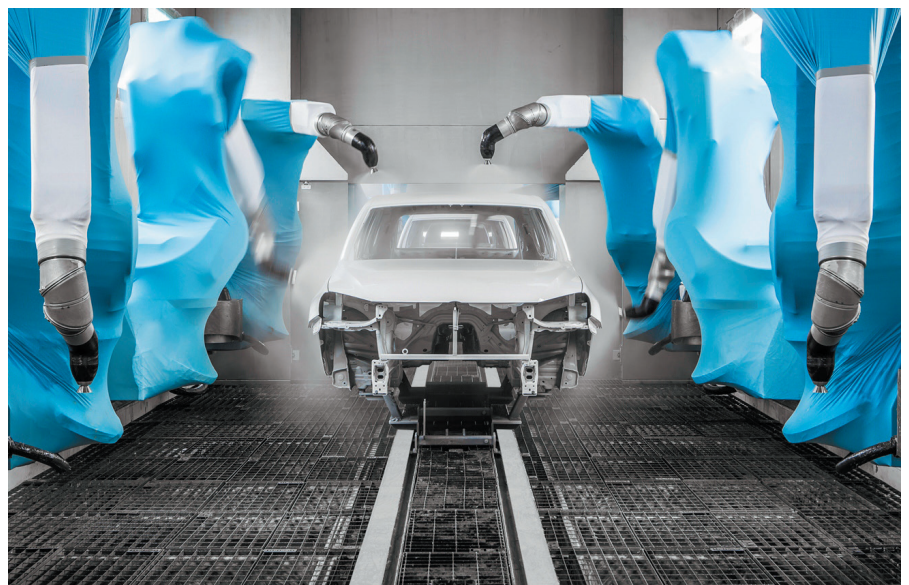
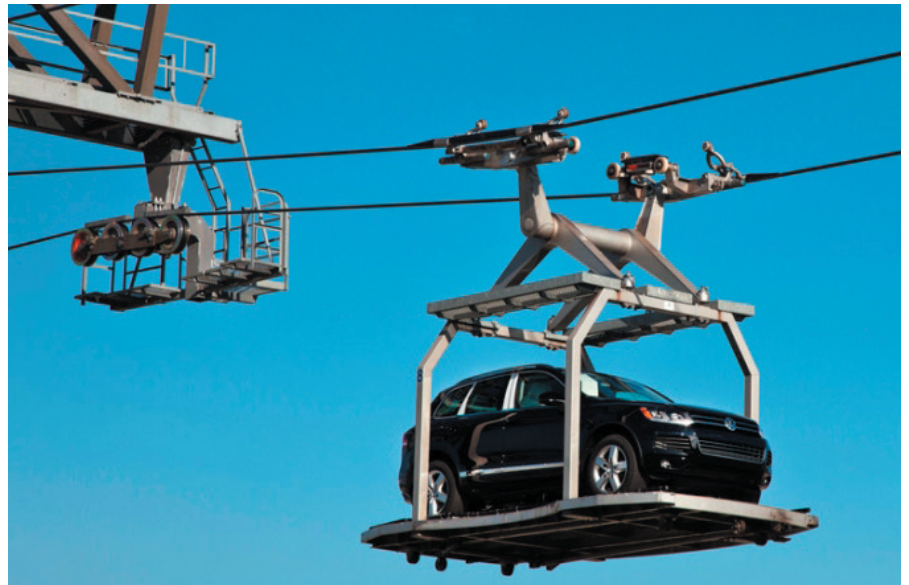


Automotive Sector in SLOVAKIA



Automotive Sector in Slovakia

This publication is designed to introduce Slovakia's dynamically growing automotive sector — facts and figures, sector strengths and vision — to illustrate why Slovakia is an ideal location for doing business in this industry.



