

Chemical & Plastics Industry in **SLOVAKIA**



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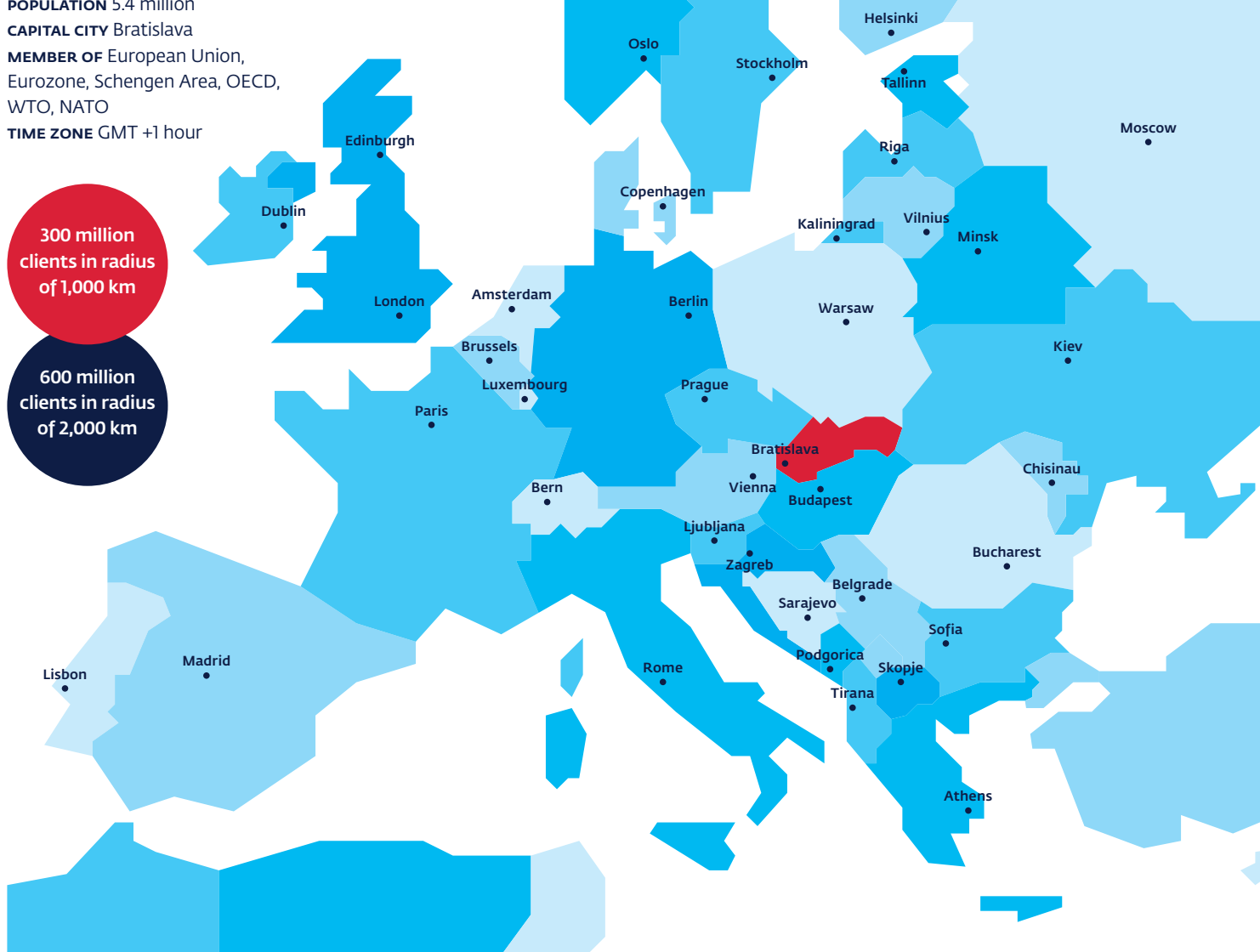
The purpose of this publication is to present the opportunities for the potential investors from the chemical industry in Slovakia. Two of the strongest economic sectors – automotive and electronics industry – build a lot of opportunities also for the suppliers of plastic components. The publication 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

