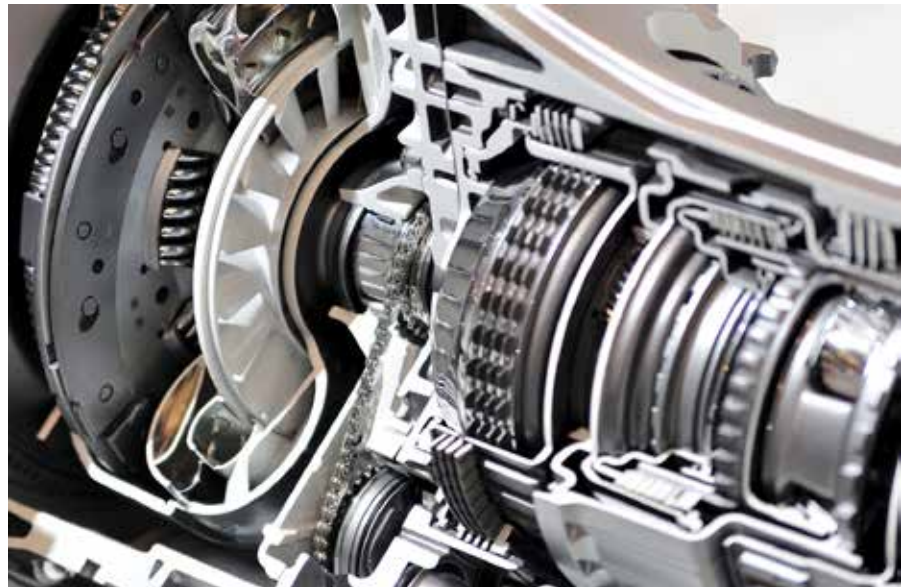


Machinery & Equipment Industry in **SLOVAKIA**



Machinery & Equipment Industry in Slovakia

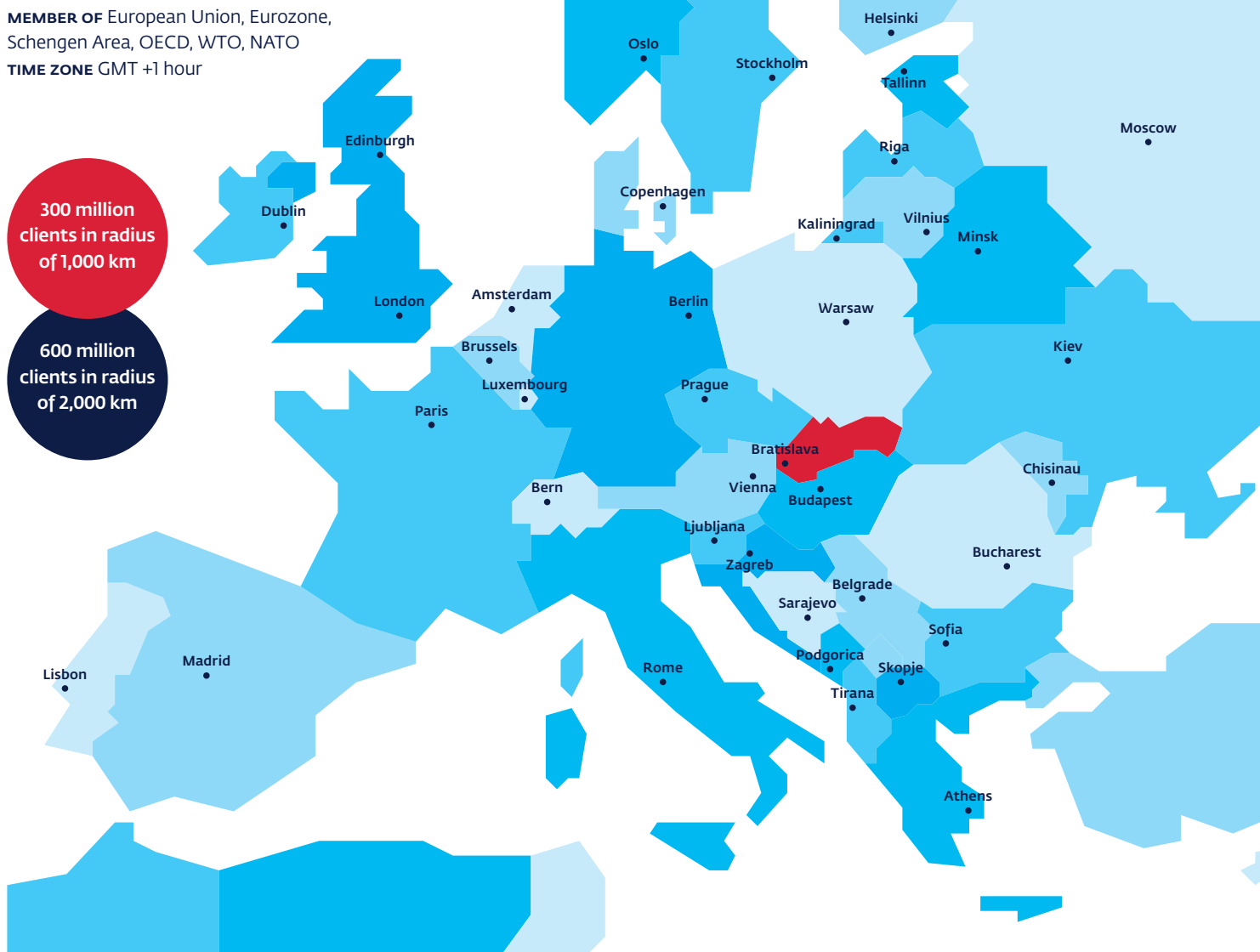
This publication is designed as an introduction to the Machinery & Equipment Industry (MEI) in Slovakia — an engine of the Slovak industrial production. Given its strong overlap, the sector covers mechanical engineering, defence industry, aerospace industry, production of special vehicles and partially covers the automotive industry as well.



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



The Machinery & Equipment Industry in Slovakia — Key Facts

The sector of MEI in Slovakia represents one of the key pillars of the Slovak economy. It has a strong historical background and maintains its stable position in the Slovak industry. It is a sector of crucial importance, not only because of its contribution to the GDP and foreign trade balance, but also for its potential to create jobs and boost the overall employment.

