



Invest in Slovakia



S A R I O

Slovak Investment
and Trade Development Agency



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1 Introduction

“Invest in Slovakia” acquaints the reader with the economic facts and figures of Slovakia, information on the business environment, sector strengths, vision, and strategy for economic development and other useful information in order to illustrate why Slovakia is an ideal location for business. We hope that this publication will encourage you to consider investing in Slovakia.

Slovakia, the country in the heart of Europe, offers great advantages to foreign investors: strategic location between East and West with great export potential, the common European currency Euro, flat tax rate of 19% and flexible Labour Code. 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%. In 2010, the Slovak economy is expected to grow again and its GDP growth should be one of the highest in the European Union. IMF predicts Slovakia's GDP growth in 2010 to be 4.1%. The inflation in Slovakia was kept at the low level of 1.6% in 2009.

EU membership provides Slovakia multiple benefits from a business point of view, of which the most important are:

- Stable legal environment
- Nearly unlimited access to other markets within the EU 27
- Lower costs of operations due to the liberalisation effort of the various markets and increases in competition (telecommunication, financial services, etc.)
- Less regulated migration of the work force
- Improvement of transport corridors – lower lead times and logistic costs
- Access to EU funds
- Intra-EU non-VAT trading
- Common currency – the euro.

10 reasons for investing in Slovakia

- Central European hub and favourable geographic location
- Political & economic stability, forecasted one of the highest economic growth in the EU in 2010
- 19% flat tax rate and 0% dividend tax
- Availability of highly skilled workforce
- Low labour costs vs. high labour productivity
- Euro as the official currency
- Large selection of industrial land and offices available for purchase/lease
- Harmonised investment incentives
- Steadily growing infrastructure
- High innovation potential for R&D projects



General information on the Slovak Republic

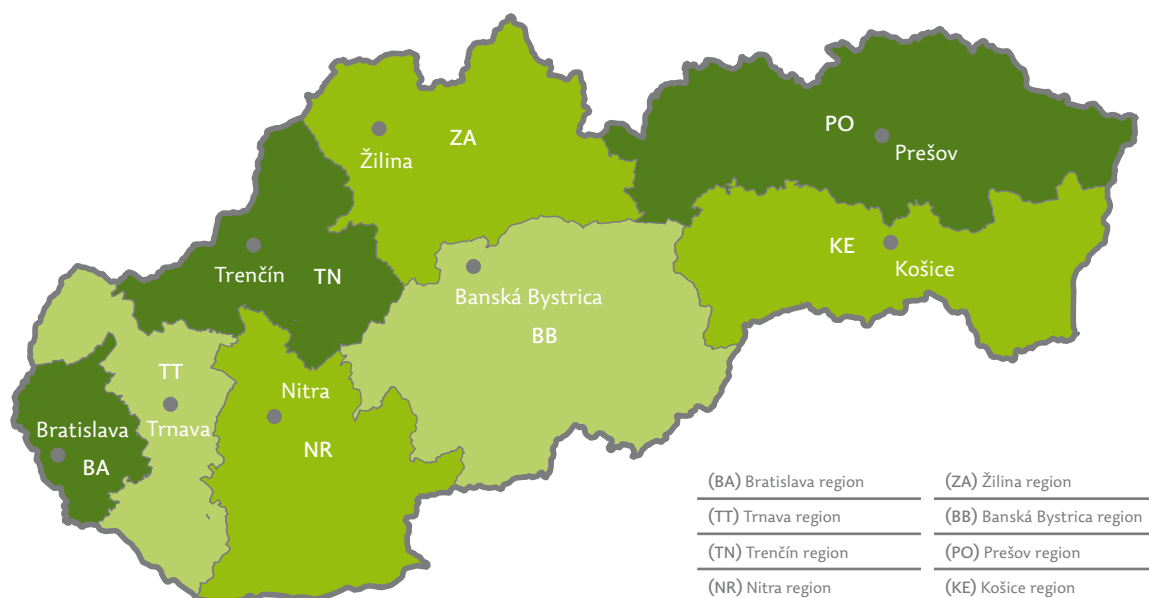


Official name	Slovak Republic
Area	49,035 km ²
Population	5.4 million
Capital	Bratislava
Regions:	Bratislava, Trnava, Trenčín, Nitra, Žilina, Banská Bystrica, Prešov, Košice
Member of	EU, Euro Area, Schengen Area, OECD, WTO, NATO, etc.
Currency	Euro, (since 1 January 2009)
Time zone	GMT + 1 hour
Type of government	Parliamentary system
Official language	Slovak
Electoral system	Proportional representation
Proportional representation	4 years (Parliament) 5 years (President)

The largest cities and towns

City/Town	Population
Bratislava Area	601,132
Košice	235,006
Prešov	91,767
Nitra	85,742
Žilina	85,268
Banská Bystrica	81,704
Trnava	69,140
Trenčín	56,850

Source: The Statistical Office of the Slovak Republic, 2010



(BA) Bratislava region	(ZA) Žilina region
(TT) Trnava region	(BB) Banská Bystrica region
(TN) Trenčín region	(PO) Prešov region
(NR) Nitra region	(KE) Košice region

2 Investment environment

2.1 Economy

Ten years ago, Slovakia embarked on an ambitious plan of deep structural reforms with a vision to become one of the best business locations within the European Union (EU). Today, Slovakia is widely seen as a success model for other EU countries for creating an investment and business-friendly environment. Slovakia is a full member of the EU, NATO, OECD, Euro and Schengen Area.

Slovakia adopted the euro on 1 January 2009 and thus became the 16th member state of the Euro Area. It was thanks to the sustainable development and good inflation forecasts. The official exchange rate was 30.1260 SKK/EUR. Membership in the euro zone reduces the currency exchange risks and tightens the fiscal discipline of the adopting countries, which results in more opportunities for a stable economy. In the long run, this will be beneficial for the businesses active in Slovakia.

2.1.1 Macroeconomic figures

	2002	2003	2004	2005	2006	2007	2008	2009	3Q 2010
Real GDP Growth	4.8%	4.7%	5.2%	6.5%	8.5%	10.4%	6.4%	-4.7%	3,8%
Inflation (HICP)	3.5%	8.4%	7.5%	2.8%	4.3%	1.9%	3.9%	0.9%	1,1%
Registered level of unemployment	17.8%	15.2%	14.3%	11.6%	10.4%	8.4%	7.7%	11.4%	12,31%
SKK/EUR**	42.70	41.49	40.05	38.59	37.25	33.78	31.29	30.1260 (official since 1. 1. 2009)	
Export in EUR billion	15.4	19.4	29,6	32,9	40,9	47,3	49,5	39.7	37.8 (1.-9.2010)
Nominal wage inflation (conversion rate)	9.2%	6.3%	10.1%	9.2%	8.6%	7.4%	8.1%	3.0%	3,7%

** Average yearly exchange rate

Note: Amount in EUR was calculated with the average exchange rate in the respective year.

Source: The Statistical Office of the Slovak Republic, www.statistics.sk, 2010, National Bank of Slovakia, www.nbs.sk, 2010, ING Bank, www.ing.sk, 2010

2.1.2 Country credit ratings

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.

The following table shows the various credit ratings for the countries of the V4. Slovakia has maintained its positive momentum and has the best ratings in the V4. This is a great advantage for foreign investors, as it means that Slovakia, Slovak banks and companies are in a strong financial position and are able, and willing, to repay their debts. In spite of the current situation, Slovakia is one of the few countries to maintain a stable/positive outlook, in which our ratings are not expected to change in the near future.

Country	Standard and Poor's	Moody's	Fitch	OECD Country Risk (the lower the better)
Slovakia	A+ stable outlook	A1 stable outlook	A+ stable outlook	0
Czech Republic	A positive outlook	A1 stable outlook	A+ positive outlook	0
Poland	A- stable outlook	A2 stable outlook	A- stable outlook	2
Hungary	BBB- negative outlook	Baa3 negative outlook	BBB negative outlook	0

Source: Standard & Poor's, www.standardandpoors.com, November 2010; Moody's, www.moody's.com, November 2010; Fitch, www.fitchratings.com, December 2010; OECD Country Risk Report as of 22 October, 2010, www.oecd.org, 2010



2.1.3 Ease of doing business ranking

This ranking of the World Bank considers the quality and attractiveness of the business environment. Economies are ranked on their ease of doing business, from 1–183, with first place being the best. A high ranking on the ease of doing business index means that the regulatory environment is conducive to the operation of business. The rating factors are: political and institutional environment, macroeconomic stability, market potential, private entrepreneurship support, taxation system, finance, enforcing contracts, the starting and closing of a business, labour market and infrastructure.

Rank	Country
41	<i>Slovakia</i>
51	Bulgaria
46	Hungary
42	Slovenia
56	Romania
70	Poland
63	Czech Republic

Source: Doing Business Report 2011, World Bank, www.doingbusiness.org, 2010

2.2 Slovak business environment

Comprehensive and deep structural reforms of the Slovak Government in recent years have focused on creating a business friendly environment for investors. The following is an overview of the main reforms, directly or indirectly, influencing economic stability.

Flat tax rate of 19% – Simple, Fair, Neutral and Effective – All the types and amounts of income are taxed at a flat rate of 19%; there is no double taxation and no dividend tax. A reduced 10% VAT was introduced for medicaments and books. Repatriation of profits is 100%.

Flexible Labour Code – This was recognised by the World Bank as one of the most flexible in the EU.

Reformed social system – Among other things, new measures to avoid the abuse of the social system and better aimed targeting of social allowances were introduced. The introduction of employers' obligation to pay sickness insurance benefits for the first 10 days of an employee's illness leave resulted in a decrease of sickness rate from 9% to 3%.

Second pension pillar – Individual pension saving accounts in the pension administration companies were introduced.

Health care system reform – Market principles were introduced into the health care system.

Reformed Act on Commercial Registry – The amount of the time required to register a new company has been cut to a maximum of 5 days; the same applies to the issuance of a trade licence with a maximum allotted time of 7 days. As of 1 October 2007, one-stop shop centres were introduced at the Trade Licensing Offices. The one application form contains an application for trade licences, tax registration and registration with a health insurance company.

Banking & Finance – The banking sector was privatised with 97% foreign ownership and it underwent a dramatic recovery.

Investment incentives programme – Act on Investment Aid enables a fast and transparent negotiation and describes the requirements that should be met in a more detailed way.

2.3 Labour market

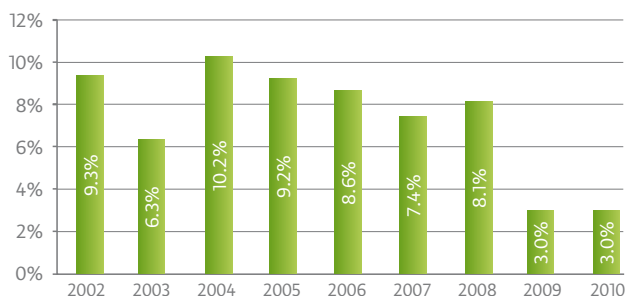
2.3.1 Wages

The average monthly salary is still low compared to those paid in Western Europe and slightly lower than in Poland, Hungary and Czech Republic. In 2009, the average gross wage was € 744.50 per month, excl. obligatory social security contributions. The minimum monthly wage in 2010 is € 307.70.

Social security contributions in Slovakia cover all the contributions in which there are no extra or hidden costs for the employer. The employer has to pay the social security costs for his employee of 35.2% on top of his salary. The employee pays for himself the social security costs of 13.4%.

The contributions in Slovakia are upwardly limited. Everything earned above the limit is not subject to social security payments.

