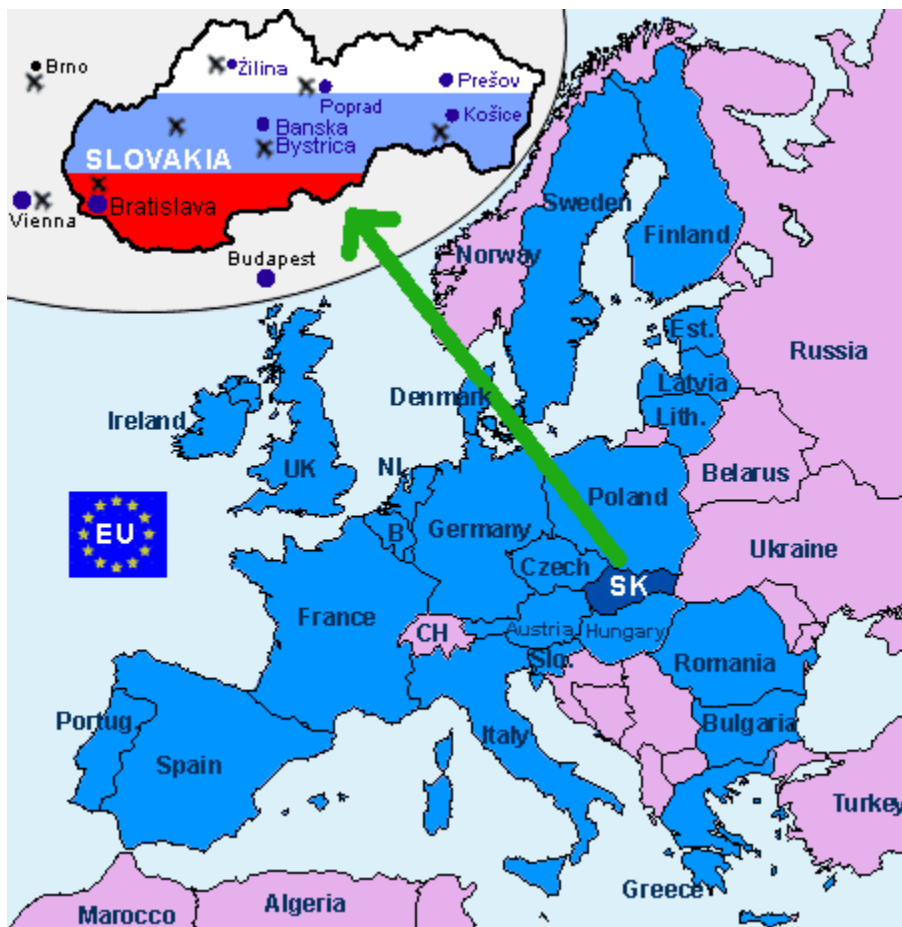


Slovak republic – country report 2011

(Updated on October 2011)



Made by: Martina Cicekova – Trade officer for Slovakia

Basic Information

Official name: Slovak Republic (population 5,4 mil.)

Capital city: Bratislava (population 601 132)

Date of the republic's establishment: 1. 1.1993

Political system: parliamentary democracy

Constitutional system:

- constitutional and legislative power (National Council of the SR)
- executive power (president of the SR a government of the SR)
- judiciary power (constitutional court a courts)

Territorial division:

8 regions

- Bratislava
- Trnava
- Nitra
- Trenčín
- Žilina
- Banská Bystrica
- Prešov
- Košice

79 districts

Official language: Slovak

Adjacent countries: Czech Republic, Poland, Ukraine, Hungary, Austria

Area: 49 035 km²

Population: 5 379 455 (51.4% women)

Population density: 109/km²

Ethnicity of the population: Slovak (85.8%), Hungarian (9.7%), Romany (1.7%), Czech (0.8%), Rusyn, Ukrainian, Russian, German, Polish and others (2%)

Population by religion: believers (84.1%) of which:

Roman Catholic (68.9%), Evangelical (6.9%), Greek Catholic (4.1%), Reform Christian (2%), undetermined (2.2%), atheist (13.7%)

President of the republic: Doc. JUDr. Ivan Gašparovič, CSc., Dr.h.c.