38%

Share of jobs on total employment in Industry. Total employment in the sector exceeds 164 thousand jobs

924

Companies active in the MEI

40 BN €

Gross output generated by the MEI

47%

Share of the MEI on the country's industrial production

1.3 BN €

Total profit generated by the MEI

6.1 BN €

Added value in the MEI



Top 10 Reasons to Invest in Slovakia

1

Strategic location in Europe with great export potential

2

Political & economic stability

3

Euro currency as one of a few in the CEE

4

CEE leader in labour productivity

5

Cost-effective, skilled and educated labour force

6

Excellent multilingual skills

7

One of the most open economies in the world

8

Great potential for R&D and innovation

9

Developed & steadily growing infrastructure network

10

Attractive investment incentives

Source: Statistical Office of the Slovak Republic, Yearbook of Industry of the SR 2019
*includes companies with over 20 employees

Origin Story of the Machinery & Equipment Industry in Slovakia

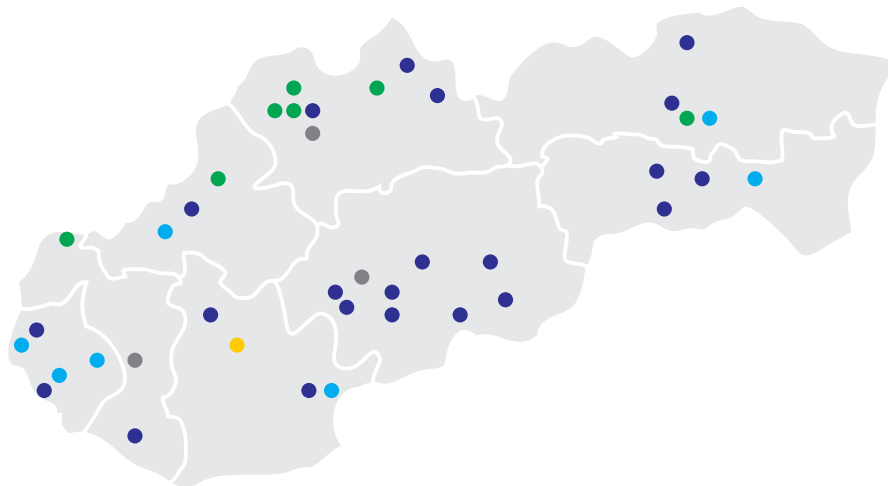
Slovakia has a long tradition in the MEI. Through the years, especially the 90s, the core activities transformed and adapted to the changing market and economy. The traditional engineering products created a strong skill-driven environment and still yet an important share on the entire Slovak manufacturing sector.



Before the year 1989, heavy and specialized engineering belonged to the key sectors of Slovak economy. Thanks to the successful transition into the market-oriented economy, massive development of the automotive industry and entry of strategic foreign investors, the sector has transformed into a modern and internationally recognized segment.

EXAMPLES OF HOLDINGS FROM THE PAST

Industrial companies established before 1989 represented significant holdings, carrying out their own R&D and employing thousands of people throughout various locations in Slovakia. After 1989, many plants were closed or heavily downsized. However, the infrastructure of vocational schools and overall manufacturing heritage these companies developed, still have significant impact on the industrial landscape of the region.

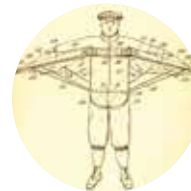


NETWORK OF COMPANIES AT THE PEAK OF THEIR EXISTENCE

- ZTS (Závody ťažkého strojárstva) — military equipment (since 1937)
- ZVL (Závody valivých ložísk) — bearings (since 1968)
- Strojstav — construction machinery (since 1951)
- ŽOS (Železničné opravovne a strojárne) — reparation of motor locomotives (since 1952)

