

Why SLOVAKIA



Key facts
WHY SLOVAKIA
should be your
next investment
destination

Why SLOVAKIA

This publication provides an overview of Slovak investment & business environment including its key sectors. The main purpose is to illustrate what **SLOVAKIA** has to offer and why it should be considered as an ideal location for various types of businesses — ranging from manufacturing, global services and IT centres to research & development.



GENERAL INFORMATION

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

Closer Than You Think

SLOVAKIA is situated in the geographical centre of Europe and is accessible from all key European economic hubs. As a fully integrated EU member, Slovakia is a part of its internal market, which means that hundreds of millions of EU citizens can be easily accessed.



740 million
clients in radius
of 2,000 km



10 REASONS



Why Consider **SLOVAKIA** as Your Investment Destination



SLOVAKIA offers a competitive business environment including several distinctive features, which set Slovakia apart from other CEE (Central & Eastern Europe) countries and thus represent a unique value proposition for investors.



1

LOCATION

Strategic location in the heart of Europe with great export potential

2

SAFETY & STABILITY

One of the safest and politically most stable countries in Europe for investors (source: Credit Insurance Group Credendo)

3

EUROZONE

A member of the Eurozone since 2009 as one of the few in Central & Eastern Europe

4

QUALIFIED WORKFORCE

Cost-effective, skilled and loyal labour force with excellent multilingual skills

5

ADDED VALUE

The highest value added per employee within the CEE region (source: Eurostat)

6

GREEN ENERGY MIX

The highest share of low-carbon energy sources on the production energy mix

7

INNOVATIVE ECOSYSTEM

One of the highest share of higher added-value jobs in CEE, ready for new investments into R&D and innovation

8

OPENNESS

One of the most export-oriented and open economies in the EU (source: Eurostat)

9

DEVELOPED INFRASTRUCTURE

Developed and steadily growing infrastructure network with regards to road, railway & flight connections

10

INCENTIVES

Attractive investment incentives scheme and special tax regime for R&D activities

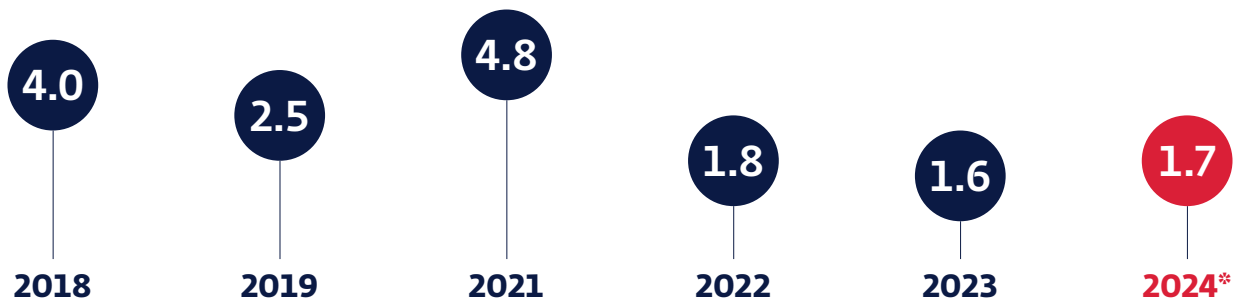
Macroeconomic Overview

SLOVAKIA is experiencing an ongoing economic expansion, driven by continually increasing domestic demand, as well as booming investments — domestic and foreign. Generally, since 2010 Slovak economy has been growing faster than the EU average.



SLOVAKIA, as one of the few countries in the region, has been a member of the Eurozone since 2009. The introduction of the euro as the official currency means for investors lower transaction costs, reduced risk of currency volatility and increased economic and financial stability.

REAL GDP GROWTH (%)



All EU countries experienced negative growth in 2020 due to the global pandemic.

Sources: GDP Growth Data: Eurostat, 2024, European Commission — Autumn 2024 Economic Forecast; Unemployment rate: Eurostat, 2024;

Country Credit Ratings: S&P, Moodys, Fitch, JCR (2023). *Forecast



COUNTRY CREDIT RATINGS

A+

Standard & Poor's

A-

Fitch Ratings

A3

Moody's

A+

Japan Credit Rating
Agency

Continually Improving Business Environment

There are several activities and measures introduced by the Slovak government to increase the quality of the Slovak business & investment environment.



2015

Introduction of R&D related tax regime — R&D superdeduction



2015

Launch of official dual education system



2019

Electricity price discount for energy-intensive manufacturers



2021

Available funding for a broad range of projects & programmes from EU funds



2021

Kurzarbeit — Mechanism for ensuring the retention of jobs during a crisis



2022

Temporarily introduced comforting incentive rules in response to the COVID-19 pandemic and the energy crisis



2023

New National strategy for R&D 2030 — an action plan with a set of 91 measures to increase the innovation performance of Slovakia



2024

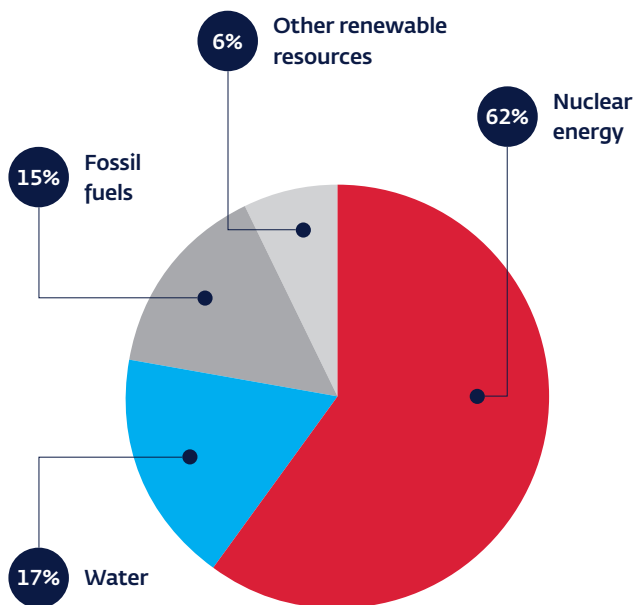
New attractive incentives scheme for sectors that are crucial in transition to carbon free economy



Regional Leader in Environmental Performance

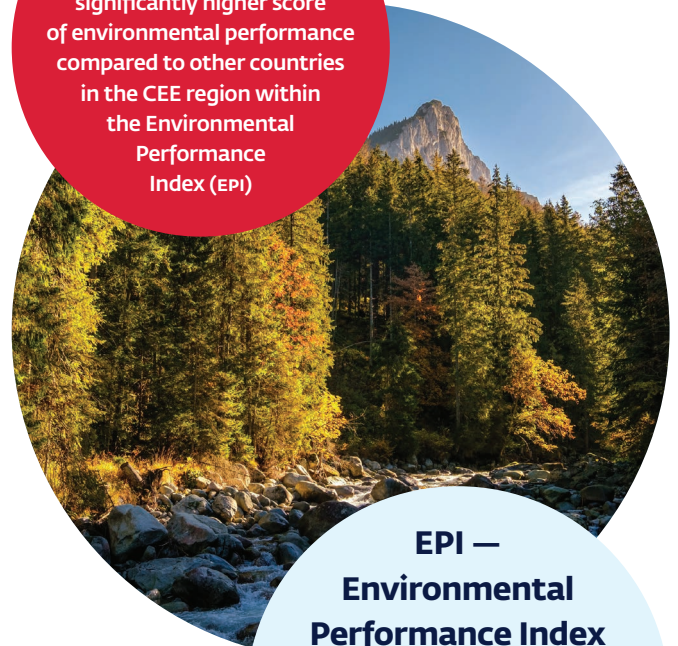
SLOVAKIA has one of the greenest energy mixes in Europe. In total, 85% of power in **SLOVAKIA** was produced from low-carbon sources (renewables and nuclear energy) in 2023. The share of renewables currently represents about 23% of total production.