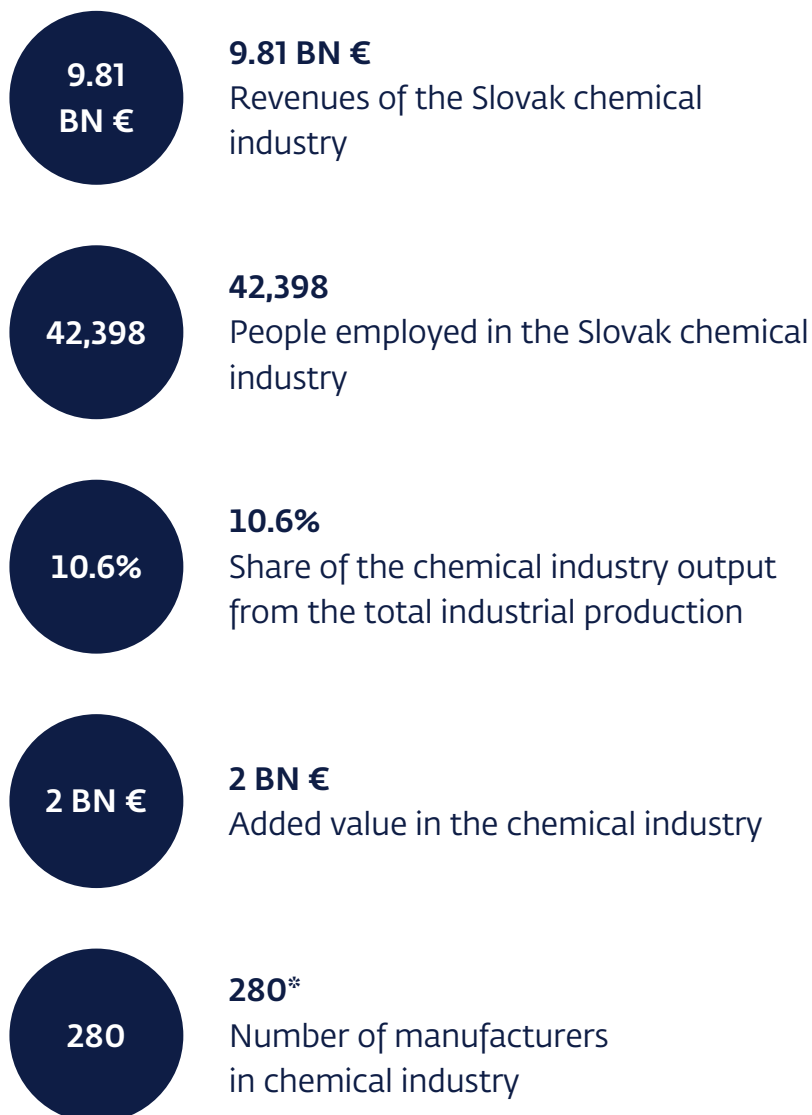
300 million
clients in radius
of 1,000 km

600 million
clients in radius
of 2,000 km



Chemical & Plastics Industry in Slovakia — Key Facts

Slovakia has a strong tradition in all major segments of the chemical industry, including petroleum refining, production of chemicals, 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 chemical & plastics industry.



*Only companies with more than 20 employees included.
Source: Statistical office of the Slovak republic, Yearbook of Industry of the SR 2020