Famous Inventions Made in Slovakia

Slovak scientists stand behind number of great inventions



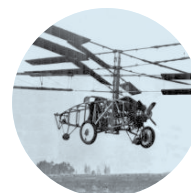
Parachute
Štefan Banič



Water Pump Machine used in Mining
Jozef Karol Hell



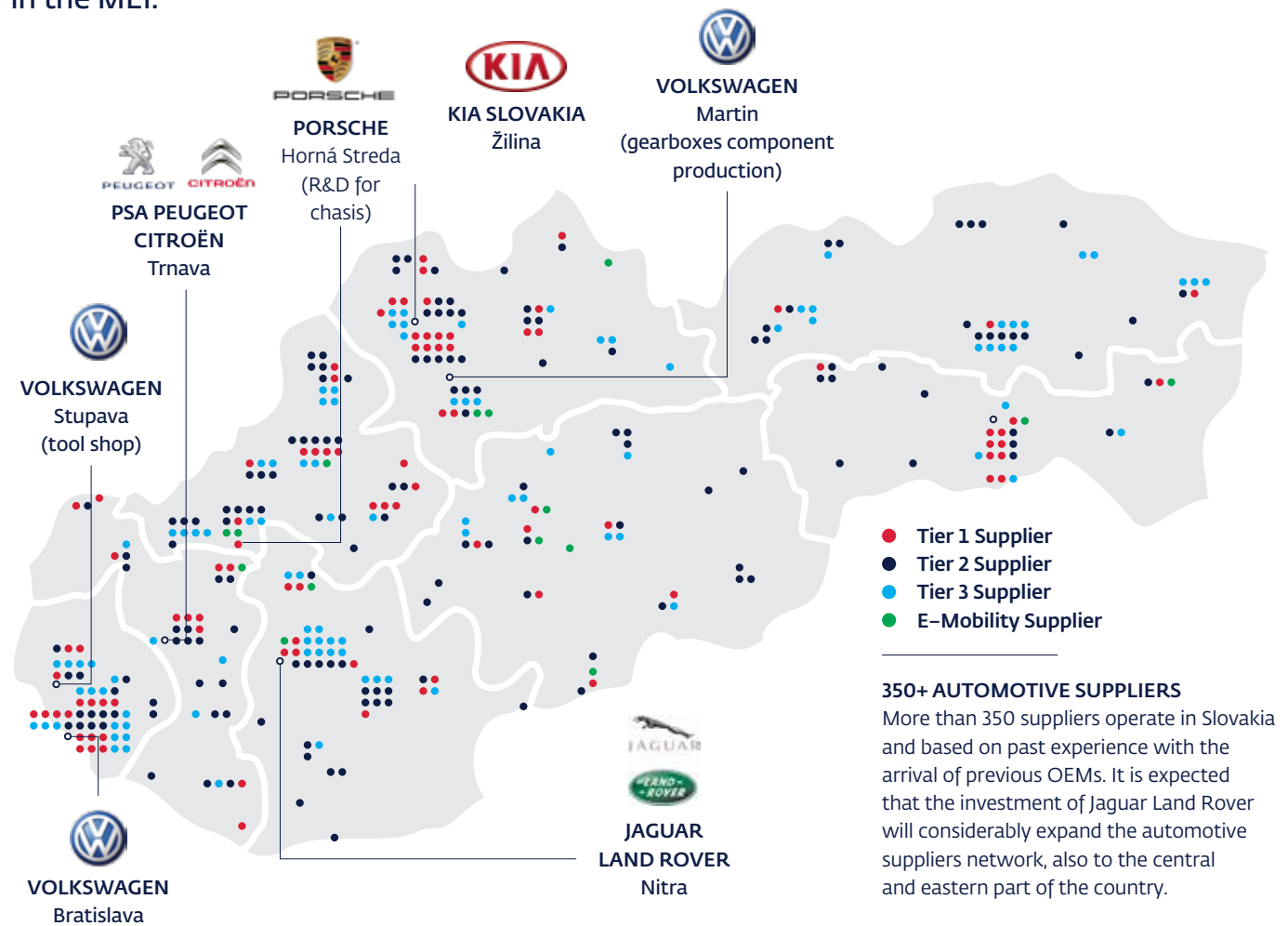
Steam & Gas Turbine
Aurel Stodola



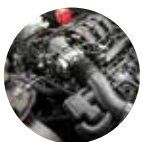
Helicopter
Ján Bahýľ

Automotive Industry — The Strongest Branch of the MEI

The MEI in Slovakia is closely linked to the automotive industry, which is the highest accelerator of investments in Slovakia. Increasing volume of investments into the automotive industry provides significant opportunities for manufacturers in the MEI.



EXAMPLES OF AUTOMOTIVE ENGINEERING COMPONENTS & MAJOR MANUFACTURERS



Engines & Engine Parts
Mobis, Pankl, Miba Sinter, Nematik, Magna PT



Door Systems & Modules
Brose, PHA Slovakia, Plastic Omnium, Lear U-Shin, Faurecia



Air-conditioning
Hanon Systems, Mahle Behr, Nissens, Daejung



Bearings
Schaeffler, PSL, Omnia KLF, KINEX, ZVL Auto, Thyssenkrupp, MinebeaMitsumi



Brake Systems
Continental, Akebono, FTE Automotive, TI-Hanil, Mobis

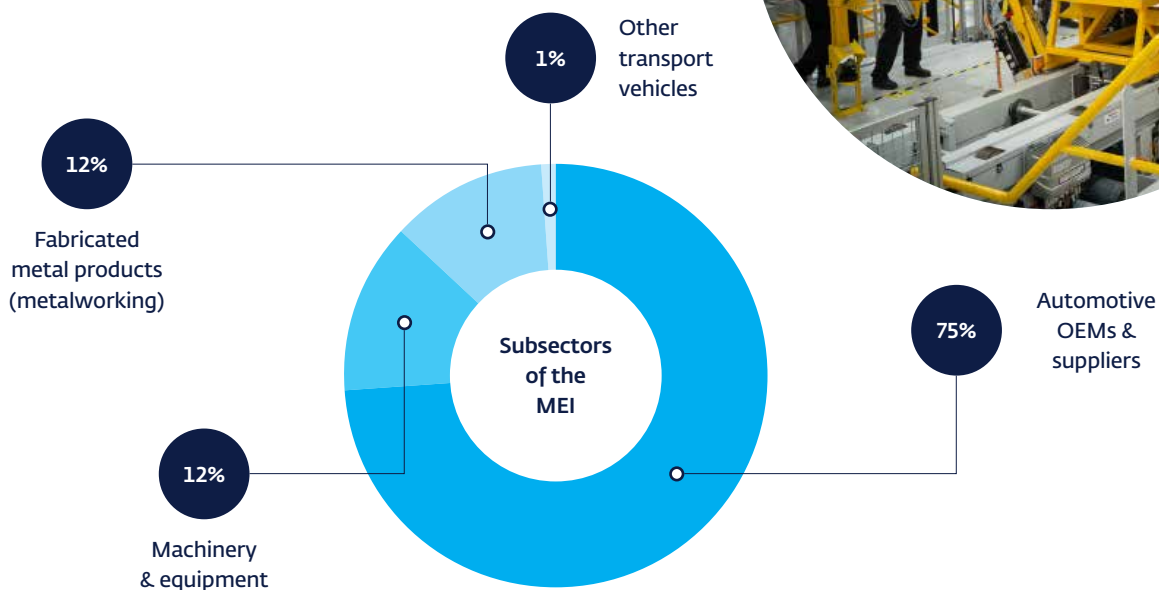


Body & Body Stampings
ArcelorMittal Convarri SSC, Benteler, Farguell, Matador, Gestamp

Source: SARIO, Online Matchmaking Fair For Automotive Slovakia (OKBA, 2019), FinStat (2019)

