region had the lowest number of such premises — 36. The Slovak Investment and Trade Development Agency (SARIO) drafted 473 property offers for investors last year. SARIO records various types of buildings, plots, existing industrial plants, and industrial sites, including office buildings that passed registration and the public is aware of those that agreed to disclosure. Especially industrial parks are mentioned in connection with the arrival of investors. SARIO stressed that it is rather difficult to define them. 'Strictly speaking, an industrial park should be a consolidated territory equipped with complete infrastructure, owned by a single company,' SARIO explained. SARIO presents prepared sites in its online database. Investors demand completely prepared areas cleared of any burdens, with built infrastructure of sufficient capacity. 'To be able to attract important investments in nascent sectors of industry (e-mobility, renewables), Slovakia needs to build large industrial parks covering an area of more than 50 hectares with high booked network capacities,' SARIO concluded.



Slovak enterprises can apply for subsidies promoting the construction of EV charging infrastructure

E-MOBLITY

Slovak enterprises can apply for subsidies promoting the construction of EV charging infrastructure. The Economy Ministry has announced a call with an allocation of more than 6 million euros. Slower 11 kW chargers are to be supported with 1.2 million euros, and the remaining 4.8 million euros will be channeled into fast chargers of more than 50 kW power. Thanks to the call, 800 slower chargers, and 360 fast charging points are to be built in Slovakia. Slovak companies can apply for subsidies in the first round until late September. Their EV charging infrastructure projects can be supported with up to 50% of eligible costs

PRICES

Industrial producer prices for the domestic market were 13.6% higher y-o-y in July 2023 and 1.3% m-o-m. Prices increased y-o-y in ten out of sixteen monitored sectors of industry. The overall result was influenced, similarly to previous months, mainly by a 41.1% increase in producer prices in electricity and gas supply, the Statistical Office of the Slovak Republic informed. Industrial producer prices for the domestic market recorded

the second year-on-year decrease of 2.4% this year, due to a 9.1% drop in prices in the manufacture of metals and metal structures, a 36.5% decline in manufacture of petroleum products, and a 23% fall in manufacture of chemicals and chemical products. Despite the overall decline in industrial production, the year-on-year increase in prices was maintained by important sectors, i.e. 5.6% growth in the manufacture of transportation equipment and a 13% increase in the manufacture of rubber and plastic products. In total, industrial producer prices for the domestic market increased 21.2% for the first seven months of 2023.

ECONOMY

Economic sentiment in Slovakia improved in August after three months of declines. The result reflected especially a significant increase in confidence in the industry. Construction enterprises expressed optimism as well. The situation in trade and services was different, with economic sentiment sinking to its lowest since the first quarter of 2021. Consumer confidence did not change significantly. It reported a modest decrease, the Statistical Office reported.



Realized prices of all real estate in Slovakia fell by 3.9% q-o-q in the second quarter of 2023, according to the Statistical Office, which confirmed the predicted downward trend in prices from the end of last year

REAL ESTATE

Real estate prices declined in annual terms after nine years of continuous price growth. This follows from the latest report of the Statistical Office of the Slovak Republic on the development of realized prices of residential property in the second quarter of 2023. According to it, real estate prices dropped in the spring, in both short-term comparisons with the beginning of the year and y-o-y comparison. At the regional level, prices were higher y-o-y in only two of Slovakia's eight regions. Realized prices of all real estate in Slovakia fell by 3.9% q-o-q in the second quarter of 2023, according to the Statistical Office, which confirmed the predicted downward trend in prices from the end of last year. 'Both monitored categories saw a drop in prices — the prices of existing real estate fell by 4.1% and the prices of new real estate by 3.2%', states the Statistical Office. Trenčín and Žilina regions, by more than 7%.

ENERGY

The project of Geothermal Energy Use in the Kosice Basin has been granted a major investment certificate, the Cabinet

decided on Wednesday. It focuses on the construction of infrastructure securing year-round heat supply to a heating plant and the district heating system in Kosice. The thermal energy will be delivered from geothermal centers Svinica — Durkov via heat feeders of 15.3 kilometers with a projected thermal output of 30 MWt and the anticipated use of thermal energy also from Olšovany and Bidovce up to 90 MWt output.

INVESTMENTS

Between 2017 and 2022, the state granted 75 investment incentives with a total value of over 272 million euros for projects that were supposed to create a total of 9,575 jobs, Iness — Institute of Economic and Social Studies reveals in its latest publication. According to it, compared to the past, aid was more significantly directed to districts with above-average unemployment. In total, 41 of the 75 granted incentives went there. 'However, the specific parameters of the incentives granted (especially the incentive per job) are still very variable, based more or less on chance, i.e. on what investments are currently on the table,' the institute

points out. It continues to emphasize the need to move from stimulating selected 'winners' through investment incentives to improving the business environment as a whole. The average cost per created job was 28,524 euros in the mentioned period.

