

THE SLOVAK  
SPECTATOR

# INVESTMENT

ADVISORY GUIDE 2019/2020



30 Years of  
Freedom:  
How Slovakia  
Has Changed

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# Investment Advisory Guide

For 30 years, Slovakia has been free of totalitarianism. For half of that time, it has been a member of the European Union.

The country has come a long way since its watershed moment in 1989. The federation that it was part of broke up, to the delight of some and the dismay of others. Slovakia and Czechia have each taken their own direction, with the Slovak economy only embarking on the path of much-needed reforms after the period of the populist and authoritarian-leaning government under the leadership of Vladimír Mečiar.

The reforms that were launched in the late 1990s put Slovakia back on track. EU membership was seen as the main aim for the country, a crowning moment for the transition to democracy and a market economy. Slovakia entered the EU in 2004, by which time it had been nicknamed the Tatra tiger, with direct foreign investments flowing into the country, and the common European currency on its way.

Mistakes have admittedly been made in the process, the effects of some of them surfacing only recently. The transition might have been officially completed, but the development of the economy is a continuous process. The next challenge for Slovakia remains the transition from a production-oriented to a knowledge-based economy, capable of coping with automation and of maintaining and enhancing its competitiveness in the innovative world. As is often the case with such challenges, this one too can be seen as a threat or an opportunity. Slovakia has shown in the past it has the drive to understand it as the latter.

By Michaela Terenzani  
The Slovak Spectator

## CONTENTS

<b>Investor's checklist</b>	4-11
Slovakia basics	4
Slovakia & central Europe: distances, population	4
Foreign direct investment: overview	5
Slovak infrastructure & Industrial parks in Slovakia	6
Project timelines & 5 things to remember when purchasing a plot in Slovakia	6
Useful contact details	7
Industry in Slovak regions	7
Information on Slovak regions	8-9
Structure of regional economies	8-9
Largest companies in Slovak regions	8-9
Timeline: Construction of a new plant	10
Timeline: Mass recruitment	10
Types of business companies in Slovakia (advantages and disadvantages)	11

<b>30 years of freedom</b>	12-19
----------------------------	-------

<b>Opportunities</b>	20-31
Automotive industry	21
Innovations	24
Waste management	25
Business service centres	26
Creative industry	28
Intellectual property	30

<b>Government policy &amp; legislation</b>	31-49
10 largest law firms in Slovakia	33
10 largest international law firms in Slovakia	34
10 largest local law firms in Slovakia	35
Interview: Legislation	36
Law firms: 2018/2019 top deals in Slovakia	38
Law firms: Top 5 all-time deals in Slovakia	41
Local law firms in Slovakia	42
International law firms in Slovakia	44
Who is who: attorneys in Slovakia	45
Supporting investments in Slovakia	46
Support of R&D	48

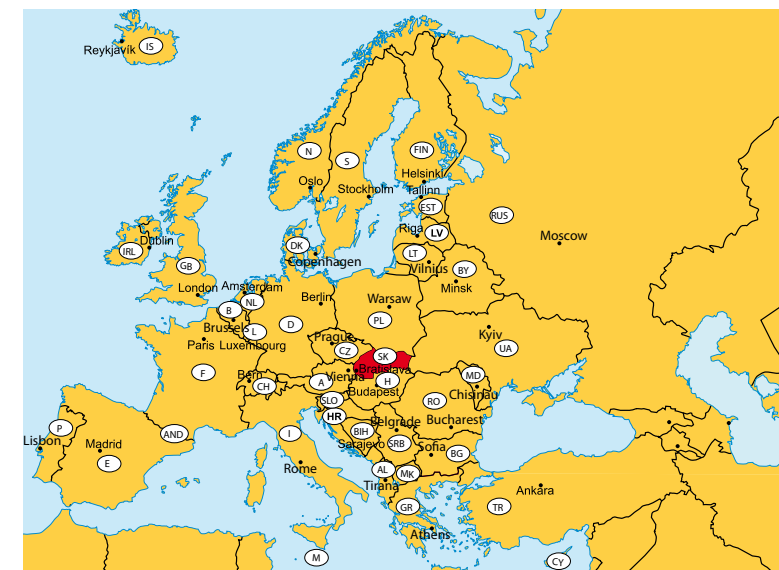
<b>Real estate</b>	50-71
Ongoing projects	51
Real estate market overview	59
FAQ: Buying and selling a property in Slovakia	62
Top 5 real estate projects in Bratislava	62
Innovation centre	64
New urban district in Bratislava	65
FAQ: Renting an apartment in Slovakia	66
Real estate prices in Slovakia (sale, rent)	66
Construction firms	68
Real estate consulting	69
Real estate agencies	69
Developers	71

<b>Labour market &amp; education</b>	72-79
Employment relations in Slovakia	74
FAQ: Dealing with Slovaks	74
Job portals	75
HR companies in Slovakia	75
Labour market: overview	76
Statistics: wages & labour costs	78
Statistics: labour market	79

<b>Economy &amp; business environment</b>	80-91
Slovak economy	81
Statistics: Slovakia & the European Union	82
Slovakia will hold a prominent position in AI	83
Clusters in Slovakia	84
Investment highlights	86
Chambers of commerce	88
Consulting firms	89

<b>Foreigners in Slovakia</b>	92-97
Trade licences and doing business in Slovakia	93
What foreigners ask before relocation to Slovakia?	94
FAQ: EU citizens - dealing with immigration authorities	95
FAQ: Non-EU citizens dealing with immigration authorities	96
Relocation companies	97

<b>Index</b>	98
--------------	----





SLOVAKIA BASICS

**Area:** 49,036 km<sup>2</sup>  
**Land use:** agricultural land: 48.9%, forest: 41.1%, urban areas: 4.8%, water: 1.9%, other: 3.3%  
**Protected area as national parks, protected grounds:** 22.65%  
**Borders with neighbouring states:** Hungary (654.8 km), Poland (541.1 km), the Czech Republic (251.8 km), Austria (106.7 km) and Ukraine (97.8 km)  
**Time zone:** GMT/UTC +1 hour  
**Currency:** euro €  
**Language:** Slovak  
**Population (2018):** 5.445 million (48.8% men, 51.2% women)  
**Average age of population (2018):** 40.8 years  
**Life expectancy (2018):** 80.9 years (women), 73.8 years (men)  
**Total population increase per 1,000 inhabitants (2017):** 1.4%  
**Nationalities:** Slovak: 81.1%, Hungarian: 8.4%, Roma: 2% (10% - estimated), other: 1.7% (Czech, Ruthenian, Ukrainian, German, Polish, Russian), 6.7% other and undeclared  
**Religion:** Roman Catholic 62%, Evangelical 5.9%, Greek Catholic 3.8%, Reformed 1.8%, Orthodox 0.9%, other 1.6%, not specified 10.6%, no religion 13.4%; **Literacy:** 99.6%  
**Capital:** Bratislava (population (2018): 432,864)  
**Other major cities:** Košice (238,757), Banská Bystrica (76,458)  
**Towns (2018):** 140 (settlements with more than 5,000 inhabitants)  
**Villages (2018):** 2,750 (settlements with fewer than 5,000 inhabitants)

(more information ➡ pages 20-31)

OPPORTUNITIES

Slovakia promotes itself as the largest car producer per capita in the world (198 in 2018) with three carmakers located in western Slovakia (Bratislava, Trnava, and close to Žilina). While the fourth carmaker, the British Jaguar Land Rover, opened its plant near Nitra in 2018, it sees an even bigger space for the development of the network of carmakers' subcontractors, especially in the east of the country. The second strongest pillar of Slovakia's industry is the electrotechnical industry with companies in Galanta, Nitra, and Nové Mesto nad Váhom, to mention a few. Other sectors with a tradition in Slovakia are the chemical industry and forestry. IT is a promising sector in Slovakia, where apart from Bratislava, also in Košice and Žilina there have been built strong IT clusters. Slovakia has also become home to several business service centres, most of which are currently located in Bratislava with opportunities to spread into other parts of Slovakia. The trend of transitioning the economy towards services is visible by the mushrooming of startups and R&D centres, many of which can utilise EU funds or the state's investment incentives.

(more information ➡ pages 32-49)

GOVERNMENT POLICY & LEGISLATION

**Membership in international institutions:** European Union, the eurozone, NATO, OECD, WTO, WHO, UN, OSCE, and others

**Government structure:** parliamentary democracy – the cabinet headed by the prime minister holds the executive powers and the country's highest legislative body is the 150-member parliament. The president is the head of state and the formal head of the executive office with limited powers.  
**Free trade agreements:** Slovakia, as a member of the EU (the EU is a party to trade agreements and other agreements with a trade component both in the WTO context and bilaterally with certain countries and regions) has free trade agreements with Norway, Iceland, the Faroe Islands, the former Yugoslav Republic of Macedonia, Albania, Morocco, Israel, Jordan, Lebanon, Egypt, Algeria, Mexico, South Africa, CARIFORUM States, Madagascar, Mauritius, the Seychelles, Zimbabwe, the Republic of Korea, Papua New Guinea, Fiji, Iraq, Colombia, Peru and Central America, Canada (Source: EC)  
**Regulation**  
The Regulatory Office for Network Industries (ÚRSO) regulates the energy sector as well as water management in areas such as price policies, while the sector of telecommunications and postal services is overseen by the Regulatory Authority of Electronic Communications and Postal Services (RÚ), which along with pricing oversees the distribution of frequencies. The National Bank of Slovakia (NBS) is responsible for financial market supervision.

