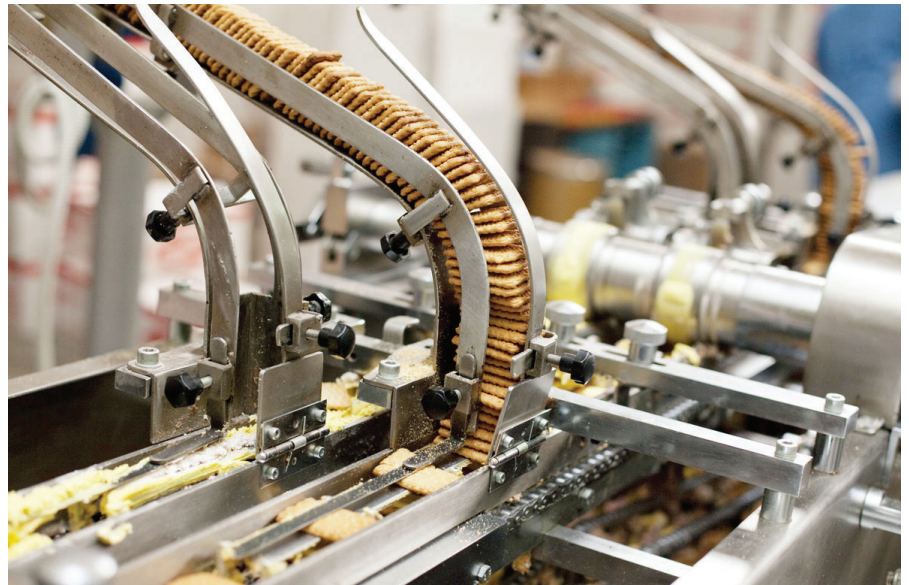


Food Processing Industry in **SLOVAKIA**



Food Processing Industry in Slovakia

The purpose of this publication is to present the opportunities that Slovakia has to offer to potential investors from the food processing industry. It includes facts and figures for all major subcategories of this industrial segment and serves as an introduction to why Slovakia should be a preferred location for your food processing business.