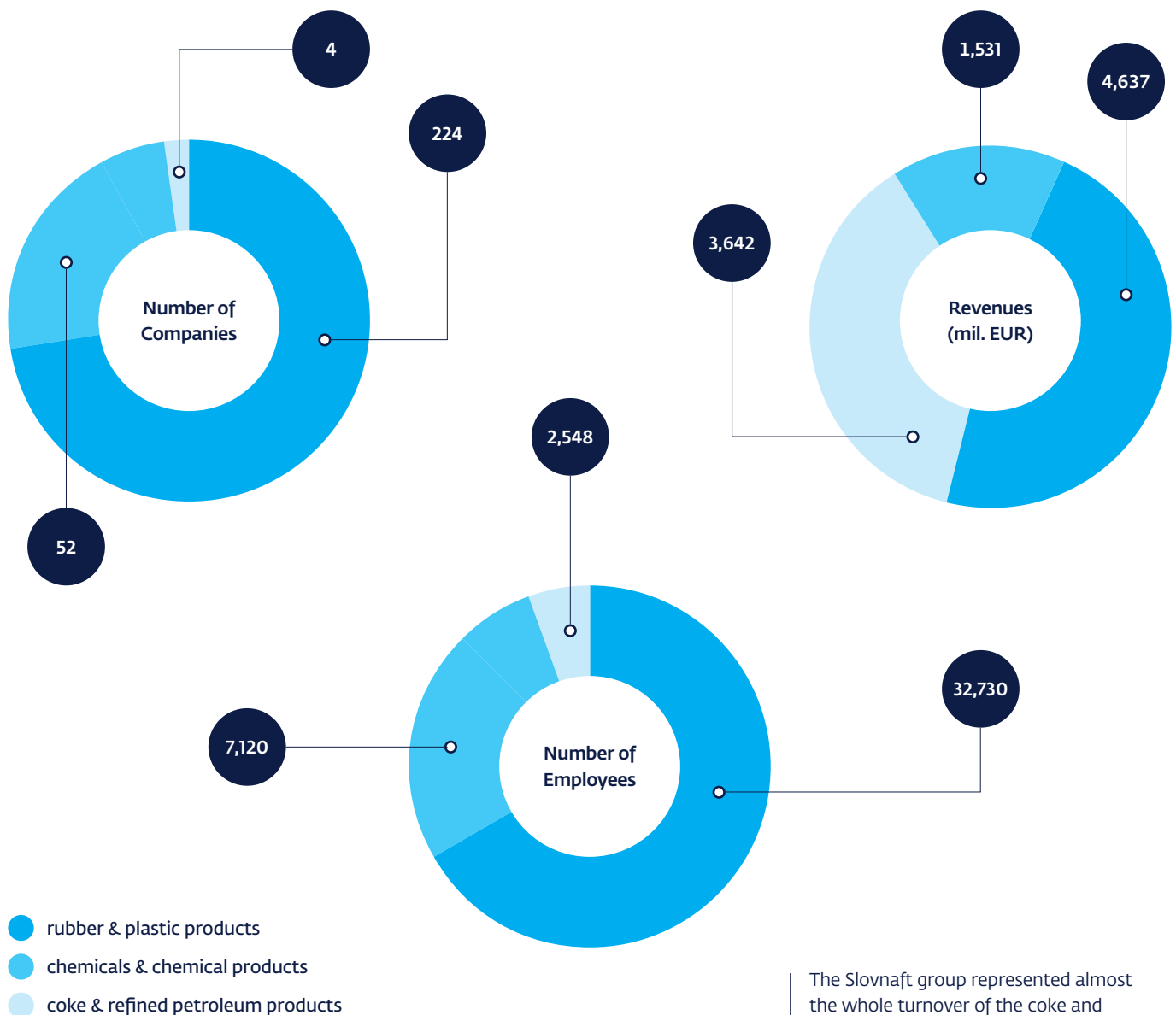
Top 10 Reasons Why to Invest in Slovakia

- 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
- 10
Strong local production capacities in need of plastic components

Chemical & 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 2019, revenues generated by all companies in this sector amounted to EUR 9.81 billion. At the same time Slovak chemical industry equaled output of 10.6% (EUR 9.07 billion) from the total industrial production (EUR 85.20 billion). The sector employs over 42,000 people in approximately 280 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 2020