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

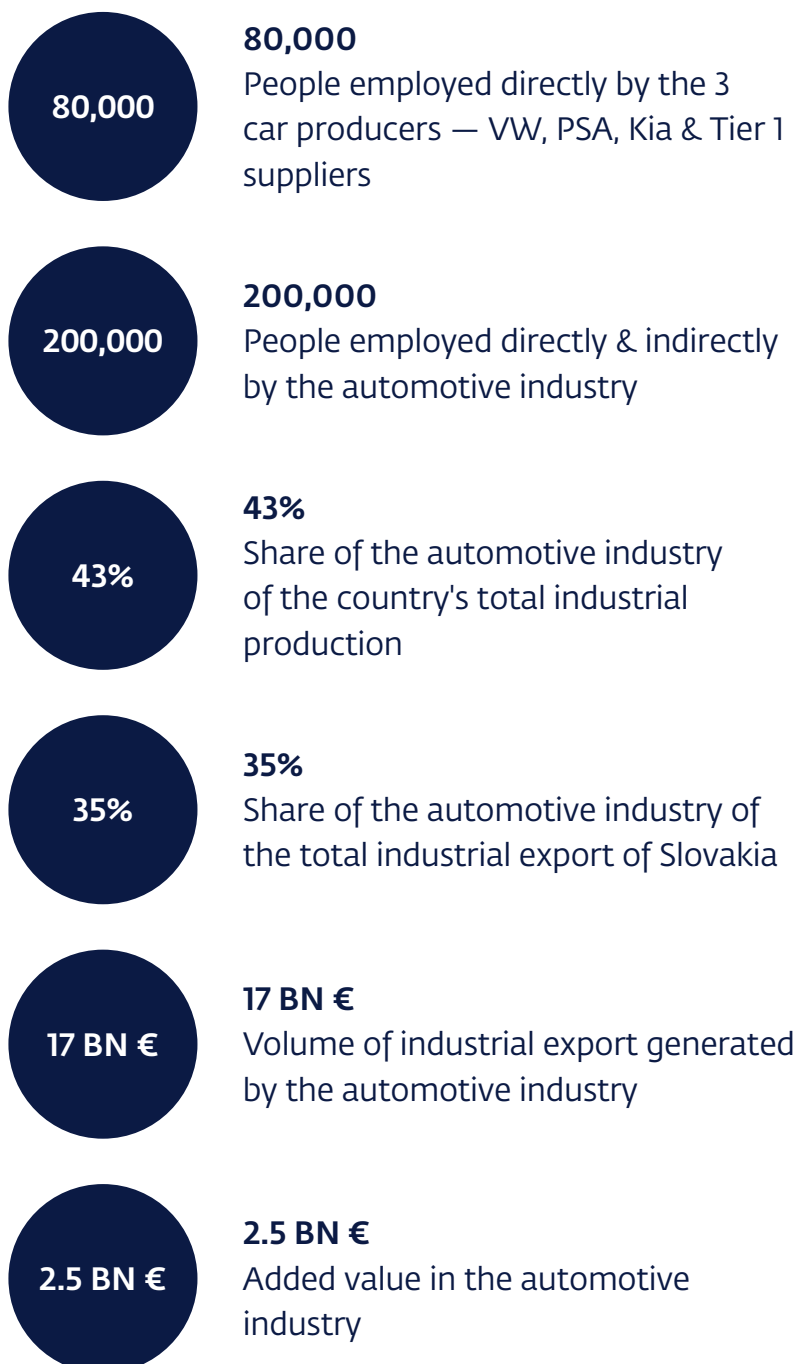
300 million clients in radius of 1,000 km

600 million clients in radius of 2,000 km



Overview of the Automotive Industry In Slovakia

The automotive industry has a strong tradition in Slovakia and became the most important sector and driving force of the Slovak economy. Over the past 20 years it has been an important source of foreign direct investment.



Top Reasons to Invest in Automotive Industry in Slovakia

- 1 Highest labour productivity in the CEE region
- 2 Cost-effective & skilled labour force
- 3 Political & economic stability
- 4 Strategic location in Europe with great export potential
- 5 Wide supplier network in automotive sector
- 6 Growing R&D centers & innovation network
- 7 Numerous technical schools & implementation of dual education scheme
- 8 Euro currency as one of a few in CEE
- 9 Fastest growing Eurozone member within the last 10 years
- 10 Attractive investment incentives for automotive industry
- 11 Well-developed infrastructure

Source: Statistical Office of the SR, Automotive Industry Association of the Slovak Republic (ZAP SR), Top Trend 2015

Growing Car Production

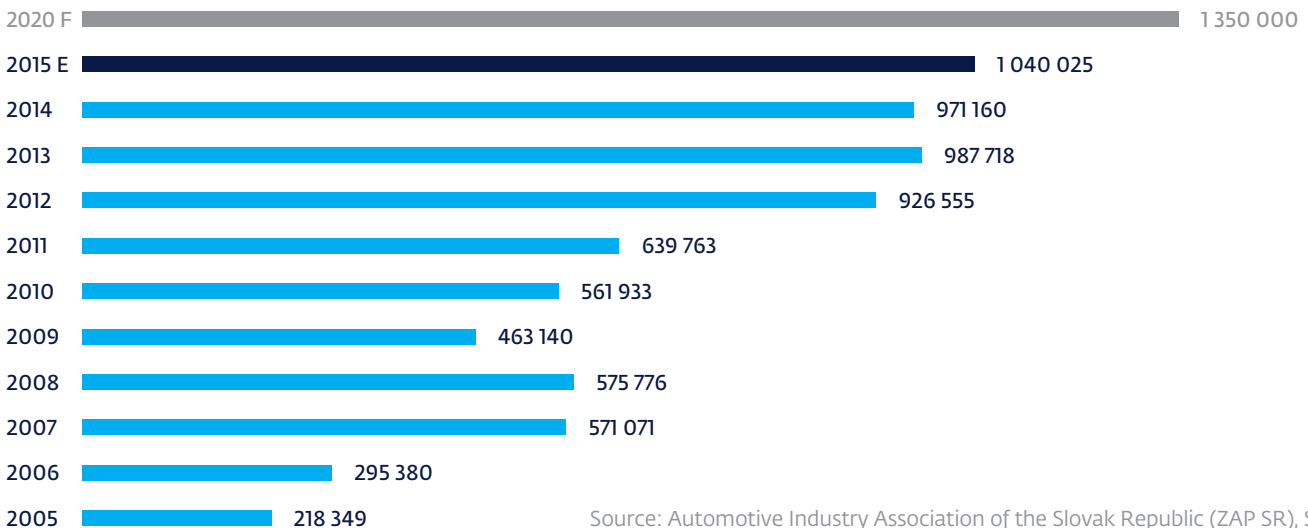
The Slovak automotive industry experienced significant growth since 1992, which became even more rapid after the turn of the millennium.

The Slovak automotive sector gradually grew to a global scale

Nowadays Slovakia belongs to the 20 biggest car producers in the World and produces more cars than Italy and Poland combined. It is expected to hit the annual benchmark of 1 mil. cars produced by the end of 2015.

