

Chemicals & Plastics Industry in SLOVAKIA



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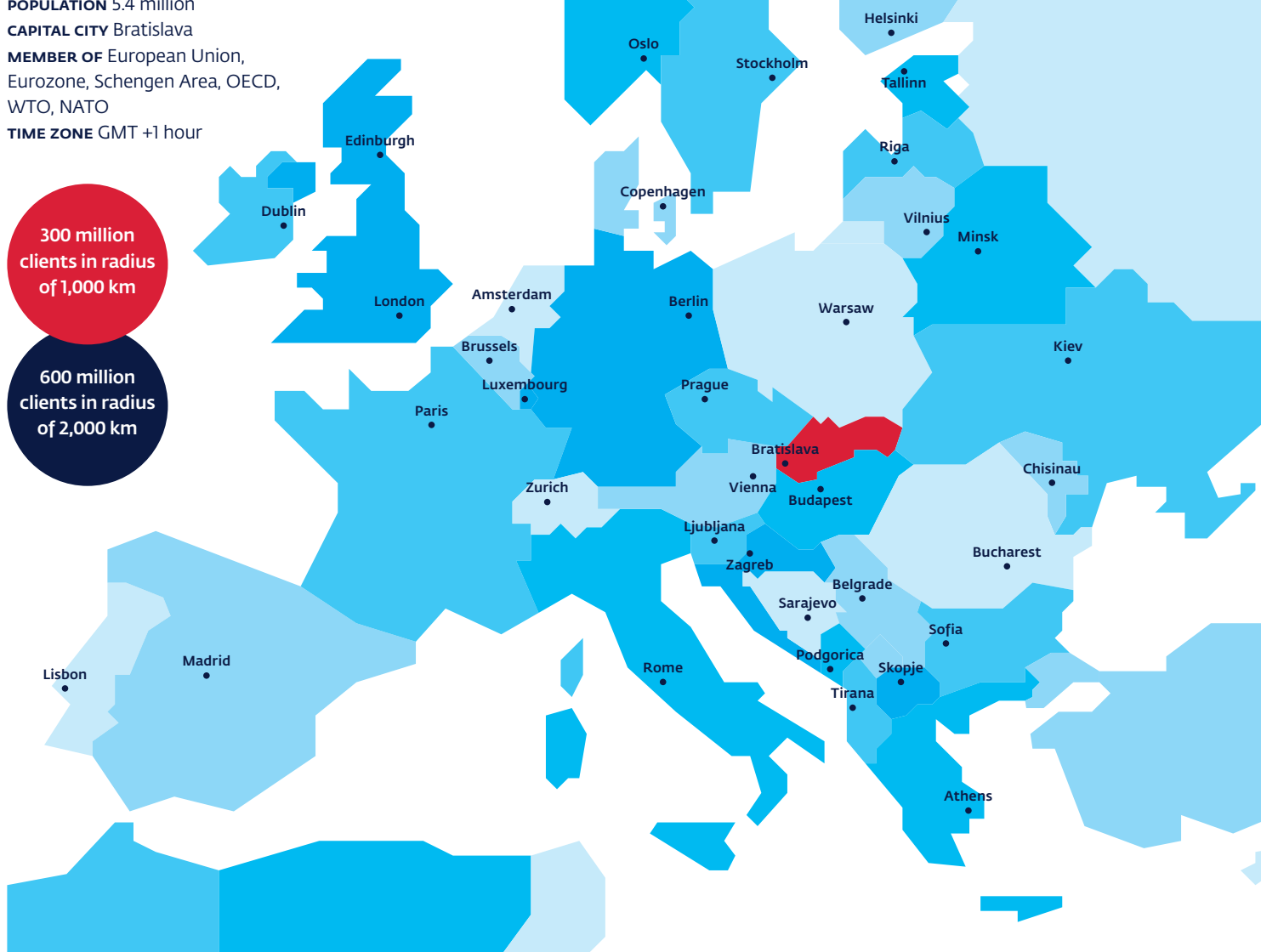
The purpose of this publication is to present the opportunities for the potential investors from the chemical industry in Slovakia. The two of the strongest economic sectors – automotive and electronics industry – build a lot of opportunities also for the suppliers of the plastic components. Publication includes facts and figures for both of these sectors and serves as an introduction to the chemical & plastics industry in Slovakia.