Skilled & Cost-Effective Labour Force



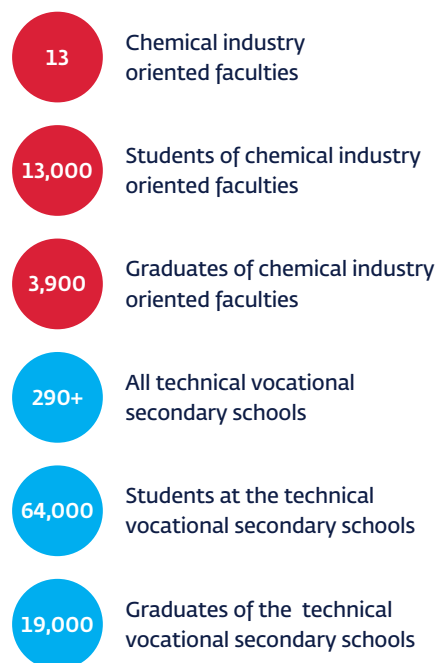
Slovakia is praised as one of the most productive countries in Europe. Combined with cost-effectiveness and high education level, Slovak labour force excels in the three areas that often concern investors – productivity, qualification and labour costs.

More than 1,000 companies and 8,400 students joined dual education in 2020.

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.

Chemical & Plastics Related Education in Slovakia



● Universities
● Secondary Schools

R&D Faculty of Chemical & Food Technology

Slovak Technical University
 In 2020 the faculty has participated in 206 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	KOŠICE	PREŠOV
Production Operative	Min.	900	850	900	850	850	850	850	800
	Max.	1,300	1,250	1,200	1,100	1,100	1,100	1,200	1,100
Injection Molding Setter	Min.	1,100	900	900	1,200	1,200	900	900	850
	Max.	1,500	1,300	1,400	1,400	1,400	1,300	1,300	1,200
Quality Technician	Min.	1,200	1,200	1,200	1,100	1,000	1,000	1,100	1,000
	Max.	1,600	1,500	1,500	1,500	1,400	1,300	1,300	1,200
Production Supervisor	Min.	1,500	1,400	1,400	1,400	1,400	1,300	1,400	1,300
	Max.	1,900	1,700	1,800	1,700	1,700	1,600	1,600	1,500
Chemical Engineer	Min.	1,400	1,300	1,300	1,300	1,300	1,100	1,200	1,100
	Max.	1,800	1,600	1,700	1,600	1,700	1,500	1,500	1,400

Source: Institute of Education Information & Prognosis of Slovakia for the Academic Year 2019/2020; Faculty of chemical and food technology STU 2020; Grafton Slovakia, 2021

Examples of Companies from the Slovak Chemical Industry



Slovnaft

4th biggest company by turnover and the only oil refinery in Slovakia. It also houses an R&D center employing more than 100 engineers.
Revenue: 2,700,445,000 EUR
Employees: 2,290

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: 350,371,000 EUR
Employees: 2,000



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: 902,195,000 EUR (passenger cars tires),
514,000,000 EUR (truck tires)
Employees: 3,200 (passenger cars tires), 1,600 (truck tires)

GSK Consumer Healthcare Levice

The company, as a part of GlaxoSmithKline, has set up a high capacity production of consumer cosmetic products Slovakia.
Revenue: 156,095,000 EUR
Employees: 500



Chemosvit Folie

The company with a very broad portfolio of chemical products. One of the biggest employers in Eastern Slovakia.
Revenue: 86,911,000 EUR
Employees: 900

Chemical Industry Supporting Platform



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

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

ZCHFP 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

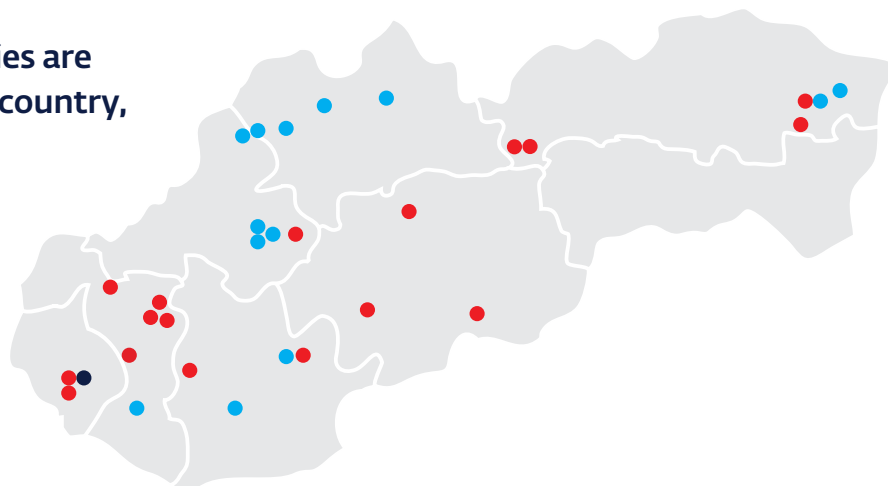
Research activities are focused on:

- 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 2021

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 Slovakia.