5 fold increase of car production in last 10 years

Car Production in Slovakia

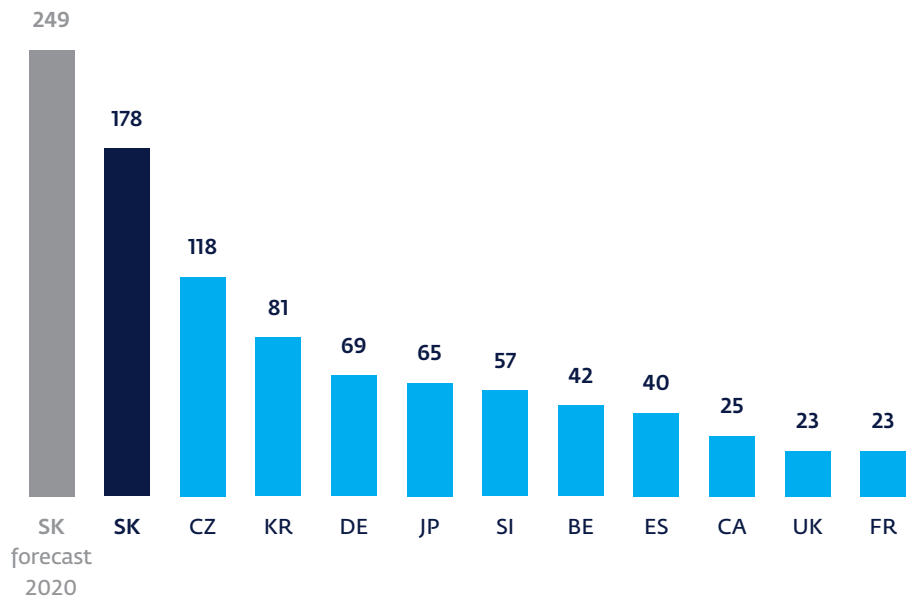


Source: Automotive Industry Association of the Slovak Republic (ZAP SR), SARIO

Car Production per 1000 Inhabitants

Taking into consideration the number of inhabitants, Slovakia is by far the global leader in car production per 1000 inhabitants.

Source: SARIO calculations based on data by Organisation Internationale des Constructeurs d'Automobiles



Automotive Producers in Slovakia

VOLKSWAGEN SLOVAKIA

Year of Establishment: 1991
Production (2014): 394,474 vehicles
Sales (2014): € 6.17 bn
Number of employees: 9,900
Models: VW Touareg, Audi Q7, VW Up!, Škoda Citigo, SEAT Mii, Porsche Cayenne, body in white for Bentley Bentayga
Announced expansion: construction of new SUV bodyshop (1 bn € investment)



The only plant in the world producing 6 brands under one roof



Kia's first and only factory in Europe

Car manufacturer in Slovakia with its own engine production

KIA MOTORS SLOVAKIA

Year of Establishment: 2004
Production (2015): 338,000 vehicles, 582 000 engines
Sales (2014): € 4.59 bn
Number of employees: 3,800
Models: Kia cee'd, Kia cee'd_Sportswagon, Kia pro_cee'd, Kia Sportage, Kia Venga.
Announced expansion: extension of production capacities (140 mil. € investment)



PSA PEUGEOT CITROËN SLOVAKIA

Year of Establishment: 2003
Production (2015): 303,025 vehicles
Sales (2014): € 2.08 bn
Number of employees: 3,500
Models: Peugeot 208, Citroën C3 Picasso.
Announced expansion: start of new Citroen model production in 2017