The wage growth since 2002 has been following:



Source: The Statistical Office of the Slovak Republic, www.statistics.sk, 2010, Sario calculations, www.sario.sk, 2010

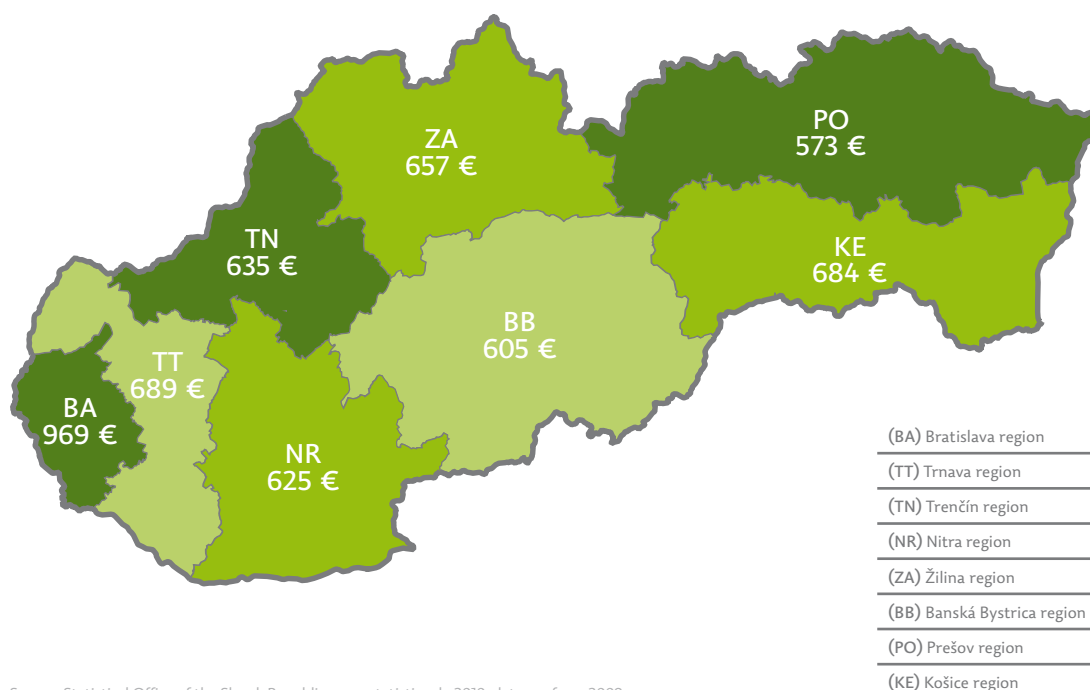
Average monthly wage and labour costs in 2009

	Slovakia	Czech Republic	Poland	Hungary
Average monthly wage	744.50 €	900 €	856 €	782 €
Social Security paid by employer	35.2%	26%	14.93%–18.16%	29%
Total monthly labour costs	1,007	1,134	983 – 1,011	1,009

Source: National Statistical Offices of Czech Republic, Hungary, Poland, Slovakia, 2010

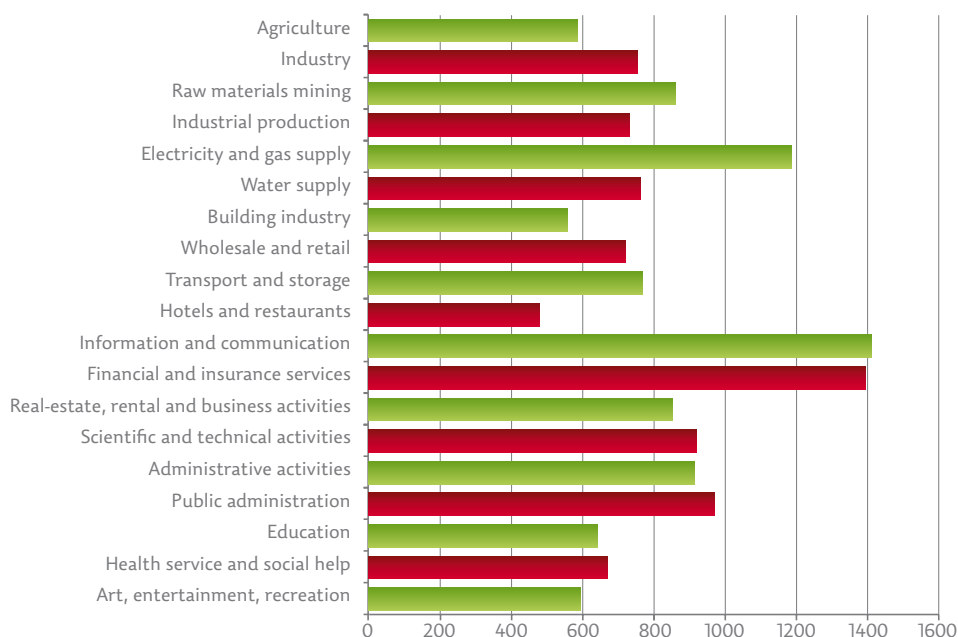
Regional and sector differences

There are significant regional and sector differences in the level of wages within Slovakia. The latest regional data are from 2009. The highest average monthly salary was in Bratislava region, the lowest in Prešov region.



Source: Statistical Office of the Slovak Republic, www.statistics.sk, 2010, data are from 2009

In 2009 the highest salaries were in information and communication, financial and insurance services and electricity and gas supply. The lowest salaries were in hotels and restaurants, building industry and agriculture.

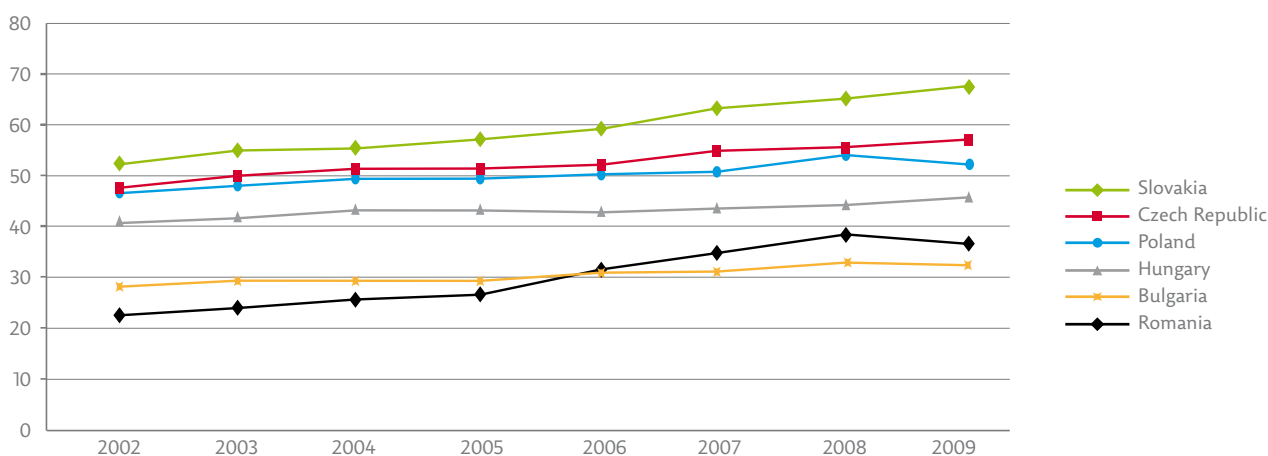


Source: Statistical Office of the Slovak Republic, www.statistics.sk, 2010

2.3.2 Labour productivity

Labour productivity is presented per hour worked. It is expressed as GDP per hour worked. It is intended to give a picture of the productivity of national economies shown in relation to the productivity of national economies shown in relation to the European Union (EU-15) average. Basic figures are manifested in Purchasing Power Standards (PPS), i.e. a common currency that eliminates the differences in price levels between countries allow-

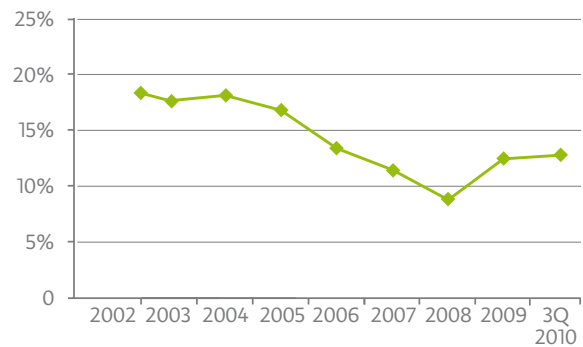
ing meaningful volume comparisons of GDP between countries. Labour productivity in Slovakia continuously rises. In comparison with the Czech Republic, Poland, Hungary, Romania and Bulgaria, Slovakia proves the highest long-term labour productivity also in 2009.



Source: Eurostat, www.epp.eurostat.ec.europa.eu, 2010, EU 15 = 100, 2009

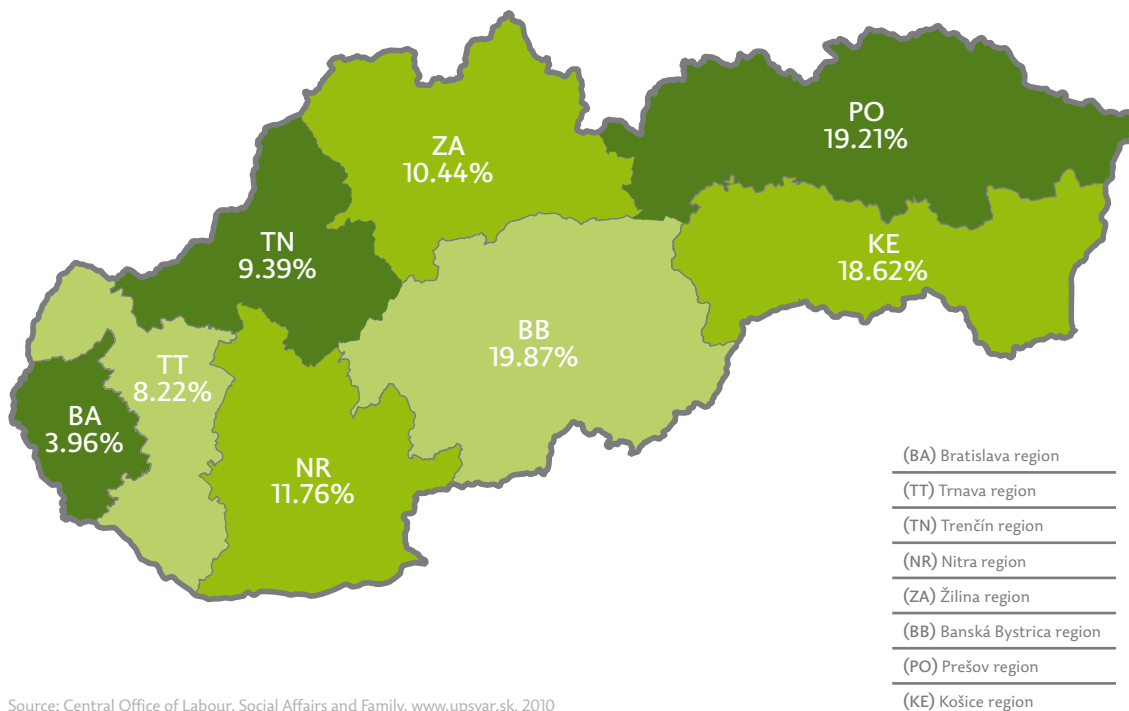
2.3.3 Unemployment

In recent years the unemployment level has fallen considerably, thanks also to foreign direct investments, to 9.6% in 2008. However, because of the economic crisis, some companies were forced to discharge employees, thus total unemployment rose to 12.1% in 2009 and in third quarter of 2010 remained at level of 12,3%. This means that the availability of skilled and productive labour force has increased.