Different Subsectors of MEI

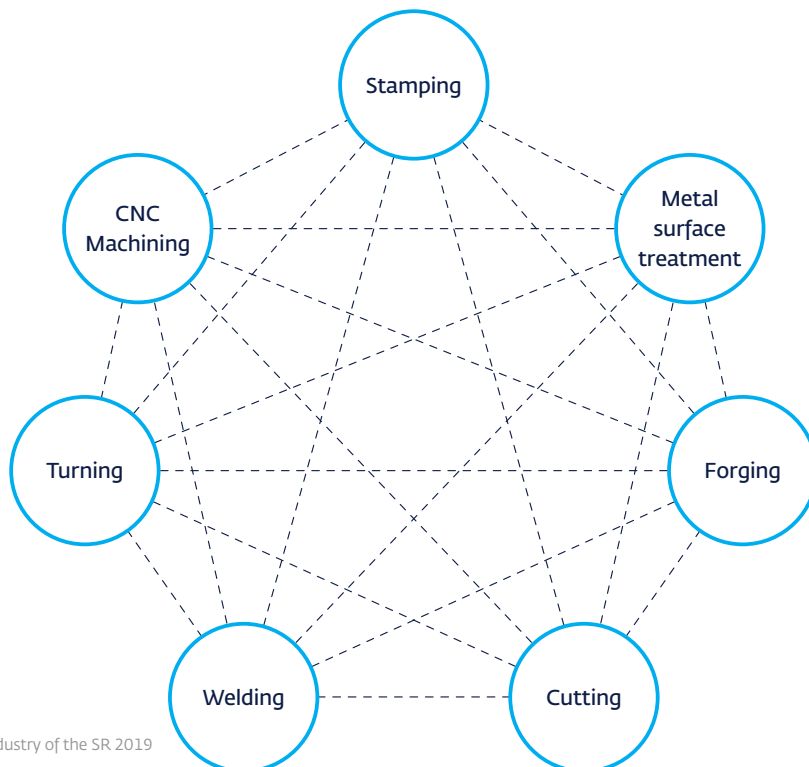
The MEI in Slovakia is not only connected to the automotive industry. There is also a variety of other industrial segments in demand of production capacities.



Metalworking Industry

Along with dynamic car production, metalworking is on the rise as well — representing one of the most significant economic sectors. In Slovakia, companies are active in a wide range of metalworking activities, usually performing combination of various processes.

- 533** Companies active in metalworking industry*
- 38,580** Estimate of all workers employed in metalworking industry*
- 5.5%** Share of the metalworking industry on the country's industrial production



Source: Statistical Office of the Slovak Republic, Yearbook of Industry of the SR 2019
 Note: Examples of the most common metalworking operations.
 *companies over 20 employees

Examples of Products Manufactured in Different Subsectors of the MEI in Slovakia



DEFENSE SYSTEMS

Way Industries, MSM Martin, Konštrukta Defence, Vývoj Martin, ZŤS Špeciál, Kerametal



AEROPLANES

Aerospool, Aeropro, Tomark Aero, Shark.Aero



BUSES

Pulsar Expo, Trolíga Bus, Rošero



HYDRAULIC SYSTEMS & COMPRESSORS

Embraco, Nidec, Danfoss Power Solutions



FOOD PROCESSING MACHINES

TOMRA Sorting, IMC, Marel, Rademaker, PSS Svidník, Milking



METAL FORMING MACHINERY

MicroStep, Trens, LVD S3, Kabelschlepp — Systemtechnik, Konštrukta, HF NajUS, Haco, Lutz Precision