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

COMPANY	LOCATION	SEGMENT	PRODUCT	REVENUE 2020 (THS. EUR)	AVERAGE NUMBER OF EMPLOYEES
Slovnaft	Bratislava	coke & refined petroleum	motor fuels, fuel oils, petrochemical products	2,700,445	2,290
Continental Matador Rubber	Púchov	rubber & plastic	passenger car tires	902,195	3,191
Continental Matador Truck Tires	Púchov	rubber & plastic	truck tires	514,692	1,568
Duslo	Šaľa	chemicals & chemical products	fertilizers	350,371	1,989
GSK Consumer Healthcare Levice	Levice	chemicals & chemical products	parfumes & cosmetic products	156,095	510
Enviral	Leopoldov	chemicals & chemical products	bioethanol	139,556	200
Meroco	Leopoldov	chemicals & chemical products	biodiesel	114,563	52
BASF Slovensko	Bratislava	chemicals & chemical products	chemicals production	105,826	179
ContiTech Vibration Control Slovakia	Dolné Vestenice	rubber & plastic	vibration reduction components	98,485	665
Poľnoservis	Leopoldov	chemicals & chemical products	rapeseed oil	98,399	33
Chemosvit folie	Svit	chemicals & chemical products	packaging films	86,911	804
Fortischem	Nováky	chemicals & chemical products	electrolysis products, PVC products	80,232	617
D.P. Ekoplast	Snina	rubber & plastic	plastic foils & hoses	62,075	49
SaarGummi Slovakia	Dolné Vestenice	rubber & plastic	car window and trunk seals	51,041	971
Dongil Rubber Belt Slovakia	Považská Bystrica	rubber & plastic	car window and trunk seals	50,281	658
Nexis Fibers	Humenné	chemicals & chemical products	industrial fibres	50,154	394
Nobel Automotive Slovakia	Dolný Kubín	rubber & plastic	fluid transfer systems	46,700	464
Audia Plastics	Voderady	chemicals & chemical products	synthetic resins	43,706	101
Polycasa Slovakia	Žilina	rubber & plastic	plexiglass production	37,023	103
Cikautxo SK	Nové Zámky	rubber & plastic	fluid transfer systems	36,987	430
Albéa Slovakia	Levice	rubber & plastic	laminated tubes	35,931	185
Terichem Tervakoski	Svit	chemicals & chemical products	packaging films	31,365	223
Oldratí Slovensko	Humenné	rubber & plastic	rubber seals for household appliances	30,079	319
Vegum	Dolné Vestenice	rubber & plastic	rubber products	28,708	631
Diakol Strážske	Strážske	chemicals & chemical products	glues for industrial production	28,517	34
Evonik Fermas	Slovenská Ľupča	chemicals & chemical products	aminoacids and other chemical products	27,688	221
Europack	Dunajská Streda	rubber & plastic	plastic packages	25,793	157
Slovaca, Sasol Slovakia	Bratislava	chemicals & chemical products	ethoxylates and other chemical products	24,139	53
Chemolak	Smolenice	chemicals & chemical products	decorative and industrial coatings	23,124	229
Agro CS Slovakia	Lučenec	chemicals & chemical products	pesticides and fertilizers	20,388	103

The present list of manufacturers of different chemical products is subject to change and it does not represent an exhaustive overview.
Source: FinStat 2021; webpages of respective companies

Examples of Plastic Components Suppliers

A separate part of the chemical industry handout is attributed to suppliers of the plastic components. Strong base of these companies is important for automotive & electronics industries, which are two of the strongest pillars of the Slovak economy. 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: 118,245,014 EUR

Employees: 580



Magna Slovteca

Canadian interior and exterior automotive plastic parts producer.