TOTAL AREA 49,035 km²
POPULATION 5.4 million
CAPITAL CITY Bratislava
MEMBER OF European Union,
Eurozone, Schengen Area, OECD,
WTO, NATO
TIME ZONE GMT +1 hour

300 million
clients in radius
of 1,000 km

600 million
clients in radius
of 2,000 km



Chemicals & Plastics Industry in Slovakia — Key Facts

Slovakia has a strong tradition in all major segments of the chemical industry, including petroleum refining, production of fertilizers, rubber and plastics production. The portfolio of the products is also influenced by Slovakia's strong automotive and electronics sectors, which serve as constant, high-capacity clients for different companies from the chemicals & plastics industry.

9.79 BN €

9.79 BN €

Revenues of the Slovak chemical industry

43,205

43,205

People employed in the Slovak chemical industry

11.5%

11.5%

Share of the chemical industry output from the total industrial production

2 BN €

2 BN €

Added value in the chemical industry

286

286

Number of manufacturers in chemical industry

*Only companies with more than 20 employees included.
Source: Statistical office of the Slovak republic, Yearbook of Industry of the SR 2018



Top 10 Reasons Why to Invest in Slovakia

1

Highest labour productivity in CEE region

2

Cost-effective & skilled labour force

3

Political & economic stability

4

Strategic location in Europe with great export potential

5

Attractive investment incentives for industry

6

Euro currency as one of the few in CEE

7

Fastest growing Eurozone member within the last 10 years

8

Large selection of industrial land

9

Well-developed infrastructure

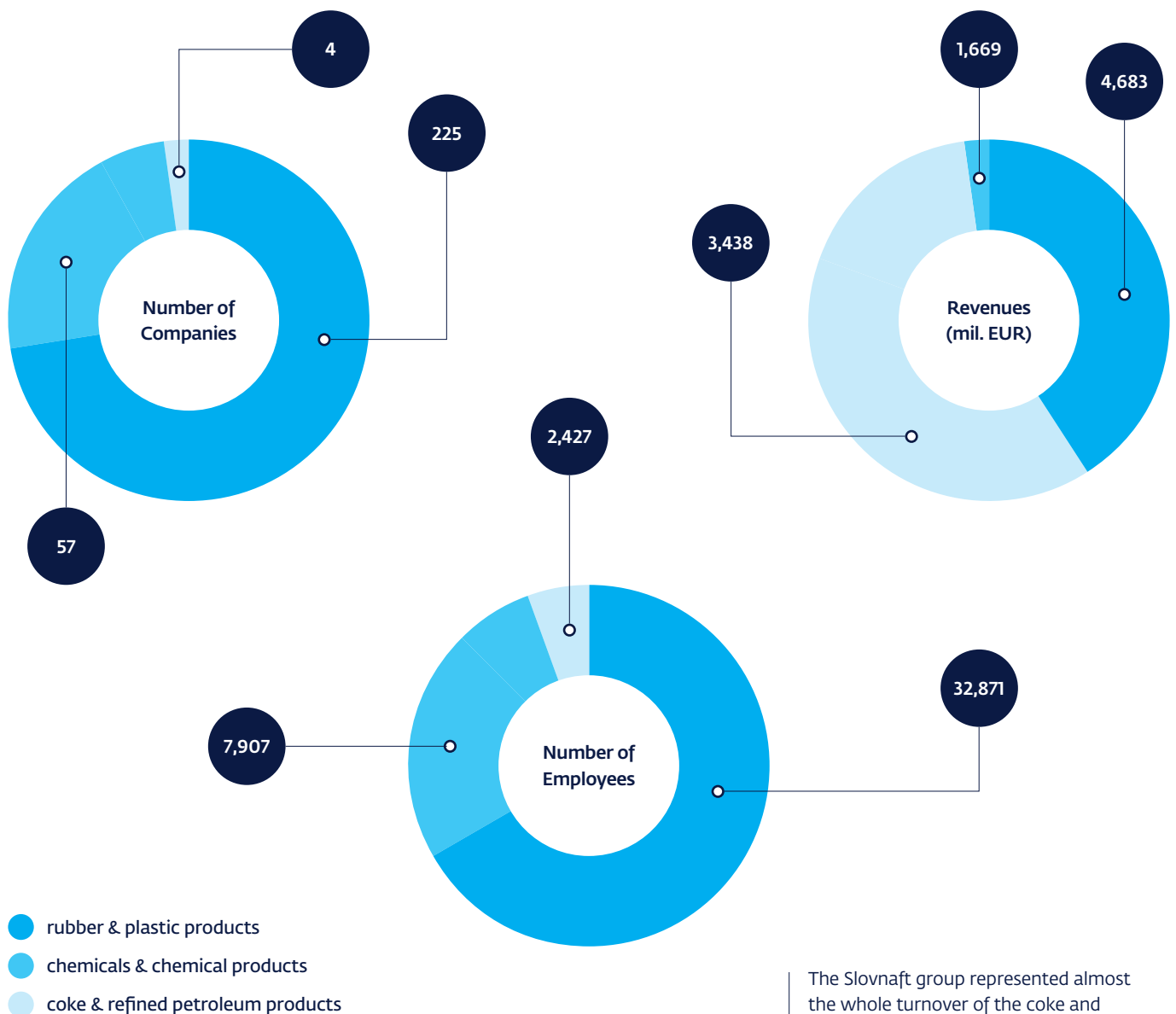
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Strong local production capacities in need of plastic components