ENERGY PRODUCTION IN SLOVAKIA



65.0

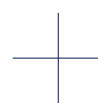
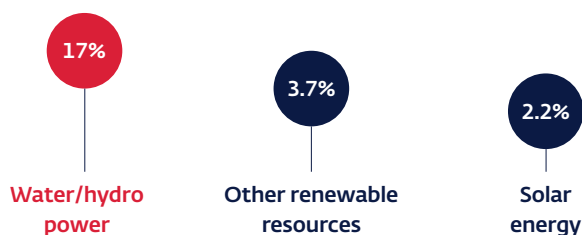
SLOVAKIA reaches significantly higher score of environmental performance compared to other countries in the CEE region within the Environmental Performance Index (EPI)



EPI — Environmental Performance Index

Using 40 performance indicators, the EPI ranks 180 countries on their national efforts to protect environmental health, enhance ecosystem vitality & mitigate climate change

COMPOSITION OF RENEWABLE SOURCES IN SLOVAKIA



Renewable future
According to predictions the share of renewable resources is expected to reach about 27.3% by 2030

Source: Slovak Ministry of Economy (2024); Environmental Performance Index (2024)



One Of the Most Open Economies In the EU

VALUE OF EXPORT (% OF GDP)

3RD PLACE IN THE EU

85.5%

**Export of
goods**

4TH PLACE IN THE EU

91.4%

**Export of
goods & services**



SLOVAKIA'S Main Export Markets

Intra—EU trade accounts for 77% of Slovakia's exports (Germany 21%, Czech Republic 12%, Poland 7%), while outside the EU — to United Kingdom 4%, United States 3% and 3% to China.

21%

Germany

12%

Czech Republic

7%

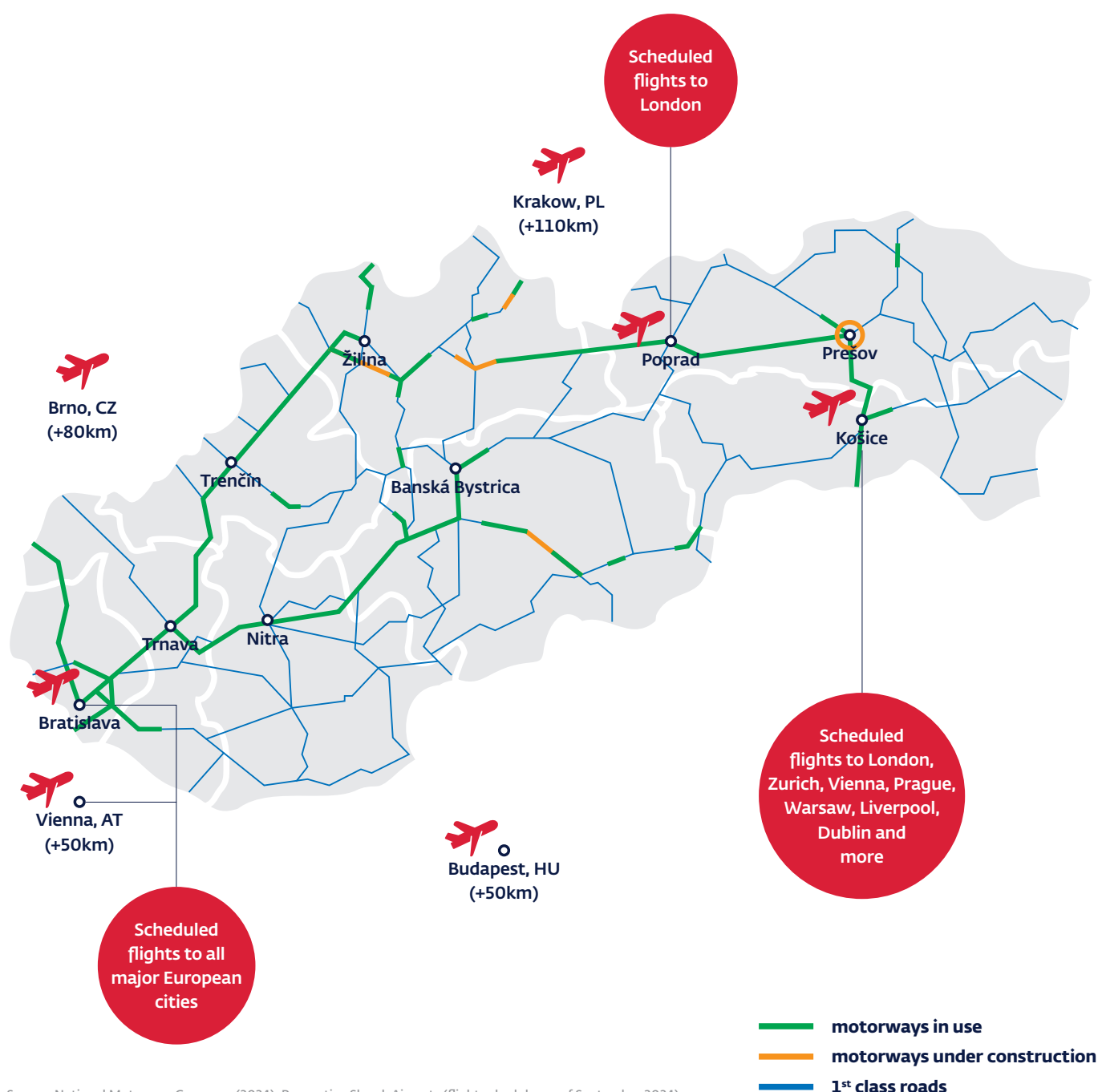
Poland

Source: Eurostat 2024 (data for 2023)



Dynamically Developing Infrastructure

SLOVAKIA's national roads network provides safe and efficient travel, as well as fast and reliable transportation of goods.



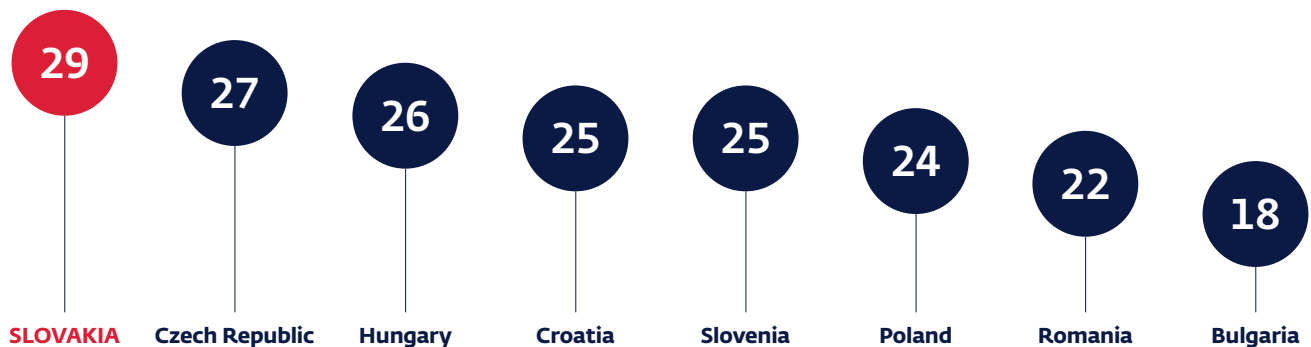
Source: National Motorway Company (2024); Respective Slovak Airports (flight schedules as of September 2024)