In Slovakia, there is a special levy for doing business in regulated sectors. The levy was increased to a monthly rate of 0.726 percent as of the beginning of 2017, and the rate will drop to 0.363 percent by 2021. Only companies with profits exceeding €3 million would be obliged to pay the levy, while the levy will apply only to profits from activities conducted in the regulated sectors. The regulated sectors to which this levy applies include energy, insurance and re-insurance, public health insurance, electronic communications, pharmaceuticals, postal services, railway transport, public water pipes and sewages, air transport and provision of health care.

There is also a special levy in the banking sector to be paid on corporate and private individuals' deposits. The levy was set as degressive and should gradually decrease from 0.4 percent to 0.1 percent. The special bank levy was designed to be a temporary measure, to be terminated once banks have paid a total of €1 billion. In 2016 the government revised the legislation, setting the levy at a flat 0.2 percent, valid until 2020.

The government also imposed a new special levy on insurance companies. They are obliged to pay a special levy of 8 percent from non-life insurance policies as of 2017.

**General government debt (2018):** 48.9% of GDP

**State's investment incentives:** ➡ pages 46-47

Ratings

SLOVAKIA: FOREIGN CURRENCY LONG-TERM DEBT (NOV 2019)		
	rating	outlook
Standard & Poor's	A+	stable
Moody's	A2	stable
Fitch	A+	stable

Taxes

VAT basic rate	20%
VAT reduced rate on books, medicines and selected food	10%
Income tax	19%
Corporate income tax	21%

**Tax for motor vehicles** paid by business entities only  
**Local taxes** are set by municipalities. They include taxes for real estate, dog licences, usage of public space and others.  
**Excise taxes** are applied on alcoholic beverages (spirits, wine, beer), electricity, coal, natural gas, oil, and tobacco products  
**Dividends:** The government replaced the 14-percent health levy paid from dividends with a 7 or 35 percent tax on dividends as of 2017.

Business entities:

The most popular legal forms of business entities in Slovakia:  
-self-employed individual / samostatne zárobkovo činná osoba - SZČO (no requirement for registered capital)  
-joint-stock company / akciová spoločnosť, a.s.: (minimum registered capital €25,000)  
-limited liability company / spoločnosť s ručením obmedzeným, s.r.o. (minimum registered capital €5,000)  
As of January 1, 2017 it is possible to launch so-called simple joint-stock companies with €1 basic capital (simple shareholder companies). These are limited to small and medium-sized companies, especially startups.

(more information ➡ pages 80-91)

ECONOMY & BUSINESS ENVIRONMENT

**Inflation (9/2019):** 2.9%  
**GDP growth (2018):** 3.5%  
**GDP per capita 2018 (nominal):** USD20,670  
**GDP per capita 2018 (PPP):** USD31,326

**Main economic activities by gross added value (2017):**

Agriculture, forestry and fishing	3.44%
Industry	26.68%
Construction	8.21%
Trade, transport, accom., food serv.	20.18%
Information and communication	4.31%
Financial and insurance activities	3.14%
Real estate activities	6.87%
Professional, scientific and technical activities; administrative and support service activities	9.07%
Public admin., education, health	14.75%
Other	3.37%

Foreign direct investment (EUR mil):

YEAR	CUMULATIVE	INFLOWS
2005	25,087	2,501
2006	29,284	4,626
2007	32,412	2,935
2008	36,226	3,323
2009	36,469	-4
2010	37,665	1,336
2011	40,173	2,511
2012	41,780	2,321
2013	42,072	-455
2014	40,969	-386
2015	42,265	96
2016	45,150	728
2017*	46,559	2,020

\* preliminary data

Cumulative FDI by country of origin (2017):

COUNTRY	SHARE OF FDI
Netherlands	25.57%
Austria	13.06%
Czech Republic	10.75%
Luxembourg	7.37%
Germany	6.39%
South Korea	6.33%
Hungary	5.68%
Belgium	5.21%
Italy	4.70%
Cyprus	3.51%
Other	11.43%

Note: several companies which have invested in Slovakia are registered in the Netherlands, Luxembourg or Cyprus, even though their country of origin is different.

Cumulative FDI by economic activity (2016):

ECONOMIC ACTIVITY	SHARE OF FDI
Manufacturing	32.27%
Financial and insurance activities	23.21%
Wholesale and retail trade; repair of motor vehicles and motorcycles	9.13%
Administrative and support service activities	6.64%
Real estate activities	6.31%
Information and communication	4.50%
Other	17.94%

Foreign trade (2018)

**Export (2018):** €79.14 billion  
**Import (2018):** €76.84 billion

Main export countries (2018):

COUNTRY	SHARE OF EXPORT
Germany	22.2%
Czech Republic	11.8%
Poland	7.7%
France	6.3%
Hungary	6.0%
Austria	5.8%

Main import countries (2018):

COUNTRY	SHARE OF IMPORT
Germany	17.8%
Czech Republic	10.2%
China	6.0%
Russia	5.9%
South Korea	5.8%
Poland	5.6%

Utility prices:

Some utility prices are regulated by the Regulatory Office for Network Industries (ÚRSO). It issues new

regulations at the end of the year for the next year.

Electricity prices

Electricity prices for households and small companies consist of several parts of which some are regulated by the Regulatory Office for Network Industries (ÚRSO). Electricity prices for industrial consumers: €0.079 per kWh (2018, Eurostat)

Electricity prices for businesses in Slovakia also include regulated portions of the fee for the National Nuclear Fund (€3.27 per MWh as of Feb, 2019) and the charge for operating the national grid (€25.99 per MWh as of January 1, 2019).

Water

Regulated prices in Bratislava (water €1.1231 per m<sup>3</sup>, sewage €1.1059 m<sup>3</sup>); in Košice (water €1.603 per m<sup>3</sup>, sewage €1.1844 per m<sup>3</sup>) (Source: water management companies in Bratislava and eastern Slovakia)

Transportation costs:

**A united motor vehicle tax**  
**Fuel prices (Oct, 2018):** 98 octane petrol €1.592 per litre, LPG €0.645, diesel €1.329

**Toll rates:** €0.020-€0.246 / km (www.emyto.sk)

**Bank account:** Opening a bank account by a business entity: Slovenská Sporiteľňa - monthly fee from €0-31.9; VÚB - monthly fee from €7; Tatra Banka monthly fee from €7

(more information ➡ pages 72-79)

LABOUR MARKET & EDUCATION

**Number of national holidays:** 15  
**Paid holidays:** 20 days (25 days for employees aged 33+)  
**Notice period:** one month at least  
**Employment contracts:** ➡ pg 74-75  
**Minimum wage:** €580  
**Average nominal monthly wage (2018):** €1,013  
**Average nominal monthly wage (2017):** €954  
**Monthly wage costs (2017):** €1,492  
**Social and health insurance:** Employers pay for their employees 10% health insurance and 35.2% social insurance as a % of their brutto wage.

Main sectors by no. of employees (2Q/2019):

Manufacturing	24.5%
Wholesale and retail trade; Repair of motor vehicles	11.9%
Construction	9.5%
Public administration, defence & social security	8.4%
Health and social work	7.7%
Education	7.8%
Transport and storage	6.8%
Accommodation, food ser.	4.1%
Other	19.2%

Economically active population by education (2Q/2019):

Elementary and without education	5.9%
Secondary without A grade	23.4%
High school with A grade	44.5%
University	26.2%

Note: First foreign language is compulsory starting from the third grade; a second foreign language is compulsory from the seventh grade. English must be one of them.

Labour cost of producing €100 GDP (2018)\*:

Hungary	€26.9
Poland	€27.4
Slovakia	€28.5
Czech Republic	€31.9
Estonia	€33.2
United Kingdom	€49.9
Austria	€51.8
Germany	€52.3
Italy	€54.0
France	€54.7
Sweden	€56.6

\* based on statistics provided by OECD (GDP per hour worked, current prices) and Eurostat (labour costs per hour in euro, whole economy - excluding agriculture and public administration)

**Trade unions:** Unions in Slovakia work under the umbrella organisation Confederation of Trade Unions (KOZ). A revision to the law on collective bargaining as of 2014 re-introduced the mandatory extension of higher-level collective agreements to all businesses in a given industrial sector (even those that have not signed on individually) and thus boosted the power of unions. Observers have noted several times that KOZ is not a politically independent organisation for its repeated support for the ruling Smer party. In October 2018, five trade union organisations founded a new trade union confederation called Spoločné Odbory Slovenska or the Joint Trade Unions of Slovakia in English (SOS). They claim that they do not want to compete with KOZ, but rather act as its counterbalance in defending employees' rights.