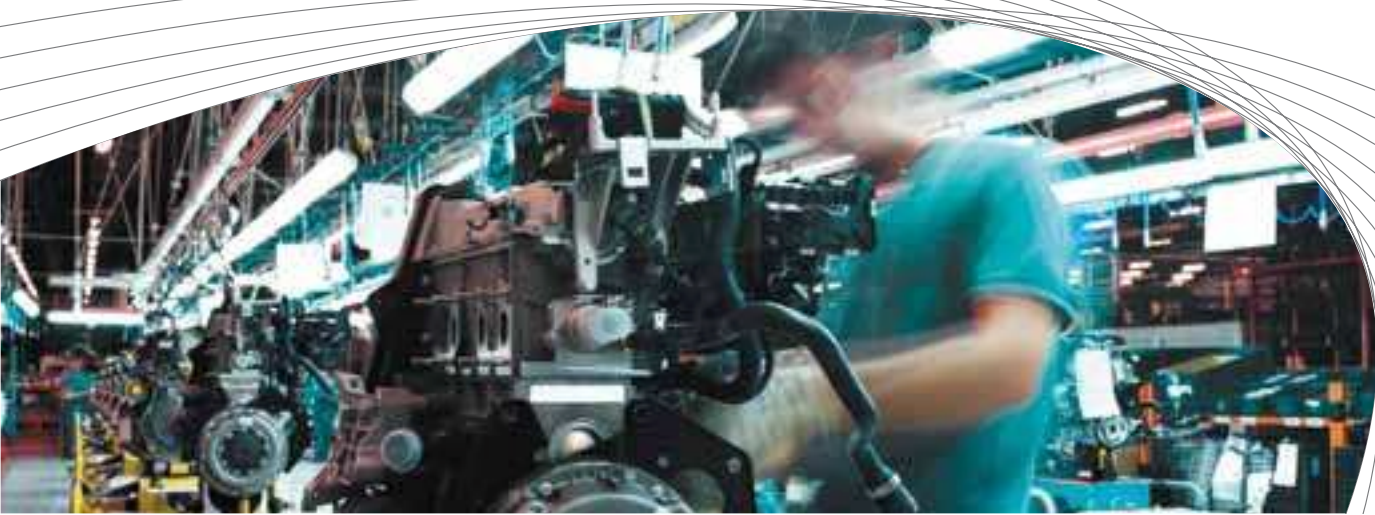


Source: Central Office of Labour, Social Affairs and Family, www.upsvar.sk, 2010

Also the unemployment level differs according to region. The lowest level of unemployment in 2009 was in Bratislava region, the highest in Banská Bystrica, Prešov and Košice regions.



Source: Central Office of Labour, Social Affairs and Family, www.upsvar.sk, 2010



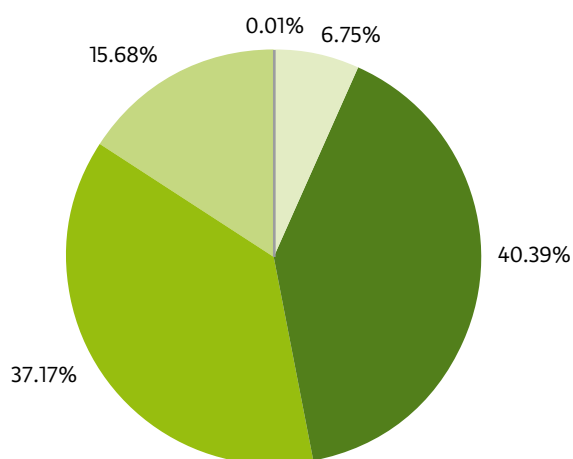
2.3.4 Education

Slovakia reaches one of the highest shares of workforce with the secondary, higher and the university education among all the European countries.

Furthermore, the share of people with a university education is on the rise.

- No education
- Elementary school
- Secondary General School
- Secondary Vocational School
- University education

Source: Statistical Office of the Slovak Republic, www.statistics.sk, 2010

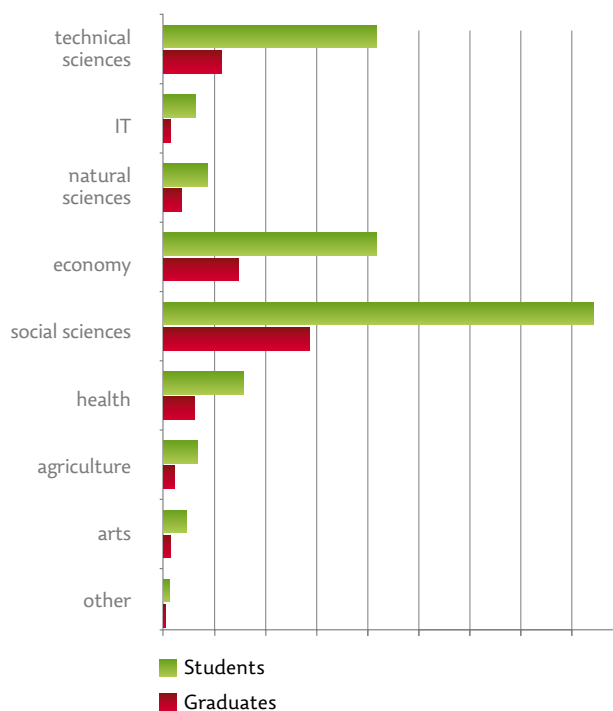


The workforce of more than 2.1 million has a strong tradition in engineering and mechanical production. Foreign companies frequently praise the motivation and abilities of Slovakia's workers who also possess good language and computer skills.

University education in numbers

There are 33 universities in Slovakia spread all over the country. In the academic year 2009/2010, there were 211,553 students enrolled at Slovak universities and 69,809 graduated (both data include Bachelor and Master studies). There are two reasons behind these large numbers: the baby boom in the 1980s and a high percentage of secondary school graduates that enrol in universities. Slovakia is among the top countries in the world of secondary school graduates attending university.

The subject of studies is following:



Source: The Institute for Information and Prognosis in Education, www.uips.sk, 2010, SARIO calculations, 2010



Secondary schools

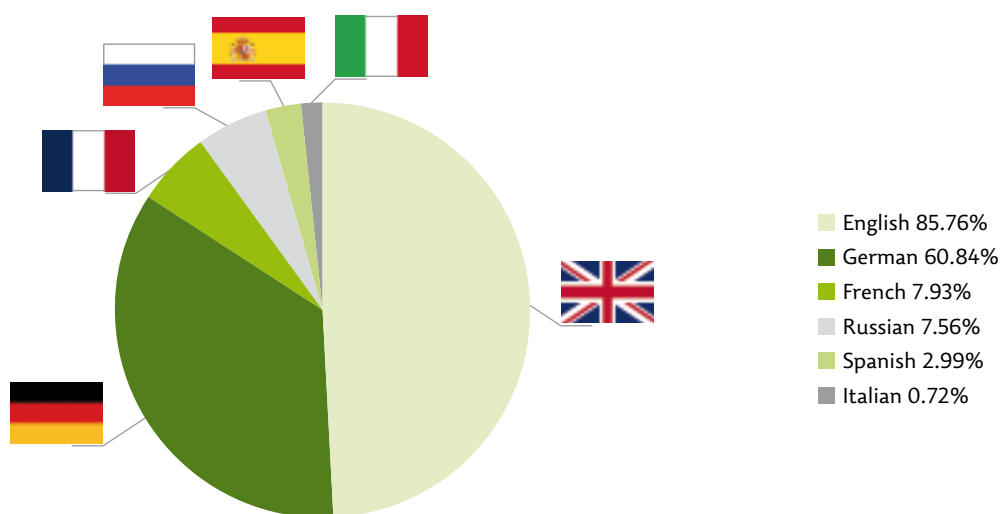
Slovakia has a well established system of specialised training and vocational schools. To accommodate the changing requirements on the labour market, secondary schools are being given a higher degree of control in creating their own educational programmes to meet the current needs of the local industry.

Language skills

Slovakia is an export-oriented economy that can offer a workforce with a high degree of language skills. The foreign language spoken most often is English. The proximity to Austria and Germany has resulted in German being the second most-spoken foreign language. The result has been the inflow of multilingual contact centres and shared services centres.

Slovaks are mostly taught a foreign language already at primary schools and later on they deepen their language knowledge (or start learning a language) at secondary schools.

The most common foreign languages taught at Slovak secondary schools in 2009/2010 were:



Source: The Institute for Information and Prognosis in Education, www.uips.sk, 2010, SARIO calculations, 2010

3 Investment incentives

The aim of investment incentives is to promote the economic development of certain disadvantaged areas in the Slovak Republic and is targeted at specific regions in order to eliminate regional disparities and to assist the development of the most disadvantaged regions by supporting investment and job creation.

3.1 Forms of investment projects and conditions

The investment projects are divided into four categories that differ as to the subject of the investment:

- industrial production
- technological centres and research and development
- centres of strategic services
- tourism

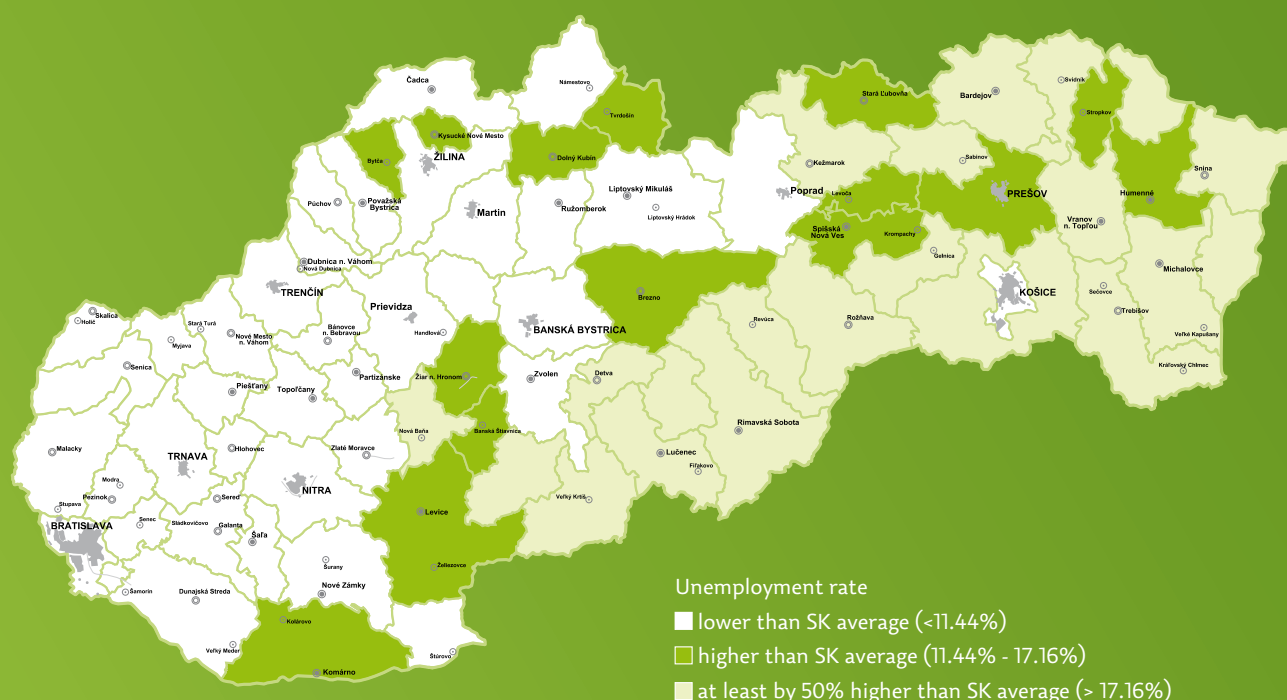
The common conditions for all categories are:

- incentives are available for the launch of a new entity as well as for the extension of an existing one
- at least 50% of the minimum investment must be covered by own equity of the investor
- work on the project cannot start before the Ministry of Economy gives its preliminary consent with granting of the aid (takes approx. 3 months)

- the project must be finished within 36 months after the final approval by the Government
- the recipient of the aid can be only a Slovak entity
- the investment plan must be submitted in Slovak
- there is no legal entitlement to receive investment incentive

Each type has its type specific conditions that have to be met in order to apply for investment incentives: minimum investment volume, certain share of costs invested into modern technology and a specific education structure of the employees.

The minimum amount of investment in industry and tourism depends on the unemployment rate in the proposed location:



Minimum amount of investment

Industry	Tourism
■ 13.27 mil. EUR	■ 9.96 mil. EUR
■ 6.63 mil. EUR	■ 4.98 mil. EUR
■ 3.31 mil. EUR	■ 3.31 mil. EUR

The minimum volume of investment in technological centres is 1.32 mil. EUR and in shared services centres 1.16 mil. EUR. The minimum investment volume in these sectors is independent from the unemployment rate in the proposed location.

Additional specific conditions are the following:

Industry	Tourism
<ul style="list-style-type: none"> 40% must be used for the acquisition of new machinery and equipment 	<ul style="list-style-type: none"> 20% must be used for the acquisition of new machinery and equipment
Technological centres	Shared services centres
<ul style="list-style-type: none"> the company must employ at least 60% of employees having university education 	<ul style="list-style-type: none"> the company must employ at least 30% of employees having university education

3.2 Forms of incentives

- cash grant
- partial tax relief
- contribution to new jobs – certain percentage of two-year salary costs per each new employee
- transfer of the state/municipality property to the investor for a discounted price

3.3 Eligible costs

- costs of land acquisition
- costs of buildings acquisition
- costs of technological equipment and machinery acquisition
- intangible fixed assets – licences, know-how, etc.