Chemicals & Plastics Industry in Slovakia – Summary

Unlike in some other countries, the output of the Slovak chemical industry does not consist of one product or a group of few products, but includes a diversified portfolio of hundreds of different products, ranging from petrochemicals, agrochemicals, and primary organic/ inorganic chemicals, to rubber and plastic products.

Chemical industry has traditionally been one of the largest sectors of Slovak economy. In 2017, revenues generated by all companies in this sector amounted to EUR 9.79 billion. At the same time Slovak chemical industry equaled output of 11.5% (EUR 9.21 billion) from the total industrial production (EUR 79.78 billion). The sector employs over 43,205 people in approximately 286 companies.



The Slovnaft group represented almost the whole turnover of the coke and petroleum production in Slovakia, which is the biggest revenue generating sub-sector of the chemical industry.

Source: Statistical office of the Slovak republic, Yearbook of Industry of the SR 2018

Skilled & Cost-Effective Labour Force



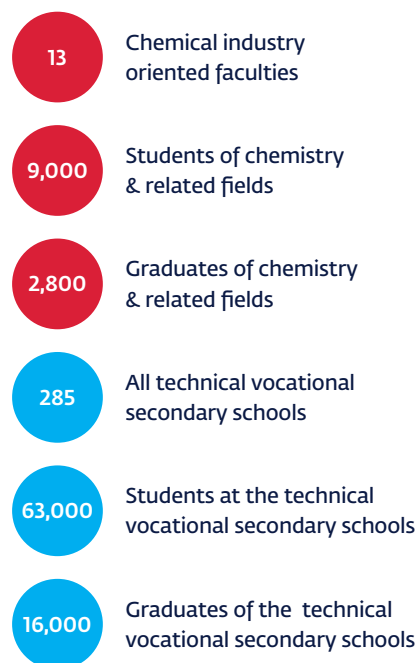
Slovakia is praised as one of the most productive countries in Europe. Combined with cost-effectiveness and high education level, Slovak labour force excels in the three areas that often concern investors – productivity, qualification and labour costs.

Almost 660 companies and 4,000 students joined the dual education in 2018.

DUAL EDUCATION

The Slovak Government has fully implemented a new dual education framework facilitating combination of theoretical education in schools and practical training in companies. The companies joining the new scheme have the advantage of not only benefiting from a prepared and qualified labor force, but also from the possibility to utilize a related tax relief and other financial benefits.

Chemicals & Plastics Related Education in Slovakia



- Universities
- Secondary Schools

R&D Faculty of Chemical & Food Technology

Slovak Technical University
In 2018 the faculty has participated in 168 research projects ranging from sample analysis to the development of new materials and chemicals.