Productive & Skilled Labour Force

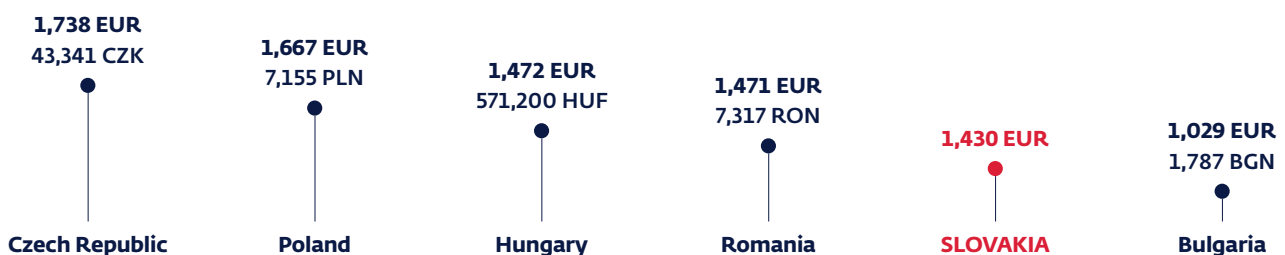
In **SLOVAKIA**, investors can find a workforce which excels in three major areas — added value, qualification & labour costs. **SLOVAKIA** has the highest value added per employee within the CEE region thanks to the combination of a cost-effective labour force and high-quality production.



ADDED VALUE OF SLOVAK EMPLOYEE — GROSS OPERATING SURPLUS PER PERSON (thousand EUR per year)



AVERAGE GROSS MONTHLY SALARIES (in 2023)



Interesting Facts & Rankings



1

AMONG WORLD LEADERS IN AUTOMATION

Slovakia belongs to top 18 countries with the highest number of installed robots in the manufacturing industries per 10,000 employees.

2

ONE OF THE HIGHEST PROPORTION OF HIGHER ADDED-VALUE JOBS

Employment in high- and medium-high technology manufacturing sectors and in knowledge- intensive services as a share of total employment is the highest in the region.

3

CONSTRUCTIVE LABOUR RELATIONS

Slovakia records the lowest number of lost working days due to industrial actions in Europe (per 1,000 employees).

4

HARD-WORKING LABOUR FORCE

Slovakia has the highest percentage of people working at night & weekends in the CEE.

Sources: Salaries Data: National Statistical Offices of Respective Countries (salaries as of 2023); Automation: International Federation Of Robotics (2024, latest available data 2023); Higher Added-Value Jobs As a % Of Total Employment: Eurostat (2023); Industrial Actions: European Trade Union Institute (2020); The Global Talent Competitiveness Index 2023; People Working At Night & Weekends: Eurostat (2024)

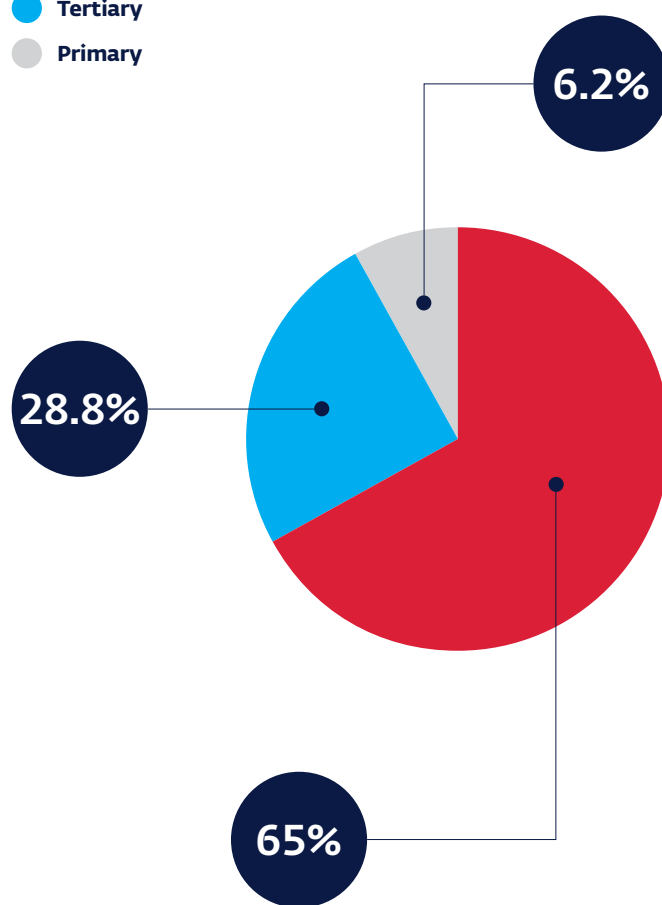
Education & Language Competencies

SLOVAKIA has a well-established system of secondary schools and universities preparing students for a successful entry to the labour market in line with the employer's requirements.



THE HIGHEST ATTAINED EDUCATION (25—64 years population)

- Secondary
- Tertiary
- Primary



Source: Eurostat (data for 2023)

SECONDARY EDUCATION



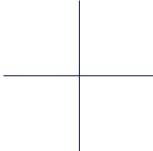
One Of the Most Educated Workforce
The proportion of 25—64 years old people with at least secondary level qualification, compared to an EU average of 80%.



Dual Education

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

More than 190 schools and 1,900 companies were involved in the dual education scheme in 2023/2024



English



German



Russian



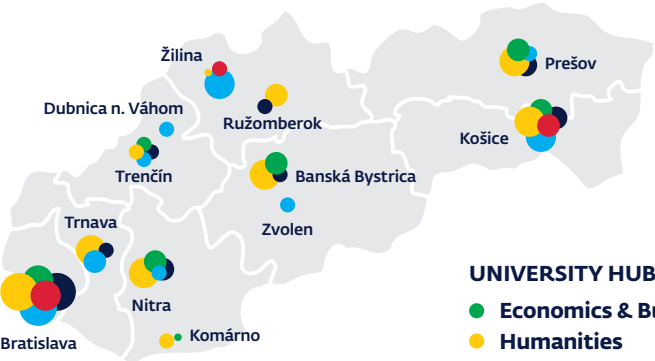
Spanish

THE MOST COMMON FOREIGN LANGUAGES TAUGHT AT SLOVAK SECONDARY SCHOOLS

TERTIARY EDUCATION

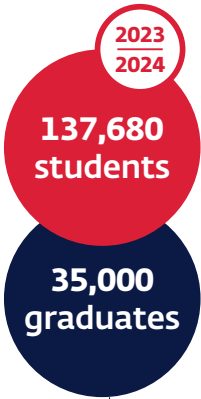
High Share Of STEM Profiles

Every 4th 25—64 years old tertiary-educated adult studied sciences, technology, engineering and mathematics (STEM) programs.