3.4 Intensity

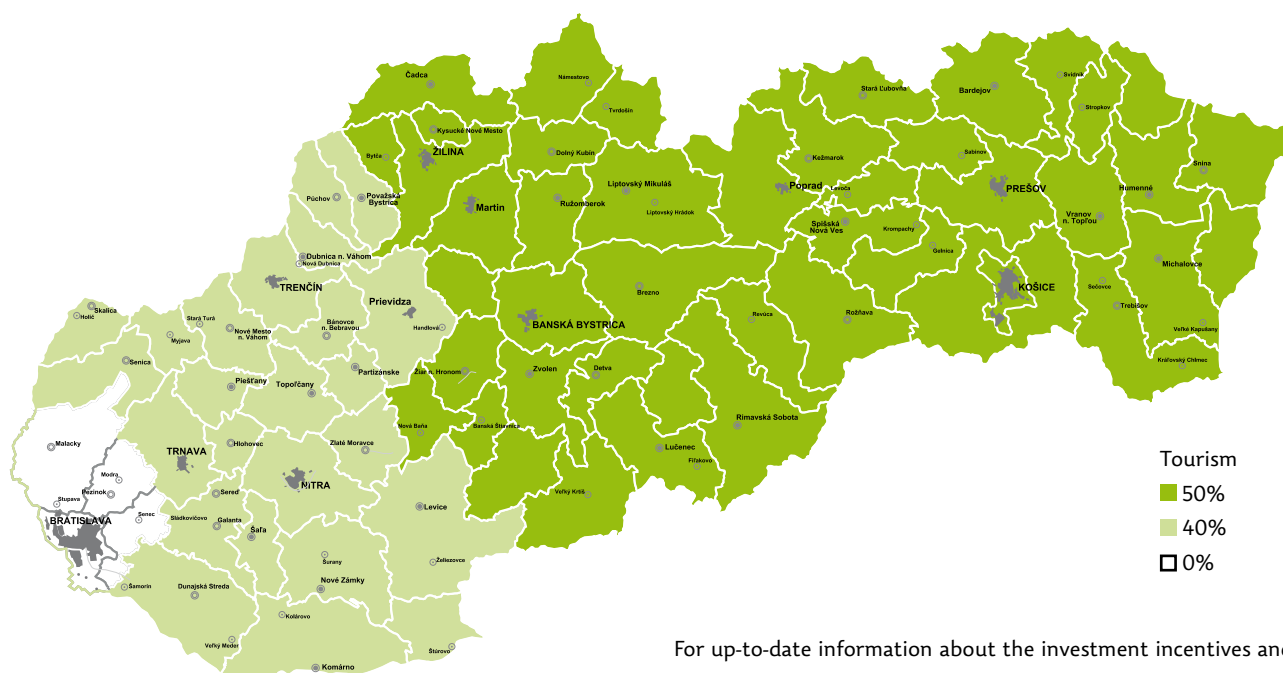
Western Slovakia 40%* of the eligible investment costs

(Except for Bratislava region, which has been excluded from state aid because of its high economic development.)

Central Slovakia 50%* of the eligible investment costs

Eastern Slovakia 50%* of the eligible investment costs

*The maximum percentage of the aid may be increased by 10% in the case of medium-sized enterprises and by 20% in small-sized enterprises.



For up-to-date information about the investment incentives and state aid, please visit the SARIO website www.sario.sk and the tab *Invest in Slovakia*.

4 Research and development

It is not about the quantity, it is about the quality.

Slovakia, a small country in the heart of Europe, offers a wide range of opportunities for investors. In recent years, Slovakia has managed to attract and satisfy needs of various foreign investors including Volkswagen, PSA Peugeot Citroen, Kia Motors, Samsung, Sony, AU Optronics, Johnson Controls, Getrag Ford Transsmision, Faurecia, Valeo, Visteon, Magneti Marelli, Ness, IBM, T-Systems, AU Optronics and a lot of other well-known and respected companies. Slovakia has gained reputation by offering an educated and well trained working population, able to work with and utilise the latest technologies.

Although Slovakia has gained its reputation of offering an ideal investment environment for mostly production and assembly plants, in the next few years, it intends to intensify its focus on research and development (R&D) and enhance cooperation between foreign R&D centres and local R&D institutes and univesities.

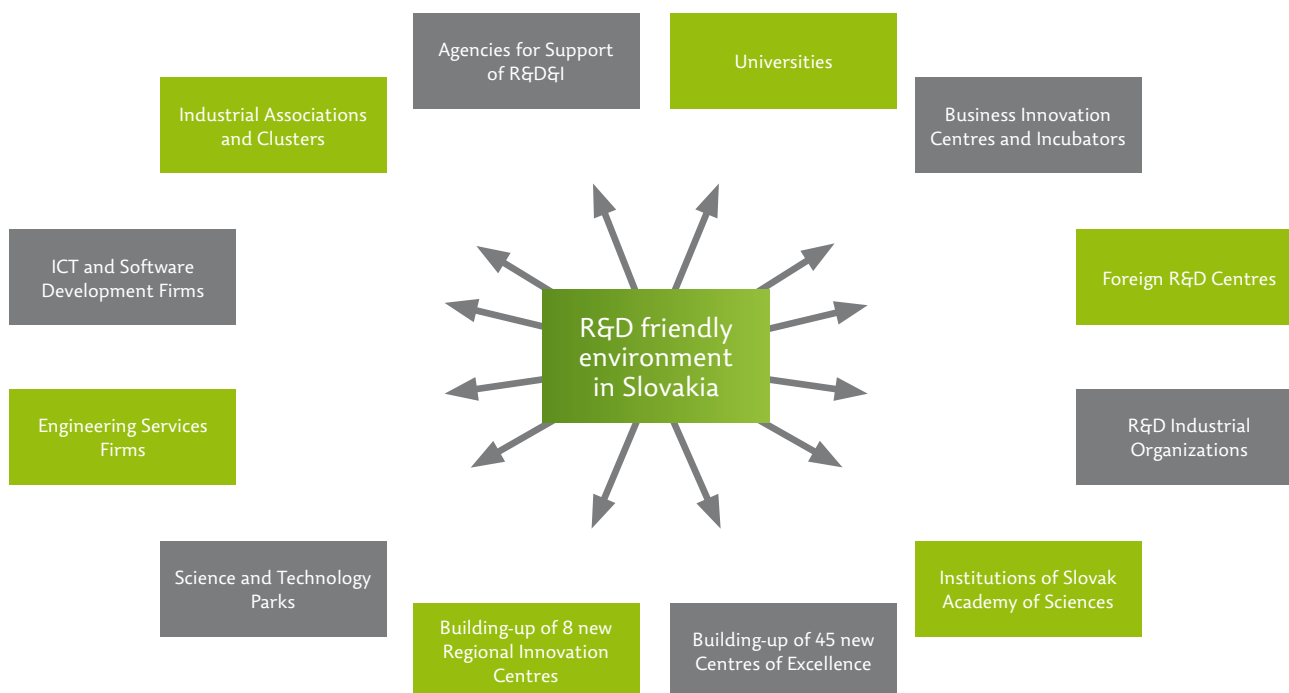
Slovakia, in its history, gave birth to many researchers and scientists including Aurel Stodola, Milan Rastislav Štefánik, Jozef Maximilián Petzval, Štefan Anián Jedlík, Maximilián Hell, Vojtech Gerster, Matej Bel, Jozef Murgaš, Štefan Banič, who all won an international recognition for their achievements.

4.1 Slovak R&D environment

As an open economy based on R&D and innovation activities presents a crucial element of further development, Slovakia aims to build strong cooperation partnerships with foreign countries as well as companies, univerties and other relevant R&D institutions.

Development of human resources, personal skills and talents, competitive R&D costs and availability of high-qualified labour are significant advantages of doing business in Slovakia.

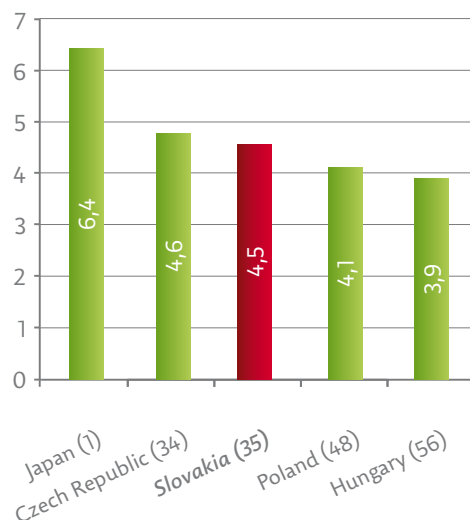
University environment is rapidly changing in an effort to adapt to the latest industrials and sectoral needs. Close cooperation with strategic companies is built on long-term relationships.



10 reasons why to invest in R&D in Slovakia:

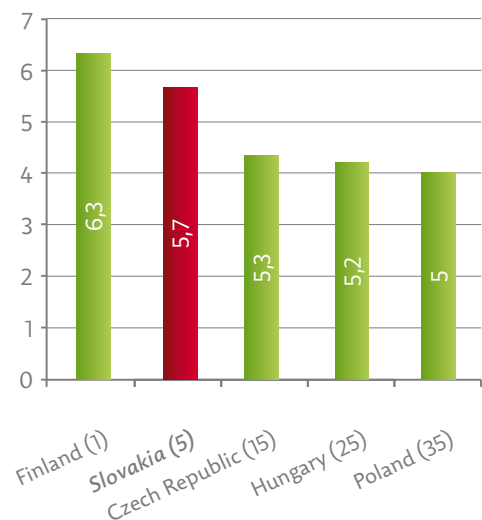
- Competitive R&D environment (good combination of domestic and foreign R&D institutions and centres, continual building of R&D networks), constantly developing R&D network
- Opportunities for building local and regional R&D centres and Design Centres for process improvement (optimizing existing production facilities in term of processes innovation)
- R&D incentives
- Fast and sustainable growth of productivity and innovation capacities
- Highly accessible and qualified R&D workforce with competitive labour costs
- European Union intellectual property protection framework
- Low-cost research, innovation and lower risks of doing business
- High quality of maths and science education
- State-of-the-art optical and wireless data infrastructure
- Presence of High-Tech and Middle High-tech industry

Production Process Sophistication (Rank out 139 countries)



Source: The Global Competitiveness Report 2010-2011, World Economic Forum, 2010
 Note: In your country, how sophisticated are production processes? (1 = not at all—labor-intensive methods or previous generations of process technology prevail; 7 = highly—the world's best and most efficient process technology prevails); 2009–10 weighted average

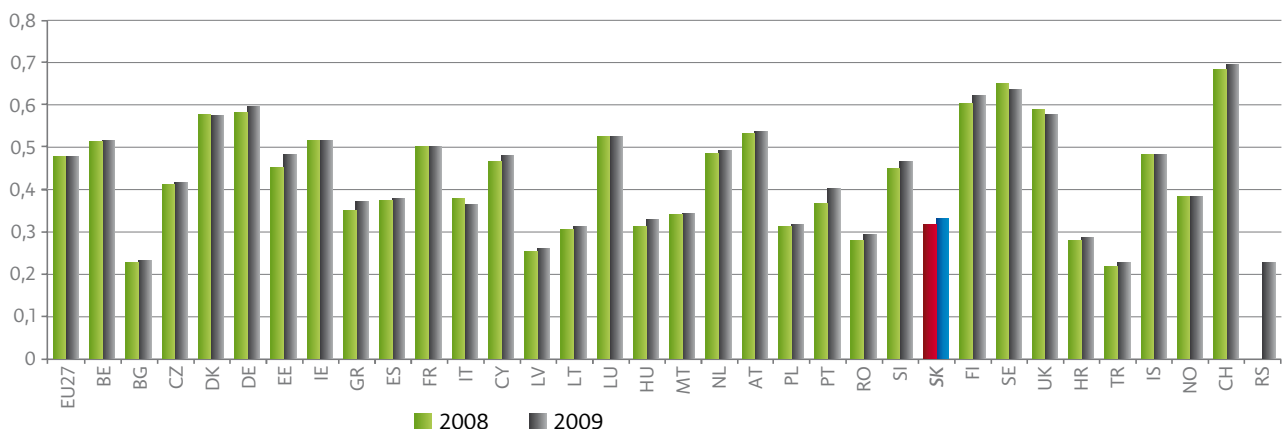
FDI and Technology Transfer (Rank out 139 countries)



Source: The Global Competitiveness Report 2010-2011, World Economic Forum, 2010
 Note: To what extent does foreign direct investment (FDI) bring new technology into your country? (1 = not at all; 7 = FDI is a key source of new technology); 2009–10 weighted average

Innovation Performance is growing in Slovakia in comparison to a few years ago (Slovakia was classified to the 4th group Catching-up Countries in 2008, 2007, 2006). Currently Slovakia belongs to the 3rd group – Moderate Innovators.