(more information ➡ pages 92-97)

FOREIGNERS IN SLOVAKIA

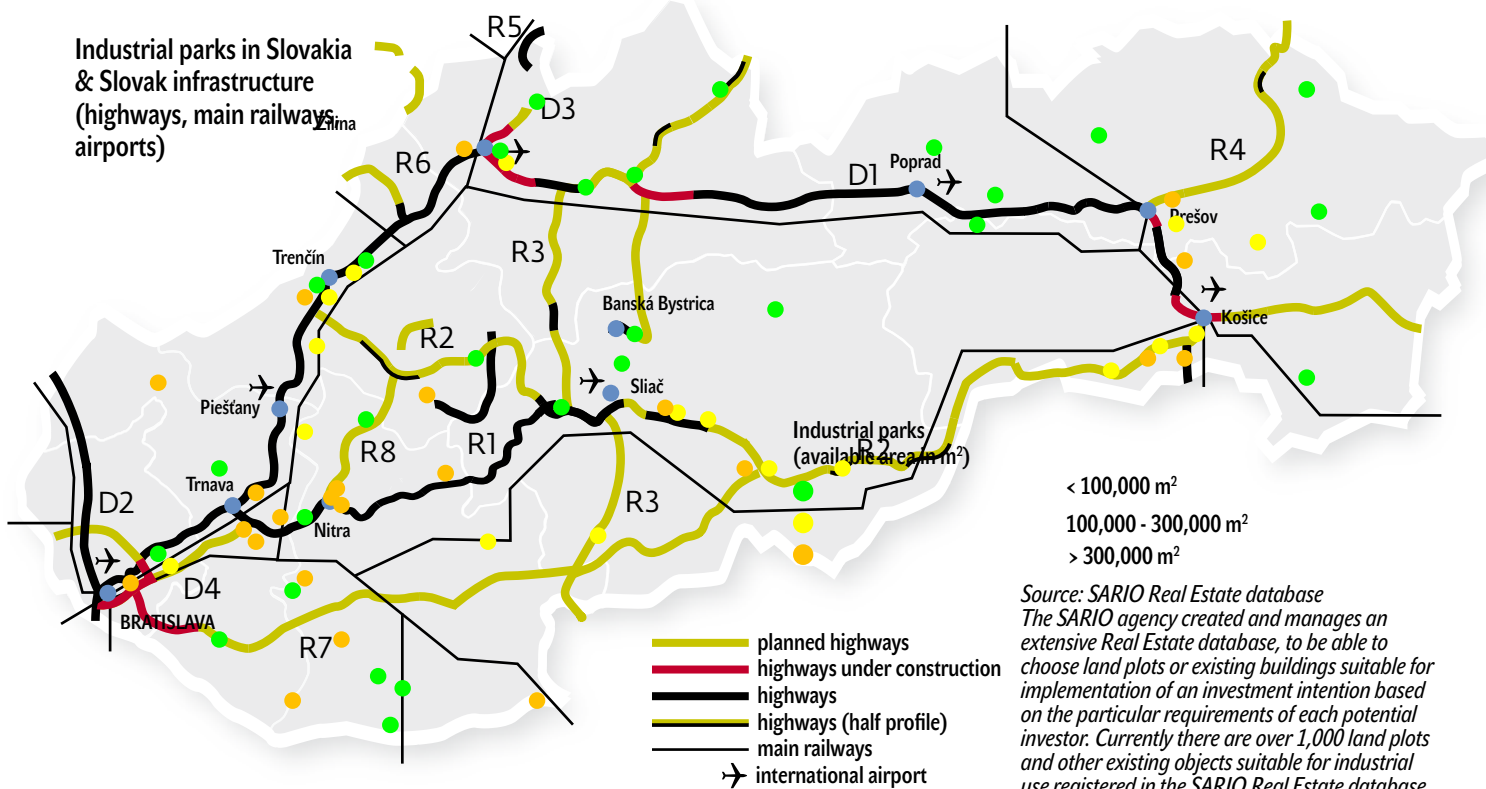
As Slovakia is a member of the European Union and the Schengen Area, citizens of countries in the Schengen Area do not need a Slovak visa. Nationals of third countries generally need a visa to stay in Slovakia while visa applications can be filed three months prior to the planned trip at the earliest, and granting the visa may take between 15 and 60 days.

Slovakia and central Europe: distance of selected destinations (km, min), population





### Industrial parks in Slovakia & Slovak infrastructure (highways, main railways, airports)



PROJECT TIMELINES BASED ON DIFFERENT METHODS OF ACQUIRING INDUSTRIAL SPACE																			
Months																			Method
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
																			lease of vacant (existing) space in an existing park location
																			pre-lease of desired space in an existing park location
																			built to suit in a new location - chosen by the investor
																			acquisition of an existing facility to be adopted for the investor's future needs
																			acquisition of serviced land and development of the facility with an industrial developer
																			acquisition of serviced land and development of the facility with an general contractor
<div><div></div> Transaction process (selection of a final location as well as final method of acquiring industrial space)</div> <div><div></div> Construction or fit-out works (documentation and obtaining of all permits included)</div>																			

Source: CBRE, real estate consultant (www.cbre.sk)

(more information on pages 54-71)

### INFRASTRUCTURE & REAL ESTATE

#### 5 things to remember when purchasing a plot in Slovakia (questions you need to answer)

#### 1. Locality

Where is the locality situated and how is it defined in the master plan? When was the locality built? Is the plot situated in an area that is often flooded, where there is a potential risk of pollution or are archaeological excavations often carried out there? Are there any limitations, like closeness to the airport, military facilities, gas facilities, railways with

a protection zone or a protection zone for first-class roads and highways?

#### 2. Infrastructure

Is the infrastructure built close to the selected plot sufficient? Can the plot be connected to roads of international interest? Can the plot be connected to all types of networks? Will it be possible to build enough capacities to operate the locality and in what time frame? Will I, as the future owner, be able to secure access to the plot's border and its trouble-free connection to the existing public communications network?

#### 3. Permissions

Am I able to obtain all necessary permissions required by the existing master plans and valid legislation? What are the possibilities of third parties (e.g. citizens, municipalities and rivals) to limit or stop the development activities on the plot? What is the state of the plot from the point of material burden, debts and legal disputes?

#### 4. Construction

Is it necessary to carry out an environmental survey? Can I, as the plot's owner, effectively compete for and sign agreements over building capacities, as well as manage all development risks related to construction in the locality?

#### 5. Economic state of the region and state aid

Is there enough labour force in the region where the selected plot is situated? What schools are in the neighbourhood? What other companies are active in the region? Am I entitled to regional investment aid?

Prepared in cooperation with Ján Rakovský, industrial agency consultant at Cushman & Wakefield Slovakia; Marián Mlynárik, head of the investment properties department at CBRE Slovakia; and Martin Manina from the Advokátska Kancelária JUDR. Michal Krnáč law firm, which cooperates with Jones Lang LaSalle.

### INFORMATION ABOUT EXISTING BUSINESSES

#### Business Register of the Slovak Republic Obchodný register Slovenskej republiky (OR SR)

- a database of all businesses active in Slovakia administered by the Justice Ministry  
www.or.sr.sk

#### Trade Register of the Slovak Republic Živnostenský register Slovenskej republiky (ŽR SR)

- a database of all individuals working under trade licences in Slovakia  
www.zr.sr.sk

#### Slovak Chamber of Commerce and Industry Slovenská obchodná a priemyselná komora (SOPK)

- gathering industrial and commercial businesses, assisting in finding a local business partner  
Tel: +421 (0)2 5443-3291  
web.sopk.sk

#### Statistics Office / Štatistický úrad

- statistical information about Slovakia, a database of all businesses and institutions registered in Slovakia; Tel: +421 (0)2 5023-6222; www.statistics.sk

### SUPPORT FOR INVESTORS

#### Slovak Investment and Trade Development Agency / Slovenská agentúra pre rozvoj investícií a obchodu (SARIO)

- supporting the investment projects of domestic and foreign investors, providing consultancy and aid to investors, and assisting SMEs in their search for export and trade opportunities abroad  
Tel: +421 (0)2 5826-0100  
www.sario.sk

#### Business and Innovation Centre Podnikateľské a inovačné centrum (BIC)

- business and innovation consulting, transnational technology transfer, financial consulting, regional development, support in the EU Framework Programmes for research, technology development and innovation, project management and investment consulting  
Tel: +421 (0)2 3233-2711  
www.bic.sk

#### Investment Support Association Združenie pre rozvoj investícií (ISA)

- support for the presentation of investments and their benefits for the develop-

ment of Slovakia; www.isa-association.sk  
Tel: +421 (0)907 910-646

#### Slovak Business Agency (SBA)

- assisting small and medium businesses in Slovakia, securing the building of infrastructure for business development (incubators); Tel: +421 (0)2 2036-3100  
www.sbagency.sk

#### Slovak Agency for International Development Cooperation / Slovenská agentúra pre medzinárodnú rozvojovú spoluprácu (SAMRS)

- administering the Slovak Aid programme, implementation of development aid programmes; www.slovakaid.sk  
Tel: +421 (0)2 5978-2601

#### Slovak Innovation and Energy Agency Slovenská inovačná a energetická agentúra (SIEA)

- free-of-charge energy consulting for households and businesses, monitoring innovation activities in Slovakia, information about opportunities to draw EU funds for innovation in businesses  
Tel: +421 (0)2 5824-8111  
www.siea.sk

### MINISTRIES

#### Economy Ministry Ministerstvo hospodárstva

- the departments of entrepreneurship and of export and foreign trade are part of the ministry  
Tel: +421 (0)2 4854-1111  
www.mhsr.sk

#### Justice Ministry / Ministerstvo spravodlivosti

- the ministry's website provides information on courts that secure the legal process of establishing a business in Slovakia  
Tel: +421 (0)2 8889-1111  
www.justice.gov.sk

#### Foreign and European Affairs Ministry Ministerstvo zahraničných vecí a európskych záležitostí

- information on embassies, consular services, and business departments of Slovak embassies abroad  
Tel: +421 (0)2 5978-1111  
www.mzv.sk

### TAXES AND CUSTOMS

#### Tax section of the Financial Administration of the Slovak Republic

- administering taxes  
Tel: +421 (0)48 431-7222  
www.financnasprava.sk

#### Customs section of the Financial Administration of the Slovak Republic

- customs policy, customs tariffs, origin of goods, administering indirect taxes  
Tel: +421 (0)48 431-7222  
www.financnasprava.sk

### CONTROL AND AUDIT BODIES

#### National Labour Inspectorate Národný inšpektorát práce

- state watchdog, enforcement of labour-related legislation, work conditions and occupational safety;  
Tel: +421 (0)55 797-9902  
www.ip.gov.sk