UNIVERSITY HUBS

- Economics & Business
- Humanities
- IT
- Technical (including IT study programmes)
- Other



Source: Share Of STEM Profiles: OECD (2021); Dual Education Statistics: National Union Of Employers, dualnysystem.sk (2023/2024); Languages Statistics: Eurostat (2022); Universities and Secondary Vocational Schools Statistics: Slovak Centre of Scientific & Technical Information for the Academic Year 2023/2024, Eurostat (2024, latest available data for 2023)

Pillars Of the Slovak Economy

SLOVAKIA prides itself on its industrial heritage which has provided a stable base for the development of certain sectors such as automotive or electronics.



Over the last decade, global corporations representing various sectors have selected **SLOVAKIA** as the top location for their expansion in the CEE region.



New **VOLVO** CARS facility with production capacity of 250,000 purely electric vehicles per year will start operation in 2026 in Košice

01 AUTOMOTIVE

The automotive industry has a strong tradition in **SLOVAKIA** and became the most important sector and driving force of the Slovak economy. With Volkswagen, Stellantis, Kia, Jaguar Land Rover and Volvo already present, Slovakia can be considered as one of the key players of the global automotive industry.

ca. 1 million
vehicles produced
in 2024

244,000
people employed directly
and indirectly in the automotive
industry

49.5%
share of automotive industry
and machinery production on total
industrial production

Apart from the five established carmakers, the Slovak automotive industry is also defined by its well-developed and high quality supplier network. As **SLOVAKIA** is well located within the European automotive production hub, Tier 1—2 suppliers can also benefit from a wider regional market.

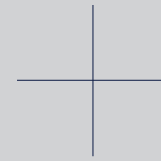
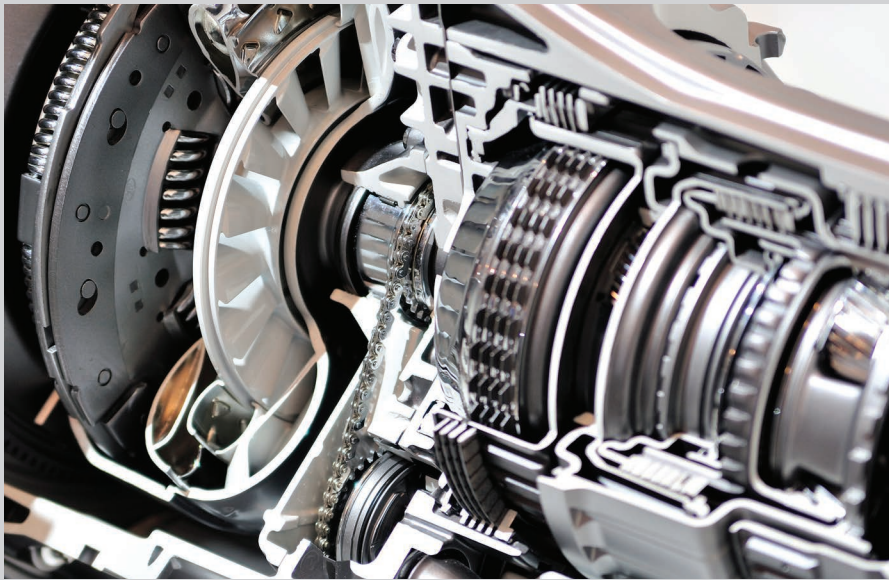


1st place
in the world in
the car production
per 1,000
inhabitants



E-MOBILITY

Currently, 17 electric or partly electric models are being produced in **SLOVAKIA**. There is also a growing number of e-mobility suppliers.



The Machinery & Equipment Industry (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.

02 MACHINERY & EQUIPMENT INDUSTRY

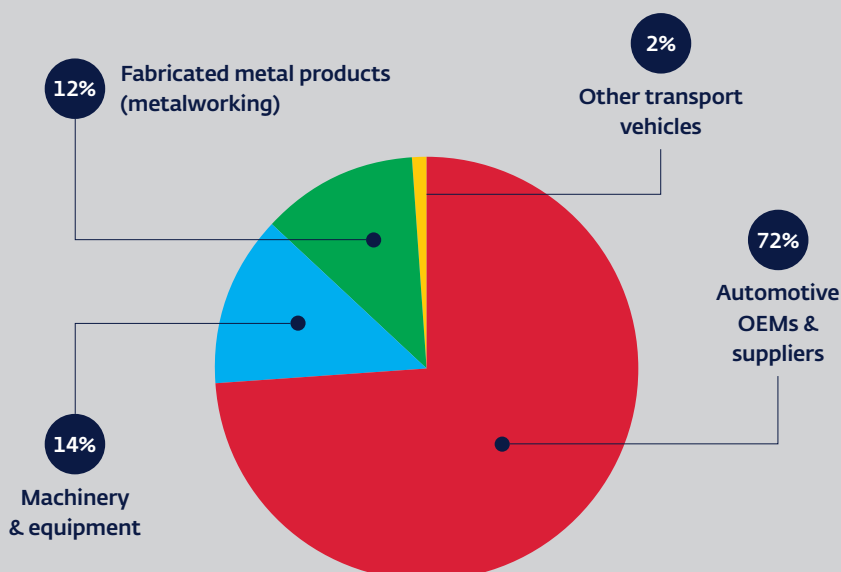
The MEI sector is of crucial importance, not only because of its contribution to the GDP and foreign trade balance, but also for its potential to create jobs and generate innovations.

€ 45.9 BN.
sales revenue

39%
of all industrial
jobs

880+
companies active
in the sector (20+ FTEs)

DIFFERENT SUBSECTORS OF MEI (based on turnover)



The MEI in **SLOVAKIA** is closely linked to the automotive industry which is the highest contributor to investments in **SLOVAKIA**. However, it is not the only driver of the sector. Other crucial subsectors of the MEI are machinery, metalworking and production of other transportation vehicles.

Source: Statistical Office of the SR, Yearbook of Industry of the SR 2023, SARIO

03 AEROSPACE

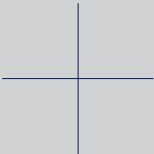
In the space sector, SLOVAKIA follows up on its decades of experience in international research programmes as well as participating in two manned space missions.



SLOVAKIA
has become the
newest associate
member of ESA,
which brings new
opportunities in
the sector

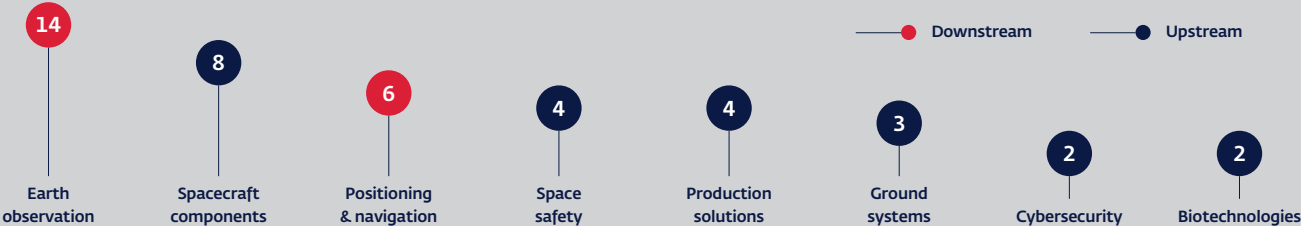
47+
companies directly
involved in the space sector
with 50+ more active in
related areas

€ 250 MIL.
revenues generated
by companies directly
involved in the space
sector



SLOVAKIA's researchers have been actively involved in major international missions including Rosetta, BepiColombo, JUICE or JEM-EUSO. These solid research capacities along with a strong base of companies working with electronics, high-precise machinery, progressive materials & ICT have contributed to the recent dynamic growth of space industry.