Prime Minister: Prof. PhDr. Iveta Radičová, PhD.

Currency: Euro (€) (EUR)

Exchange rate: 33,78 SKK/EUR (average of 2007)

Membership of international organisations: EU, NATO, UN, UNESCO, OECD, OECE, CERN, WHO

Until the global economic crisis, Slovakia was enjoying sustained high economic growth. In 2008 Slovakia had a GDP growth of 6,4%, which was the second highest in the European Union. Due to global economic crisis Slovakia's GDP growth in 2009 was - 4,7%. As expected, in 2010 Slovak economy recorded a 4% GDP growth, one of the highest in EU. The inflation (HICP) in Slovakia was kept at the low level of 0,9% in 2009 and 0,7% in 2010. Slovakia is generally recognised as an open market economy, which is able and willing to pay its liabilities. Based on Standard and Poor's ratings, Slovakia has become the leader of the Central European region.

Country	Standard and Poor's	Moody's	Fitch
Slovakia	A+ stable outlook	A1 stable outlook	A+ stable outlook
Czech republic	A stable outlook	A1 stable outlook	A+ stable outlook
Poland	A – stable outlook	A2 stable outlook	A – stable outlook
Hungary	BBB – stable outlook	Baa1 negative outlook	BBB negative outlook

Source : Standard & Poor's : www.standardandpoors.com Moody's: www.moodys.com

Fitch: www.fitchratings.com

In 2010 Slovakia had the highest GDP growth in the CEE region and a second highest growth amongst all of the EU members.

Real GDP growth in CEE region

Country	2007	2008	2009	2010	2011f
Slovakia	10, 6%	6, 4%	- 4, 7%	4, 0%	2, 6%
Czech republic	6, 1%	2, 5%	- 4, 8%	2, 4%	2, 3%
Poland	6, 8%	5, 0%	1, 7%	3, 8%	3, 9%
Hungary	1, 0%	0, 6%	- 6, 3%	1,2%	2,8%
Bulgaria	6, 2%	6, 0%	- 5, 0%	0, 2%	2,6%
Romania`	6, 3%	7, 3%	- 7,1%	- 1,3%	1,5%

Source: SARIO

The advantages of Slovakia as an investment destination are proved by many investors that have already decided to settle in the country. Currently the most important industries in Slovakia are the automotive industry (Volkswagen, KIA Motors, PSA Peugeot Citroen) and electronics (Sony, Samsung, AU Optronics). Important sectors are also machinery, chemical industry and IT services. Slovakia's main advantages for foreign investors are relatively cheap and very skilled labour force, 20% flat tax rate, no dividend taxes, liberal Labour Code, political and economic stability, steadily growing infrastructure, EU membership and favourable geographical location.

Foreign trade between Slovakia and Israel (in thousands EUR)

	2003	2004	2005	2006	2007	2008	2009	2010
Export	24 099	23 912	29 201	26 028	26 882	35 864	29 952	44 956
Import	21 979	19 756	20 086	30 223	27 844	33 333	28 428	34 461
Turnover	46 078	43 668	49 287	56 251	54 726	69 196	58 380	79 417
Balance	2 120	4 156	9 115	-4 195	-962	2 531	1 524	10 495

Source : Ministry of Economy of the Slovak republic

Territorial structure of export from Slovakia to Israel (in thousands EUR)