#### Slovak Environment Agency Slovenská agentúra životného prostredia (SAŽP)

- environmental impact assessment  
Tel: +421 (0)48 437-4111  
www.sazp.sk

#### Slovak Trade Inspection Slovenská obchodná inšpekcia (SOI)

- authority for internal market surveillance  
Tel: +421 (0)2 5827-2162  
www.soi.sk

### LAND REGISTRY

#### Katastrálny úrad / Land registry

- information about land ownership  
www.katasterportal.sk/kapor

### BANKS

#### Export-Import Bank of the Slovak Republic / EXIM Banka

- supporting exports by financing and insuring export credits  
Tel: +421 (0)2 5939-8111  
www.eximbanka.sk

#### National Bank of Slovakia Národná banka Slovenska (NBS)

- central bank, providing statistical information about balance of payments and currency rates; www.nbs.sk  
Tel: +421 (0)2 5787-1111

#### Slovak Guarantee and Development Bank Slovenská záručná a rozvojová banka (SZRB)

- providing guarantees for loans  
Tel: +421 (0)2 5729-2111  
www.szrb.sk

### EMPLOYEES, VISA AND REGISTRATION

#### Bureau of Border and Foreign Police Úrad hraničnej a cudzineckej polície

- registering foreigners living in Slovakia, issuing residence permits and work permits; Tel: +421 (0)961 050-701  
www.minv.sk/?uhcp

#### Social Insurance Agency Sociálna poisťovňa

- state-run social security provider; registration of employees for social insurance funds; Tel: +421 (0)906 171-020  
www.socpoist.sk

#### Confederation of Trade Unions Konfederácia odborových zväzov (KOZ)

- association of labour unions, protecting the rights of workers  
Tel: +421 (0)2 5023-9103  
www.kozsr.sk

### ASSOCIATIONS

#### National Union of Employers Republiková únia zamestnávateľov (RÚZ)

- organisation of employers in Slovakia, which is comprised of two-thirds of employers producing 70 percent of GDP and 80 percent of the Slovak export  
Tel: +421 (0)2 3301-4280  
www.ruzsr.sk

#### Federation of Employers' Associations Asociácia zamestnávateľských zväzov a združení (AZZZ)

- organisation of employers in Slovakia, which promotes and protects common business, commercial and employers' interests of members  
Tel: +421 (0)2 4425-8295  
www.azzz.sk

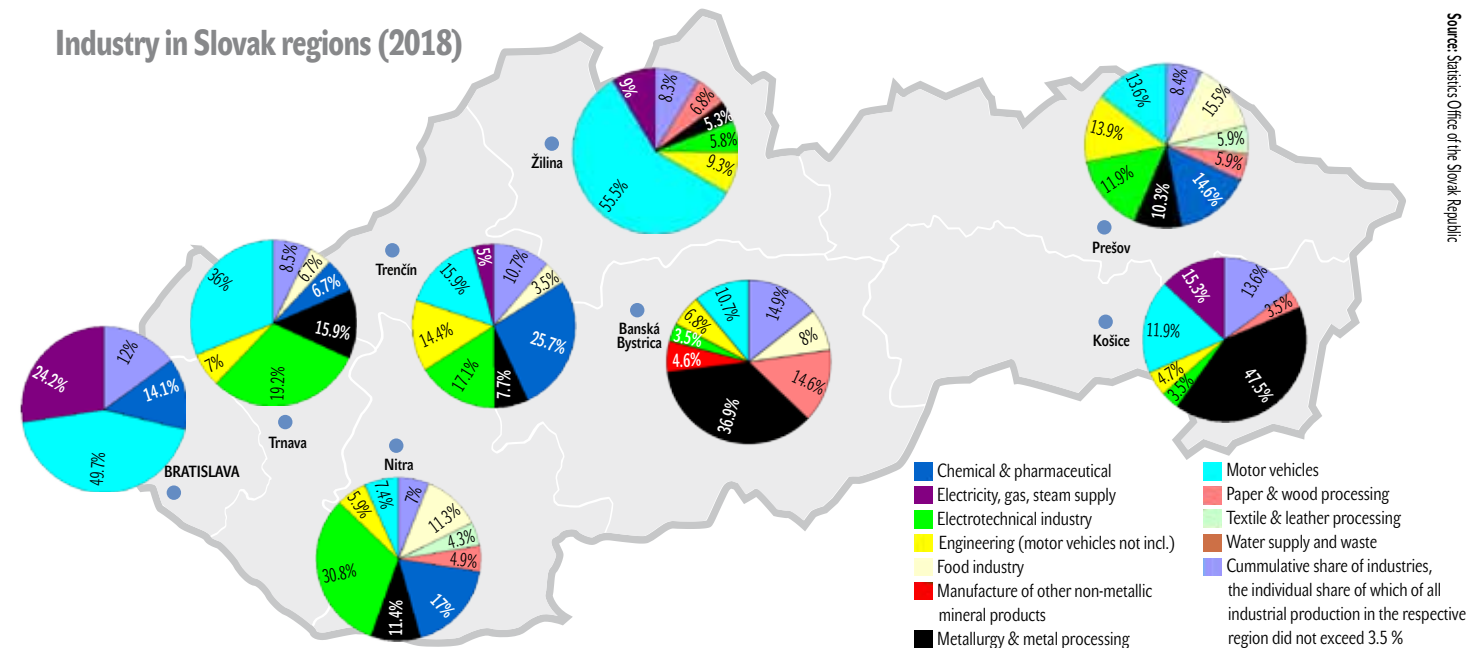
#### Business Alliance of Slovakia Podnikateľská aliancia Slovenska (PAS)

- professional association representing selected entrepreneurs and employers  
Tel: +421 (0)948 233-508; alianciapas.sk

#### Slovak Agricultural and Food Chamber Slovenská poľnohospodárska a potravinárska komora (SPPK)

- association representing companies operating in agriculture, food industry, biological, technical and related trade services, as well as NGOs and others in agriculture; www.sppk.sk  
Tel: +421 (0)2 5021-7101

### Industry in Slovak regions (2018)





Share of economic activities in regional economies (2017)

ECONOMIC ACTIVITIES / REGIONS	BRATISLAVA REGION	TRNAVA REGION	TREŇČÍN REGION	NITRA REGION	ŽILINA REGION	B. BYSTRICA REGION	PREŠOV REGION	KOŠICE REGION
Agriculture, forestry and fishing	1.3%	3.1%	3.4%	6.6%	2.4%	7.5%	4.0%	3.5%
Industry in total	16.9%	39.0%	30.1%	36.1%	27.9%	24.2%	25.4%	28.5%
Construction	5.1%	7.0%	8.2%	7.8%	13.0%	8.8%	13.1%	8.5%
Trade,transport, accom., food serv.	24.3%	15.3%	19.4%	19.6%	16.7%	19.6%	19.0%	20.7%
Information and communication	5.1%	5.0%	2.6%	2.6%	4.5%	3.5%	3.0%	5.9%
Financial and insurance activities	6.3%	1.9%	2.3%	1.7%	2.4%	2.1%	1.8%	1.4%
Real estate activities	9.7%	6.4%	2.6%	5.6%	6.3%	5.2%	7.1%	6.5%
Professional, scientific and technical activities; administ. and support serv.	11.8%	4.4%	7.9%	6.8%	10.3%	9.7%	8.3%	9.0%
Public admin., education, health	14.0%	15.8%	20.9%	11.0%	13.2%	17.0%	15.6%	13.4%
Other	5.5%	1.9%	2.7%	2.1%	3.4%	2.4%	2.7%	2.6%
Cumulative share of all sectors, the individual share of which is < 5.5 %	11.5%	16.5%	13.5%	12.1%	12.6%	13.2%	11.5%	7.5%

Source: Statistics Office of the Slovak Republic

TRNAVA REGION		The largest companies in the Trnava Region
Population as of/on 31.12.2018	563,591	Agropodnik (Trnava) - Chemical industry
Size	4,147 km²	ArcelorMittal Gonvarri SSC Slovakia (Senica) - Metallurgy & metal process.
Share of Slovak GDP creation 2017	11.22%	Bekaert Hlohovec (Hlohovec) - Metallurgy & metal processing
Distance between Bratislava and Trnava (by car)	56 km (37 min)	Bekaert Slovakia (Sládkovičovo) - Metallurgy & metal processing
Unemployment rate 2018	4.8%	Datalogic Slovakia (Trnava - Zavar) - Electrotechnical industry
Average monthly wage in 2018 (self-employed not included)	€1,114	Enagro (Leopoldov) - Trade, biofuel
Average nominal monthly wage 2018 (estimation of wages of self-employed included)	€952	I.D.C. Holding (Sereď) - Food industry
Average nominal monthly wage 2017	€890	Johns Manville Slovakia (Trnava) - Glass industry
Monthly wage costs per employee 2017	€1,411	Metrans /Danubia/ (Dunajská Streda) - Transport
Economically active population by education in 2Q / 2019		PSA Groupe Slovakia (Trnava) - Car manufacturing
a) elementary and without education	6.6%	Protherm Production (Skalica) - Engineering
b) secondary without A level	27.9%	Samsung Electronics Slovakia (Galanta) - Electrotechnical industry
c) secondary with A level	42.5%	Semikron (Vrbové) - Electrotechnical industry
d) university	23.1%	Schaeffler Skalica (Skalica) - Engineering

BRATISLAVA REGION	
Population as of/on 31.12.2018	659,598
Size	2,054 km²
Share of Slovak GDP creation 2017	27.96%
Unemployment rate 2018	2.3%
Average monthly wage in 2018 (self-employed not included)	€1,532
Average nominal monthly wage 2018 (wages of self-employed included)	€1,272
Average nominal monthly wage 2017	€1,200
Monthly wage costs per employee 2017	€1,894
Economically active population by education in 2Q / 2019	
a) elementary and without education	3.1%
b) secondary without A level	11.2%
c) secondary with A level	38.9%
d) university	46.8%