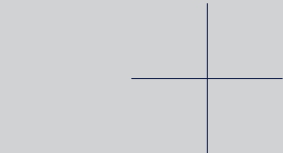
NUMBER OF COMPANIES DIRECTLY INVOLVED IN SPACE SECTOR



The Slovak aviation industry builds on an old tradition of Slovak inventions, such as early 20th century parachute or late 19th century helicopter prototype.

€ 148 MIL.
revenues generated by
the aviation sector

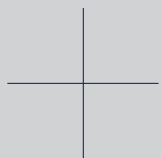
1,430
employees in aircraft
production, maintenance
& training



Currently, the sector is represented by companies developing and producing fast ultralight aircrafts, gyrocopters or even several prototypes of flying cars, as well as innovative training simulators and ICT systems.



Source: SARIO Materials; Finstat, 2024 (data for 2023); Companies involved in space sector — SARIO calculation compiled from data of 47 companies identified as space and space-related (working in related sectors & with relevant technologies)



The Slovak EECI reflects both — traditional electronics manufacturing (power generators, telephones, radios, etc.) and new trends especially connected to the growing automotive industry (electric motors, microelectronics, sensors).

SLOVAKIA
has over 120 years
of experience in
electronics & electrical
components
industry



04 ELECTRONICS & ELECTRICAL COMPONENTS

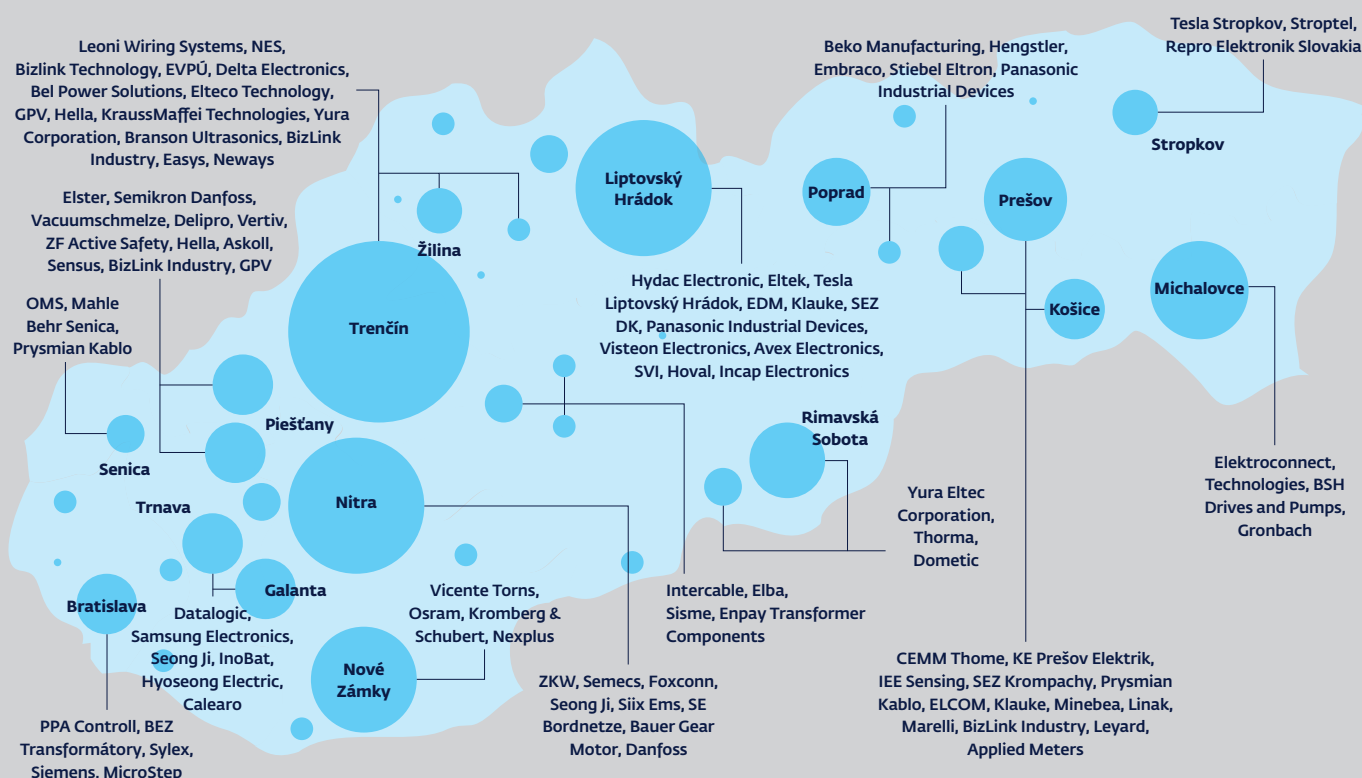
The electronics & electrical components industry (EECI) is one of the strongest contributors to the country's GDP and is also one of the biggest employers in the country.

8%
share of EECI on total
manufacturing production

42,400+
people employed in
the EECI

212
companies in EECI
(20+ FTEs)

DISTRIBUTION OF EECI EMPLOYEES IN SLOVAK REGIONS



Source: Statistical Office of the SR, Yearbook of Industry of the SR 2023, SARIO

05 CHEMICAL & PHARMACEUTICAL INDUSTRY

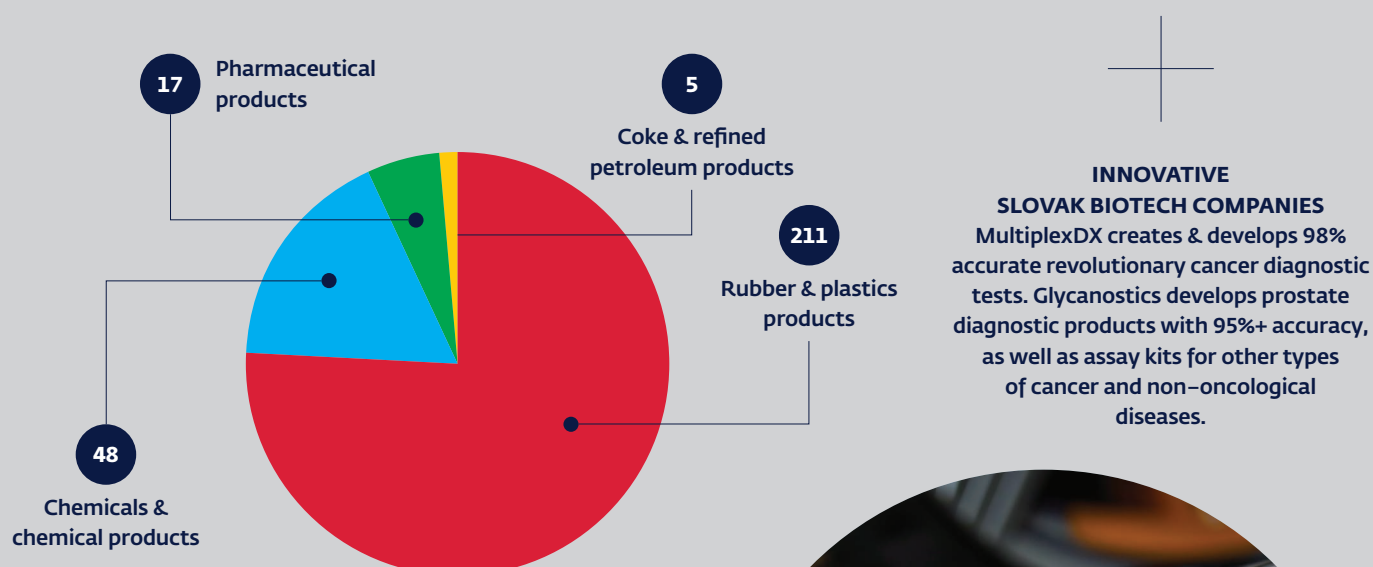
The chemical industry has traditionally been one of the largest sectors of the Slovak economy. This industry includes a diversified portfolio of hundreds of different products ranging from petrochemicals, rubber and plastic products to pharmaceuticals.