PRODUCTION LINES EQUIPMENT

Manz, Porsche Werkzeugbau, Jus, Process Automation Solutions, MAK5-D, MTS, KUKA



GEARBOXES

Bauer Gear Motor, Spinea, Hriňovské strojárne, ZTS Sabinov



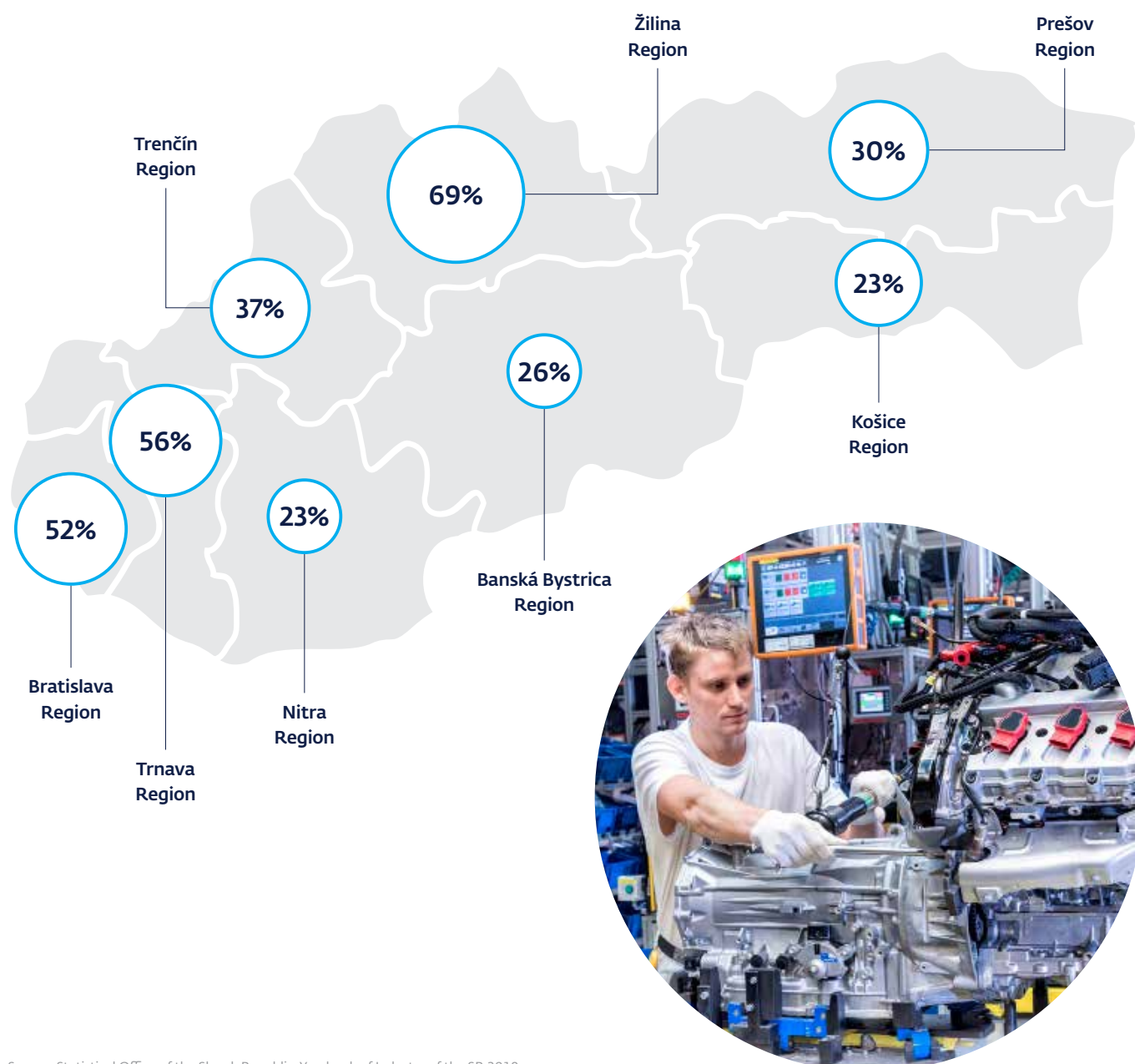
RAIL WAGONS

Tatravagónka, ŽOS Trnava, ŽOS Vrútky, Loko Trans

Regional Distribution of the MEI

The MEI companies are located across Slovakia. Some regions have a historically strong tradition in this sector, due to the former presence of large engineering holdings. The automotive industry, as the strongest branch of the sector, is mostly concentrated in the regions of Western Slovakia.

Regional share of the MEI in Industrial Gross Output



Source: Statistical Office of the Slovak Republic, Yearbook of Industry of the SR 2019

THE LARGEST COMPANIES IN THE MEI (EXL. AUTOMOTIVE OEMs)

COMPANY NAME	COUNTRY OF ORIGIN	LOCATION	REVENUES (THS. EUR)	NUMBER OF EMPLOYEES	CORE BUSINESS
Mobis Slovakia	South Korea	Gbefany	1,551,133	2,085	axle & control panel production, brake systems
SAS Automotive	Germany	Bratislava	957,648	614	assembly of control panels
Faurecia Automotive Slovakia	France	Bratislava/Košice	864,691	2,504	interior systems & emission control technology
Schaeffler Kysuce	Germany	Kysucké Nové Mesto	613,223	4,614	bearings
ZF Slovakia	Germany	Trnava	495,370	3,368	powertrain modules & chassis components
Schaeffler Skalica	Germany	Skalica	467,498	4,357	bearings
Lear Corporation Seating Slovakia	USA	Prešov	385,413	1,602	steel frames for seating systems
Yura Corporation Slovakia	South Korea	Lednické Rovne	378,289	1,499	cable harnesses
Hanon Systems Slovakia*	South Korea	Ilava	364,053	734	air conditioning
Adient Slovakia	USA	Bratislava/Trenčín/Lučenec	345,805	2,578	interior systems
Continental Automotive Systems Slovakia	Germany	Zvolen	315,664	1,180	brakes and brake callipers
Marelli Kechnec Slovakia*	Italy	Kechnec	297,961	681	dashboards & engine components
Tatragónka*	Slovakia	Poprad	286,597	1,989	rail freight wagons & chassis
Sungwoo Hitech Slovakia	South Korea	Žilina	235,353	445	metal body parts
Embraco Slovakia*	Japan (Brazil)	Spišská Nová Ves	235,271	2,318	hermetic compressors & condensing units
Plastic Omnium Auto Exteriors*	France	Lozorno	232,822	1,114	plastic bumpers
HBPO Slovakia	Germany	Lozorno	231,943	219	modul front ends
Golde Lozorno*	USA	Lozorno	190,424	756	roof windows
Matador Automotive Vráble	Portugal (Slovakia)	Vráble	181,568	1,181	chassis & roof systems
Brose Prievidza	Germany	Prievidza	173,896	738	door systems & modules
Slovnaft Montáže a opravy	Hungary	Bratislava	173,333	447	various types of machinery
Hyundai Transys Slovakia	South Korea	Žilina	170,125	348	seating systems
Hyundai Steel Slovakia	South Korea	Gbefany	168,284	62	steel coil & sheets
Seoyon E-HWA Automotive Slovakia	South Korea	Považská Bystrica	162,410	619	plastic components
Ilijin Slovakia	South Korea	Pravenec	156,375	266	brake modules
U-Shin Slovakia	Japan	Košice	155,600	1,334	door lockers
Tomra Sorting*	Norway	Senec	146,499	251	sorting systems
BOGE Elastmetall Slovakia	China	Trnava	144,826	892	rubber & pastics components
Yanfeng Slovakia Automotive Interior Systems*	USA	Bratislava	138,232	1,285	Interior systems
SEJONG Slovakia	South Korea	Lietavská Lúčka	132,743	163	exhaust systems
MAHLE Behr Námestovo*	Germany	Námestovo	131,512	245	exhaust systems & oil and battery coolers

*Note: Data from 2018

Source: Finstat, Financial assessment of listed companies for 2019

Qualified, Productive & Cost-Effective Labour Force

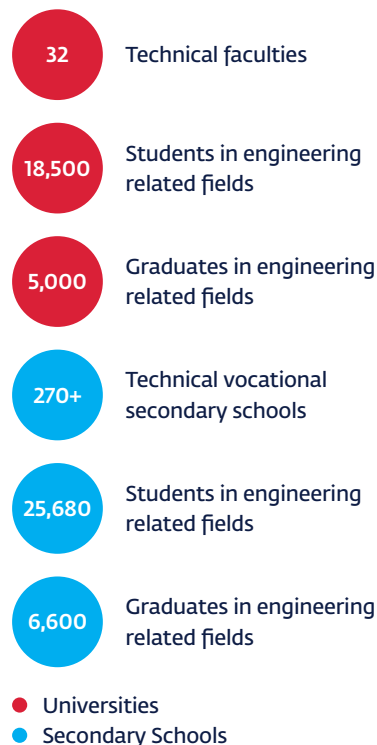
For investors active in the sector, availability of a skilled workforce is a key factor for successful site selection. Slovak labor force combines an outstanding level of productivity and qualification, while still remaining cost-competitive on regional as well as European levels.