The most profitable plant in the PSA group



Largest investment in Europe in the last 7 years

JAGUAR LAND ROVER

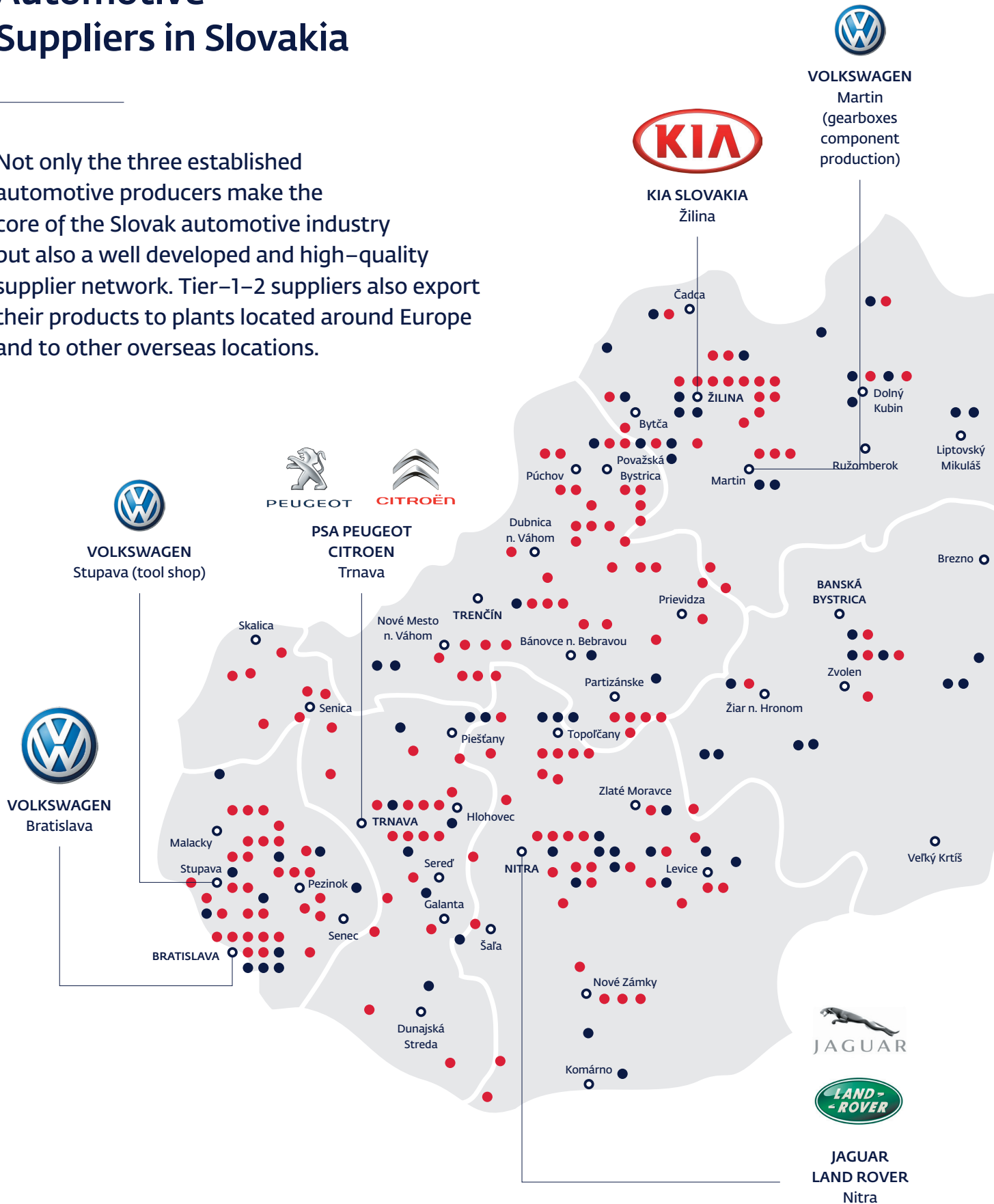
Year of establishment: 2015
Start of operation: 2018
Production capacity: 300,000
Estimated number of employees: 2,800
Models: Premium SUVs.
Announced investment: establishment of the new manufacturing facility (1.5 bn € investment)



Source: Volkswagen Slovakia, Kia Motors Slovakia, PSA Peugeot Citroen Slovakia, Jaguar Land Rover.
All images used are for illustrative purposes only.

Automotive Suppliers in Slovakia

Not only the three established automotive producers make the core of the Slovak automotive industry but also a well developed and high-quality supplier network. Tier-1-2 suppliers also export their products to plants located around Europe and to other overseas locations.



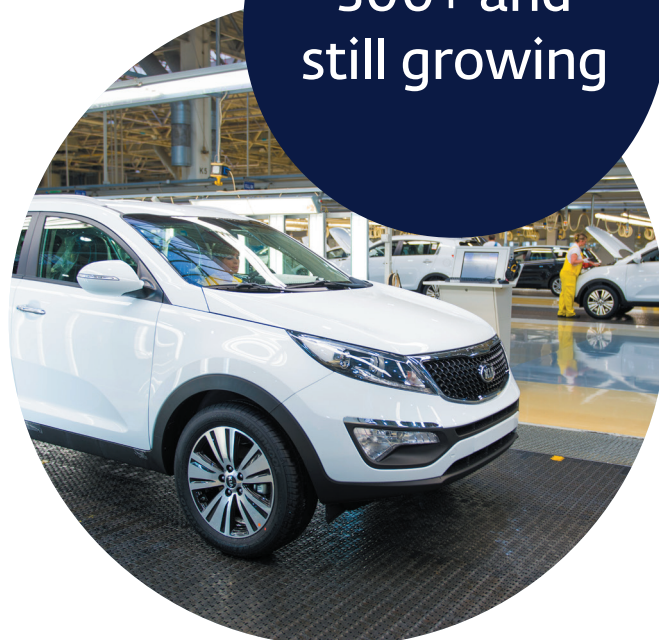
Source: SARIO, Online Matchmaking Fair for Automotive Slovakia, GLOBAL Slovakia, 2015



- Tier 1 Supplier
- Tier 2 Supplier

300+ AUTOMOTIVE SUPPLIERS

More than 300 suppliers operate in Slovakia and based on past experience with the arrival of previous OEMs, it is expected that the investment of Jaguar Land Rover will considerably expand the automotive suppliers network, also to the central and eastern part of the country.



300+ and still growing

Overview of major Tier 1–2 Suppliers in the Slovak Automotive Industry

INTERIOR MODULES, DASHBOARDS

Daejung, Faurecia, Eurostyle Systems, Reydel Automotive, Hanil E-Hwa, IAC Group, KOAM, LPH Vranov, Synothec, Lear Corporation, SAS Automotive, Grupo Antolin, Treves, Eissmann, Z Industries, CRW Slovakia, Bourbon Automotive plastics, Magna Interiors, Magneti Marelli, Mobis Slovakia, Yanfeng Automotive

TEXTILE, COVERS, LEATHER

Eissmann Automotive, ADTOOL, HOWE, IAC Group, Jobelsa, Heiland Sinoc Automotive, Automotive group SK, Treves, Trim Leader