The largest companies in the Bratislava Region	
Allianz - Slovenská poisťovňa (Bratislava) - insurance	
AT&T (Bratislava) - IT	
Billa (Bratislava) - Retail chain	
Eset (Bratislava) - IT	
Eustream (Bratislava) - Transport of natural gas	
Faurecia Slovakia (Bratislava) - Automotive	
Grafobal Group (Bratislava) - Printing industry & media market	
IBM Slovensko (Bratislava) - IT	
IKEA Components (Malacky) - Trade / Services	
J&T Group (Bratislava) - Investment group	
Johnson Controls International (Bratislava) - Engineering	
Kaufland Slovenská republika (Bratislava) - Retail chain	
Lidl Slovenská republika (Bratislava) - Retail chain	
Metro Cash and Carry (Vanká pri Dunaji) - Trade	
Národná diaľničná spoločnosť (Bratislava) - Operation of highways	
OMV Slovensko (Bratislava) - Gas stations	
Orange Slovensko (Bratislava) - Telecommunications	
Penta Investments (Bratislava) - Investment group	
Phoenix Zdravotnícke zásobovanie (Bratislava) - Trade	
SAS Automotive (Bratislava) - Automotive	
Siemens (Bratislava) - Trade & IT	
Slovak Telekom (Bratislava) - Telecommunications	
Slovenská Elektrizačná Prenosová Sústava (Bratislava) - Electricity transmission	
Slovenská Sporiteľňa (Bratislava) - Banking	
Slovenské Elektrárne (Bratislava) - Electricity producer	
Slovenský Plynárenský Priemysel (Bratislava) - Gas supply	
Slovnaft (Bratislava) - Oil refinery	
Strabag (Bratislava) - Construction	
Tatrabanka (Bratislava) - Banking	
Tesco Stores SR (Bratislava) - Retail chain	
Tipos - Národná loteriálna spoločnosť (Bratislava) - Lotteries	
Unipetrol Slovakia (Bratislava) - Trade	
Volkswagen Slovakia (Bratislava) - Car manufacturing	
VUB (Bratislava) - Banking	
Západoslovenská Energetika (Bratislava) - Electricity distributor	
Železnice Slovenskej Republiky (Bratislava) - Rail transportation	
Železničná spoločnosť Cargo Slovakia (Bratislava) - Rail transportation	
Železničná spoločnosť Slovensko (Bratislava) - Rail transportation	

(several companies from this list have their Slovak headquarters in Bratislava with branches and activities in all Slovak regions)

ŽILINA REGION		The largest companies in the Žilina Region
Population as of/on 31.12.2018	691,368	Donghee Slovakia, (Sereďno) - Engineering
Size	6,811 km²	Hyundai Transys Slovakia (Žilina) - Automotive
Share of Slovak GDP creation 2017	10.84%	Hyundai Steel Slovakia (Gbeľany) - Metal processing
Distance between Bratislava and Žilina (by car)	201 km (111 min)	KIA Motors Slovakia (Teplička nad Váhom) - Car manu-
Unemployment rate 2018	4.4%	facturing
Average monthly wage in 2018 (self-employed not included)	€1,088	Mobis Slovakia (Gbeľany) - Engineering
Average nominal monthly wage 2018 (wages of self-employed includ.)	€911	Mondi SCP (Ružomberok) - Paper & wood processing industry
Average nominal monthly wage 2017	€855	OFZ (Oravský Podzámok) - Metallurgy
Monthly wage costs per employee 2017	€1,352	Panasonic Electronic Devices (Tvrdošín) - Electrotechnical industry
Economically active population by education in 2Q / 2019		Schaeffler Slovensko, (Kysucké Nové Mesto) - Engineering
a) elementary and without education	2.6%	Sejong Slovakia (Lietavská Lúčka) - Automotive
b) secondary without A level	26.9%	Stredoslovenská Energetika (Žilina) - Electricity distributor
c) secondary with A level	47.8%	Sungwoo Hitech Slovakia (Žilina) - Automotive
d) university	22.6%	Tipstop SK (Žilina) - Lotteries

PREŠOV REGION	
Population as of/on 31.12.2018	825,022
Size	8,972 km²
Share of Slovak GDP creation 2017	9.06%
Distance between Bratislava and Prešov (by car)	410 km (4.5 h)
Unemployment rate 2018	9.4%
Average monthly wage in 2018 (self-employed not included)	€928
Average nominal monthly wage 2018 (wages of self-employed includ.)	€775
Average nominal monthly wage 2017	€734
Monthly wage costs per employee 2017	€1,204

Economically active population by education in 2Q / 2019	
a) elementary and without education	9.7%
b) secondary without A level	22.1%
c) secondary with A level	45.2%
d) university	23%

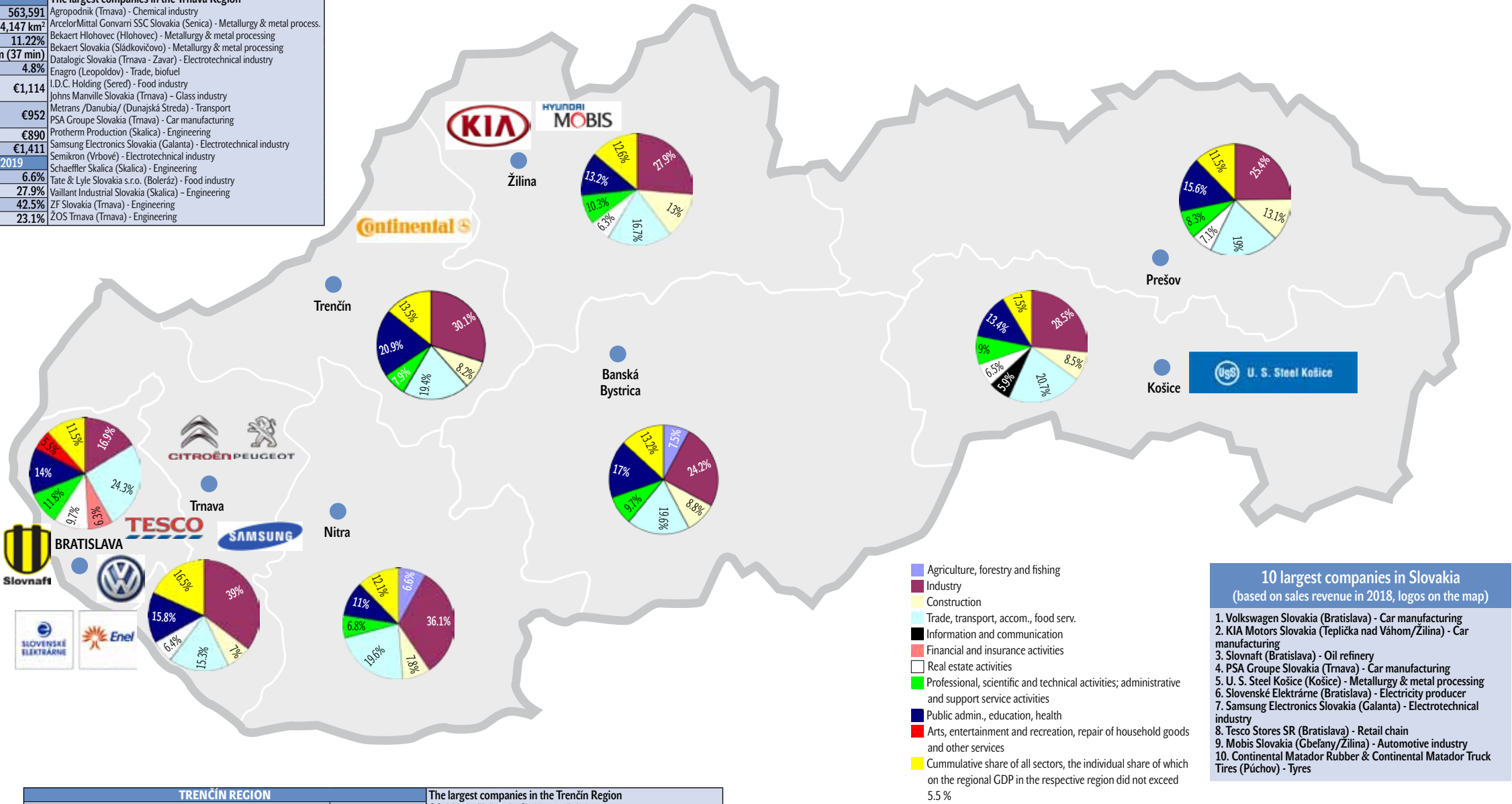
The largest companies in the Prešov Region	
Chemovit (Svit) - Chemical industry	
Lear Corporation Seating Slovakia (Prešov) - Automotive	
Mecom Group (Humenné) - Food industry	
Merkury Market Slovakia (Prešov) - Furniture supplier	
Milk-Agro (Prešov) - Food industry	
Nexis Fibers (Humenné) - Chemical industry	
Plešinský Prázdny Slovensko (Veľký Šariš) - Food industry	
Stiga Slovakia (Poprad) - Engineering	
Tatrabanka (Poprad) - Engineering	
Whirlpool Slovakia (Poprad) - Engineering	