More than
680 companies and
5,800 students joined
the dual education
in 2019

DUAL EDUCATION

The Slovak Government fully implemented a new dual education framework facilitating shared 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 related tax relief.

Education in Slovakia



AVERAGE GROSS MONTHLY SALARY IN THE MEI (SELECTED POSITIONS/EUR)*

POSITION		BRATISLAVA	TRNAVA	NITRA	TRENČÍN	ŽILINA	BANSKÁ BYSTRICA	KOŠICE	PREŠOV
Production Operative	Min.	900	750	850	750	750	700	650	600
	Max.	1,100	1,000	1,000	950	950	850	950	850
Welder	Min.	1,000	900	1,000	1,000	1,000	900	950	900
	Max.	1,400	1,300	1,300	1,400	1,400	1,300	1,400	1,300
CNC Operative	Min.	1,000	700	1,000	850	850	800	750	700
	Max.	1,400	1,000	1,300	1,200	1,200	1,100	1,000	950
Quality Technician	Min.	1,500	1,500	1,500	1,100	1,100	1,300	1,000	950
	Max.	2,000	2,000	2,000	1,600	1,600	2,000	1,350	1,250
Toolmaker	Min.	1,200	900	1,200	1,000	900	1,000	1,000	900
	Max.	1,600	1,300	1,550	1,400	1,300	1,300	1,300	1,200
Mechanical Design Engineer	Min.	1,300	1,300	1,300	1,200	1,200	1,100	1,200	1,000
	Max.	2,000	1,900	2,000	1,800	1,800	1,700	1,800	1,600
Production Manager	Min.	3,000	2,700	2,800	2,300	2,300	2,500	2,500	2,300
	Max.	4,200	3,700	4,000	3,600	3,600	3,500	3,500	3,300

*The employer's compulsory contribution to social and health insurance is not included and represents 35.2% of employee's gross salary.

Source: Slovak Centre Of Scientific and Technical Information for the Academic Year 2019/2020, National Union of Employers, 2020, Grafton Recruitment, Salary Guide 2019

Growing R&D & Innovation Network

Suitable conditions for establishing R&D in terms of highly qualified workforce at affordable costs, presence of technology clusters and established cooperation between companies and domestic universities, motivate companies to establish their R&D divisions in Slovakia.

EXAMPLES OF SLOVAK R&D SUCCESS STORIES



SPINEA
Development of high precision reduction gears



MICROSTEP
Development of CNC cutting machines



CEIT
Innovative solutions for industrial companies



PRVÁ ZVÁRAČSKÁ
Development of welding technologies

EXAMPLES OF R&D SUCCESS STORIES OF FOREIGN COMPANIES IN SLOVAKIA



EMBRACO
Development of compressors



KUKA
Development of robotized production lines

EXAMPLES OF R&D SUCCESS STORIES OF SLOVAK UNIVERSITIES



SHELL ECO-MARATHON VEHICLE
In 2019 the vehicle fully developed by the students from the Technical University of Košice managed to drive 825 km using only 1 litre of fuel



THE NATIONAL ROBOTICS CENTER
Center focused on research, support and development of robotics

R&D Infrastructure Related to the MEI

- 35 Centers of excellence
- 9 Science parks and research centers
- 3 Centers of competence

RIS3 – NATIONAL R&D SPECIALIZATION STRATEGY

RIS3 is national R&D strategy focused on innovation support through cooperation between companies and research institutions. This strategy defines **material research and nanotechnology** as one of the priorities linked to R&D funding.

30% of all material research outputs in the international scientific journals originates in Slovakia

Slovak Academy of Science



INSTITUTE OF MATERIALS & MACHINE MECHANICS
Applied research institute within the Slovak Academy of Sciences.

Source: Slovak Organization for Research & Development Activities, 2013, Yearbook of Science & Technology in the Slovak Republic 2014, Research & Innovation Strategy for Smart Specialization of the Slovak Republic, 2013

Defence Industry in Slovakia

The Military and Defence industry played a crucial role in the Slovak industry especially in the second half of the 20th century. Due to the political and economic changes in early 90s the Slovak economy faced a major challenge. However, the reforms in late 90s led to the successful economic transformation of the Slovak industry in favour of the modern automotive industry. Following section of this publication is dedicated to the modern, organically growing and innovative defence industry in Slovakia.



Defence Industry Subsectors



Special Vehicles



Weaponry



Advanced Electronics



Defence IT Solutions

Defence Industry Brief Figures

433

mil. EUR sales revenue

142

mil. EUR generated added value

4,400

employees in the sector

TOP 20 COMPANIES OPERATING IN THE DEFENCE & DEFENCE RELATED SECTOR

COMPANY NAME	SECTOR	CITY	REVENUE (MIL. EUR)	FTEs
PPS Group	related industry	Detva	54.8	813
MSM Martin	defence	Dubnica nad Váhom	52.3	333
Aliter Technologies	defence	Bratislava	44.2	106
SPINEA	related industry	Haniska	34.2	537
LYNX	related industry	Košice	33.1	96
EVPU	related industry	Nová Dubnica	28.3	283
ZVS Holding	defence	Dubnica nad Váhom	26.1	258
Konštrukta – Defence	defence	Dubnica nad Váhom	18.7	92
Kerametal	defence	Bratislava	16.4	18
Way Industries	defence	Krupina	12.9	201
Neways Slovakia	related industry	Nová Dubnica	11.8	444
GEMOR Fashion	related industry	Prešov	11.1	111
Innovatrics®	related industry	Bratislava	9.7	62
MSM Nováky	defence	Nováky	8.9	13
Vývoj Martin	defence	Martin	7.8	101
ZTS – Špeciál	defence	Dubnica nad Váhom	7.3	118
ZVS Impex	defence	Dubnica nad Váhom	6.4	92
ZTS VVÚ Košice	related industry	Košice	6.4	82
MSM Holding	defence	Dubnica nad Váhom	5.5	76
CSM Industry	defence	Tisovec	5.0	103

*Data for 2019. Best performing companies (by revenue) in the sector. Source: Finstat, the latest data available for 2019

SARIO calculation compiled from data of TOP 35 best performing companies in the sector by revenue. Source: Finstat, the latest data available for 2019