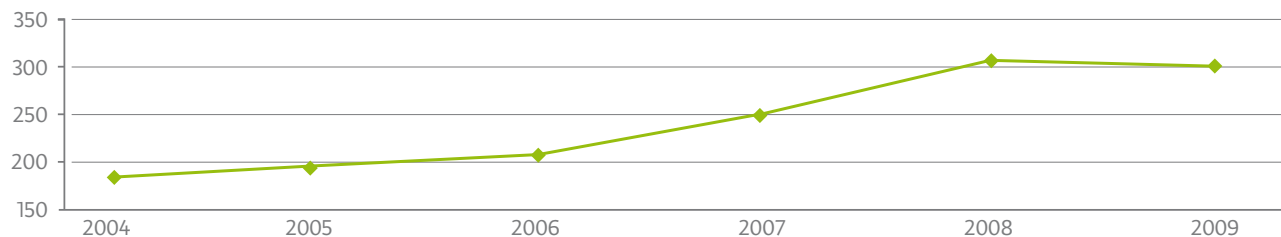
European Innovation Scoreboard, 2010



Source: European Innovation Scoreboard 2009, Published 2010, www.proinno-europe.eu

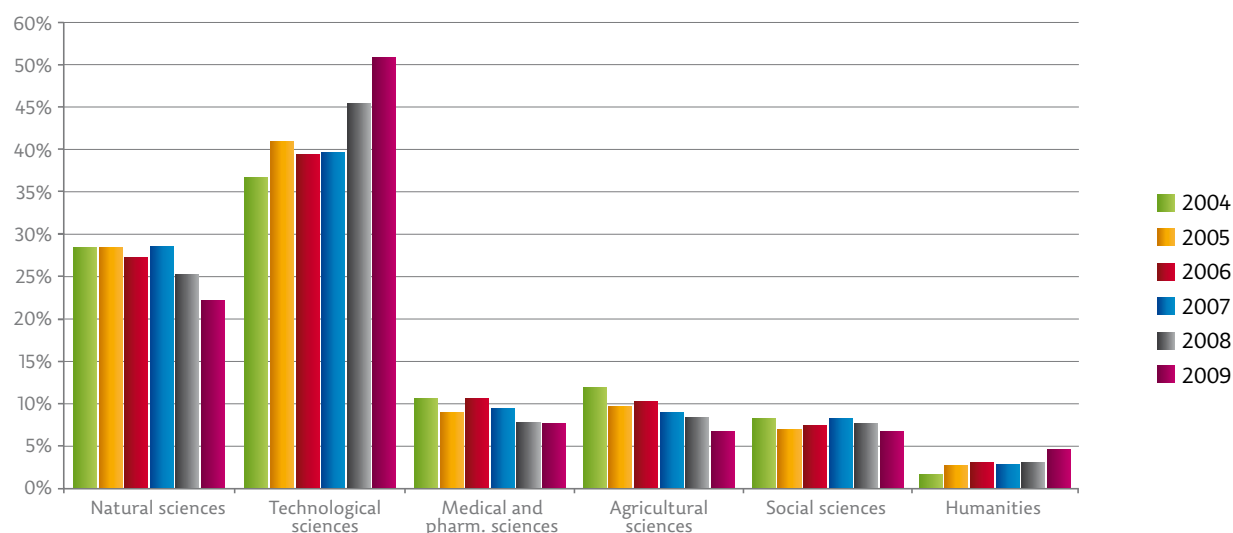
Note: The SI (Summary Innovation Index) scores have been calculated backward from 2009 using the next-to-last data for each of the indicators. The 2008 scores are not identical to those shown in the EIS 2008 as not for all indicators data could be updated with one year

Gross Domestic Expenditures on R&D, in mill. EUR



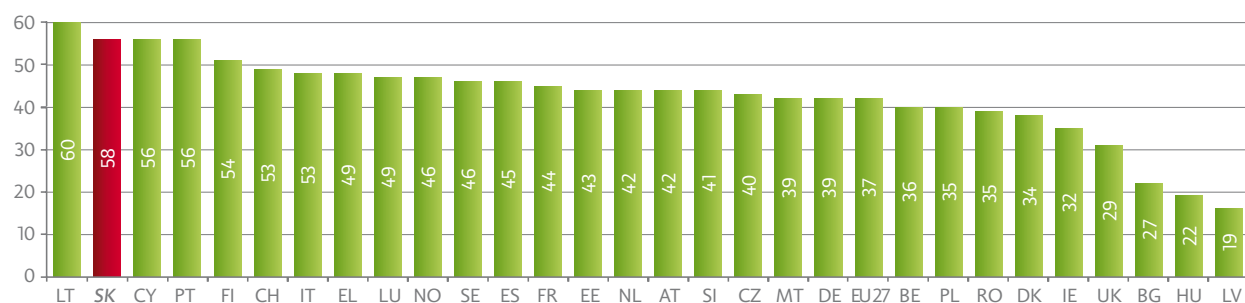
Source: Statistical Office of the Slovak Republic, 2010

Gross expenditure on research and development (GERD) is primarily focused on technological sciences and natural sciences. The development of GERD since 2004 according to the field of science has been following:



Source: Statistical Office of the Slovak Republic, 2010
Note: GERD - Gross domestic expenditure on R&D

Slovakia is in the 2nd place in the indicator for the most innovation-oriented strategic relationships with suppliers:



Source: Innobarometer 2009, Gallup interviewed 5,238 enterprises across Europe, between April 1 and 9, 2009

4.2 Highly prospective opportunities for doing business in R&D

The best opportunities for doing R&D in Slovakia are in:

- **Automotive industry and supplier sector**

Slovakia has a long-term tradition in mechanical engineering, which is in close connection with the automotive industry. Three global car producers VW, PSA, KIA together with global subcontracting companies are the best proof of a very favourable environment, indeed, for automotive FDI in Slovakia. Nevertheless, the next phase of automotive structure development is focused on automotive R&D foreign direct investments. The strongest advantages of Slovakia lie in the high quality of human resources and availability of engineers, researchers, and scientists.

- **Electronics**

The second largest and a fast growing industry in Slovakia. In recent years, the interest in Electronics FDI has been on its rise, mainly as far as optoelectronics is concerned. Slovakia became one of the world's leaders in LCD production. The list of significant investors in the sector includes Samsung, Sony, Panasonic and AU Optronics.

- **Energetics and renewable energy sources**

Energetics is very important for the Slovak economy. The long-term concept of the energy policy is based on the continuous reduction of energy severity. Nuclear power, natural gas and renewable energy sources (RES) play the most important role in the Slovak energy consumption. Slovakia has built its own R&D capacities such as VÚJE in Trnava (Research Institute of Nuclear Power), EVPU in Nová Dubnica and university faculties and other centres with a focus on RES such as: THERMO/SOLAR Žiar s.r.o. in Žiar nad Hronom.

- **New materials and lightweight materials**

Slovakia has an interesting potential of domestic R&D university workplaces, institutes of the Slovak Academy of Sciences and is building up several new Centres of Excellence which are focused on materials research. Slovak R&D potential in material research recognized by participation in various EU projects and in cooperation with industrial firms.

- **Medical technologies and welfare & care**

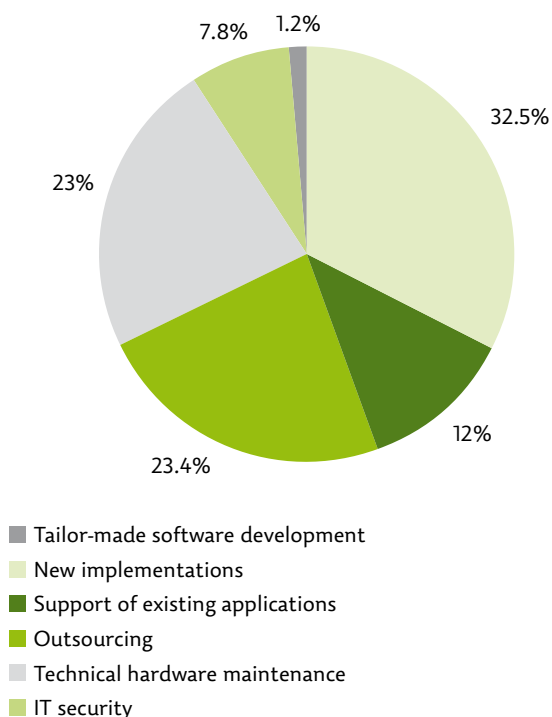
Slovakia has a high potential mainly in professional personnel capacities. There are several university faculties and institutes of the Slovak Academy of Sciences, which altogether present a strong base for a potential development of medical technologies production, development centres, and welfare & care centres. Slovakia's attractiveness and great opportunities for research and development have already been discovered by many investors, including Siemens, Johnson Controls, ON Semiconductor and others:

- **ICT and software development**

Fast growing in Slovakia. World-renowned firms which are focused on various segments in ICT were established here. Slovakia has several software houses focusing on software development, for example: Eset, Siemens Program and System Engineering, Asseco Slovakia, Gratex International, Softec, Ness KDC, Unicorn, Datalan, PosAm, Anasoft APR, Ipesoft, Datalock, Axa, Kros, Millennium 000, and several services centres:

Slovak Telekom, Lenovo, Soitron, Dell, Competence Call Center Bratislava, Accenture Technology Solutions – Slovakia.

IT services market in Slovakia in 2008



Source: Trend, 2009

Slovakia's attractiveness and great opportunities for research and development have already been discovered by many investors, including Siemens, Johnson Controls, ON Semiconductor and others:

4.3 Sources of support to investment in R&D

The support to investment in research and development in Slovakia can be obtained from several sources

Investment aid (Act no. 561/2007 Coll on investment aid) - for building technology centers in Slovakia	Investment incentives for research and development under the Law No. 185/2009 Coll on incentives for R & D	7th framework program of EU for research, technical development
EU Structural Funds	National grants (Slovak Research and Development agency)	Other programs and schemes for providing assistance (both direct and indirect)

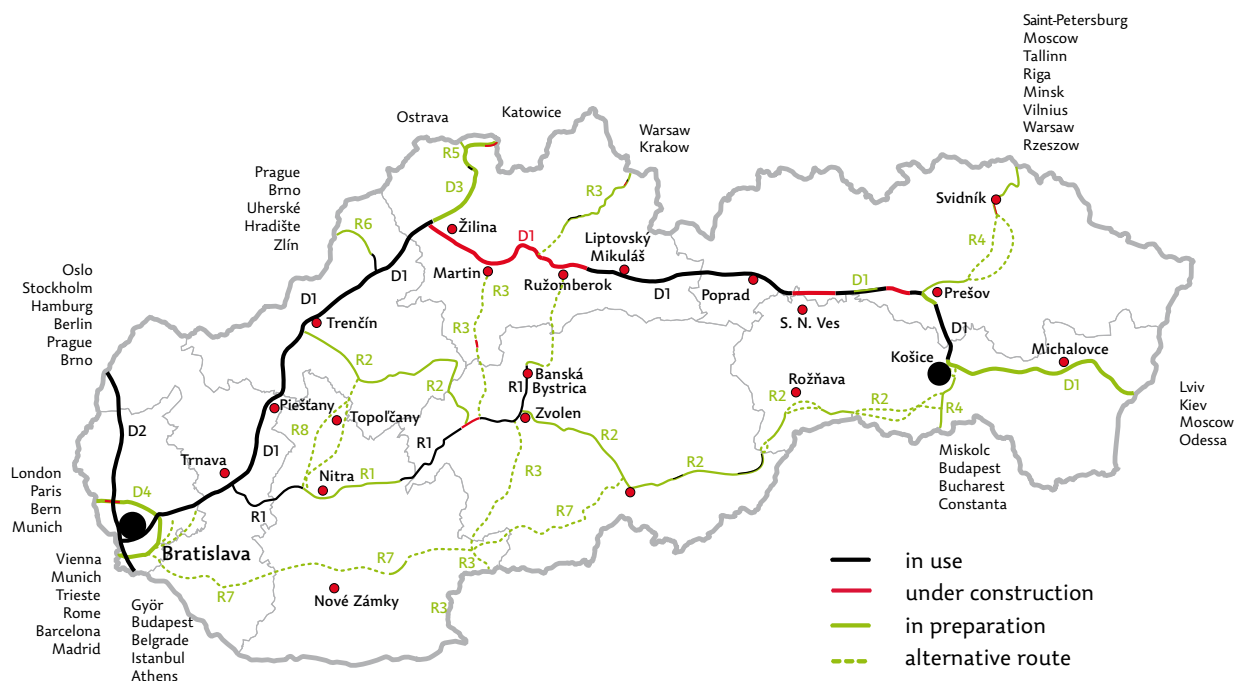
5 Infrastructure

Slovakia's strategic geographical location makes the country an ideal platform for approaching the dynamically growing markets of CEE as well as the countries of Western Europe. Major European transit corridors pass through Slovakia connecting the Western and Eastern parts of the European continent.