€ 14.4 BN.
revenues of the
chemical industry*

40,000+
people employed
in the chemical industry*

8%
share of the chemical industry on
the industrial production*

NUMBER OF COMPANIES DIRECTLY INVOLVED IN THE CHEMICAL & THE PHARMACEUTICAL INDUSTRY (only the companies with 20+ employees are included)



TOP COMPANIES FROM THE CHEMICAL & PHARMACEUTICAL INDUSTRY

RUBBER & PLASTICS
Continental Tires Slovakia,
Chemosvit Folie, ContiTech
Vibration Control

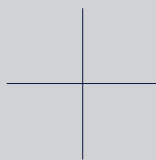
CHEMICALS & CHEMICAL PRODUCTS
Duslo, Fortischem, BASF,
Meroco

PHARMACEUTICAL INDUSTRY
Saneca Pharmaceuticals,
Biotika, HBM Pharma,
Unimed Pharma

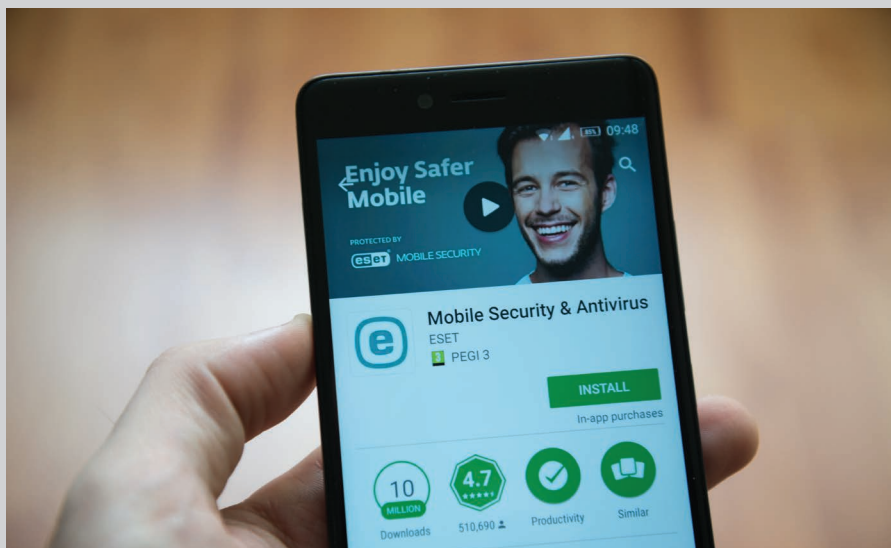
COKE & REFINED PETROLEUM
Slovnaft, Probugas Projects



*The data include all subsectors: Coke & refined petroleum products, chemicals & chemical products, pharmaceutical products and rubber & plastic products.
Sources: The Statistical Office of the Slovak Republic, Yearbook of Industry of the SR 2023



The majority of IT services in SLOVAKIA are provided by service centers and software houses. On top of that, traditional activities of telecommunication operators are gradually expanding beyond their standard services and building a more diversified portfolio is becoming an integrated part of their business.



06 INFORMATION & COMMUNICATION TECHNOLOGIES

The information & communication technologies (ICT) sector has a solid position in the Slovak economy. This is demonstrated by the presence of foreign owned companies such as Deutsche Telekom IT & Telecommunications, Asseco, Accenture, Soitron, Atos as well as strong domestic companies such as Eset, Sygic.