Success Stories

Examples Of Cutting Edge Products Developed In Slovakia

MSM GROUP

Year of establishment: 2004

Main focus: broad portfolio of defence products

The company covers its subsidiaries with a portfolio in the field of defence and civil engineering industries:

- Special wheeled and tracked vehicles
- Mobile delaboration systems
- Special shelters & high command HQs
- Pistols, rifles and sub-machine guns
- Advanced cyber security systems



WAY INDUSTRIES

Year of establishment: 2009

Main focus: special vehicles Bozena

Bozena is based on the skid steer loader Locust and has multi-purpose applications. The main modification is a remotely controlled vehicle designed for disposal of:

- Unexploded ordnance
- Anti-Personnel landmines
- Anti-Tank landmines

ALITER TECHNOLOGIES

Year of establishment: 2007

Main focus: ICT solutions

The company has carried out multiple contracts with NATO delivering special military systems (devices and IT systems).

- SILWA (Silent Watcher) — The Unmanned Airship Solution for intelligent airborne monitoring
- VIMA (Virtual Mast) — a solution fully replacing the classic mechanical mast that is used as a carrier of cameras, antennas, radios and other devices and sensors for tactical deployment



INNOVATRICS

Year of establishment: 2006

Main focus: Biometrics

The fastest available Automated Fingerprint Identification System (AFIS) solution on the market. 1.04 billion fingerprint matches per second with 99.98% accuracy. The product line of the company reaches from Automated Biometric Identification System, Digital Onboarding and Embedded Solutions to Plug & Play Face Recognition. The track record shows more than 500 successfully finished projects in 80 countries.

Space Industry in Slovakia



Slovakia has 30 companies actively involved in the space sector. Although more than half of them are focused on the upstream segment, the majority of the space-related revenue is concentrated in software applications using earth observation or positioning data.

On top of that, there are more than 40 other companies with a strong potential of entering space — working in relevant areas of sectors such as electronics, high precision machinery, industry 4.0 and ICT. Several of them already have initial experience with space projects.

Space Industry Main Activities



Advanced Electronics

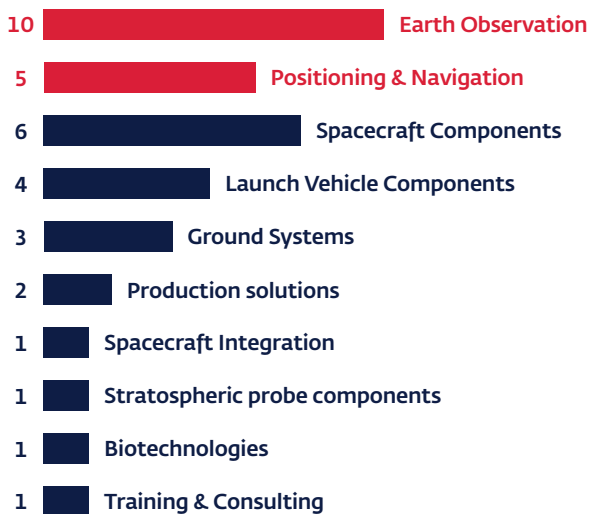


Materials & Mechanics



Data Products

Nr. of Companies Directly Involved in Space Sector



SARIO calculation compiled from data of 43 companies identified as space and space-related (working in related sectors & with relevant technologies). Source: Finstat, the latest data available for 2019.

Space Industry Brief Figures

34

companies directly involved in the space sector with 40+ more active in related areas

108+

revenue generated by companies directly involved in the space sector

500+

people employed by companies directly involved in the space sector

Major Companies Success Stories

CTRL

R&D and manufacturing of electromechanical components in accordance with ECSS, FAA, EASA, DO-254 standards. The company is active in sophisticated fields of cybernetics, artificial intelligence, robotics, measurement and control. With 3 projects it is the most successful Slovak company in ESA PECS calls.



SPACEMANIC

Small satellite mission integrator focused on delivering end to end solutions — design, subsystem manufacturing and testing, spacecraft integration and testing, launch and deployment and on-orbit operations (operating several Ground Stations in Central Europe). Spacemanic's engineers were involved in the project of the first Slovak satellite skCUBE which was fully developed in house. Now the company is working on next space missions for private customers.

MASAM

Metallic component production for global aviation and space companies including Airbus Defence & Space and Ariane Group.



NEEDRONIX

Development of smart sun sensors, as well as telemetry, tracking and command systems and ground segments. Needronix participated in skCube project of Slovak Organisation for Space Activities developing and launching the first Slovak cubesat in 2017. The company was involved in manufacturing of the satellite as well as its ground station. The company also has 1 successful ESA PECS project.

INSAR.SK

Monitoring of infrastructure stability and advanced situation awareness during evolving and complex deformation processes. The company is the Copernicus Masters Airbus & Sobloo Multi-Data Challenge 2019 Winner and has 1 successful ESA PECS project.



GOSPACE

Development of smart sensors, IoT solutions and intelligent hardware systems (e.g. smart parking system) designed to withstand conditions in extreme environment. The company has 1 successful ESA PECS project aimed at development of an autonomous landing system for stratospheric probes (also active in the upstream domain).

SYGIC

Developer of GPS navigation software used by 200 million people including more than 1 million professional drivers. Top #2 app in the navigation category worldwide. Pioneer in hybrid navigation for smart devices such as Google Glass and Apple Watch.