	EXPORT (FCO)	30,0	100,00	45,0	100,00	150,1
0	Food and live animals	0,1	0,3	0,2	0,5	244,0
1	Beverages and tobacco	0,0	0,0	0,0	0,0	300,0
2	Raw materials	0,4	1,2	0,6	1,3	160,1
3	Mineral fuels and waxes	0,0	0,0	0,0	0,0	0,0
4	Oils, fat and waxes	0,0	0,0	0,0	0,0	0,0
5	Chemicals	0,4	1,3	0,6	1,4	166,6
6	Market products	5,5	18,4	4,2	9,4	76,8
7	Machinery and transport equipment	17,7	59,0	33,0	73,5	186,8
8	Industrial products	5,9	19,8	6,3	13,9	105,7
9	Other	0,0	0,0	0,0	0,0	0,0
10	Gold	0,0	0,0	0,0	0,0	0,0
11	Not specified	0,0	0,0	0,0	0,0	0,0

Source: Ministry of Economy of the Slovak republic

Territorial structure of import from Israel to Slovakia (in thousands EUR)

	Indicator	2009	Struct.	2010	Struct.	index 10/09 (%)
		Mil EUR	v %	Mil EUR	v %	Mil EUR
	IMPORT (OP)	28,4	100,00	34,5	100,00	121,2
0	Food and live animals	1,7	6,1	1,9	5,5	110,0
1	Beverages and tobacco	0,1	0,2	0,1	0,3	167,3
2	Raw materials	0,1	0,4	0,1	0,4	124,1
3	Mineral fuels and waxes	0,00	0,00	0,00	0,00	0,00
4	Oils, fat and waxes	0,00	0,00	0,00	0,00	0,00
5	Chemicals	9,0	31,5	10,7	31,1	119,8
6	Market products	3,2	11,1	5,0	14,6	160,1
7	Machinery and transport equipment	9,6	33,7	12,8	37,2	133,7
8	Industrial products	4,9	17,1	3,8	10,9	77,3
9	Others	0,00	0,00	0,00	0,00	0,00
10	Gold	0,00	0,00	0,00	0,00	0,00
11	Not specified	0,00	0,00	0,00	0,00	0,00
	Total import into SR	38 775,1		48 653,5		125,5
	Share on import into SR	0,07 %		0,07 %		96,6

Source: Ministry of Economy of the Slovak republic

Macroeconomic indicators + Forecast

No.	Indicator	Unit	2009*	2010*	2011	2012	2013	2014
1	GDP; current prices	bln. €	63.05	65.91	69.52	73.74	78.40	83.68
2	GDP; real growth	%	-4.8	4.0	3.3	3.4	3.7	3.9
3	Consumption of households; real growth	%	0.3	-0.3	0.1	2.6	3.5	3.6
4	Consumption of households; nominal growth	%	0.3	0.6	3.9	5.9	6.9	7.2
5	Average wages; nominal growth	%	3.0	3.2	3.5	5.3	5.7	6.3
6	Average wages; real growth	%	1.4	2.2	-0.5	1.8	2.1	2.5
7	Average employment growth; LFS	%	-2.8	-2.0	1.9	0.6	0.7	0.5
8	Average employment growth; registered	%	-4.5	-1.1	1.5	0.3	0.5	0.5
9	Average employment growth; ESA95	%	-2.5	-1.4	1.5	0.3	0.5	0.5
10	Average unemployment rate; LFS	%	12.0	14.4	13.0	12.6	11.9	11.2
11	Consumer price index (CPI); average growth	%	1.6	1.0	4.0	3.4	3.5	3.7
12	Harmonized consumer price index (HICP); average growth	%	0.9	0.7	4.2	3.4	3.5	3.8
13	Producer price index (PPI); average growth – inland	%	-2.6	-2.8	2.8	2.4	2.3	2.5
14	Current account balance	% HDP	-3.6	-3.5	-1.7	-2.1	-1.7	-1.9
15	Government consumption; real growth	%	5.6	0.1	-4.6	1.1	0.9	0.4
16	Gross fixed capital formation; real growth	%	-19.9	3.6	3.8	5.1	3.0	4.4
17	Export of goods and services; real growth	%	-15.9	16.4	9.4	6.4	7.7	8.0
18	Import of goods and services; real growth	%	-18.6	14.9	6.3	6.3	7.4	8.4

*2009, 2010 – actual data

Source: IFP

Slovak companies making business with Israel

Slovak importers from Israel

CSBC s.r.o.