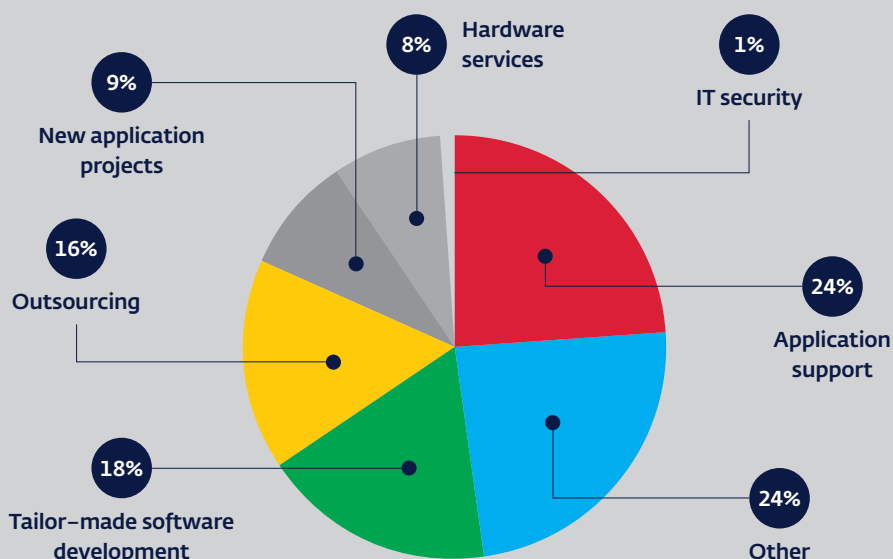
4.7%
ICT contribution to
Slovak GDP

60,000
jobs in ICT
sector

69
games development
companies & studios

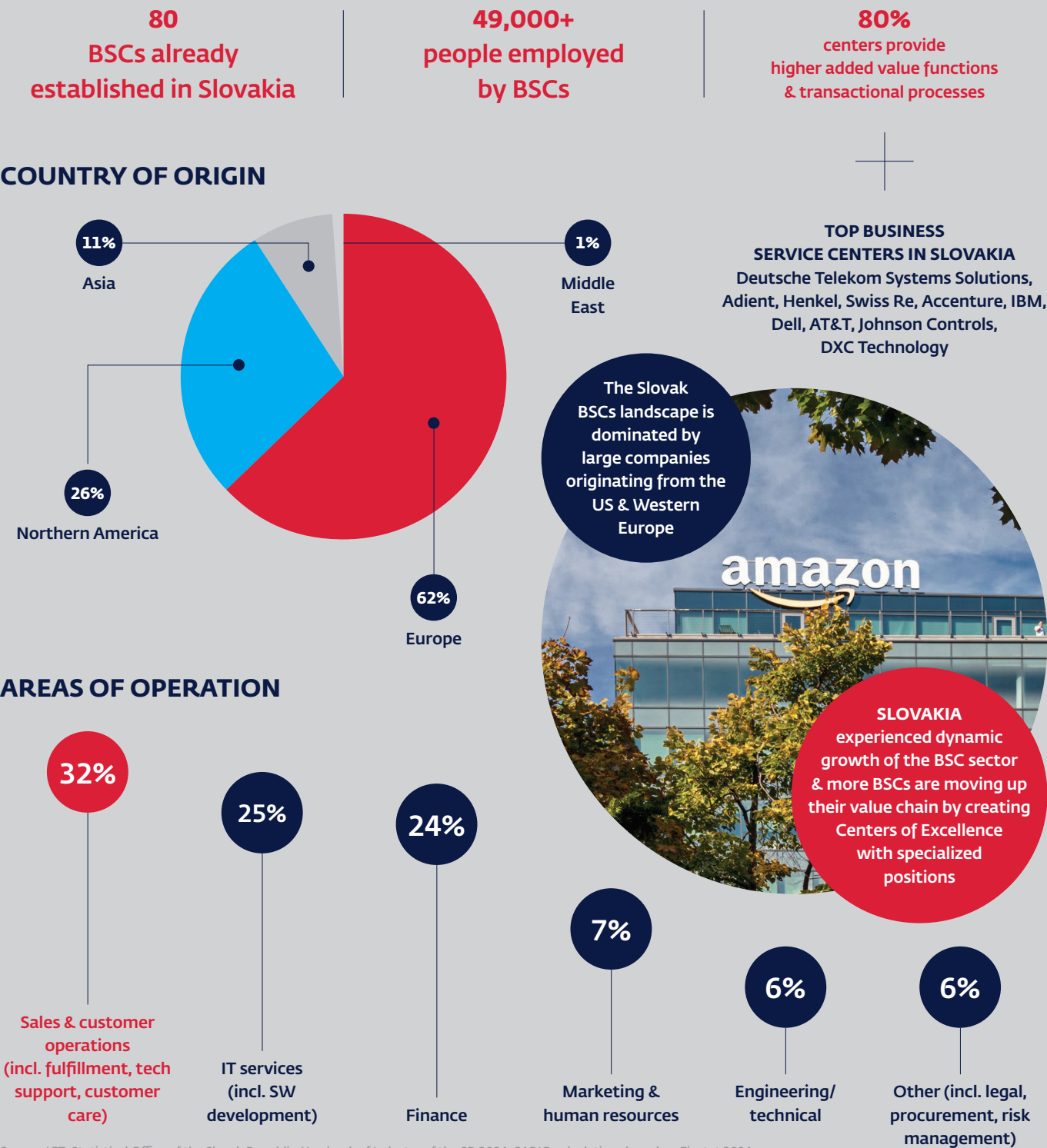
IT SERVICE MARKET IN SLOVAKIA

SLOVAKIA's ICT sector is dynamically expanding, especially in relation to telecommunication, computer programming, or internet information services, and presents why SLOVAKIA is an ideal destination for setting up ICT businesses.



07 BUSINESS SERVICE CENTERS (BSCs)

Thanks to the availability of labour force and its language skills BSCs in SLOVAKIA are evolving towards centers with higher added-value with greater emphasis on quality of their services.





NATIONAL STRATEGY FOR RESEARCH, DEVELOPMENT AND INNOVATION 2030

The national strategy, adopted by the Slovak Government in March 2023, presents a vision of how to make Slovakia a better place for research, development and innovation. Thanks to complex reforms and new investments, Slovakia will transform its industry, accelerate economic growth and become again more attractive destination for highly qualified talent and companies creating high added value. The strategy includes an action plan with a set of 91 measures to increase the innovation performance of Slovakia.

08 RESEARCH & DEVELOPMENT

As a top priority, the Government of the Slovak Republic is determined to attract and support investments with high added value and innovation potential.

Companies with R&D can benefit from special tax regime — an additional 100% of their R&D costs can be deducted from their tax base

KEY FACTS WHY CONSIDER SLOVAKIA FOR R&D

1

Highly
qualified labour force
at affordable costs

2

Many production
plants in high-tech
industries

3

Established cooperation
between companies &
local universities

4

Broad R&D and
innovation network

5

Presence of R&D centres
& technology clusters

6

R&D
incentives

09 SLOVAK INDUSTRY 4.0 SOLUTIONS

SLOVAKIA belongs to the top 18 countries with the highest number of installed industrial robots in the manufacturing industries per employee. Such background generates a significant potential for product and process innovations as well as an implementation of the latest Industry 4.0 solutions.

SARIO INDUSTRY 4.0 SOURCING

The matching platform of SARIO, connecting the needs of large investors established in Slovakia with capacities and competencies of the most advanced local tech companies providing mainly Industry 4.0 and advanced IT solutions.

300+
technological companies in
our database

180+
presentations of shortlisted
Slovak companies

SLOVAK TECH COMPANIES MAINLY FOCUS ON

01 INDUSTRY

automation, predictive maintenance,
quality control, digital factory solutions

02 PRODUCT DEVELOPMENT

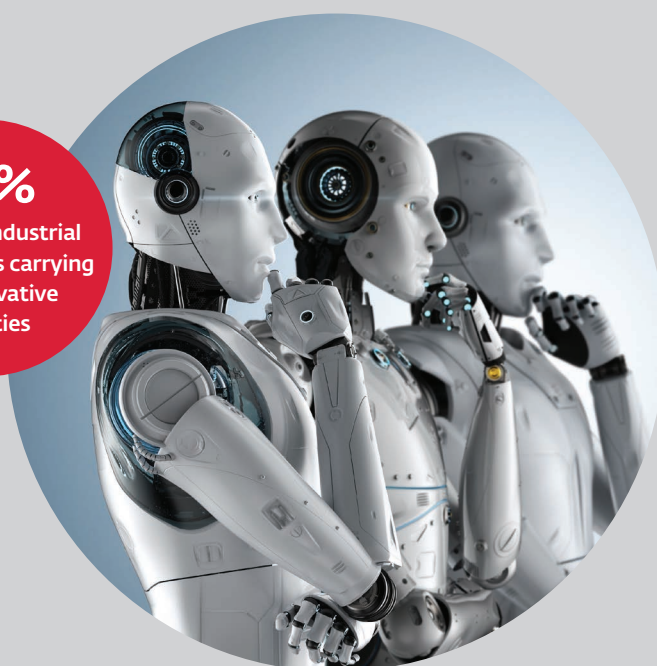
design, prototyping, testing, tooling

03 SERVICES SECTOR

software automation, outsourcing,
cybersecurity, big data and AI

39%

of Slovak industrial
companies is carrying
out innovative
activities



SAMPLE OF THE SLOVAK INDUSTRY 4.0 ECOSYSTEM

Photoneo, Asseco CEIT, MTS, Matador Automation, Rossum
Integration, Twinzo, Touch4IT, M-D-J, Manex, Merchant,
Robotec, RV Magnetics, iGrow Network, Sova Digital, Marpex,
Develogics, BrainIT, Ditis, Bizzcom and others

Success Stories in SLOVAKIA



690+

Successful SARIO projects since 2002
including Volvo Cars, Jaguar Land Rover,
Volkswagen, Kia, Stellantis, Amazon, IBM,
Dell, Johnson Controls, Embraco, Samsung,
Honeywell, Minebea and others.

SLOVAKIA has been the final investment destination for several hundreds successful projects from various countries and in a wide range of industrial sectors.