AVERAGE GROSS MONTHLY SALARY (IN EUR)

POSITION	BRATISLAVA	TRNAVA	NITRA	TRENČÍN	ŽILINA	BANSKÁ BYSTRICA	PREŠOV	KOŠICE
Machine Operator	950	875	800	800	800	775	625	700
Injection Molding Setter	1,250	1,250	1,650	1,100	1,100	1,650	1,050	1,125
Quality Technician	1,100	1,100	1,200	1,200	1,100	1,075	775	825
Production Supervisor	1,300	1,250	1,300	1,300	1,200	1,250	1,150	1,250
Chemical Engineer	1,350	1,350	1,350	1,350	1,250	1,250	1,150	1,150
Quality Engineer	2,100	2,100	1,700	1,700	1,600	1,650	1,550	1,550

Source: Grafton Slovakia 2018, SARIO calculations

Examples of Companies from the Slovak Chemical Industry



Slovnaft

3rd biggest company by turnover and the only oil refinery in Slovakia. It also houses an R&D center employing more than 100 engineers.
Revenue: 3,824,000 EUR
Employees: 3,390

Duslo

Fertilizer producer with European significance and global rubber chemical supplier. The company also produces polyvinyl acetate and poly acrylic glues, dispersions and various other special products.
Revenue: 426,752,000 EUR
Employees: 2,082



Continental

Building up on Matador's tyre production history, Continental operates a truck and personal vehicle tyre production facilities in Puchov, with a 150 FTE R&D center.
Revenue: 1,094,598,000 EUR (rubber), 591,386,000 EUR (truck tires)
Employees: 2,976 (rubber), 1,416 (truck tires)

De Miacen

The company, as a part of GlaxoSmithKline, has set up a high capacity production of consumer cosmetic products Slovakia.
Revenue: 112,497,000 EUR
Employees: 518



Chemosvit Folie

The company with a very broad portfolio of chemical products. One of the biggest employers in Eastern Slovakia.
Revenue: 100,171,000 EUR
Employees: 956

Chemical Industry Supporting Platform



THE ASSOCIATION OF CHEMICAL & PHARMACEUTICAL INDUSTRY OF THE SLOVAK REPUBLIC (ZCHF SR)

- headquarters in Bratislava
- established 1991
- merges 58 companies in the fields of chemical and pharmaceutical industry
- members employ 12,000+ people

ZCHF activities include:

- supporting research projects in Slovakia by networking companies with technical universities and help to enhance a mutual cooperation between the members
- defending of business and entrepreneurial interests of the chemical and pharmaceutical industries, in dialogue with the Parliament and the Government, with trade unions
- influencing of the legislative process

Slovak Academy of Science



INSTITUTE OF CHEMISTRY

Research activities are focused on:

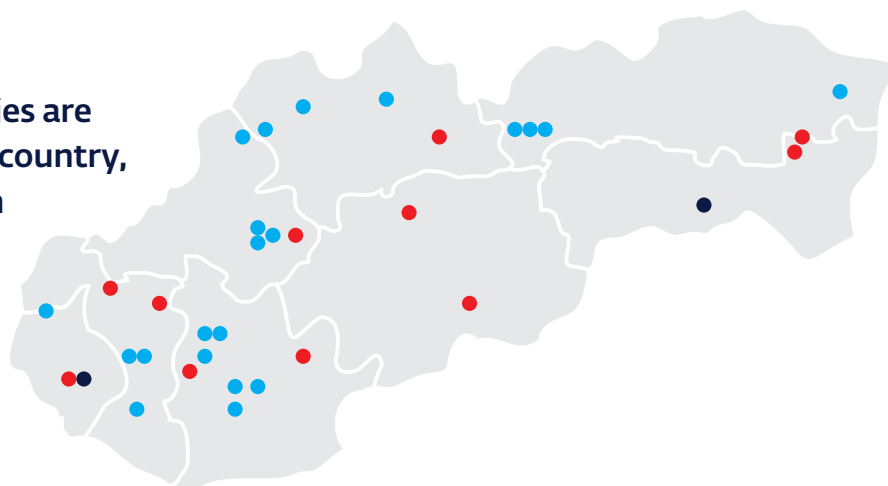
- Structure and functional properties of polysaccharides, their derivatives, and conjugates with other polymers
- Establishment of a Pan-European network on the sustainable valorisation of lignin (LignoCOST)
- Analysis of glycan markers by innovative methods based on biochips & biosensors using nano technologies and many more

Source: SARIO, Finstat 2019

The Biggest Players of the Slovak Chemical Industry

The biggest chemical companies are present in every region of our country, with a higher concentration in the Western part of Slovakia.