S.M.S. s.r.o.

ISCAR SR s.r.o.

BOHNENKAMP INTERNATIONAL s.r.o

Bittner print s.r.o.

PERTOP s.r.o.

Letecke opravovne Trencin a.s.

Integrated Medical Systems s.r.o.

Phoenix Zeppelin s.r.o.

IMAGEWELL s.r.o.

Ratiopharm International GmbH

Novalux SK s.r.o.

TYPON Slovakia s.r.o.

AGROVITA s.r.o.

CHEMOSVIT FOLIE s.r.o.

INTES Poprad s.r.o.

Kaufland Slovenska republika v.o.s.

SIGA s.r.o.

METRO Cash & Carry Slovakia s.r.o.

Tlaciaren R & H Labels s.r.o.

CENTRON SLOVAKIA s.r.o.

Nike Europ.Operat. Netherlands B.V.

ALCASYS Slovakia a.s.

CAMPRI s.r.o.

Nokia Siemens Networks Slovakia s.r.o.

AUTO-KLIMA Bratislava s.r.o.

SIGIN a.s.

WIMAX Telecom Slovakia s.r.o.

Barentz s.r.o.

DIMARKO s.r.o.

Manz Automation Slovakia s.r.o.

NETAFIM Slovakia s.r.o.

DOMO- Slovakia s.r.o.

NextiraOne Slovakia s.r.o.

HSW publicity s.r.o.

Kimberly-Clark s.r.o.

KREMIX Trade s.r.o.

MOVOS s.r.o.

REBOX s.r.o.

EUROGABIONS s.r.o.

Phonenix Zdravotnicke zasobovanie a.s.

IDES s.r.o.

ILT s.r.o.

Edu Plus s.r.o.

Johnson & Johnson s.r.o.

ZENTIVA a.s.

A.F.F. s.r.o.

WILLING a.s.

Adidas Slovakia s.r.o.

HORNBACH – Baumarkt s.r.o.

Slovak exporters to Israel

KIA Motors Slovakia s.r.o.

VOLKSWAGEN Slovakia s.r.o.

WHIRLPOOL Slovakia s.r.o.

Slovnaft Petrochemicals s.r.o.

Smurfit Kappa Sturovo a.s.

Letecke opravovne Trencin a.s.

Continental Matador Rubber s.r.o.

SONY SLOVAKIA s.r.o.

Swedwood Slovakia s.r.o.

Julius Meinl Coffee a.s.

TIK Slovakia s.r.o.

MicroStep s.r.o.

CSBC s.r.o.

Integrated Medical Systems s.r.o.

ZSNP a.s.

Odenberg Engineering s.r.o.

Applied Meter a.s.

Biotika a.s.

Nexis Fibers a.s.

TECHNOGYM E.E. s.r.o.

T-GUM s.r.o.

B.O.L. – TRADE s.r.o.

OMS s.r.o.

Delta Electronics Slovakia s.r.o.

FONTANA a.s.

FERPLAST SLOVAKIA s.r.o.

Chemosvit FIBROCHEM a.s.

THORMA Vyroba k.s.

LIND MOBLER SLOVAKIA s.r.o.

ETOP International s.r.o.

DATALOGIC SCANNING SLOVAKIA s.r.o.

Panasonic AVC Networks Slovakia s.r.o.

2J s.r.o.

ZENTIVA a.s.

TIMUS SAFETY s.r.o.

EMERSON a.s.

EKOLTECH s.r.o.

Degussa GmbH

RONA a.s.

Schindler Fahrtreppen Interantional GmbH

Glunz & Jensen s.r.o.

Bonfiglioli Slovakia s.r.o.

Rettenmeier Polomka Timber s.r.o.

Bekaert Hlohovec a.s.

OPRO k.s.

Bodet & Horst mattress ticking k.s.

SLOVGLASS a.s.