**NETHERLANDS**

Heineken, ING Business Shared Services, Biotika, Inalfa Roof Systems, Van Doren Engineers Slovakia, AAF International, BDR Thermea

**GERMANY**

Brückner Group, Porsche, Bosch, Siemens, Volkswagen, Brose, Covestro, T-Systems, Schaeffler, Leoni, Mahle, Hella, KUKA, Osram, ZF, Evonik Fermas, Deutsche Telekom, Continental, Vaillant, BSH Drives and Pumps

**SOUTH KOREA**

Kia, Samsung, Mobis, YURA, Sungwoo Hitech, Hyundai Steel, Donghee Slovakia, Daejung Europe, Seoyon E-Hwa Automotive, Hyundai WIA, KUNHWA Hyoseong Electric, Hanjoo Light Metal

**CHINA**

Lenovo, Yanfeng, Huawei, Mesnac, Boge Elastmetall, Leyard Europe, Xinquan

**AUSTRIA**

MIBA Sinter, Neuman Aluminium, ZKW, Uniqa4Ward RSC Raiffeisen Service Centre, Kronospan, Erste Digital, Pöttinger, Casa 7

**ITALY**

Marelli, Brovedani, SISME, Bonfiglioli, MTA, Intercable, Mevis, Lombardini, C.I.M.A., Lowa, Meta System, Leitech

**TAIWAN (CHINA)**

AU Optronics, Foxconn, Delta Electronics

**JAPAN**

Minebea, SE Bordnetze, Panasonic Industrial Devices, Yazaki, Marelli, Akebono, U-Shin, SIIX EMS, Brother Industries, Embraco

**EXAMPLES OF
FOREIGN INVESTORS
WITH R&D OPERATIONS**

Adient, Yanfeng, Brose, Osram, Siemens, BSH, Honeywell, Embraco



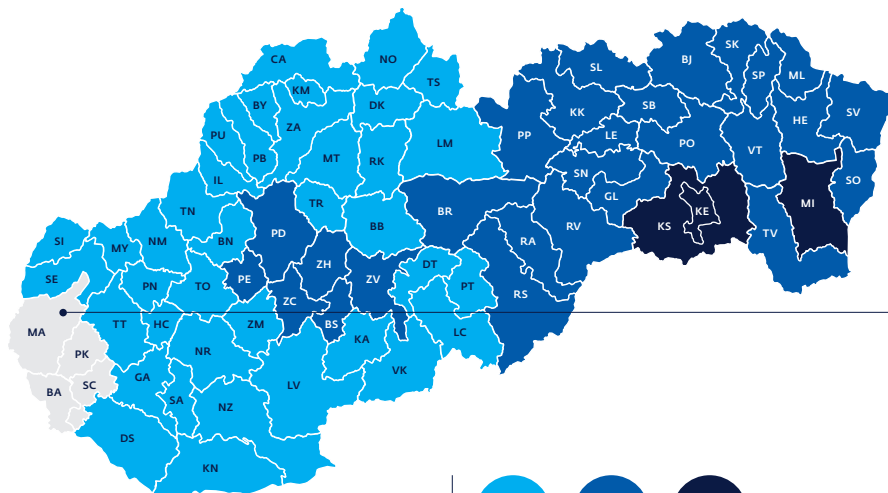
Investment Incentives

MAXIMUM REGIONAL INVESTMENT AID INTENSITY

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.



Districts in Bratislava region are excluded from the investment aid scheme



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

40%

50%

60%

+10%

additional incentives for medium-sized enterprises

+20%

additional incentives for small and micro-sized enterprises

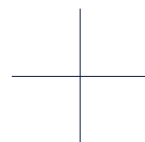
+10%

additional incentives for projects related to critical technologies

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

Please contact us at invest@sario.sk for more information (including minimum conditions and critical technologies definition).



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 UAE 2022

CEE & TURKEY REGION
Best Investment Promotion
Agency in 2022



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 Slovak Republic.

01 INVESTMENT SERVICES

FOR POTENTIAL INVESTORS

- investment environment overview
- organization of the investor's visits of Slovakia
- 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
- online database of business opportunities
- export Training Centre
- subcontracting assistance

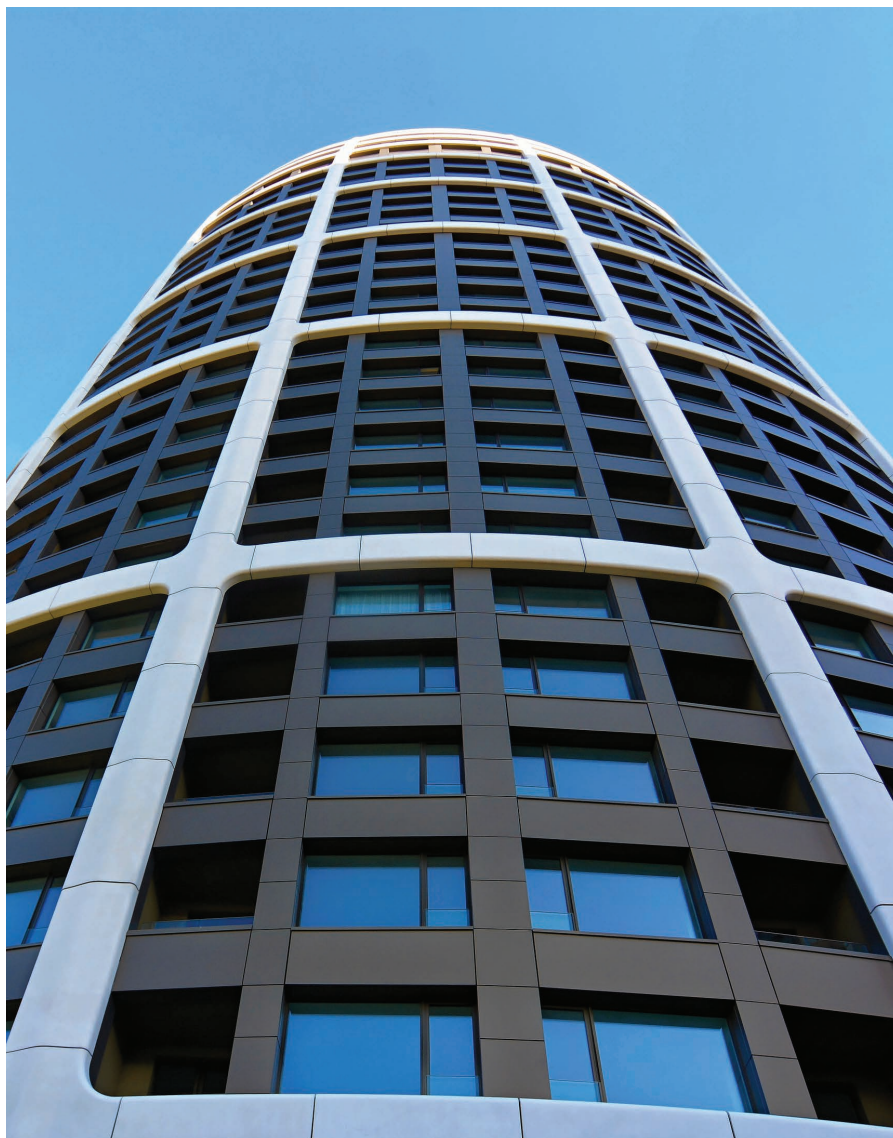
03 SLOVAK SPACE OFFICE

FOR SLOVAK ENTITIES

- tailor-made sector entry consultancy
- startup creation through hackathons and incubation programs
- cooperation opportunities through matchmaking events
- internationalization of the Slovak space companies and research institutions

FOR FOREIGN PARTNERS

- customized search for local partners
- assistance with establishing branch in Slovakia
- cooperation on space industry events



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

SLOVAK INVESTMENT AND TRADE DEVELOPMENT AGENCY

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