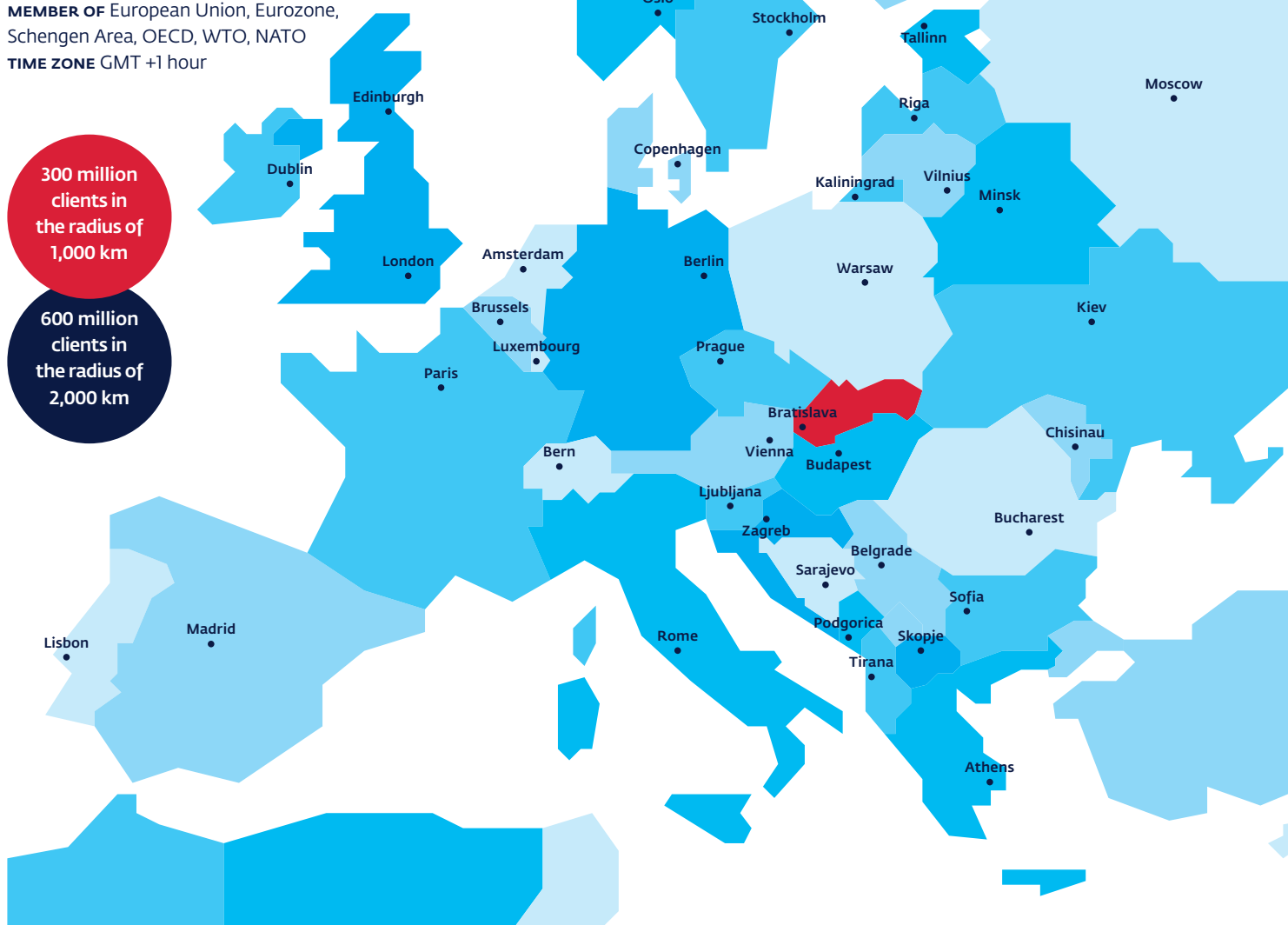
TOTAL AREA 49,035 km²

POPULATION 5.4 million

CAPITAL CITY Bratislava

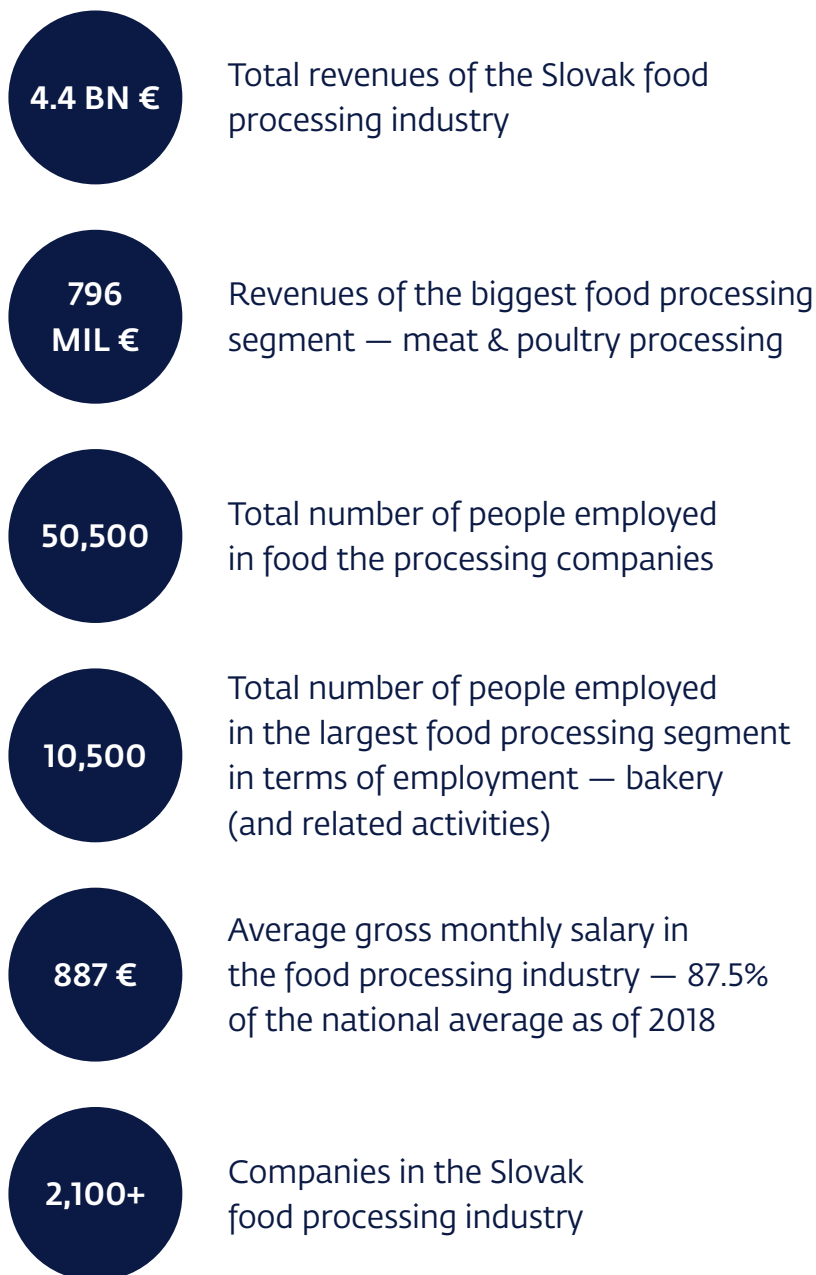
MEMBER OF European Union, Eurozone, Schengen Area, OECD, WTO, NATO