SANAS a.s.

AT&T Global Network Services Slovakia s.r.o.

Few other examples of the successful Slovak-Israeli cooperation

Tulip Tours s.r.o. – travel agency with Israeli shareholder

Ness Slovakia s.r.o. – IT company operating also in Israel

Timbex Ltd. – Slovak company cooperating with Israeli partner DOLAV Ltd.

TEVA Pharmaceuticals Slovakia s.r.o.

Frig – product s.r.o. – Slovak company, commercial representation in Israel – ALEX and ELEKTRA

Rafael Ltd. – supplier for Ministry of defence in Slovakia

One Smart Star – Telecommunication company from Israel, which started service in Slovakia

NevO – cosmetic company with products from Dead Sea, sale in Slovak big shopping malls

Spa Piešťany – twin city with Eilat (agreement signed in June 2006), Israeli tourism destination

Panax F.C.S. s.r.o. – distributor for small busess from companies Feldman Israel and Autocool Israel

ITM Datove komunikacie s.r.o. – local representative of company RAD Data Communications Ltd.
Israel

WILLING a.s. – local representative for Israeli defence companies Rafael, ILT and Rabintex

Mineral Beauty System, s.r.o. – distributor for original Dead sea cosmetic

AHAVA – cosmetics from Dead Sea

NETAFIM Slovakia – drip irrigation systems, agricultural products and turn-key greenhouses

ILT s.r.o. – Slovak importer of many Israeli wine brands

SL Group – real estate group with Israeli management having projects in Slovakia

Opera Group – real estate company having projects in Slovakia

BIOMETRIX – Israeli medical equipment company with branch in Slovakia

Agrovaria – Slovak representation of the company NaanDanJain Irrigation Ltd.

Foamotive – supplier for Slovak car production plants (Volkswagen, Peugeot)

Yami – Israeli company in Slovakia selling flavoured drinks and herbs

Intrade s.r.o. – Israeli investment company operating in Slovakia

Delta Defense – Slovak company trading with Israel in defense field

Slovakia maintains diplomatic relations with approximately 173 countries and is a member of a large number of international organizations, including:

- **EU** - the European Union, since 2004, <http://ec.europa.eu/>
- **UN** - the United Nations, since 1993, <http://www.un.org/en/index.shtml>
- **IMF** - the International Monetary Fund, since 1995, <http://www.imf.org/external/index.htm>
- **IBRD / WB** - the International Bank for Reconstruction and Development / World Bank, since 1993, <http://www.worldbank.org/>
- **IFC** - the International Finance Corporation, since 1993, <http://www.ifc.org/>
- **EBRD** - the European Bank for Reconstruction and Development, since 1993, <http://www.ebrd.com/>
- **WTO** - the World Trade Organization, since 1995, <http://www.wto.org/>
- **OECD** – Organization for Economic Co-operation and Development, since 2000, <http://www.oecd.org/home/>
- **NATO** – North Atlantic Treaty Organization, since 2004, <http://www.nato.int/cps/en/natolive/index.htm>
- **CEFTA** - the Central Europe Free Trade Agreement, since 2004, <http://www.cefta2006.com/en-index.php>
- **UNESCO** – United Nations Educational, Scientific and Cultural Organization, since 1993, http://portal.unesco.org/en/ev.php-URL_ID=29008&URL_DO=DO_TOPIC&URL_SECTION=201.html
- **INTERPOL** – International Criminal Police Organization, since 1993, <http://www.interpol.int/default.asp>
- **V4** – The Visegrad Group, since 1993, <http://www.visegradgroup.eu/main.php?folderID=1>
- **Schengen** – Schengen Agreement, Schengen Area, since 2007, http://en.wikipedia.org/wiki/Schengen_Area

Foreign trade detailed data in the January - July period of 2011

In July compared with June 2010, the total export of goods increased by 9,5 % to EUR 4 213,5 million and the total import grew by 5 % to EUR 4 168,6 million. The foreign trade balance was in surplus of EUR 44,8 million.