5.1 Road network

The Slovak road network consists of 17,946 km roads and motorways, incl. 180 km expressways, 3,317 km 1st class roads, 3,644 km 2nd class roads and 10,406 km 3rd class roads. International roads "E" are of 1,537 km, international routes "TEM" of 932 km and "TEN-T" corridors of 926 km. The length of urban roads represent 25,942 km. The present infrastructure is in the process of

intensive development and modernisation. In order to promote economic development and investments, the Slovak Government is following up on the priority of connecting the western and eastern part of Slovakia with a highway running between Bratislava and Košice by the end of the year 2012.



Source: Národná diaľničná spoločnosť, a.s., www.ndsas.sk, 2010



5.2 Railway network

The railway infrastructure in Slovakia has been ranked according to Moody's Investors Service - Moody's Central Europe A1 / Aaa.sk rating with outlook stable, thanks to continuous modernization of the railway infrastructure, railway corridors and stations, realization of new railway tracks, modernization of teleinformation network MOTIS2. Most of the Slovak railway tracks are part of the network of international corridors and all comply with international standards.

In 2009 the loading volume of passenger transportation represented 31,995 thousand tkm (8,101 mil grtk) and cargo transportation 12,962 thousand tkm (15,204 mil grtkm).

According to the Pan-European conference of ministers of transport, three railways corridors were approved to be included in the Trans-European corridor networks:

- Corridor No. IV (Berlin – Prague – Bratislava – Štúrovo – Budapest – Istanbul/Thesaloniki)
- Corridor No. V (Terst – Budapest/Bratislava – Uzhorod – Lvov)
- Corridor No. VI (Gdansk – Lodz – Žilina)



Source: The Railways of the Slovak Republic, www.zsr.sk, 2009

5.3 Aviation network

In Slovakia there are six airports: in Bratislava, Poprad, Košice, Piešťany, Žilina and Sliač. The most important Slovak airports are Airport Bratislava and Airport Košice. Both provide regular and charter European flights.

The possibility to fly to Europe and the rest of the world is also secured via Vienna International Airport (app. 60 km from Bratislava), Budapest Airport (app. 180 km from Bratislava) or Prague Airport (app. 351 km from Bratislava).



Source: Sario, www.sario.sk, 2010

List of regular flights from major Slovak airports as of April 2010

Bratislava Airport	Alghero, Alicante, Bari, Barcelona-Gerona, Basel/Mulhouse, Birmingham, Bologna, Bristol, Brussels-Charleroi, Catania, Dublin, Düsseldorf-Weeze, Edinburgh, Frankfurt-Hahn, Košice, Liverpool, London-Stansted, London-Luton, Malaga, Milan-Bergamo, Moscow-Svo, Palma de Mallorca, Paris-Beauvais, Pisa, Poprad/Tatry, Prague, Rome-Ciampino, Split, Stockholm-Skavsta, Tel Aviv, Trapani, Warsaw, Zadar
Košice Airport	Bratislava, Prague, Vienna
Žilina Airport	Prague
Poprad/Tatry Airport	Basel, Bologna, Bratislava, Split, Warsaw

Source: Bratislava Airport, www.letiskobratislava.sk, 2010; Košice Airport, www.airportkosice.sk, 2010; Žilina Airport, www.letisko.sk, 2010; Poprad/Tatry Airport, www.airport-poprad.sk, 2010

5.4 Water network

There are currently three public ports serving cargo ships in Slovakia: Bratislava, Komárno and Štúrovo. The ports of Bratislava and Komárno, both located on the Danube River, provide an advantageous connection to railway and road transport networks. The river Danube is the second longest river in Europe and is navi-

gable for ships along a nearly 2,600 km long corridor. The Danube connects the Black and the North Seas (the significant ports of Sullina and Rotterdam) as a part of the Trans-European artery that is about 3,500 km long.

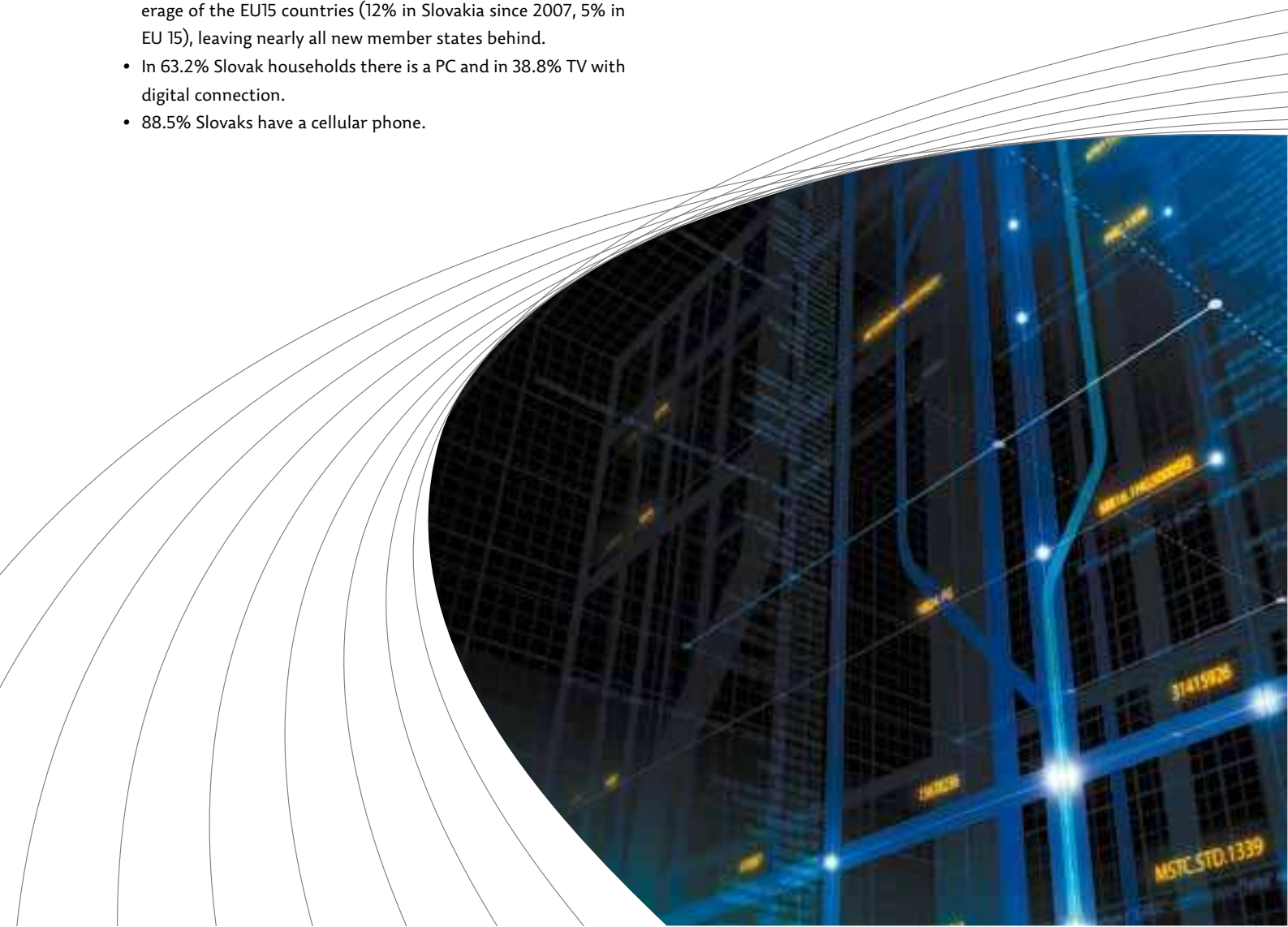
5.5 ICT network

Slovakia has a lower broadband penetration rate than other EU member states. The average rate in the EU27 is 21.7% and 24.7% in the EU15. Slovakia has reached a 9.6% penetration rate. This situation provides an opportunity for future growth.

Statistics:

- 98.3% of companies have Internet access and 99.1% are using PCs.
- Slovakia is under the EU27 average in the rate of households having their own Internet access, but it has shown a catching up tendency. The average rate in the EU15 is 64%; Slovakia has reached 58%. However, this rate is growing faster than the average of the EU15 countries (12% in Slovakia since 2007, 5% in EU 15), leaving nearly all new member states behind.
- In 63.2% Slovak households there is a PC and in 38.8% TV with digital connection.
- 88.5% Slovaks have a cellular phone.

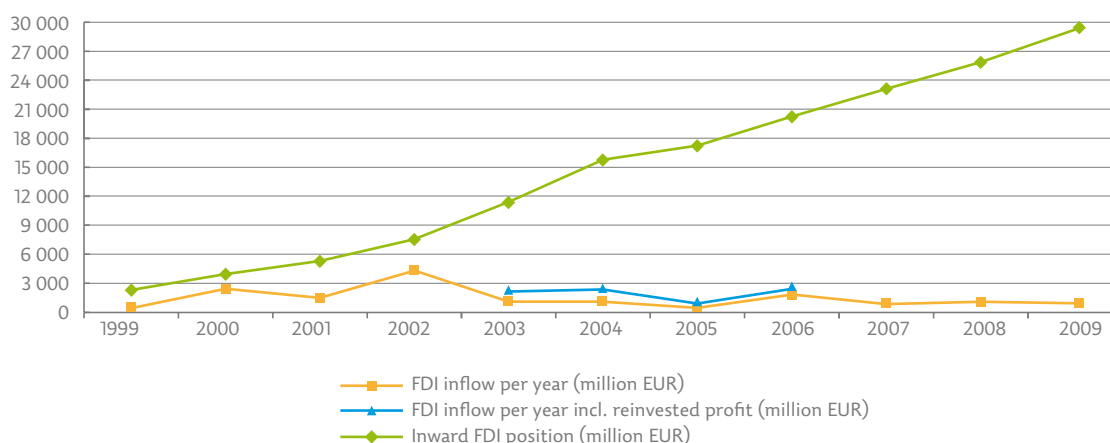
- In 2006, there were around 22 telephone lines per 100 people. Mobile telephone penetration was close to 91%, and more than 99% of the population was covered by mobile networks.
- Digital broadcast (DVB-T) will, at the latest in 2012, fully substitute the analogue television broadcast. DVB-T provides an opportunity for new TV channels, more competition and should effectively increase the overall offered quality. In 2009, the Telecommunications office of the Slovak Republic announced a call for submitting of offers for a public tender regarding various frequencies allocations.



6 Success stories

The advantages of Slovakia as an investment destination are proved by many investors that have already decided to settle in Slovakia. 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.

Since Slovakia's declaration of independence in 1993, Slovakia has handled several hundred successful investment projects from various countries and in a wide range of industrial sectors. These investment projects have had a substantial impact on the economic growth of the country. The total volume of FDI inflow to Slovakia reached 26 645.06 million EUR by 31 December 2009:



Note: Amount in EUR was calculated with the average exchange rate in the respective year. Data for 2009 are not available yet.