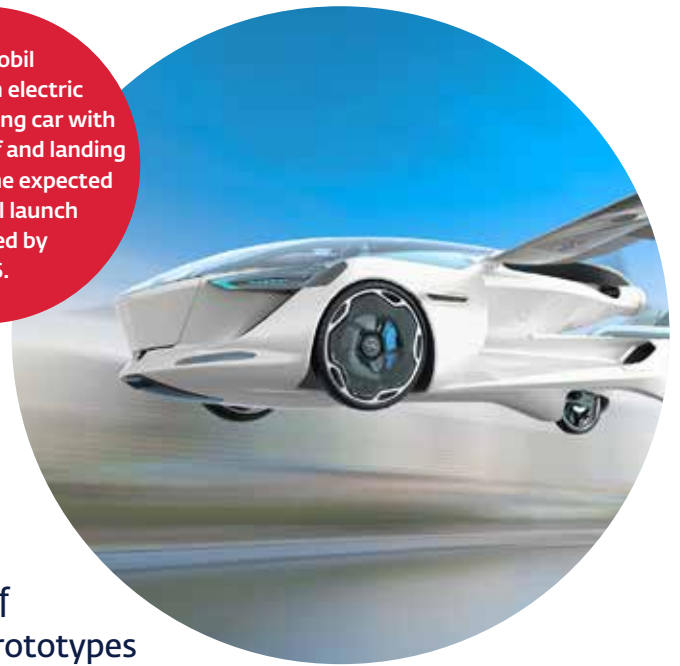


IBL SOFTWARE ENGINEERING

A company with already more than 40 years of experience in the field of meteorological information. It provides comprehensive and automated weather software solutions for meteorological services, aviation sector and other customers.

Aviation Industry in Slovakia

Aeromobil 5.0 VTOL an electric four-seater flying car with vertical take-off and landing capabilities. The expected commercial launch is planned by 2025.



Slovak aviation industry builds on an old tradition of Slovak inventions, such as a parachute and a helicopter. The old tradition of the aviation inventions lives on, through the prototypes of fastest ultralight aircraft, gyrocopter or an aeromobil – one of the most sophisticated prototypes of flying-car designed and developed in Slovakia.

350+

At present, more than 350 automotive suppliers represent a great potential for development of aviation industry when it comes to manufacture, design or R&D activities.

Subsectors of the Aviation Industry



OEM & Integration



Aero Components



ICT & Navigation



Maintenance & Testing

TOP 10 COMPANIES OPERATING IN THE AVIATION INDUSTRY

COMPANY NAME	SECTOR	CITY	REVENUE (MIL. EUR)	FTEs
Tomark	OEM & integration	Prešov	26.6	228
Leteckéopravovne Trenčín	maintenance & testing	Trenčín	17.2	332
Austrian Airlines Technik	maintenance & testing	Bratislava	17.1	229
Virtual Reality Media	ICT & navigation	Trenčín	8.7	60
Metzeler Slovakia	aero components	Senec	7.5	112
Aerospool	OEM & integration	Prievidza	5.5	91
Masam	aero components	Vráble	5.0	42
Aeroengineers International*	maintenance & testing	Bratislava	4.4	40
Shark.Aero*	OEM & integration	Hlboké	1.7	28
Jokertrike	OEM & integration	Topoľčany	1.3	28

*Data for 2018
Source: Finstat, the latest data available for 2019. Companies ranked by sales revenue.

Aviation Industry Brief Figures

99

mil. EUR sales revenue

32

mil. EUR generated added value

1,250

employees in the sector

SARIO calculation compiled from data of Top 14 best performing companies (by revenue) in the sector (2019).

Major Companies Success Stories (OEM & Integration)

AEROMOBIL

Year of establishment: 2010

Aeromobil develops a vehicle capable of transforming into an aircraft. Aeromobil 4.0 STOL (short take-off landing system) is being tested to be commercially launched in 2020. Company is a part of the flagship projects within the Danube Valley – bringing together the most innovative companies from CEE.



AEROMOBIL



TOMARK AERO

Year of establishment: 2008

Family owned company Tomarkaero is designer and manufacturer of successful models of two-seat ultralight aircrafts Viper SD4 and Skyper GT9.

AEROSPOOL

Year of establishment: 1990

Aerospool is specialized in production of ultralight aircrafts, such as the world-known Dynamic WT9 and four-seater Advantic WT10 as well as painting, maintenance and repair of gliders.



SHARK

Year of establishment: 2006

Shark.Aero is known as a producer of two-seat ultralight low-wing aircraft Shark UL which is also known as one of the fastest in the world (see FAI World Speed Record as of 30th June 2015. Shark UL 303 km/h).

AEROPRO

Year of establishment: 1992

Since 1990 Aeropro has been producing the Eurofox, two-seat, high-wing microlight aircraft. To mark the 100th anniversary of the Royal Air Force foundation in 2018 a special Eurofox was ordered. The aircraft flew more than 20,000 km during 52 days journey from the United Kingdom to New Zealand (GB—NZ expedition).



JOKERTRIKE

Year of establishment: 2005

Jokertrike specializes in production and development of one/two-seater hang-gliders and new era of gyrocopters.

Source: Official web sites of the above 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.

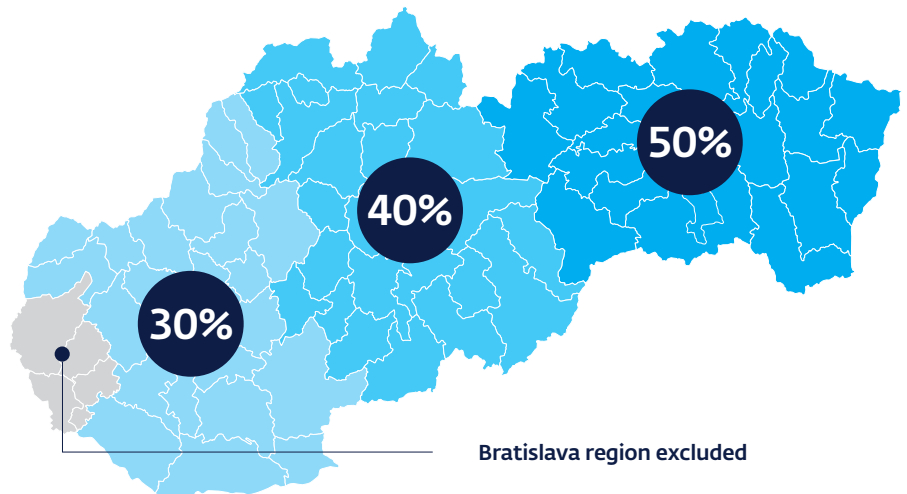
TECHNOLOGY CENTERS

- 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.





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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

**CONTENT
ADVISORS**



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**SARIO IS YOUR ONE STOP SHOP FOR INVESTMENT & TRADE IN SLOVAKIA.
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