SEATS

Adient, Faurecia, Lear Corporation,

WIRING HARNESES & ELECTRONIC COMPONENTS

Delphi Slovensko, Leoni, SE Bordnetze, Calearo, Yazaki, Kromberg & Schubert, JOHRAMont, Yura Corporation, PRETTL, Konfektion E, CRT Electronic, DongYang E&P, PANASONIC Industrial devices, Molex, Mkem, SIIX EMS, Služba Nitra, MTA, CEMM THOME

MIRRORS

Magna

STEERING WHEELS

ADTOOL, TRW Automotive

AIR-CONDITIONING

Hanon Systems Slovakia, DELPHI Slovensko

MODUL FRONT END

HBPO, Mobis, Faurecia

SHOCK ABSORBERS

Plastic Omnium, Mobis, Rehau, Matador

ENGINE, ENGINE PARTS & COMPONENTS

Mobis, Pankl, Miba Sinter, Nematik, Getrag Ford Transmissions, MAR SK, Hriňovské strojárne, ZF, Honeywell Turbo, CCN Group Slovakia, Magneti Marelli, EUROPALT, Miba Steeltec, ZWL Slovakia, HUHN PressTech, Plastic Omnium, Nissens, Mahle Behr, GeWiS, Panasonic-Sanyo

SPRINGS

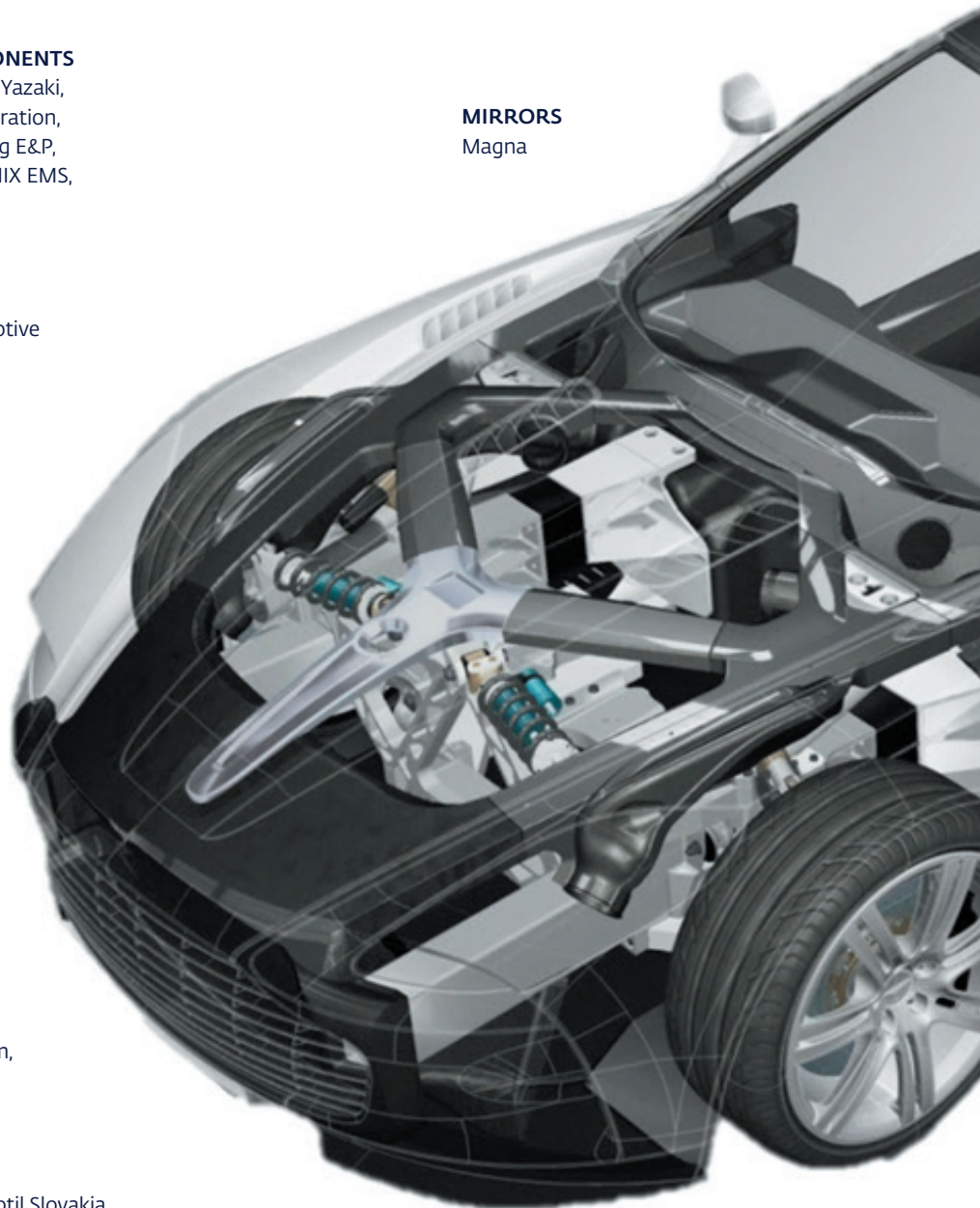
C.E.P. Scherdel, PFS, Subtil Slovakia

BEARINGS

KINEX, Omnia KLF, GGB, DANEX, INA Kysuce / Skalica, MAHLE, ZVL Auto

EXTERIOR LIGHTS

OSRAM, SEC, CEMM THOME, HELLA Front Lighting, HELLA Signal Lighting, Služba Nitra, ZKW, Hella Innenleuchten



CABRIO SYSTEMS

Webasto Donghee, Matador, Webasto
Edscha Cabrio, INALFA Roof systems,
INTEVA Products