Note: From 2003 the NBS has been using a different methodology as in the previous years – it started including reinvested profit in the FDI inflow and inward FDI position. Thus, data from the period 1999 – 2002 (FDI inflow per year, Inward FDI position) contain only equity capital. Data of Inward FDI position in the period 2003 – 2008 contain equity capital + reinvested profit. Data of FDI inflow per year contain equity capital. FDI inflow per year incl. reinvested profit was not available for 2007, 2008 and 2009.

Source: National Bank of Slovakia, www.nbs.sk, 2010

The table shown below is an overview of the major foreign investors in Slovakia. It includes only the new Greenfield or Brownfield investments, not acquisitions or takeovers:

Country of Origin	Investor
USA	US Steel, Emerson, DELL EMEA Centre of Excellence, Whirlpool, IBM International Services Centre, HP European IT Operation Centre, Johnson Controls R&D Centre, AT&T Shared Services Centre, Accenture Technology Solutions, Getrag Ford (/Deutschland)
Germany	Siemens, Volkswagen, T-Systems
Japan	Yazaki, Mitsui Sumitomo, Sony, Panasonic
Korea	Samsung, KIA Motors, Hyundai Mobis
Taiwan	AU Optronics, ESON, Foxconn, Delta Electronics
France	PSA Peugeot Citroen, Alcatel R&D
Spain	Soitron



7 Legal framework

7.1 Starting a business

There are four types of companies that can be established in the Slovak Republic:

- Spoločnosť s ručením obmedzeným (Limited Liability Company), official abbreviation: (s.r.o. or spol. s r.o.)
- Akciová spoločnosť, (Joint Stock Company) official abbreviation: (a.s. or akc. spol.)
- Verejná obchodná spoločnosť (General Commercial Partnership) official abbreviation: (v.o.s. or ver.obch. spol.)
- Komanditná spoločnosť (Limited Partnership) official abbreviation: (k.s. or kom. spol.)

The most common type is the Limited Liability Company.

Limited Liability Company

A limited liability company (hereinafter the "SRO") may be established by one or more founders (up to 50), either legal or natural persons, irrespective of their nationality. A limited liability company having one partner (shareholder) may not be the sole shareholder of another limited liability company. This rule applies also to foreign entities.

The minimum registered capital in the SRO is EUR 5,000 and minimal contribution of a partner (shareholder) is at least EUR 750. The registered capital must be paid up within the time period set out by the Foundation Deed, however at the latest within five years from the date of incorporation. If the company is founded by a single founder, 100% of the registered capital must be paid before the incorporation. It can be contributed in kind or in cash. The contribution to the registered capital is not required to be tied in the company's bank account during the whole existence of the company but may be used for activities of the company.

The limited liability companies are obliged to have a reserve fund in the amount of 10% of its registered capital. It is not necessary to do so immediately at the time of company establishing, but in the year in which a company records its first profit.

An SRO has the following bodies:

- a) general meeting
 - the supreme body that decides on the major corporate matters of the company
- b) executive(s).
 - the statutory body authorized to act on behalf of the company

A supervisory board may also be established but it is not obligatory.

The company shall be liable for any breach of its obligations with its entire property.

Each member's liability for the company's obligations is limited to the outstanding part of its contribution to the registered capital of the company which is registered with the Commercial registry.

Important steps before starting a business

The following steps concern the Limited Liability Company. Steps for the other three types of companies are similar, however they may slightly differ. Also the fees for establishing may be different.

1. Obtain extract of the clean criminal registry of the Executive (s)	
Time to complete:	1 day
Comments:	The extract is not required for registration in the commercial registry, but is required for obtaining the trade license. The extracts from foreign countries must be apostilled or superlegalized.
Cost to complete:	EUR 3
2. Check the uniqueness of the proposed company name	
Time to complete:	1 day
Comments:	Before incorporation it is necessary to verify the uniqueness of the proposed business name. This can be done via internet on the official Commercial Registry web page: http://orsr.sk/search_subjekt.asp?lan=en
3. Execution of Memorandum of Association / Foundation Deed	
Time to complete:	The whole procedure, including drafting of the documents may take about 1-2 weeks, or longer if done without professional help.
Comments:	<p>SRO is established by execution of a Foundation Deed (in case of more founders by execution of a Memorandum of Association). The signatures of the founders have to be certified by a notary. It may also be executed by a person authorized under the power of attorney granted by the founder. The power of attorney - with an officially authenticated signature of the founder - shall be attached to the Memorandum of Association (or the Foundation Deed).</p> <p>The founder(s) must appoint one or more first executive(s) who can only be natural persons. Their names have to be included in the establishing document.</p> <p>Please note that the documents that will not be executed in Slovakia shall be apostilled or superlegalised.</p>
Cost to complete:	Notary fee for verifying a signature: EUR 1.99/signature. The approximate lawyer's fees for drafting of the documents are about EUR 500 – 1,000.
4. Application for trade license to run a business at the local administrative body – Obvodný úrad	
Time to complete:	5 days for a standard license, 30 days for special license
Comments:	<p>The trade license has to be obtained before the application for registration of the company can be filed with the commercial register.</p> <p>The trade license must be obtained with respect to each of the business activities to be performed by the company. Often at the time of foundation, a company is established with a standard general scope of business. The scope of business can later be amended and additional business licenses can be obtained when required.</p> <p>The list of documents required for obtaining a trade license:</p> <p>Filled-in form Copy of the Foundation Deed / Memorandum of Association Documents verifying the expertise in specific business activities Extract from the criminal registry of the Executives (no older than 3 months) – if foreigners Fee stamp – EUR 3 per each scope of business</p> <p>For certain types of business stipulated by law the company needs to appoint a responsible representative for every location from where they operate. The responsible representative must have his permanent or temporary residence in Slovakia and must be the company's employee.</p>
Cost to complete:	The total sum depends on the number of the scopes of business, per each scope a stamp of EUR 3 is required

5. Open a bank account	
Time to complete:	1 day
Comments:	Prior to the registration of the company with the Commercial Register the investment contributions or portions thereof must be administered by the entity so entrusted in the Memorandum of Association or the Foundation Deed, i.e. one of the founders or a bank.
Cost to complete:	varies from bank to bank opening of a bank account approximate cost: 4 EUR additional fees apply for related services
6. Apply for incorporation at the Registry Court	
Time to complete:	5 days
Comments:	<p>Company shall officially come into existence on the date on which it is incorporated into the Companies Register.</p> <p>The list of documents required for the incorporation:</p> <p>Filled-in form signed by all executives and their signatures have to be verified by a notary public Foundation Deed/ Memorandum of Association signed by all executives and their signatures have to be verified by the notary public Copy of the trade license – verified by a notary public Extract(s) from the Commercial Registry of the founder(s) - if legal entities Statement of the administrator of the founder's contributions to the registered capital Document proving title to the property to be registered as the seat of the company Declaration that the founder who is a limited liability company, has more than one member Residency permits of Executive(s) - not necessary if they are EU citizens Copy of the Executive(s) passport, if the Executive is not a Slovak citizen Specimen signature of the Executive(s) - notary certified</p> <p>Incorporation time is 5 working days when all necessary documents are submitted.</p>
Cost to complete:	EUR 331.50 – incorporation fee
7. Register with the tax authorities for income tax and VAT	
Time to complete:	7 days
Comments:	<p>The tax number for income tax purposes and also registration for VAT purposes is processed within 7 days from application.</p> <p>A company doing business in Slovakia must register for corporate income tax purposes within 30 days from the date of its registration in the Commercial Register.</p> <p>If the company has employees, it must also register for personal income tax purposes.</p>
Cost to complete:	no charge
8. Register with social insurance at the local Social Insurance Office (Sociálna poisťovňa)	
Time to complete:	1 day
Comments:	The company must register employees for pension, sickness, disability insurance and unemployment insurance at the local Social Insurance Office ("Sociálna poisťovňa") prior to their starting work.
Cost to complete:	no charge
9. Register for health care insurance at any Zdravotná poisťovňa company that the employees choose	
Time to complete:	1 day
Comments:	For health insurance purposes, the company must be registered with Health Insurance Companies.
Cost to complete:	no charge



7.2 Labour code

Employer/employee relations are governed by the Labour Code, which regulates such matters as establishment of employment, dismissal, working hours, annual vacation, salary conditions, working conditions, protection of expectant mothers, protection of adolescent employees, work safety and health regulations.

7.2.1 Establishment of employment

The following types of employment contracts are possible according to the Labour Code:

- Employment for a definite term (for up to three consecutive years)
- Employment for an indefinite term
- Employment for reduced working hours

Additional extra-employment agreements are possible:

- Off-employment agreements
- Specific task agreement

If the contract is for a definite term, this cannot exceed three years. Otherwise, the contract is deemed to be of indefinite duration and can only be terminated on notice following the occurrence of a limited range of termination events.

Trial period

The trial period agreed in the employment agreement must not be longer than three months. During this period either party can cancel the contract at any time and without having to state the reason.

7.2.2 Termination of employment

The Labour Code stipulates a notice period of two months for terminating employment by written notice given by the employer or by the employee. A three-month notice period is required if the employee has been working for the employer for more than five years. The employee does not have to state the reasons for leaving, but the employer can only terminate an employee's contract in compliance with conditions set out in the Labour Code. The notice period starts from the first day of the following month following delivery of notice.

When notice is given by the company to the employee, one of the following reasons must be stated:

- The company (or a part of the company) is being disbanded or transferred.
 - The employee is made redundant by a written resolution of the employer based on the organizational changes.
 - The employee is not able to work for long-term health reasons.
 - The employee does not meet the preconditions for the job (e.g. there is unsatisfactory performance of the employee).
 - Other serious reasons, e.g. substantial company restructuring.
- If both parties agree, employment can be terminated at any time. If employment is terminated as a result of organizational changes or cutbacks, the employee is protected by at least a two-month termination period (or at least a three-month termination period if he/she has been working for the employer for more than five years).

Furthermore, the company can terminate an employment contract immediately if:

- The employee is convicted of an intentional criminal act
- The employee seriously breaches work discipline

Redundancy and severance payments

The Labour Code provides for a severance payment of at least two months average earnings and three months earnings for employees with more than 5 years of service with the employer. If the employee agrees with the two-month notice period (three-month notice period for employees with more than 5 years of service with the employer), the employer is still obliged to pay the severance payment and the employee's regular salary.

7.2.3 Working hours

The weekly working time is 40 hours, excluding breaks (min. 30 minutes), which are not paid. One 30-minute break has to be provided if the employee's working time is longer than 6 hours. Additional breaks may be arranged between the employer and the employee or the employer and a trade union.

Shifts: Employees who work alternatively on two shifts can work a maximum of 38 and $\frac{3}{4}$ hours per week. Employees who alternatively work on three shifts or on a continuous basis can work a maximum of 37 and $\frac{1}{2}$ hours each week.

Overtime work

Overtime work shall not exceed on average 8 hours per week during not more than four consecutive months, unless the employer agrees to a longer period with the representatives of the employees; however, this period shall not be longer than 12 consecutive months. The maximum amount of overtime work that an employer may request from an employee in any calendar year shall be 150 hours.

The employer can agree with the employees, if there are serious reasons, on overtime work in excess of the limit set above, to the extent of not more than 250 hours per employee.

Bonuses for overtime work

The employee is entitled to his normal wage plus a special bonus equal to at least 25% of his average salary for overtime hours worked (working on Saturday is also considered as overtime work). If the employer and the employee agree to leave as a consideration for the overtime work, the employee shall be entitled to one hour of leave for one hour of overtime work; with no entitlement to any special bonus.

In a collective agreement, an employer may agree on a set of employees with whom it is possible to agree that potential overtime will be included in their pay, up to a maximum total of 150 hours per year.

If the collective agreement does not define such a set of employees pursuant to the first sentence, the employer may agree with managers and with employees responsible for planning, systems, creative, methodological or commercial activities, employees who direct, organise or coordinate complex processes or an extensive set of highly complex equipment, that their pay will include overtime, though not more than 150 hours per year.

Wage for night work

The term "night work" means work performed between 10.00 p.m. and 6.00 a.m. With regard to night work, the employee shall be entitled to a special bonus for each hour of the night work of at least 20% of the minimum wage claim stipulated in § 120 of the Labour Code.