Revenue: 124,293,584 EUR

Employees: 510



Jasplastik

Three facilities for production of automotive & television plastic components.

Revenue: Jasplastik SK — 74,265,199 EUR,
Jasplastik Automotive — 27,691,370 EUR

Employees: Jasplastik SK — 630 (Galanta),
300 (Nitra), Jasplastik Automotive —
80 (Galanta)



Thermoplastik

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

Revenue: 26,291,259 EUR

Employees: 245

Služba Nitra

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

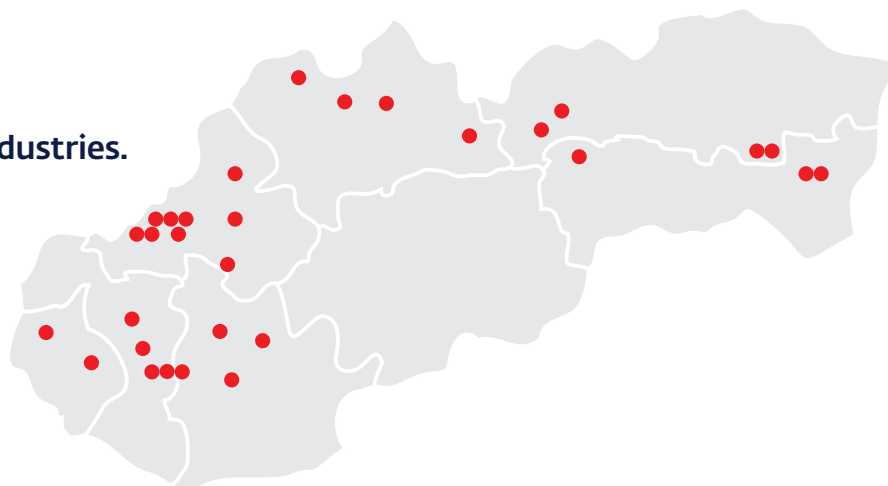
Revenue: 19,584,232 EUR

Employees: 215

Source: SARIO, Finstat (2021)

The Biggest Plastic Component Producers in Slovakia

Plastic parts production is mostly connected to Slovak automotive and electronics industries. These suppliers are located all around Slovakia, but with the higher concentration in the Western part of the country.



COMPANY	LOCATION	REVENUE 2020 (THS. EUR)	AVERAGE NUMBER OF EMPLOYEES
Plastic Omnium Auto Inergy Slovakia	Lozorno	124,568	271
Magna Slovteca	Nové Mesto nad Váhom	124,293	514
Seoyon E-HWA Automotive Slovakia	Považská Bystrica	118,245	580
Jasplastik SK	Matúškovo	74,265	627+300
SMRC Automotive Solutions Slovakia	Nitra	62,607	388
Bourbon AP Nitra	Čab	55,204	515
Bang Joo Electronics Slovakia	Šurany	45,525	133
Reutter SK	Myjava	43,366	469
APIS Plastic Slovakia	Dubnica nad Váhom	35,988	318
Bourbon AP Dolný Kubín	Dolný Kubín	33,333	458
Nanogate Slovakia	Vráble	32,086	301
Eurostyle Systems Bánovce	Bánovce nad Bebravou	29,639	174
Prima Poprad	Poprad - Matejovce	27,797	214
Jasplastik Automotive	Matúškovo	27,691	78
Thermoplastik	Poriadie	26,291	234
SMP Automotive Solutions Slovakia	Matúškovo	20,701*	112
COBA Automotive	Terchová	18,799	276
Fremach Trnava	Trnava	14,392	224
JIT Plastic	Nové Mesto nad Váhom	13,724	97
Esox - Plast	Liptovský Ján	13,204	83
Uniplast MH	Vranov nad Topľou	12,407*	178
Polytec Composites Slovakia	Sládkovičovo	13,002	110
LPH Vranov nad Topľou	Vranov nad Topľou	10,593	232
Aspel Slovakia	Kežmarok	9,717	113
Tecoplast PM Slovakia	Myjava	8,145	120
CRW Slovakia	Spišská Nová Ves	5,288	107
HDF	Čadca	5,210	118
MI Plastik Plus	Michalovce	4,696	55
JMP Plast	Michalovce	4,335	86
Stavoplast	Nové Mesto nad Váhom	2,891	44

*Data for 2019 (last available).