- Coke & refined petroleum
- Rubber & plastic products
- Chemicals & chemical products



COMPANY	LOCATION	SEGMENT	REVENUE 2018 (THS. EUR)	AVERAGE NUMBER OF EMPLOYEES
Slovnaft	Bratislava	coke & refined petroleum	3,823,833	3,390
Continental Matador Rubber	Púchov	rubber & plastic	1,094,598	2,976
Continental Matador Truck Tires	Púchov	rubber & plastic	591,386	1,416
Duslo	Šaľa	chemicals & chemical products	426,752	2,082
Fortischem	Nováky	chemicals & chemical products	140,483	993
BASF	Bratislava	chemicals & chemical products	124,063	189
Meroco	Leopoldov	chemicals & chemical products	122,476	40
de Miclén	Levice	chemicals & chemical products	112,497	518
Enviral	Leopoldov	chemicals & chemical products	108,977	186
Chemosvit Folie	Svit	rubber & plastic	100,171	956
ContiTech Vibration Control Slovakia	Dolné Vestenice	rubber & plastic	95,625	622
Nexis Fibers	Humenné	chemicals & chemical products	95,291	453
SaarGummi Slovakia	Dolné Vestenice	rubber & plastic	79,998	1,060
DP Ekoplast	Snina	rubber & plastic	71,386	57
Dongil Rubber Belt Slovakia	Považská Bystrica	rubber & plastic	65,508	650
SMRC Automotive Solutions Slovakia	Nitra	rubber & plastic	64,919	313
Cikautxo SK	Nové Zámky	rubber & plastic	63,886	766
Nobel Automotive Slovakia	Dolný Kubín	rubber & plastic	52,204	366
Bang Joo Electronics Slovakia	Šurany	rubber & plastic	50,359	237
Audia Plastics	Voderady	rubber & plastic	44,259	103
Polycasa Slovakia	Žilina	rubber & plastic	43,936	98
Terichem Tervakoski	Svit	rubber & plastic	43,363	231
Vegum	Dolné Vestenice	rubber & plastic	40,115	730
DS Smith	Nitra	rubber & plastic	38,301	352
Diakol Strážske	Strážske	chemicals & chemical products	37,892	31
Evonik Fermas	Slovenská Ľupča	chemicals & chemical products	35,026	237
Chemolak	Smolenice	chemicals & chemical products	32,941	269
Prima Poprad	Poprad	rubber & plastic	31,247	289
Giesecke+Devrient Mobile Security Slovakia	Nitra	rubber & plastic	26,775	372
Summit Autotech Slovakia SLD	Sládkovičovo	rubber & plastic	22,773	214
INZI SK	Šurany	rubber & plastic	14,603	246

The present list of manufacturers of different chemical products is subject to change and it does not represent an exhaustive overview. Source: TREND Top 2018, FinStat 2019

Examples of Companies Producing Plastics

A separate part of the chemical industry handout is attributed to plastics as it is an important supportive pillar for both the Slovak automotive & electronics industries. Additionally this subcategory of the industry is represented by the highest amount of companies within the Slovak chemical industry.



Seoyon E-Hwa Automotive

Korean Tier1 producer of various automotive plastic and trimmed parts.

Revenue: 153,958,000 EUR

Employees: 603



Magna Slovteca

Canadian interior and exterior automotive plastic parts producer.

Revenue: 121,294,000 EUR

Employees: 481



Jasplastik

Three facilities for production of automotive & television plastic components.

Revenue: Jasplastik SK — 79,493,000 EUR

Jasplastik Automotive — 31,124,000 EUR

Employees: Jasplastik SK — 750 (Galanta)

+300 (Nitra), Jasplastik Automotive —

66 (Galanta)



Thermoplastic

Slovak Tier 1 supplier, injection moulding plastic component manufacturer for automotive exteriors as well as interiors.