TIME ZONE GMT +1 hour



Key Figures of Slovak Food Processing Industry

In former Czechoslovakia, a self-sufficient food producing country, Slovakia served as an agricultural and food processing powerhouse. It was caused by a strong local agricultural sector. This offers a lot of potential, as some of these opportunities still remain undiscovered.



Source: Slovak Agriculture and Food Chamber (2019, data for 2018); Ministry of Agriculture and Rural Development of the Slovak Republic, Green Report 2018 (data for 2017)



Top 10 Reasons Why to Invest in Slovakia

- 1 Strategic location in Europe with great export potential
- 2 Political & economic stability
- 3 Euro currency as one of the few in CEE
- 4 The highest labour productivity in the CEE region
- 5 Cost-effective, skilled & loyal labour force — average salary in the food processing industry is 87.5% of the national average
- 6 Strong local agricultural sector and supplier network
- 7 Steadily growing R&D potential of the Slovak food processing industry and academia
- 8 Attractive investment incentives for industry, including food-processing
- 9 Large selection of industrial land
- 10 Well-developed transport and utilities infrastructure

List of Top 50 Food Processing Companies in Slovakia (by revenue)

COMPANY	LOCATION	SEGMENT	REVENUE 2018 (THS. EUR)	NUMBER OF EMPLOYEES
• Rajo	Bratislava	dairy	176,864	393
• Nestlé Slovensko	Prievidza	other	173,501	736
• Mecom Group	Humenné	meat	134,389	863
• Plzeňský Prazdroj Slovensko	Veľký Šariš	brewing	131,539	648
• Heineken Slovensko	Hurbanovo	brewing	124,353	436
• Tate & Lyle Boleraz [*]	Boleráz	starch/sugar	117,154	221
• I.D.C. Holding	Bratislava	confectionery	114,714	1,068
• Poľnoservis	Leopoldov	other	95,421	31
• Hyza	Topoľčany	poultry	95,139	867
• Tauris	Rímovská Sobota	meat	91,440	679
• Syrárneň Bel Slovensko	Michalovce	dairy	89,673	510
• Kofola	Rajecká Lesná	soft drinks	82,159	311
• Cloetta Slovakia	Levice	confectionery	79,518	671
• Považský cukor	Trenčianska Teplá	sugar	78,771	191
• Tatranská mliekareň	Kežmarok	dairy	71,795	215
• Agro Tami	Nitra	dairy	70,804	205
• Hydina Slovensko	Lieskovec	poultry	65,129	279
• EU Poultry	Horné Saliby	poultry	64,435	22
• Savencia Fromage & Dairy SK	Liptovský Mikuláš	dairy	58,881	241
• VVISS	Maďunice	other	58,333	87
• Penam Slovakia	Nitra	baking	57,519	726
• Slovenské cukrovary	Sereď	sugar	51,220	185
• JAV – AKC	Vičany	other	45,275	219
• Podtatranská hydina	Kežmarok	poultry	41,266	106
• Slovenské pramene a žriedla	Dubové	soft drinks	38,644	314
• Heineken Slovensko Sladovne	Hurbanovo	brewing	37,646	47
• Zvolenská mliekareň	Zvolen	dairy	35,734	115
• Ryba Košice	Košice	meat	34,358	171
• Pierre Baguette	Sládkovičovo	other	33,346	326
• HO&PE Family	Poprad/Matejovce	other	32,608	231
• Koliba	Hriňová	dairy	30,181	101
• Istermeat	Dunajská Streda	meat	29,802	132
• St. Nicolaus	Liptovský Mikuláš	distilling	29,147	143
• P.G. Trade	Komárno	other	28,710	132
• Milsy	Bánovce n. Bebravou	dairy	28,454	289
• Mlyn Pohronský Ruskov	Pohronský Ruskov	other	28,320	146
• Baliarne obchodu	Poprad	other	27,372	223
• Nourus – Mäso	Tešedíkovo	meat	26,766	50
• Hubert J.E.	Sereď	wine	26,744	93
• Mondelez SR Production	Bratislava	confectionery	26,484	405
• Mlyn Kolárovo	Kolárovo	other	26,424	70
• Minit Slovakia	Dunajská Streda	baking	26,073	319
• Mäspoma	Zvolen	other	25,936	173
• Dr. Oetker	Bratislava	starch/sugar	23,335	109
• Frost	Prešov	other	21,327	34
• Lycos – Trnavské sladovne	Trnava	brewing	21,252	34
• Vinárske závody Topoľčianky	Topoľčianky	wine	21,033	120
• McCarter	Bratislava	other	20,349	133
• Svaman	Myjava	meat	19,293	97
• Levické mliekarne	Levice	dairy	18,817	163