KOŠICE REGION	
Population as of/on 31.12.2018	800,414
Size	6,751 km²
Share of Slovak GDP creation 2017	12.21%
Distance between Bratislava and Košice (by car)	401 (4.5 h)
Unemployment rate 2018	7.7%
Average monthly wage in 2018 (self-employed not included)	€1,110
Average nominal monthly wage 2018 (wages of self-employed includ.)	€929
Average nominal monthly wage 2017	€869
Monthly wage costs per employee 2017	€1,374
Economically active population by education in 2Q / 2019	
a) elementary and without education	7.3%
b) secondary without A level	21.4%
c) secondary with A level	44.8%
d) university	26.5%

The largest companies in the Košice Region	
BSH Drives and Pumps (Michalovce) - Electrotechnical industry	
Embraco Slovakia (Spišská Nová Ves) - Engineering	
Essity Slovakia (Gemerská Hôrka) - Paper & wood processing	
Eurovia SK (Košice) - Construction	
Getrag Ford Transmissions Slovakia (Kecchec) - Engineering	
Labas (Košice) - Retail chain	
Magnetit Marelli Slovakia (Kecchec) - Electrotechnical industry	
Pikaro (Košice) - Trade in metallurgy industry	
T-Systems Slovakia (Košice) - IT	
U. S. Steel Košice (Košice) - Metallurgy & metal processing	
U-Shin Slovensko (Košice) - Automotive	
Východoslovenská Energetika (Košice) - Electricity distributor	
Yazaki Wiring Technologies (Michalovce) - Electrotechnical industry	

BANSKÁ BYSTRICA REGION	
Population as of/on 31.12.2018	647,874
Size	9,454 km²
Share of Slovak GDP creation 2017	8.82%
Distance between Bratislava and Banská Bystrica (by car)	211 km (118 min)
Unemployment rate 2018	8.1%
Average monthly wage in 2018 (self-employed not included)	€1,023
Average nominal monthly wage 2018 (wages of self-employed includ.)	€859
Average nominal monthly wage 2017	€807
Monthly wage costs per employee 2017	€1,272
Economically active population by education in 2Q / 2019	
a) elementary and without education	8.1%
b) secondary without A level	22%
c) secondary with A level	46.5%
d) university	23.4%

The largest companies in the Banská Bystrica Region	
Adient (Lučenec) - Engineering	
CBA Slovakia (Lučenec) - Retail chain	
Continental Automotive Systems Slovakia - Engineering	
LESY Slovenskej Republiky (Banská Bystrica) - Forestry	
Nemak Slovakia (Žiar nad Hronom) - Metallurgy & metal processing	
Slovakco (Žiar nad Hronom) - Metallurgy & metal processing	
Slovenská Pošta (Banská Bystrica) - Postal services	
Železnice Podbrezová (Podbrezová) - Metallurgy & metal processing	



10 largest companies in Slovakia (based on sales revenue in 2018, logos on the map)	
1. Volkswagen Slovakia (Bratislava) - Car manufacturing	
2. KIA Motors Slovakia (Teplička nad Váhom/Žilina) - Car manufacturing	
3. Slovnaft (Bratislava) - Oil refinery	
4. PSA Groupe Slovakia (Trnava) - Car manufacturing	
5. U. S. Steel Košice (Košice) - Metallurgy & metal processing	
6. Slovenské Elektrárne (Bratislava) - Electricity producer	
7. Samsung Electronics Slovakia (Galanta) - Electrotechnical industry	
8. Tesco Stores SR (Bratislava) - Retail chain	
9. Mobis Slovakia (Gbeľany/Žilina) - Automotive industry	
10. Continental Matador Rubber & Continental Matador Truck Tires (Púchov) - Tyres	

NITRA REGION		The largest companies in the Nitra Region
Population as of/on 31.12.2018	676,672	AGHP Levice (Levice) - Chemical industry
Size	6,344 km²	COOP Jednota (Nové Zámky) - Retail chain
Share of Slovak GDP creation 2017	10.93%	de Miclen (Levice) - Chemical industry
Distance between Bratislava and Nitra (by car)	94 km (56 min)	Duslo (Šala) - Chemical industry
Unemployment rate 2018	4.7%	Foxconn Slovakia (Nitra) - Electrotechnical industry
Average monthly wage in 2018 (self-employed not included)	€1,034	Gamex Trading (Komárno) - Trade
Average nominal monthly wage 2018 (wages of self-employed includ.)	€832	Jaguar Land Rover Slovakia (Nitra) - Car manufacturing
Average nominal monthly wage 2017	€789	Heineken Slovensko (Nitra) - Beverages
Monthly wage costs per employee 2017	€1,297	Matador Automotive Vráble (Vráble) - Engineering
Economically active population by education in 2Q / 2019		Med - Art (Nitra) - Trade
a) elementary and without education	6.1%	Nidec Global Appliance Slovakia (Zlaté Moravce) - Engineering
b) secondary without A level	25.9%	Osram Slovakia (Nové Zámky) - Electrotechnical industry
c) secondary with A level	46%	Rieker Obuv (Komárno) - Shoemaking industry
d) university	22.1%	Šped-Trans Levice (Levice) - Transport



TIMELINE FOR BUILDING A PRODUCTION HALL WITH A SMALL IMPACT ON THE ENVIRONMENT* ; PRUDENT TIMING (10,000 m2 hall in industrial park, 100 new employees, development of the facility with a general contractor)																
Months															Action	
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14		
															decision	
															agreement on a future contract for the whole project (plot included)	
															establishment of a company	
															registration with state administration <sup>1)</sup>	
															“small” Environmental Impact Assessment <sup>2)</sup>	
															development permit <sup>3)</sup>	
															contract for purchasing the plot	
															registration of the purchased plot <sup>4)</sup>	
															building permit <sup>5)</sup>	
															investing (payments)	
															construction	
															hiring and training people	
															installation of equipment and machinery	
															final inspection and final approval <sup>6)</sup>	
															start of new production after 14 months	
* integrated permit (IPPC) is issued by the Ministry of Environment for a bigger investment as well as an investment which may have a bigger impact on the environment, especially from industries such as metallurgy, mining, chemistry, wood processing, etc. It integrates several permits which are necessary during the realisation of the project. The whole process might take six months and this period includes preparation of all documentation, approval process and issuance of the final permit by the Ministry of Environment																
1) the tax office, a health insurance company and the social security provider Sociálna Poistovňa																
2) “small” Environmental Impact Assessment (EIA) = assessment of a new plant’s environmental impact by professionals from different fields; timing includes preparation of all documentation, approval process and issuance of the final permit by the Ministry of Environment																
3) (permit which confirms the possibility to use selected plot for the planned construction of the building; this permit also confirms that the planned building meets all legal conditions and after finalisation will be usable), it is issued by stavebný úrad (the construction office) located in the district where the project will be realised																
4) registration of the purchased plot in the land register (cadastre) at the katastrálny úrad (the cadastre office) located in the district where the project is realised																
5) building permit (permit for the construction of the building) is issued by stavebný úrad (the building office); it includes all legal conditions, which have to be followed during the construction process, in order to obtain the final building approval which allows the investor to use the building for production (if during the construction process the investor is making changes in its original project, it is necessary to legalise all the changes before the final approval)																
6) final inspection and final approval (for the final inspection it is necessary to prepare all documentation which also includes the design of the construction, safety approvals, functionality of the building, etc)																

Source: GFI a.s., property development and design consultant ([www.gfi.sk](http://www.gfi.sk)) and ENTO, projecting and advisory company ([www.entoke.sk](http://www.entoke.sk))

TIMELINE FOR MASS RECRUITMENT (100 NEW EMPLOYEES)						Action	
Month							
1	2	3	4	5	6		
						identification of needs (preparation of the plan)	
						advertising, mass mail, sourcing	
600 CVs	600 CVs	600 CVs	600 CVs	600 CVs		reading CVs (3,000 CVs read)	
	300 calls	300 calls	300 calls	300 calls		phone screening (1,200 phone calls)	
	150 interviews	150 interviews	150 interviews	150 interviews		job interviews: recruitment agency & applicants (600 interviews)	
	100 CVs	100 CVs	100 CVs	100 CVs		introduction of selected CVs to potential employer (400 CVs introduced)	
	60 interviews	80 interviews	80 interviews	80 interviews		job interviews: potential employer & applicants (300 interviews)	
	30 applicants	40 applicants	40 applicants	40 applicants		selection of applicants for training (150 applicants selected)	
				60 applicants	60 applicants	training (120 applicants participating in a training)	
					100 employees	100 hired applicants	

Source: Adecco recruitment agency ([www.adecco.sk](http://www.adecco.sk))