The foreign trade balance was in surplus of EUR 1 030,3 million in the January-July period (by EUR 491,1 million higher than in the corresponding period last year).

The Slovak Republic had the highest balance surplus with Austria (EUR 1 520,9 million), Germany (EUR 1 466,8 million), the Czech Republic (EUR 1 248,9 million), France (EUR 1 103,3 million), Hungary (EUR 1 001,3 million), Poland (EUR 981,1 million), United Kingdom (EUR 779,6 million), Italy (EUR 606,1 million), the Netherlands (EUR 517 million) and Spain (EUR 400,1 million).

The biggest balance deficit was in foreign-trade activity with the Russian Federation (EUR 2 399,7 million), the Republic of Korea (EUR 1 904,4 million), China (EUR 1 079,4 million), Taiwan (EUR 487,6 million), Japan (EUR 409 million), Ukraine (EUR 117,9 million), Malaysia (EUR 112 million) and India (EUR 76,1 million).

Goods in the amount of EUR 31 904,3 million were exported from the Slovak Republic. Compared with the corresponding period in 2010, the total export increased by 19,9 %.

In terms of goods, export of motor cars and other motor vehicles principally designed for transport of persons increased mostly by EUR 1 116 million, petroleum oils and oils from bitumen mineral, other than crude by EUR 657,7 million, telephone sets, including telephones for cellular networks or for other wireless networks by EUR 288,1 million, parts and accessories of motor vehicles by EUR 283,9 million, petroleum gases and other gaseous hydrocarbons by EUR 220,1 million.

Export of monitors and projectors, reception apparatus for television decreased most by EUR 346,8 million, parts and accessories of transmission apparatus for radio-broadcasting or television by EUR 221,7 million, video recording of reproducing apparatus, whether or not incorporating a video tuner by EUR 135,1 million, semi-finished products of iron or non-alloy steel by EUR 44,9 million.

From the most significant trade partners, export to Germany increased by 25,9 %, the Czech Republic by 23,3 %, Poland by 20,3 %, Austria by 27,8 %, France by 12,9 %, Hungary by 28,9 %, Italy by 4 %, United Kingdom by 18,8 %, the Russian Federation by 9,8 %, the Netherlands by 9,4 %, Spain by 1,7 % and China by 40,8 %.

Export to the EU countries increased by 20,8 % (it represented 85,3 % of the total export of the SR) and export to the OECD countries was up by 20,3 % (it represented 87,6 % of the total export of the SR) in terms of the main economic groupings.

Goods in the amount of EUR 30 874 million were imported to the Slovak Republic; there was a 18,4 %, year-on-year, increase.

In terms of goods, import of petroleum oils and oils from crude bitumen mineral increased most by EUR 667,2 million, parts and accessories of motor vehicles by EUR 548,4 million, petroleum gases and other gaseous hydrocarbons by EUR 400,6 million, diodes, transistors and similar semiconductor devices by EUR 292 million and petroleum oils and oils from bitumen mineral, other than crude by EUR 166,6 million.

Import of parts and accessories of transmission apparatus for radio-broadcasting or television decreased most by EUR 565,7 million, motor cars and other motor vehicles principally designed for transport of persons by EUR 115,9 million, combustion piston engine by EUR 84,7 million, monitors, projectors and reception apparatus for television by EUR 54,3 million and electronic integrated circuits and micro assemblies by EUR 51 million.

In relation to the most significant trade partners, import from Germany increased by 19,6 %, the Russian Federation by 40,9 %, the Czech Republic by 18,8 %, China by 29 %, Poland by 23,3 %, Hungary by 6,5 %, France by 10,9 %, Italy by 23 % and Austria by 4,5 %. Import from the Republic of Korea decreased by 1,6 %.

Import from the EU countries was up by 15,5 % (it represented 65,1 % of the total import) and import from the OECD countries increased by 14,1 % (it represented 62,1 % of the total import of the SR) in terms of the main economic groupings.



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