HOUSING

In Slovakia, 14 gross annual salaries are needed for a new apartment, which makes housing in Slovakia the least affordable among 27 surveyed European countries. Bratislava is the most difficult to afford housing among capital cities in terms of the ratio of salaries and prices, having already overtaken even Prague. Slovakia has below-average housing stock, although it has increased year-on-year and there are now 419 dwellings per 1,000 people. Housing in Slovakia is the least affordable in Europe, with the average Slovak having to set aside 14 gross annual salaries to buy a 70 m² apartment. A year ago, the Czech Republic was the worst performer, we were relegated to second place in Deloitte's housing affordability ranking. It takes almost one and a half annual salaries more to buy a new Slovak apartment.

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FIRMS & FINANCES



Slovak company InoBat has a new investor — Chinese battery manufacturer Gotion High-Tech has acquired a 25% strategic stake in InoBat AS

INOBAT

Slovak company InoBat has a new investor. Chinese battery manufacturer Gotion High-Tech has acquired a 25% strategic stake in InoBat AS. Gotion High-Tech's entry into InoBat has been nearly a year in the making and is the first major investment by such a global battery manufacturer in a European start-up. The investor's entry is intended to establish the development, production, and recycling of batteries for customers with a focus on Central and Eastern Europe. However, it is also envisaged, for example, to produce green battery materials in Morocco. The partnership will also give InoBat access to production capacities in China and Europe.

MAHLE BEHR

The state will support the company Mahle Behr with income tax relief of 1.5 million euros, the Cabinet decided on Wednesday. The company plans to expand the production of exhaust gas recirculation modules in Orava. By late 2025, it wants to invest more than 9.5 million euros in Slanica, the district of Namestovo, and create 60 new jobs. The investment includes the acquisition of automated production

lines, which should increase production by around 30%. Production is scheduled to start in June 2024 and reach full planned capacity three years later. In addition to Mahle Behr Namestovo, Mahle Behr Senica, Mahle Industrial Thermal Systems Námestovo, and Mahle Engine Components Slovakia operate in Slovakia. Further, 360 people will find work in a new hall of Mahle Behr air conditioning unit manufacturer in Senica this fall. The production hall with an area of 13,300 square meters and a class A0 energy rating corresponds to the most modern standards for ecological buildings. After the completion of the new hall, the entire building area of more than 30,000 m² will serve a thousand workers of the global company Mahle. The complex also includes an extensive research and development center for air conditioning units, including those that will be used in electric cars. It employs 150 highly qualified workers.

WIND ENERGIE

The company Wind Energie plans to build a new wind park in the vicinity of Tvrdosin. According to the plan submitted for the environmental impact assessment

(EIA), the investor estimates the construction costs at 30 million euros in the case of the construction of four wind turbines or 45 million euros in the case of the construction of six wind turbines. The investor expects construction to take between 9 and 12 months.

JFCON

The company JFcon plans to build warehouse halls with a total area of up to 70,000 m² for 31 million euros with the potential to employ nearly 1,000 people. 'The individual halls will be used for warehousing, light industrial production, and assembly in the range of logistics and for the handling of goods,' JFcon says in the investment plan.

VE TELEK

VE Telek is planning to build a new wind park Telek in the cadastral area of the village Dolne Saliby in the Galanta district. The investor estimates the cost of construction of the wind park with two wind power plants at 18 million euros. The construction is scheduled to start in the first quarter of 2026 and should be completed in the third quarter of 2026.



Porsche, owned by Volkswagen Group, has taken full control of high-performance battery maker Cellforce Group and is seeking a location for a 10–20 gigawatt-hour factory and new investors

ARCELORMITTAL

ArcelorMittal, the world's second-largest steelmaker and a major supplier to the automotive industry, is considering a possible takeover bid for U.S. Steel, Reuters reports. According to people close to the alleged negotiations, ArcelorMittal is discussing a possible offer with its investment bankers. Cleveland-Cliffs and Esmark are also interested in U.S. Steel. They want to pay more than \$7 billion. The transaction would also affect Slovakia. U.S. Steel Kosice is the only American factory in Europe and one of the key ones. In addition, the company is looking to invest more than a billion euros in the modernization of the electric steel production plant here. There has been talk of a new owner in Kosice for more than a decade. But only about the takeover of the company itself. The announced purchase of the parent company would have a different impact. Another offer came in to buy U.S. Steel, specifically the acquisition of the entire company for cash coming from Esmark, a private industrial group, which is offering \$10 billion including debt.