ANTENNAS

CALEARO

MODUL REAR END

Mobis

SAFETY EQUIPMENT

Garay, Belt & Buckle, IEE Sensing

FUEL TANKS & SYSTEMS

Plastic Omnium Auto Inergy,
Donghee, Martinrea, Nobel
Automotive, Coavis, Oerlikon,
Hyundam

BODY AND BODY STAMPINGS

ArcelorMittal Gonvarri SSC, COMAX TT,
Autotest Bratislava, Benteler, Matador,
Švec a Spol, Donghee, TOWER
Automotive, Bekaert, DURA Automotive,
Sungwoo Hitech, Farguell

EXHAUST SYSTEMS

TAJCO, SEJONG, Faurecia, Matador
Automotive, Liaz

PLASTIC COMPONENTS

POLYTEC, Fremach Slovakia, HTP,
THERMOPLASTIK, Nobel Automotive,
Bourbon Automotive, Rehau, RF, K-plast,
MTA, Steep Plast, Z Industries,
Polytec Composites

BRAKES, BRAKE SYSTEMS, DAMPERS

Fragokov , Continental Automotive Systems, Europalt, FTE
Automotive, HUHN PressTech, Nobel Automotive, Ti-Hanil,
TI Automotive, Mobis, Akebono Brake

DOOR SYSTEMS & MODULES

Brose, PHA Slovakia, Dura Automotive, Bourbon Automotive
Plastics, Pyeong Hwa Automotive, Slovakian Door Comnapy,
U – Shin, Dongwon, Faurecia, Grupo Antolin

SUSPENSIONS

Donghee, Iljin

DRIVELINE, MECHANICAL OPERATIONS

Küster, GAMMA, Kongsberg Automotive, Bauer Gear Motor

TYRES, BALANCE WEIGHTS

Continental Matador Rubber, Continental
Matador Truck Tires, Rotobalance, Bekaert

SEALS AND SILENTBLOCS & OTHER RUBBER COMPONENTS

ALDOBEC, CIKAUTXO, COBA Automotive, DONGIL RUBBER BELT, Elastomer
Solutions, Eldisy, MIKON, Rubena, Vegum, SaarGummi, Contitech, Boge Elastmetall

Source: Automotive Industry Association of the Slovak Republic (ZAP SR), SARIO

Largest Suppliers in the Automotive Sector

COMPANY NAME	COUNTRY OF ORIGIN	LOCALITY	SALES REVENUE THS. EUR (2016)	NUMBER OF EMPLOYEES (2016)
Mobis Slovakia	South Korea	Gbeľany	1 443 379	1 967
Schaeffler Slovensko	Germany	Kysucké Nové Mesto/Skalica	1 053 648	9 486
SAS Automotive	Germany	Bratislava	670 838	440
Faurecia Automotive Slovakia	France	Lozorno	581 367	1 897
Continental Matador Truck Tires	Germany	Púchov	529 474	1256
ZF Slovakia	Germany	Trnava	418 335	2 528
Magneti Marelli Slovakia	Italy	Kechnec	404 453	654
Yura Corporation Slovakia	South Korea	Lednické Rovne	368 394	2 825
Getrag Ford Transmissions Slovakia	Canada	Kechnec	353 479	869
ZKW Slovakia	Austria	Krušovce	352 083	2 330
Hanon Systems Slovakia	South Korea	Ilava	328 013	521
TRW Automotive	USA	Nové Mesto nad Váhom	303 433	820
Continental Automotive Systems Slovakia	Germany	Zvolen	269 255	1 040
Inteva Products Slovakia	Netherlands	Lozorno	247 438	1 026
Sungwoo Hitech Slovakia	South Korea	Žilina	233 535	725
U-Shin Slovakia	Japan	Košice	208 986	1 723
Hyundai Dymos Slovakia	South Korea	Žilina	204 819	426
ArcelorMittal Gonvarri SSC Slovakia	Luxembourg	Senica	195 983	134
HBPO Slovakia	Germany	Lozorno	195 972	150
Železiarne Podbrezová	Slovakia	Podbrezová	189 796	2 964
Lear Corporation Seating Slovakia	USA	Prešov	184 126	1 014
Adient Slovakia	USA	Trenčín/Lučenec	181 792	974

COMPANY NAME	COUNTRY OF ORIGIN	LOCALITY	SALES REVENUE THS. EUR (2014)	NUMBER OF EMPLOYEES (2014)
Plastic Omnium Auto Exteriors	France	Lozorno	179 517	699
Sejong Slovakia	South Korea	Lietavská Lúčka	171 603	180
Iljin Slovakia	South Korea	Pravenec	167 286	320
Donghee Slovakia	South Korea	Strečno	152 156	450
Leoni Slovakia	Germany	Trenčín	148 604	2 042
Plastic Omnium Auto Inergy Slovakia	France	Lozorno	144 365	260
Hyundai Steel Slovakia	South Korea	Gbeľany	139 464	58
IAC Group	USA	Lozorno	138 443	1 000
Brose	Germany	Lozorno	136 277	400
Mahle Behr	Germany	Námestovo	136 072	70
Seoyon E-HWA Automotive Slovakia	South Korea	Považská Bystrica	134 547	634
Yanfeng Slovakia	China	Trenčín/Námestovo	117 564	975
Rehau	Germany	Lozorno	115 363	44
Trim Leader	USA	Košťany nad Turcom	108 772	1 124
Nemak Slovakia	Spain	Žiar nad Hronom	106 842	560
Boge Elastmetall Slovakia	China	Trnava	104 293	648
Tower Automotive	USA	Malacky	101 771	515
Yazaki Wiring Technologies Slovakia	Japan	Michalovce	86 128	2 209
ContiTech Vibration Control Slovakia	Germany	Dolné Vestenice	81 785	575
Benteler Automotive SK	Germany	Malacky	77 184	330
Grupo Antolin Bratislava	Spain	Bratislava	75442	300
KE Prešov Elektrik	Germany	Prešov	73 984	450
Nissens Slovakia	Denmark	Čachtice	73 792	700