The present list of companies is subject to change and does not represent an exhaustive overview.

Source: Finstat, 2019 (data as of 2018), official websites of the companies, 2019

Note: Other means seasoning, ready-meals, flour, etc.

*Data for 2017

Notable Slovak Companies



I.D.C. HOLDING

The biggest Slovak entity in the food processing sector. It covers mainly confectionery & biscuit products, selling annually 38,000 tons of products



ST. NICOLAUS

Slovak leader in spirits industry with dozens of products (mostly vodka), which are exported to the whole world



KARLOFF

A family-owned company — one of the most valuable premium alcohol producers in Slovakia



TATRAKON

Major canning industry player producing, among other things, the best-selling spaghetti sauce in Slovakia for 20 years

Top Players of the Slovak Food Processing Industry



Rajo

One of the biggest companies in the Slovak dairy industry.
Part of the Meggle AG Group.

Revenue: 177 mil. EUR

Employees: 393

Nestlé

The company has taken over an existing Slovak brand and set up a high-capacity production of bouillon cubes, dehydrated soups, and flavoring food mixtures.

Revenue: 174 mil. EUR

Employees: 736



Heineken Slovensko

A leader in the Slovak beer market for almost 20 years with a stable market share of approximately 42%.

Revenue: 124 mil. EUR*

Employees: 436*

Tate & Lyle

Food ingredients company. In Slovakia, the company produces glucose syrups, isoglucose and other ingredients produced from corn processing.

Revenue: 117 mil. EUR

Employees: 221



Hyza

A modern meat processing company with a daily processing capacity of 100,000 chickens. Part of the Agrofert Group.