TYPES OF BUSINESS COMPANIES IN SLOVAKIA (ADVANTAGES AND DISADVANTAGES)					
	GENERAL COMMERCIAL PARTNERSHIP	LIMITED PARTNERSHIP	LIMITED LIABILITY COMPANY	JOINT STOCK COMPANY	SIMPLE JOINT STOCK COMPANY
FOUNDER OF THE COMPANY	• at least two individual or legal entities	• at least two individual or legal entities - one limited partner and one general partner	• at least one individual or legal entity but no more than 50 individual or legal entities	• at least one legal entity or at least two individual entities	• at least one individual or legal entity
REGISTERED CAPITAL / SHAREHOLDER’S CONTRIBUTION	• registered capital or shareholder’s contribution is not required	• minimum contribution in the amount of 250 EUR for each limited partner	• minimum registered capital in the amount of 5,000 EUR, minimum contribution in the amount of 750 EUR per shareholder	• minimum registered capital in the amount of 25,000 EUR, minimum contribution per shareholder is not stipulated	• minimum registered capital in the amount of 1 EUR, minimum contribution per shareholder in the amount of 0.01 EUR
STATUTORY BODY	• each shareholder is entitled to act within the extent agreed between shareholders	• general partner	• executive officer (at least one individual entity)	• board of directors (at least one individual entity)	• board of directors (at least one individual entity)
ADVANTAGES	• not necessary to pay shareholder’s contributions or form registered capital • simple management structure • option to establish GCP through two legal entities, which effectively modifies the extent of liability otherwise present in the case of a shareholder - individual entity	• limited partner without a non-compete clause • low mandatory contribution • limited liability of limited partners • possibility to pay profit in advance to general partners • different levels of guarantees between partners - the general partner is liable for all of his/her possessions, the limited partner is liable up to the amount of his/her unpaid contribution	• only one person is necessary to set up the company • partner is only liable for the company’s liabilities up to the amount of his/her unpaid contribution • simple organisational structure - general assembly and executive officer • higher shareholder participation in company governance than in the case of a limited partner • registered capital is not required to be deposited in the bank account	• shareholder is not liable for the company’s liabilities • shareholder anonymity - except for the sole shareholder, the shareholders are not registered in the public register - the Commercial r-egister of the Slovak Republic • unlimited number of shareholders • possibility to choose between private and public joint stock company	• issuance of shares with special rights - option to adjust share of profit, share of voting rights or access to information • associating voting rights only to one share is sufficient • no need to establish an obligatory supervisory board • other grounds for winding up the company can be agreed to as a statute (beyond the scope of legal enumeration) • simple entry and exit of a shareholder from the company
DISADVANTAGES	• the shareholders bear joint and several liability for the partnership’s debts with their entire property • cannot carry out non-business activities • minimum number of two partners - possible risk of winding up the company after the death or liquidation of one of the shareholders • prohibition of competitive conduct for shareholders in the scope of their business	• more extensive need to regulate the internal functioning of the company in a memorandum of association • unlimited liability of the general partners • minimum number of two partners - possible risk of winding up the company after the death or liquidation of one of the partner	• maximum 50 shareholders • individual person can be the sole shareholder in max three limited liability companies • the limited liability company with a sole shareholder cannot be the sole founder or the sole shareholder of another limited liability company • shareholder cannot unilaterally withdraw from the company • company cannot be established by person or entity with tax or customs arrears or arrears against Social Insurance Agency (except a foreign person or foreign entity)	• compulsory creation of a reserve fund (at least 10% of the share capital at the time of company’s establishment) • compulsory establishment of the supervisory board (at least three members) • the highest costs for establishing a company among all types of companies • high minimum registered capital	• company cannot be established on the basis of a public offer of shares • limitation of control over the company in favour of the shareholders (investors) • fees related to the establishment of the company are estimated up to the amount of 1,000 EUR + a monthly fee related to the mandatory shareholder account
SUITABLE FOR	• infrequently used type of business company • businesses without the need for higher capital, especially for services for which the personal contribution of the entrepreneur (e. g. crafts) exceeds the need for capital	• infrequently used type of business company • entrepreneurs who want to separate the capital part from the real management of the company	• the most widespread and most complex type of company for common business activities in the Slovak Republic • suitable for small, medium and large businesses • suitable for stand-alone entrepreneurship - one person can be the sole shareholder and executive officer at the same time	• banks • insurance companies • capital-intensive industries, e. g. heavy industry • entrepreneur with a larger personal substrate • may not be suitable for new entrepreneurs	• startup businesses • entrepreneur with business intentions but lacking the sufficient capital

For the purposes of a comparison of business companies, only business companies pursuant to section 56 paragraph 1 of Act no. 513/1991 Coll. Commercial Code were taken into account.  
Except for the above-mentioned company types, the legislation of the Slovak Republic also regulates a co-operative as an entity established for the purpose of either carrying out business activities or meeting the needs of its members.  
A European company was stipulated in the legislation of the Slovak Republic by Act no. 562/2004 Coll. on a European Company.  
A European company (Societas Europaea) is common for most countries in the European Union.

Source: SOUKENÍK – ŠTRPKA, law firm ([www.akss.sk](http://www.akss.sk))



# 30 years of freedom

## The changing face of Slovakia



Thanks to highways Slovaks can get to their destination faster (Photo: Martin Trenkler - Seta Parádina)

What Rick Zednik, an American with Slovak roots, loved about Slovakia back in 1994 was that money was not as important as it is today.

"I was stunned to learn that a government minister still lived in a Petržalka panelák [a suburban concrete apartment block], and didn't consider it to be a horrible fate," Zednik, one of the founders of The Slovak Spectator, said. "I remember a young colleague from a middle-class family, who had never had dinner in a restaurant. Now, even teenagers hang out spending money in hip cafés and bars."

Zednik, who has since published a book about Slovakia called *A Country Lost, Then Found*, recalls that one could spot a foreigner in Slovakia from across the street just by looking at their clothes.

"Now, Slovaks of all ages are more fashion-conscious," he said.

### Economic progress

A lot of Slovaks still think that their wages buy less today than before the 1989 fall of the communist regime. They are wrong.

Data of the Institute for Financial Policy showed the average net monthly wage in 1989 was 3,142 Czechoslovak crowns (approximately €104). In 2018, the monthly average salary in Slovakia exceeded the €1,000 threshold for the first time.

Food products are cheaper and more widely available now than under the communist regime. Older generations can still easily recall images of half-empty shelves at the grocery store.

To buy a basket containing 10 basic foodstuffs, Slovaks had to work one-quarter less in 2014 than they did under communism. The difference is even more visible in the case of clothing and home appliances. While in the 1990s only two-thirds of households had

an automatic washing machine, by 2014 the rate went up to 90 percent.

Of course, under communism unemployment was basically non-existent; jobs, even if artificially created, were taken for granted. After a difficult three decades of high unemployment, the unemployment rate is a lot lower, and the country needs to import labour from abroad.

### Safer than before

Slovakia is one of the safest countries in the world, according to Eurostat. While the number of murders has been dropping, crime trends changed dramatically at the turn of the century, when the gangster-style politics of three-time prime minister Vladimír Mečiar ended and Slovakia began pursuing European Union membership. Slovak roads have become safer as well. In 2018, as many as 229 people died on the country's roads, while in 1998 that number stood

at 819. The improvement comes amid stricter rules and heavier fines for violations.

It is true that economic crimes have increased in Slovakia by 60 percent since 2011, with roughly one-third of the surveyed 76 Slovak companies encountering fraud over the past two years, as indicated by a recent PwC survey.

Though travelling from Bratislava to Košice, a major city in eastern Slovakia, might take a long time as Slovakia has not completed its cross-country highway, the travel time has considerably shortened over the years. In 1993, the train ride took seven hours, but in 2019, an intercity train could take travellers from one city to another







The construction of Eurovea in 2007 (Photo: Pavol Funtal)

in just over four and a half hours. The driving time from Bratislava to Košice is shorter by 30-45 minutes, depending on the route.

From 1969 to 1993, during the rise of independent Slovakia, 198 kilometres of highways were built. As of 2018, Slovakia had 482 kilometres of highway and 287 kilometres of speedway.

Before 1989, only a limited number of car brands drove on Czechoslovakia's streets, mostly the former Czechoslovak-made Škoda, East Germany's Trabant and Wartburg, Romania's Dacia, the Polish-made Polski Fiat, and the Soviet Volgas and Ladas, among others. While some of these cars have become part of vintage collections, Slovak roads now feature essentially all of the world's car brands. Moreover, the country is home to four international carmakers: Volkswagen, Kia, CitroënPeugeot, and Jaguar Land Rover, elevating Slovakia to the world leader in terms of car production per capita.

Flight connections to Slovakia have significantly improved as well. In the early 1990s, there were flights only to a maximum of 10 destinations. There were 47 flights to 41 destinations in 18 countries included in the 2019 summer schedule. Slovakia, however, does not have a national air carrier and the Bratislava airport is used mostly by low cost airlines.

### Language - and other - barriers fall

For foreigners, one of the problematic aspects of life in Slovakia shortly after the fall of communism in the 1990s was the language gap they needed to overcome. That gap was even wider outside Bratislava, making it more difficult for foreigners to travel to other regions. As a result, the lack of foreign-language proficiency limited tourism.

Foreigners, however, also greatly contributed to closing that gap in the 1990s. Shortly after the revolution, opportunities opened for young native English speakers to come to Slovakia and teach, even those who hardly had the qualification for teaching.

"One thing that struck me was how eager Slovaks were for me to teach them what I knew," said Zednik, recalling his time in Slovakia in 1994. "This surprised and humbled me because I was only 23, and I really did not know much. I understood the requests for me to teach English, even though I was not a trained teacher. English was my native language, so I had that knowledge to share."

Language was, however, not the only asset the locals were eager to learn from foreigners. Zednik said he was unprepared for how people expected him to teach them about things like capitalism, how to raise capital, how to interview

job candidates, how to run an advertising campaign and how to sell goods.

"That was the worst; selling did not come naturally to Slovaks; neither selling a product, nor even selling themselves to a potential employer," Zednik said. "But coming from New York, as I did, the lack of pretence was also wonderfully refreshing."

Two generations later, most children in primary schools around Slovakia learn English as their first foreign language. Many of them start learning as early as six years old. It is also becoming common for Slovaks to spend at least one semester of their university studies abroad, as Erasmus students or through other exchange programmes.

That contributes not only to their improved language skills but also to their intercultural competencies. As a result, HR experts note that English language is no longer considered an asset but rather a must on the labour market.

As for university education, back in 1991, only 5.8 percent of the country's population (306,920 people) had a degree, according to the Statistics Office data. The results of the 2011 census suggest that nowadays, as much as 13.8 percent of the population (747,968 people) are university graduates.