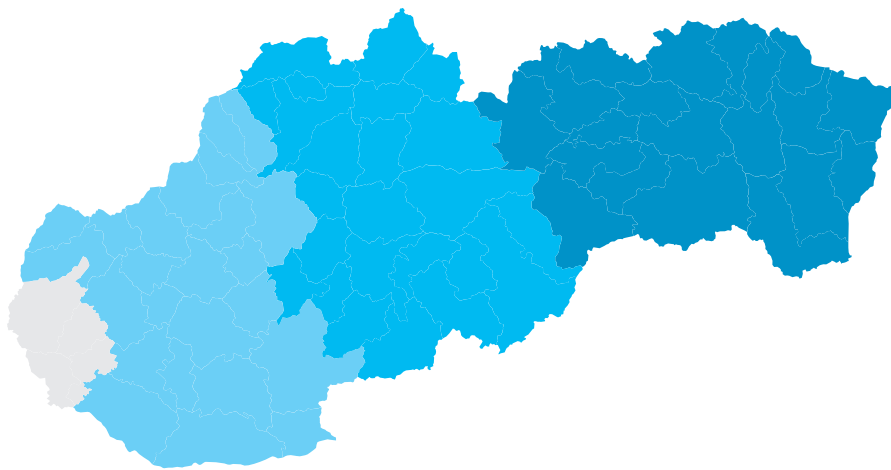
Source: Trend Top 2015, Global Slovakia 2015, SARIO

Qualified and Productive Labour Force

Due to high and steadily increasing productivity in the Slovak automotive sector, the production in this industry is not categorized as low cost anymore. Nevertheless, it remains cost-competitive on the regional as well as the European level. The Slovak labour force is known for its flexibility, excellent qualification and high productivity.

AVERAGE GROSS MONTHLY SALARY

Selected Positions in the Automotive Sector (supplier network)



Production Operator/
Electronic Equipment Assembler



Lacquering/Painter



Production Supervisor



Quality
Controller



Welder/Metal cutter



Technician

Bratislava region is excluded and employer's contributions (35.2%) is not included.

Source: SARIO calculations based on data provided by Grafton Recruitment Slovakia s.r.o., 2015

Technical Education in Slovakia

Thanks to Slovak universities with a technical background companies can find many suitable engineers for R&D jobs.



5 Technical Universities

32
Technical faculties

42 453
Students in technical fields

14 468
Graduates in technical fields



100+ Technical Vocational Secondary Schools

44 080
Students in technical fields

10 455
Graduates in technical fields

Dual Education Comeback

Slovakia renews tradition of vocational training at employer's workplace.

54+ secondary vocational schools already established cooperation with 115 companies around Slovakia.

Growing R&D & Innovation Network

More and more subcontractors move their R&D divisions to Slovakia due to the growing potential of the Slovak market. Decision to relocate and establish R&D capacities results not only in cost saving, but also contributes to company's flexibility to become more responsive to clients' needs. As well as they benefit from the available pool of highly qualified engineers and experts.

Success Stories in Automotive R&D



ADIENT
Part of the global R&D network for seat systems



ZKW SLOVAKIA
Innovation of lighting systems



LEONI
Development of car cable systems



CONTINENTAL AUTOMOTIVE
Development of brake calipers



YANFENG
Engineering centre for interiors systems



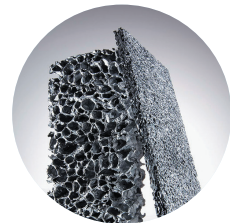
INA SCHAEFFLER
Development of rolling and ball bearings



AeroMobil

A unique prototype of a flying car is being developed in Slovakia by AeroMobil R&D.

The AeroMobil R&D was supported by the Slovak government with state aid.



Institute of Materials & Machine Mechanics

Applied research institute within the Slovak Academy of Sciences.



CEIT

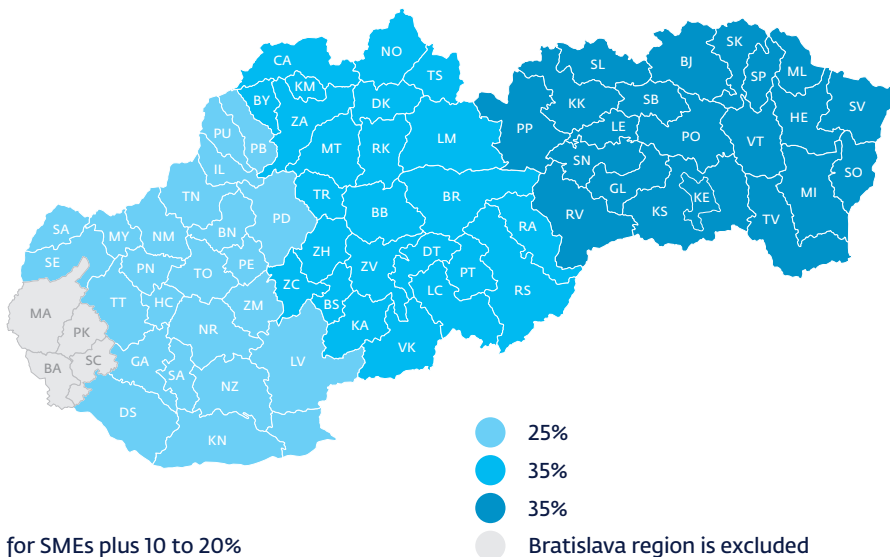
Focus on innovative solutions and complex research projects in cooperation with industry.