Revenue: 95 mil. EUR

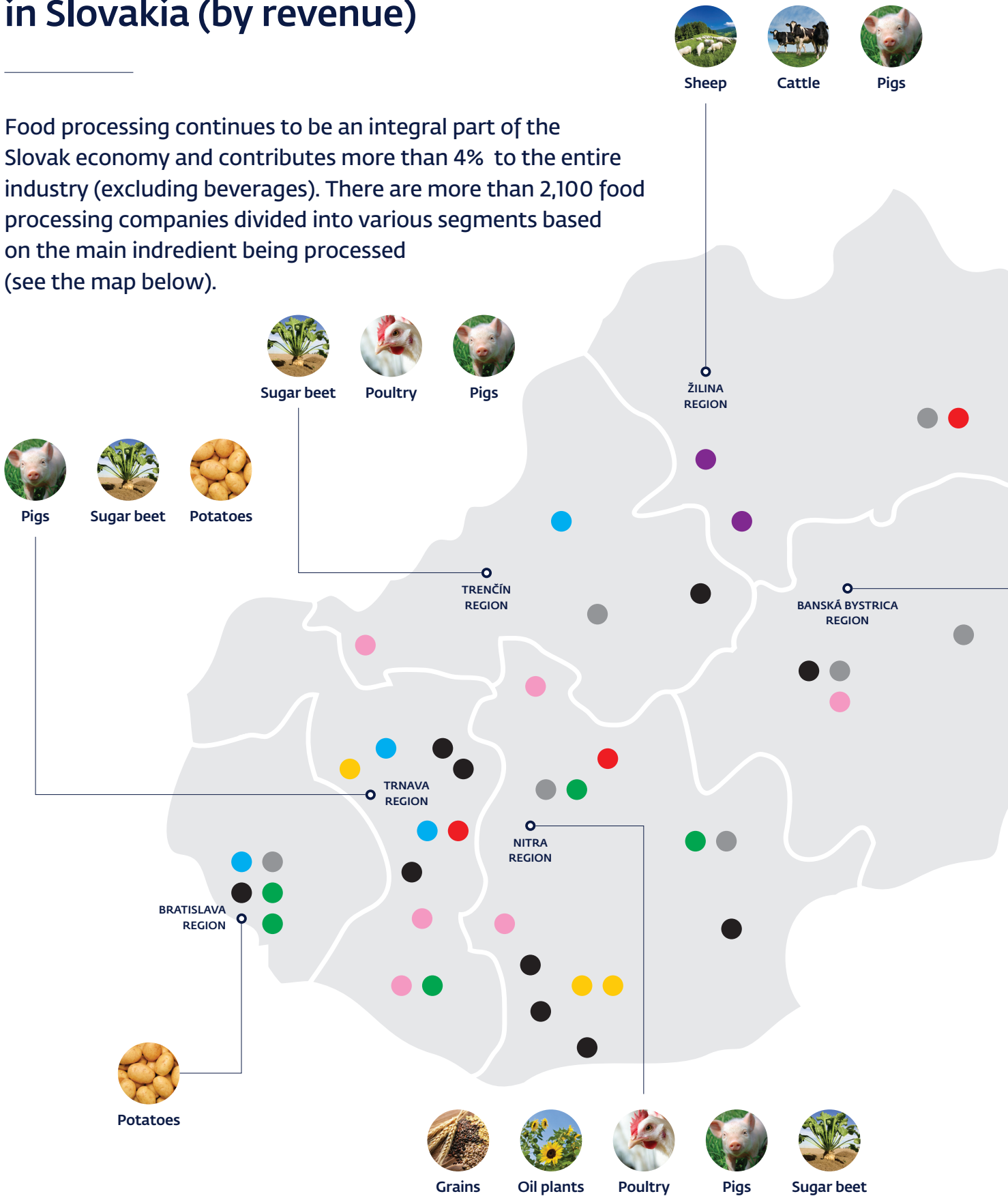
Employees: 867

Source: Official websites of the companies, Finstat 2019

*Note: counted for Heineken Slovensko & Heineken Slovensko Sladovne

Top 50 Food Processing Companies in Slovakia (by revenue)

Food processing continues to be an integral part of the Slovak economy and contributes more than 4% to the entire industry (excluding beverages). There are more than 2,100 food processing companies divided into various segments based on the main ingredient being processed (see the map below).





Source: Statistical Office of the Slovak Republic; Finstat, 2019

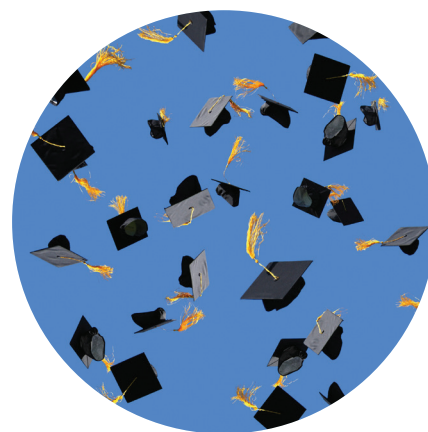
Our Cost-Effective & Skilled Labour Force

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

AVERAGE REGIONAL GROSS MONTHLY SALARY (IN EUR)

INDUSTRY	POSITION	BRATISLAVA	WEST	CENTRAL	EAST
DAIRY	Assistant workers	900	810	770	770
	Machine operators	1,100	990	940	940
	Technologists	1,300	1,170	1,100	1,100
	Production supervisor	1,250	1,120	1,060	1,060
MEAT	Assistant workers	900	810	770	770
	Machine operators	1,000	900	850	850
	Technologists	1,200	1,100	1,020	1,020
	Production supervisor	1,300	1,170	1,100	1,100
BAKING	Assistant workers	850	770	720	720
	Machine operators	950	850	800	800
	Technologists	1,200	1,100	1,020	1,020
	Production supervisor	1,400	1,260	1,200	1,200
DRINKS & BEVERAGES	Assistant workers	900	810	770	770
	Machine operators	1,100	990	940	940
	Technologists	1,250	1,120	1,060	1,060
	Production supervisor	1,400	1,260	1,200	1,200