Revenue: 26,256,000 EUR

Employees: 220



Služba Nitra

Vehicle plastic components for electronics, fuse boxes as well as interior and exterior lighting equipment.

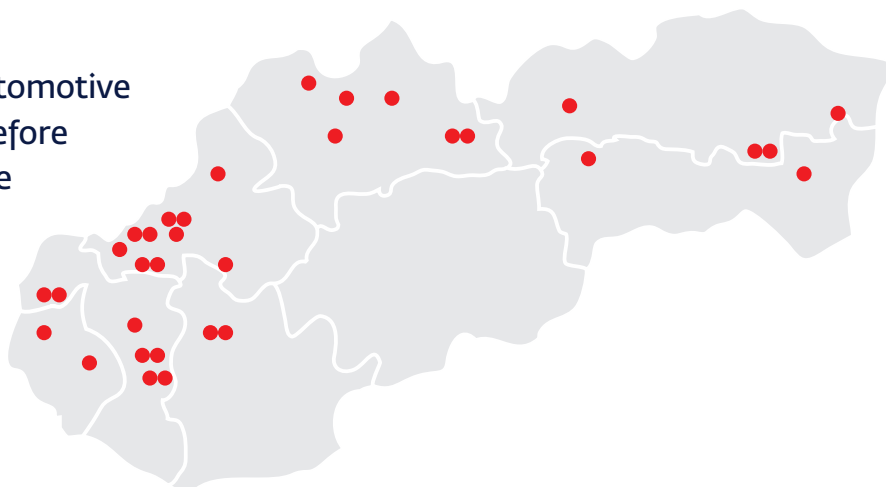
Revenue: 24,067,000 EUR

Employees: 235

Source: SARIO, Finstat (2019)

The Biggest Plastic Component Producers in Slovakia

Manufacturing of plastics is mostly connected to Slovak automotive & electronics industry & is therefore mainly located in regions where these industries have a strong presence.



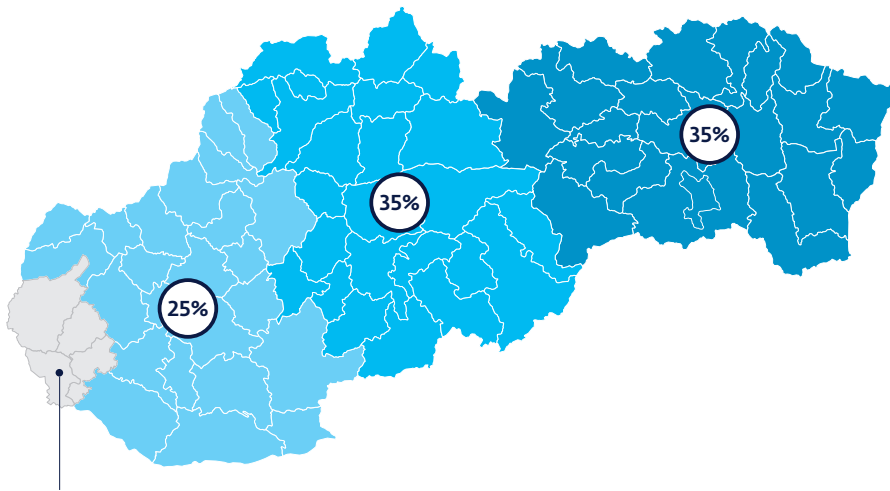
COMPANY	LOCATION	REVENUE 2018 (THS. EUR)	AVERAGE NUMBER OF EMPLOYEES
Seoyon E-HWA Automotive Slovakia	Považská Bystrica	153,958	603
Plastic Omnium Auto Inergy Slovakia	Lozorno	153,004	228
Magna Slovteca	Nové Mesto nad Váhom	121,294	481
RF	Malacky	99,709	679
Jasplastik SK	Matúškovo	79,493	750+300
Bourbon AP Nitra	Čab	52,991	413
Jasplastik Automotive	Matúškovo	31,124	66
Fremach Trnava	Trnava	30,060	376
Bourbon AP Dolný Kubín	Dolný Kubín	29,811	476
COBA Automotive	Terchová	28,682	302
Thermoplastik	Poriadie	26,256	220
SMP Automotive Solutions Slovakia	Matúškovo	23,330	173
JIT Plastic	Nové Mesto nad Váhom	18,452	72
LPH Vranov nad Topľou	Vranov nad Topľou	14,342	244
Uniplast MH	Vranov nad Topľou	12,621	188
Esox – Plast	Liptovský Ján	12,608	94
Polytec Composites Slovakia	Sládkovičovo	12,083	112
Trend Rejlek	Martin	11,570	161
Tecoplast PM Slovakia	Myjava	11,060	112
Aspel Slovakia	Kežmarok	9,820	89
CRW Slovakia	Spišská Nová Ves	8,119	102
HDF	Čadca	5,255	93
JMP Plast	Michalovce	4,345	78
MI Plastik Plus	Michalovce	4,129	72
VÚSAPL (restructuring)	Nitra	3,032	76
M+D Plast	Malacky	2,727	20
Stavoplast	Nové Mesto nad Váhom	2,680	35
Inventive	Liptovský Hrádok	2,192	25
Market IPM Plast	Vaňovce	1,559	39