MUBEA

The company Mubea Tailored Products plans to build a new plant for car parts near Kosice. It wants to produce cooling plates regulating the temperature of batteries in electric vehicles. The company is to invest more than 60 million euros and open 105 new jobs by 2027. The Economy Ministry proposes a stimulus of almost 20

million euros in the form of income tax relief. The final decision will be made by the Cabinet.

R-GLASS TRADE

The former glassworks in Poltar will resume production. The premises of the bankrupt company were bought by a glass company from the nearby Katarinska Huta R-Glass Trade. The company wants to expand its existing expand manual and machine productions. The new owner wants to gradually employ up to 200 people. The total investment will exceed 10 million euros. The new owner of the glassworks in Katarinska Huta bought it from companies close to businessman Vladimir Poor. The new owner plans to start full production in the former glassworks in Poltar in 3 to 4 years.

PORSCHE

Porsche, owned by Volkswagen Group, has taken full control of high-performance battery maker Cellforce Group and is seeking a location for a 10–20 gigawatt-hour factory and new investors. The carmaker will decide between the US, Canada and Europe. Slovakia is not out of the picture, as it is the only member of the Visegrad Four that has so far failed to attract a battery factory, but it has the potential for such an investment. In fact, Porsche's subsidiary and engineering arm, Porsche Werkzeugbau, has already confirmed that it will invest almost a billion euros in a plant for electromobility in Slovakia.

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SARIO NEWS



SLOVAK INDUSTRY VISION DAY 2023

The international business forum on the necessity of sustainability principles' introduction into company processes on specific projects, solutions, and investments in green technologies, on the benefits for companies and the resulting demands on suppliers

Slovak Industry VISION Day 2023

REGISTRATION
IS NOW OPEN

New Challenges for Companies & Suppliers

The Slovak Investment and Trade Development Agency has been organizing large international business forums during autumn for 17 years, bringing together entrepreneurs, professionals, and state representatives. This year, on November 23, 2023, we will welcome the business community at the Slovak Industry vision Day 2023.

PROGRAM

01 PANEL DISCUSSIONS AND CASE STUDIES

- Sustainability — a key factor in the company's success — what sustainability principles mean, how will they affect the future of business, and access to green financing
- A new pillar of the industry — Slovakia — a future superpower in the production of heat pumps
- Companies that have embarked on the path of sustainability — specific examples of technological solutions, their benefits for companies & the resulting demands on suppliers

02 PLANNED B2B NEGOTIATIONS AND NETWORKING

03 INDIVIDUAL CONSULTATIONS WITH PROFESSIONAL PARTNERS & EXPERTS

04 EXPO — INTERACTIVE EXHIBITION OF PRODUCTS & SERVICES

November 23, 2023

X-Bionic® Sphere, Šamorín, Slovakia

Register online until November 8, 2023!

slovakindustryvisionday.com

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EVENTS



NOVEMBER 12 – NOVEMBER 18, 2023
Business mission to Airshow
Dubai 2023, United Arab Emirates



Dubai, United Arab Emirates

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OCTOBER 5, 2023

Slovak–Hungarian cooperation event



OCTOBER 5, 2023

Webinar – Increasing the cyber security of Slovak companies from the point of view of current legislation and finances



OCTOBER 10 – OCTOBER 11, 2023

Seminar – Export strategy from the point of view of e-commerce



OCTOBER 10 – OCTOBER 13, 2023

International engineering fair MSV Brno 2023, Czech Republic



OCTOBER 24, 2023

Cooperative exchange with Austrian business agents



Lisbon, Portugal



NOVEMBER 12 – NOVEMBER 17, 2023
Business mission to Web Summit 2023, Portugal

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NOVEMBER 27 — NOVEMBER 30, 2023
Business mission to Spain



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NOVEMBER 12 — NOVEMBER 18, 2023
Business mission to Airshow Dubai 2023, United Arab Emirates



NOVEMBER 12 — NOVEMBER 17, 2023
Business mission to Web Summit 2023, Portugal



NOVEMBER 23, 2023
Slovak Industry Vision Day 2023, X-Bionic® Sphere, Šamorín, Slovakia



NOVEMBER 27 — NOVEMBER 30, 2023
Business mission to Spain



NOVEMBER 23, 2023
Slovak Industry Vision Day 2023,
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**Slovak
Industry
VISION Day
2023**

Sustainable industry

**NEW CHALLENGES
FOR COMPANIES & SUPPLIERS**

INTERNATIONAL BUSINESS FORUM

- planned B2B negotiations & networking
- individual consultations with professional experts
- panel discussions & case studies
- EXPO — interactive exhibition of products & services

**X-Bionic® Sphere, Šamorín,
Slovakia, November 23, 2023**

Registration open until November 8, 2023!

ORGANIZER

SARIO
SLOVAK INVESTMENT AND
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