Note: * Meat industry includes poultry processing, canning and fat processing. Baking industry includes milling, sugar and confectionary production. Drinks & beverages category involves distilled spirits production, wine production, brewing & soft drinks production. ** Employer's contributions (35,2%) are not included.
Source: Luger Slovakia, 2019



7
technical universities

7
food production oriented faculties

8,810
university students in food production fields

2,857
university graduates in food production fields

120+
vocational secondary schools related to food processing

9,978
students in food production fields

2,488
graduates in food production fields

Food Production Technology, Innovation and R&D in Slovakia



Given its level of automation, the modern food processing industry requires both strong research orientation as well as affiliation towards natural sciences.

R&D Pioneers in the Food Processing Sector

The AgroBioTech Research Centre (ABT RC)

Established by the Slovak University of Agriculture in 2015, this specialized facility performs concentrated innovative research in the relevant fields aimed at conducting new methods and procedures in applied research, with the express goal of transferring its results into practice. ABT RC's research is consistent with the core needs of the priorities of agrobiological, the processing technology of agricultural products and the agri-food industry, biotechnology, genetic technologies, agroecology, bioenergetics, and bioeconomy.

Faculty of Chemical & Food Technology at The Slovak University of Technology in Bratislava (FCFT)

FCFT is one of the best performing faculties in Slovakia. The Faculty participates in applied research for industry and develops almost 100 cooperation projects with many producers and companies. What allows for a swift application of research results to production in the fields such as biologically active substances, functional materials and material technologies, or functional and safe foods.

The National Agricultural & Food Centre

The National Agricultural & Food Centre focuses on comprehensive research in the fields of the protection of natural resources, especially soil and water resources for crop production and animal husbandry, quality, safety, innovation and competitiveness of food and non-food products of agricultural origin.

140

Number
of R&D projects
carried out by National
Agricultural & Food
Centre in 2018



Food Processing Equipment Manufacturers Based in Slovakia

MAREL

Marel is the leading global provider of advanced processing systems and services to the poultry, meat and fish industries.

PSS SVIDNÍK

Notable Slovak player in the field of meat processing machines, brewery equipment, custom manufacturing as well as pressure and non-pressure vessels.

LEKOS

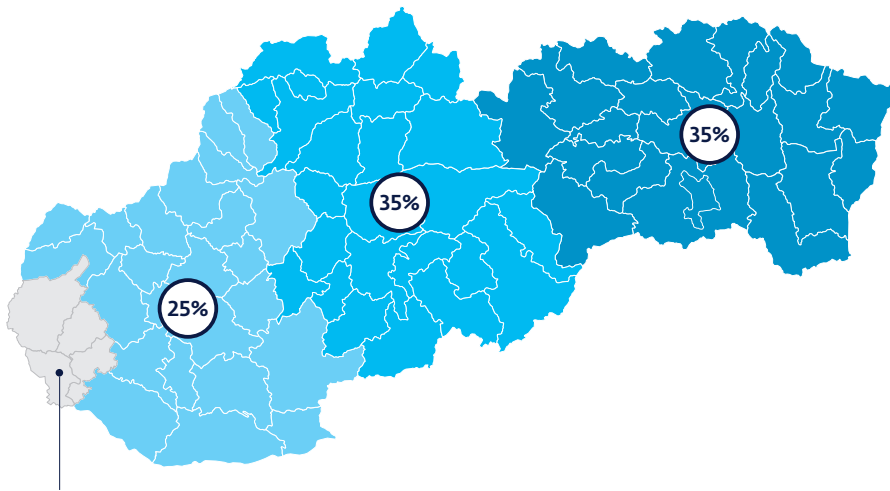
Family company that designs and manufactures special machines and equipment for food industry, focusing especially on confectionery and baked goods.

Source: Faculty of Chemical & Food Technology STU in Bratislava; Slovak University of Agriculture in Nitra; NAFC Annual Activity Report 2019

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

To find out more about the Slovak investment environment visit our website sario.sk



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2002

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