Wage for work during bank holidays

As a consideration for work performed during bank holidays (15 days in the year), the employee shall be entitled to his normal wage, plus a special bonus of at least 50% of his average earnings (Sundays are also considered bank holidays in this respect). If the employer and the employee agree on leave as a consideration for work performed during bank holidays, the employee shall be entitled to one hour of leave for one hour of work during bank holidays; with no entitlement to any special bonus.

Vacation and time off

In addition to public holidays, employees are entitled to at least 20 days of paid vacation. If an employee has at least 15 years of working experience, this period increases to at least 25 days.



7.2.4 Pension age

The pension age for both men and women is 62 years of age in general. Pensioners can still work if they wish to.

7.2.5 Employing foreigners

Before arriving in the territory of the Slovak Republic, a foreigner who is from a non-EU member state has to apply in writing to the appropriate Office of Labour, Social Affairs, and Family for a work permit, either by himself/herself or through the future employer or through the legal person or natural person to whom he/she should be posted to perform work. A foreigner from an EU member state does not need a work permit. The appropriate Office of Labour, Social Affairs, and Family issuing the work permit is the office of territorial competence at the work location of the foreigner.

The application for issuing a work permit has to be accompanied by the employer's promissory statement to employ the foreigner.

The appropriate Office of Labour, Social Affairs, and Family may grant the foreigner a work permit, providing that the vacancy could not be filled by a job seeker in the register of job seekers. In issuing the work permit the Office shall consider the labour market situation. There is no legal claim to the issuance of a work permit.

A work permit is also required for a foreigner

- a) employed by an employer whose domicile or site of organisational unit with labour law personality is outside of the territory of the Slovak Republic and posted by that employer to perform work in the territory of the Slovak Republic, based on a contract concluded with a legal person or with a natural person;
- b) who is going to be employed in a border area of the Slovak Republic, who would return at least once a week to the state of his/her permanent residence neighbouring the Slovak Republic; a border area of the Slovak Republic is defined as the territory of a district neighbouring the state borders.

Issuance of a work permit is not required for a foreigner who is a partner of a business company, or the authorized body of a business company, or a member of the authorized body of a business company performing an activity on behalf of the business company in the territory of the Slovak Republic, or who was assigned to perform activities in the territory of the Slovak Republic within the framework of services of an employer whose domicile is in another EU member state.

Validity of the work permit shall expire upon lapse of the period of issuance, upon termination of the employment before lapse of the period of validity of the work permit, upon lapse of validity of the residence permit issued to the foreigner, or upon expiry of the residence permit for other reasons, etc.

The appropriate Office of Labour, Social Affairs, and Family issues the work permit with a two-year validity at most; with six-month validity in any one calendar year at most in the case of seasonal work, in which case a period of at least six months shall separate two individual employments in the territory of the Slovak Republic.

The employer is obliged to inform the Office in writing about the commencement and termination of the employment of an EU citizen and his/her family members and about the commencement and termination of the employment of the foreigner who is not required to submit a work permit within seven working days of the commencement and termination of employment. The employer is obliged to inform the Office in writing within seven days, of the fact that the foreigner who had been granted a work permit either did not commence the employment or his/her employment finished before the expiration of the employment period specified in the work permit. Furthermore, the employer is obliged to inform the police about the termination of the employment of the foreigner from a third country (other than EEA member state).

Valid from January 1, 2010, certain categories of foreigners do not have to possess a temporary residence permit for the purpose of employment for up to 90 days from the day of entering to Slovakia. Consequently, they will be allowed to begin their employment immediately after entering Slovakia if they hold the pertinent work permit. This measure is for employees sent by their employers to Slovakia for a short-term period, or employees of strategic investors.



7.3 Immigration policy

7.3.1 Visa regime

A visa is required for all foreigners except:

- a) EU citizens;
- b) citizens of Andorra, Argentina, Australia, Brazil, Brunei, Guatemala, Honduras, Hong Kong, Chile, Croatia, Israel, Japan, Canada, Republic of Korea, Costa Rica, Malaysia, Mexico, Nicaragua, Panama, Paraguay, El Salvador, Switzerland, Uruguay, USA, and Venezuela for visits of up to 90 days;
- c) citizens of Monaco and New Zealand for visits of up to 3 months;
- d) citizens of San Marino and the Vatican for visits of up to 30 days.

The Slovak ministries responsible for visas and the entry of foreigners to Slovakia are the Ministry of Foreign Affairs and the Ministry of the Interior.

Types of visa

There are two types of visa: Schengen visa and national visa.

Schengen visa

A Schengen visa is an authorisation issued by an EU member state with a view to:

- a) transit through or an intended stay in the territory of the EU member states of a duration of no more than three months in any six-month period from the date of first entry in the territory of the EU member states;
- b) transit through the international transit areas of airports of the EU member states.

It may be issued for one, two or multiple entries. The period of validity shall not exceed five years. In the case of transit, the length of the authorised stay shall correspond to the time necessary for the purpose of the transit. The period of validity of the visa includes an additional "period of grace" of 15 days. However, member states may decide not to grant such a period of grace.

National visa

A National visa may be issued to a foreigner along with the residence permit or in connection with Slovakia's commitments under international treaties or if it is for the benefit of the Slovak Republic. The national visa is valid only for the territory of the Slovak Republic; however it entitles its holder to transit through one or more Schengen member states when travelling to Slovakia. No return transit is allowed. The foreigner is required to have a Schengen visa for a return trip, if he/she decides to leave the Schengen Area outside the Slovak Republic. The national visa is granted for the stay which is longer than three months.

Slovak authorities abroad

A list of the Slovak authorities abroad can be found at the web page of the Ministry of Foreign Affairs of the Slovak Republic, www.foreign.gov.sk, in its English version. Click on the tab "Web for Honorary Consulates" and then on "Contacts".

If a foreigner has been granted a permanent residence permit in some of the member states of the EEA, he/she can be granted a temporary residence permit in Slovakia for up to five years. The foreigner has to prove permanent residence with a certificate of residence issued by another EEA member state in which the expression a person with EEA permanent residence in the appropriate language version must be stated.

The police may renew the residence permit for up to three years if the supposed length of residence of a foreigner will be at least three years. The foreigner submits the application for the renewal of the temporary residence permit personally at a police station, at the latest 60 days before the termination of his/her residence permit. There is an application fee that is payable through fee stamps (available at a post office). The police have to decide at least seven days before the termination of the foreigner's residence permit.

If the continuous residence of a foreigner in Slovakia has lasted for at least five years and he/she has a temporary residence permit for the purpose of business or employment or joining a family member, he/she may apply for the permanent residence permit, for a so-called other permanent residence permit.

If a foreigner applies for the permanent residence permit, the police firstly issues the so-called first permit (after fulfilment of legal conditions), which grants the residence permit for five years. After granting the residence permit, the police inform the representative authority (the embassy or the consulate) in which the foreigner filled in the application that the residence permit has been granted. The representative authority issues a visa free of charge that entitles the foreigner to enter the Slovak Republic and collect the documents of the residence permit at the police station. Within three working days of entry into the territory of Slovakia, the foreigner is obliged to present himself/herself at the respective section of the Border and Foreign Police Department, according to his/her place of residence. If the foreigner is legally in the territory of Slovakia at the time of the residence permit being granted, he/she has to collect the Certificate of Residence at the police station.

The police may, upon request, issue another permanent residence permit to the foreigner who has the first permanent residence permit and who has the residence permit for the purpose of employment or entrepreneurship or who is a relative of the foreigner. All above-mentioned foreigners must have a previous stay lasting continuously for at least five years before the submission of the application.

The police may also, upon request, issue another permanent residence permit to the foreigner who has a temporary residence permit for the purpose of business or employment or joining a family member if his/her continuous stay in Slovakia has lasted for at least five years.

Fees

There are several fees that are associated with the relocation and/or immigration process and that have to be paid in the form of a fee stamp to the Slovak authorities upon the submission of an application. They are listed in the table shown below.

Temporary residence permit for the purpose of	
Business	€ 232.00
Employment	€ 165.50
Joining a family member	€ 132.50
Temporary residence permit renewal for the purpose of	
Business	€ 132.50
Employment	€ 99.50
Joining a family member	€ 66.00
Permanent residence permit	
Permanent residence permit	€ 165.50

Source: Unified automated system of legal information – JASPI, <http://jaspi.justice.gov.sk/>, 2009

After the residence permit is granted or renewed, the police issue a certificate of residence to the foreigner for which he/she pays € 4.50. The certificate of residence has a limited validity and when it is renewed, the foreigner has to pay a fee stamp of € 4.50 again.

There are further costs associated with the immigration process; these include translation fees, notary fees, fees paid to the institutions as well as the fee for a required medical check-up.

Examples of additional fees

Type	Fee
Translation (one page)	€ 20.00 - 80.00*
Signature verification	€ 3.00
Foreign language copy verification (one page)	€ 7.00 - 9.00
Slovak language copy verification (one page)	€ 3.00
Slovak Criminal Record official fee	€ 3.00
Slovak Business Register excerpt	€ 6.00
Slovak Cadastre excerpt	€ 3.00
Medical check-up (depending on case)	€ 113.80 – € 249.00

*price per page depends on the language, speed of translation and pages to translate
Source: SARIO, 2010

8 SARIO one-stop-shop for investors

The Slovak Investment and Trade Development Agency (SARIO) is a governmental investment and trade promotion agency. In Slovakia, and around the world, SARIO provides a range of services to those companies that would like to invest in Slovakia. Our team of experts is ready to help with all aspects of the investment process.

Mission

The mission of SARIO is to promote the growth of economic development and improve the quality of life in Slovakia. SARIO works toward this goal by promoting the economic environment of Slovakia, attracting foreign direct investment and developing foreign direct investment to the final stage of its realization. Since 2002, when the agency was established, until 2009, SARIO successfully assisted in 346 investment projects with a total value of EUR 7.1 billion which together created 71,142 new jobs.

Vision

SARIO works actively to make the Slovak Republic a country with a well-developed economy and an educated population with a high quality of life. In order to achieve these goals, SARIO utilizes its valuable contacts, both in Slovakia and abroad.

SARIO is a government-funded agency under the management of the Ministry of the Economy of the Slovak Republic. SARIO's primary objective is to improve the standard of living of Slovak citizens by increasing the employment rate and reducing regional disparities.

It achieves these objectives in a variety of ways:

- the agency presents the business environment in Slovakia to the domestic and foreign target groups to increase the awareness of the name "Slovakia" and to create interest in foreign direct investment and trade
- it focuses on maximizing the inflow of foreign direct investment to Slovakia via active and targeted international marketing, and by increasing the knowledge of the investment environment in Slovakia, as well as by supporting creation of industrial parks
- the agency supports foreign trade via match-making for bids and offers generated by the Commercial Representatives Network and by other sources as well as via subcontracting activities

SARIO is an entity which has a high level of credibility internationally and domestically; its officials are regularly invited to attend professional forums where they present and discuss the current issues of the foreign direct investment and foreign trade. SARIO has a network of six regional offices in Slovakia and operates worldwide via 46 commercial representatives of the Ministry of Economy of the Slovak Republic.

Activities offered by Sario to foreign investors

Comprehensive consultancy services and up-to-date information regarding the investment environment in Slovakia:

- Assistance in implementing investment projects
- Analyses of the investment environment: labour market, taxation, legislation, macroeconomics etc.
- Advice on issues related to starting a business
- Sector and regional analyses
- Selection and recommendation on ideal location and suitable real estate
- Facilitation of communication with national and local authorities, self-governing bodies
- Consultancy in the area of state aid and assistance with applications for investment incentives
- Assistance in finding Slovak partners for joint-venture or suppliers
- Aftercare services for foreign investors already operating in the Slovak Republic
 - Support regarding the expansion, reinvestment and development of research operations
 - Development of investor co-operation with schools
 - Assistance regarding applications for work permits, visas and permanent residence for foreign citizens

The new agenda and one of the priorities of the Sario agency is attracting FDI to tourism in Slovakia. Activities of this agenda include: searching for investment opportunities in Slovakia, creation of database with these opportunities in order to offer them to foreign investors, providing consultations regarding the best investment opportunities and state aid as well as coordination of the preparation of the respective projects.

All our services for foreign investors are free of charge.

For additional information and insight, please refer to our website www.sario.sk and click on "Invest in Slovakia" for information on company registration, taxation and statutory social security contributions, expatriates and labour related legislation as well as the investment incentives of the Slovak Government.



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