The present list of manufacturers of different chemical products is subject to change and it does not represent an exhaustive overview.

Source: FinStat 2021; webpages of the respective companies

Investment Incentives

The primary goal 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

- additional 10% for medium-sized enterprises
- additional 20% for small and micro-sized enterprises
- additional 10% for investment projects carried out in regions included in Just Transition Plan

INDUSTRIAL PRODUCTION

Minimum conditions (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:

- 3 mil. EUR and 60% share of new technology
- 1.5 mil. EUR and 50% share of new technology
- 0.75 mil. EUR and 40% share of new technology
- 0.1 mil. EUR and 30% share of new technology
- Expansion includes minimum increase in the production volume or turnover by at least 15%

Direct forms of aid are also available, different conditions apply.

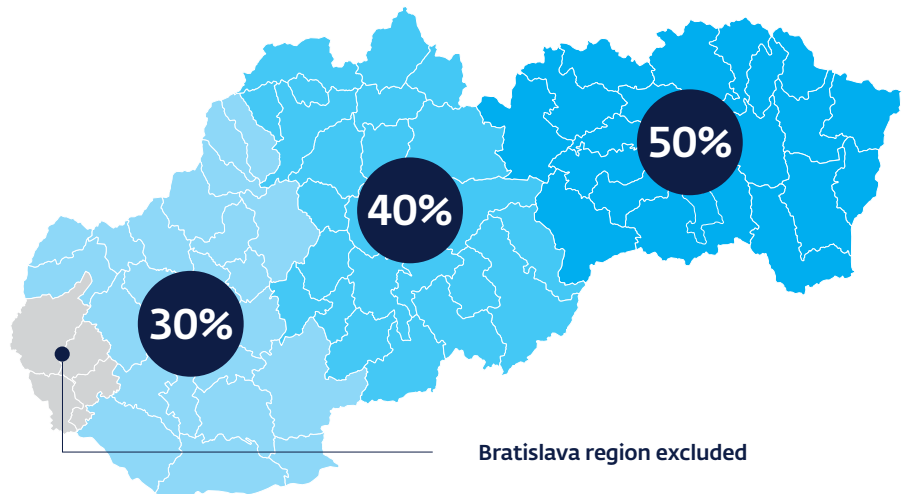
TECHNOLOGY CENTERS

- Minimum investment of 100 ths. EUR on fixed assets in all regions
- Minimum of 10 newly created jobs
- Minimum 1.7 fold of average salary in the district paid to new employees

SHARED SERVICES CENTERS

- Minimum of 25 newly created jobs
- Min 1.5 fold of average salary in the district paid to new employees

*In case of Technology centers or Shared Services Centers, conditions differ for projects from 'Priority areas'. Minimum conditions for SMEs are in principle lowered by half. 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

Positive regional contribution of a new investment projects shall be concluded based on these categories — investment location, number of jobs created, average gross monthly salary of new employees, expected added value and possible qualification of a project respecting definition of a priority area.





AIM INVESTMENT AWARDS DUBAI 2017

CEE & TURKEY REGION
Best Investment Promotion Agency in 2016



SARIO Profile

Slovak Investment & 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 Slovak Ministry of Economy.

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
- on-line 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 DIVERSIFICATION ACTIVITIES

- aimed at supporting diversification of the Slovak economy towards high-tech areas with significant growth potential
- systematic building of a knowledge base about these sectors with an aim of increasing their visibility and attractiveness for prospective investors
- focused mainly on such sectors as space, aviation, smart & green mobility, medtech, greentech, gaming, smart cities, data centers, and the hydrogen economy

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

SARIO | Slovak Investment and Trade Development Agency

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