Source: FinStat (2019), Trend Top (2018)

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. The positive impact of a new investment shall be proved by job creation, improved chances for the graduates to get a job, as well as by creation of new entrepreneurial opportunities for local companies.

MAXIMUM REGIONAL INTENSITIES OF INVESTMENT AID IN SLOVAKIA for SMEs additional 10 to 20 %



Bratislava region excluded

INDUSTRY

Minimum investment amount, number of newly created jobs and share of new technology are subject to the unemployment rate in the selected district and forms of aid required.

If applying for income tax relief, the following criteria have to be met in regards to particular districts category:

- 6 mil. EUR and 60% share of new technology
- 3 mil. EUR and 50% share of new technology
- 1,5 mil. EUR and 40% share of new technology
- 0,2 mil. EUR and 30% share of new technology
- Expansion includes minimum increase in the production volume or turnover by at least 15%.

Other forms of aid are subject to different requirements.

TECHNOLOGY CENTERS

- Minimum investment of 200 ths. EUR on fixed assets in all regions
- Minimum of 20 newly created jobs
- Minimum 1,7 fold of average salary in the district paid to new employees

SHARED SERVICES CENTERS

- Minimum of 50 newly created jobs
- Min 1,5 fold of average salary in the district paid to new employees

*Conditions differ for projects from 'Priority areas'. Please contact us at invest@sario.sk for more information.



ELIGIBLE PROJECTS

The Act on Investment Aid divides the projects which may be supported into four categories:

- Industry
- 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

- Wage costs of new employees for the period of 2 years

FORMS OF INVESTMENT INCENTIVES

- Tax relief
- Cash grant
- Contributions for the newly created jobs
- Rent/Sale of real estate for a discounted price

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 SR.

INVESTMENT SERVICES

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 and suitable real estate consultancy

SERVICES FOR ESTABLISHED INVESTORS

- Identification of local suppliers, service providers
- Assistance with expansion preparation and execution
- Relocation assistance, work/stay permits
- Support of innovation and R&D activities
- Social networking

FOREIGN TRADE SERVICES

IF YOU ARE LOOKING FOR

- Slovak supplier or subcontractor
- 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
- On-line database of business opportunities
- Export Training Centre
- Subcontracting assistance

INNOVATION SUPPORT

- Support activities for development and popularization of Slovak innovations and R&D environment
- Establishment of relations with domestic and foreign well-established innovative companies
- Interconnection of Slovak R&D capacities with industrial production and investors' needs in order to transfer leading innovative technology processes closer to production praxis
- Encouragement to foreign investors to bring investments with substantial R&D components to the SR
- Ecosystem analysis of local investment opportunities as well as domestic and foreign investors in order to support acquisitions and joint ventures projects
- Specific information from the field, in order to obtain capital and foreign markets penetration



over 500
successful SARIO
projects since
2002

AIM Investment Awards Dubai 2017



CEE & TURKEY REGION
Best Investment Promotion
Agency in 2016



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

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