Investment Incentives

The primary role of the investment incentives is to motivate investors to place their new projects in regions with higher unemployment. The positive impact of a new investment shall be proved by jobs creation, improved chances for the graduates to get a job, as well as by creation of new entrepreneurial opportunities for local companies.



MAXIMAL REGIONAL INTENSITIES OF INVESTMENT AID IN SLOVAKIA



INDUSTRY

- Minimum investment amount/share of new technology: 10 mil. EUR, 5 mil. EUR, 3 mil. EUR, 0.2 mil. EUR (SMEs 5 mil. EUR, 2.5 mil. EUR, 1.5 mil. EUR, 0.1 mil. EUR)/60%/50%/40%/30%
- Minimum 40/10 newly created jobs
- Expansion includes minimum increase in the production volume or turnover by at least 15%

TECHNOLOGY CENTERS

- Minimum investment of 500 000 EUR on the fixed assets in all regions
- At least 250 000 EUR must be covered by own equity
- The company must employ at least 70% of employees having university education
- Minimum 30 newly created jobs

ELIGIBLE PROJECTS

The Act on Investment Aid divides the projects which may be supported into four categories:

- industry
- technology Centers
- shared Services Centers
- tourism

ELIGIBLE COSTS

- costs of land acquisition
- costs of buildings acquisition and construction
- costs of new technological equipment and machinery acquisition
- intangible long-term assets — licences, patents, etc.

FORMS OF INVESTMENT INCENTIVES

- contribution for the creation new jobs
- transfer of the state/municipality property to the investor for the discounted price
- cash grant
- tax relief

SARIO Profile

Slovak Investment and Trade Development Agency (SARIO) is a governmental investment and trade promotion agency of the Slovak Republic. The agency was established in 2001 and it operates under the Ministry of Economy of the SR.

INVESTMENT SERVICES

SERVICES FOR POTENTIAL INVESTORS

- Investment environment overview
- Assistance with investment projects implementation
- Starting a business consultancy
- Sector and regional analyses
- Investment incentives consultancy
- Site location and suitable real estate consultancy

SERVICES FOR ESTABLISHED INVESTORS

- Identification of local suppliers, service providers
- Assistance with expansion preparation and execution
- Relocation assistance, work/stay permits
- Support of innovation and R&D activities
- Social networking

FOREIGN TRADE SERVICES

IF YOU ARE LOOKING FOR

- Slovak supplier or subcontractor
- Information about Slovak export/trade environment
- Sourcing opportunities
- Forming a joint venture, production cooperation or other forms of partnership with a Slovak partner

SERVICES FOR EXPORTERS

- Information on foreign territories
- Customized search for foreign partners
- On-line database of business opportunities
- Export Training Centre
- Subcontracting assistance

INNOVATION SUPPORT

- Support activities for development and popularization of Slovak innovations and R&D environment
- Establishment of relations with domestic and foreign well-established innovative companies
- Interconnection of Slovak R&D capacities with industrial production and investors' needs in order to transfer leading innovative technology processes closer to production praxis
- Encouragement to foreign investors to bring investments with substantial R&D components to the SR
- Ecosystem analysis of local investment opportunities as well as domestic and foreign investors in order to support acquisitions and joint ventures projects
- Specific information from the field, in order to obtain capital and foreign markets penetration



500

nearly 500
successful SARIO
projects since
2002



25

number of SARIO
investment projects in
BSC sector
2002 – 2016

AIM Investment Awards
Dubai 2017



1

CEE & TURKEY REGION
Best Investment Promotion
Agency in 2016

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PUBLISHER
Slovak Investment and
Trade Development Agency
Trnavská cesta 100
821 01 Bratislava
T: +421 2 58 260 100
F: +421 2 58 260 109
marketing@sario.sk
www.sario.sk

GRAPHIC DESIGN
Slovak Investment and
Trade Development Agency
Trnavská cesta 100
821 01 Bratislava
T: +421 2 58 260 100
F: +421 2 58 260 109
marketing@sario.sk
www.sario.sk

AUTHOR
Slovak Investment and
Trade Development Agency
Trnavská cesta 100
821 01 Bratislava
T: +421 2 58 260 100
F: +421 2 58 260 109
marketing@sario.sk
www.sario.sk



**CONTENT
ADVISOR**

AUTOMOTIVE INDUSTRY ASSOCIATION OF THE SLOVAK REPUBLIC (ZAP SR)

Secretariat

Bojnická 3, 831 04 Bratislava

T: +421 2 4364 2235 – 6

sekretariat@zapsr.sk

www.zapsr.sk

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

SARIO | Slovak Investment and Trade Development Agency

Trnavská cesta 100 | 821 01 Bratislava | Slovakia

 GPS +48° 9' 52.77", +17° 9' 20.27"

invest@sario.sk | trade@sario.sk | www.sario.sk

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