Source: SME

### More confident

Although the 2015 refugee crisis in Europe produced controversial reactions in Slovakia and people have opted to vote for parties who voiced their refusal of migrants with different cultural backgrounds arriving to the country (including a fascist party that made it to the parliament), in other ways Slovakia has evolved into a more diverse society since the fall of communism.

Foreigners are no longer stared at on Bratislava streets and English is heard often.

No doubt the country, which now enjoys freedom of speech and free movement, has some issues to tackle, with corruption high on the list. 2018 marked a major movement in society following the murder of journalist Ján Kuciak and his fiancée Martina Kušnírová. Observers agree the year has changed Slovakia. Press freedom has become a greater concern in the country, along with the suspected ties between the government and the underworld.

Many Slovaks took to the streets in protest throughout the year, demanding changes in the government and the police department, along with more public decency. In March 2019, the country elected Zuzana Čaputová, who embodies the ethos of the protests, as its fifth president.



The view of Bratislava's skyline from Eurovea today (Photo: Jana Lipáková)

### Businesses found their home

A survey conducted by foreign chambers of commerce in Slovakia has shown that 73 percent of foreign investors polled said they do not regret picking Slovakia and would do so again.

The country, which back in 1989 barely had a handful of hotels meeting international standards, now boasts more than 10 five-star hotels, many shopping malls, golf courses and dozens of aquaparks.

"Slovaks have lost the sense of innocence that I found in 1994. This is true in every sense," Zednik said. "They now have the skills to succeed, and this has engendered

confidence, which is very healthy. Slovaks have achieved great things in all fields, so that they now sit comfortably alongside peers from anywhere in Europe or the world."

### Living longer

People in Slovakia now live six years longer than their grandparents did. The average life span in 2018 was just over 73.7 years for men and 80.4 for women, still a few years behind the average of developed countries. Slovakia has been making progress thanks to its improving health care. Hospitals rely on more advanced technology, and the number of CT and

magnetic resonance devices has increased. The process of diagnosing diseases has improved as well.

The positive trends suffered a blow in 2014 and 2015, when major corruption scandals were reported in health care, while nurses and other health care workers protested their working conditions. The Eurostat, together with OECD, released the results of its survey, which shows Slovaks were at the bottom of the ranking of years of healthy life: while the EU average is 62 years, Slovaks can only expect to live without health problems until the age of 55.

On a more positive note, the consumption of tobacco and alcohol has dropped in Slovakia since 1989. Slovakia has also seen its number of abortions drop dramatically. In 1990, there were more than 35 abortions per 1,000 women but in 2018, that number stood at a historic low of less than 5 abortions per 1,000 women.

Slovaks are also breathing cleaner air due to the restructuring of the country's economy and less dependence on heavy industry. The highest measured annual concentrations of sulphur dioxide in earlier years exceeded today's levels nine-fold, carbon dioxide by approximately threefold and nitrogen oxide and small dust particles were double today's levels.



Source: SME



Katarína Hoppe, partner at BMB Partners:

## On changes in tax law and taxpayer preferences

**BMB has achieved two important milestones this year: you were recently promoted to a new partner and your company has joined the largest independent global tax network Taxand. BMB has also prepared the Taxpacity® Report for the third year in a row, cooperating with Finstat and Trend. The 50 biggest contributors of direct taxes to the Slovak state budget were evaluated in the report. What are the most important conclusions of this year's report?**

Thank you. We are very proud of all of our achievements. Regarding this year's Taxpacity® report and the source of capital, the biggest contributors to the Slovak state budget are again companies from other EU Member States. Their share has reached more than 44 %.

a surprise to us is that second and third place were taken by tax law measures with qualitative rather than economic impacts. Instead of a further decrease in tax rates and an extension of tax relief, the companies would welcome more predictable changes and an overall simpler tax system. The entire Taxpacity® Report can be found on our website [www.bmb.sk](http://www.bmb.sk).

**There has been a lot of discussion about the newly adopted tax law changes, which take effect on 01/01/2020. Can you explain which changes are being introduced in particular?**

First of all, it should be stressed that this year, the changes have been adopted unusually early; both the government and the parliament should be praised for that.

100% of eligible costs to 150% for 2019 and to as much as 200% as of 2020.

The rules for carrying forward tax loss are being changed, too. From 2020, it will be possible to carry forward tax losses for one year longer, i.e. for five years according to the requirements of the taxpayer.

The term micro-taxpayer is being introduced (max. revenues: EUR 49,790). Micro-taxpayers will be able to benefit from simplified rules when it comes to depreciation, recognition of allowances and carrying forward tax loss.

Starting from 2020, it will be possible to claim depreciation charges in the new depreciation group "0" with a depreciation period of two years. This depreciation group will be reserved especially for electric and hybrid vehicles.

Besides the positive changes I have just mentioned, there are also some new changes that strengthen the tax law, in particular the extended scope of expenses which may not be treated as tax deductible unless paid, the introduction of prevention of hybrid mismatches with third countries, and stricter registration and reporting obligations related to the possible creation of a permanent establishment.

Of course, changes are also being introduced in the field of individuals. To name a few, the tax-free personal allowance has risen, and the scope of tax-exempt income has been extended.

**The tax relief in the form of the super deduction of as much as 200% of expenses for research and development seems to be worth considering. Can you shortly explain who can claim the deduction and what the basic conditions are?**

As I have already mentioned, the super deduction of research and development costs has gradually increased from 100% to 200%. Given the relatively low adminis-



Katarína Hoppe

trative burden compared to other forms of tax relief, this change should bring a new increase in the number of businesses that invest in innovations and claim this relief.

In order to claim the super deduction, the taxpayer needs a product, technology or process with elements of novelty or innovation. Taxpayers that wish to claim the super deduction are obliged to prepare documentation (a "project") describing the subject matter of the research and development. The project must be signed by the person authorised to act on behalf of the company until the tax return filing deadline.

**To conclude, I have a rather personal question. A number of your clients as well as your husband are in Germany. How do you balance your work for BMB Partners and frequent travelling?**

We have good working relationships and a constructive environment in our company. My husband and I live in Germany, and I travel once or twice a month from Germany to Bratislava, spending approximately one third of the month in Slovakia. Our IT systems and video communication enable very efficient teleworking and my colleagues and clients have gotten used to it and feel comfortable this way. Where there's a will, there's a way.

## Masár: Slovakia is a story of economic success

The November 1989 student protests triggered the Velvet Revolution that brought down the totalitarian regime. The transformation from a centrally controlled economy to a market one was an important part of the transition that followed. In Slovakia, the split of the federal republic in 1993, along with the need to build the national economy, new institutions and organisations anew, further complicated the situation.

Vladimír Masár held senior governmental positions when the federation was splitting into the new Slovak and Czech Republics. He spoke to The Slovak Spectator about the challenges Slovakia faced back then, including privatisation and the creation of the country's central bank, but also about Slovakia's current preparedness for a possible economic slowdown.

**The Slovak Spectator (TSS): Do people in Slovakia live better than they did under the communist regime?**

**Vladimír Masár (VM):** Emotions and nostalgia aside, statistical data referring to the gross domestic product or incomes show that the standard of living for Slovaks is, in general, significantly higher than 30 years ago. On the other hand, a closer look unveils a difference in income, and this gap is bigger than it used to be under the previous regime. There are groups who do not feel the statistics are a true reflection. Another factor affecting perceptions of our quality of life is the efficiency and performance of the public sector, in some sectors like health care, education, highways and other infrastructure. Here, leaving aside the scientific and technical progress Slovakia has achieved, people's dissatisfaction is justified.

**TSS: What was the condition of Slovakia's economy in 1989?**

**VM:** Very similar to other

Eastern Bloc countries. It was undercapitalised and strongly in debt, resulting in a decreasing competitiveness compared with Western Europe. This was, in my opinion, one of main reasons why the regime collapsed.

At that time, the Slovak economy was part of the economy of the Czechoslovak Republic with certain national particularities, such as a high unemployment growth, a relatively strong concentration in the armament industry and lower institutional representation, in political as well as commercial spheres, compared with the Czech Republic. On top of this, the transformation process in Slovakia was after 1993, when the federal republic split, complicated by the necessity of building a sovereign state.

**TSS: What were the biggest challenges Slovakia's economy faced during the transformation?**

**VM:** The transformation process in Slovakia started shortly after the revolution within the transformation of the Czechoslovak economy. Its important part was the privatisation of state-owned property. Apart from technical realisation, time also played an important role as the weakening of the economic power of the political representation was an important precondition for a definitive change of the regime. At that time, no one was sure that it would not just be another failed 1968 Prague Spring. After the launch of independent Slovakia, we continued in the privatisation process, while people did not have the best experiences with methods used during the times of the federal republic, like small privatisation and coupon privatisation. Under the latter, people could exchange coupons they bought cheaply from the state for shares in companies. At the same time it was important to continue building institutions



necessary for the proper functioning of the market economy in the new sovereign state.

**TSS: What could we have done differently?**

**VM:** We must perceive what was happening through the prism of that time and take into account what was known then. It was necessary to transfer state ownership to private hands while Slovakia was in the phase of building its own organisations and institutions. Most of the important bodies and headquarters of the companies were in Prague, and we lacked the know-how, too. Looking back, we can now say that despite the mistakes that occurred during this process, the story of independent Slovakia is a success. Other countries, in spite of better starting conditions, did not avoid mistakes either.

When looking at the transformation process from today's viewpoint, we should have paid greater attention to the transfer of assets from private ownership to personal. Today, we call this process siphoning, tunnelling in Slovak, and it is illegal. This transfer harmed or destroyed not only many companies, but also the state, employees, creditors, co-owners and other players on the market too. Today, business people know that owning a company does not mean they can do what they want and that

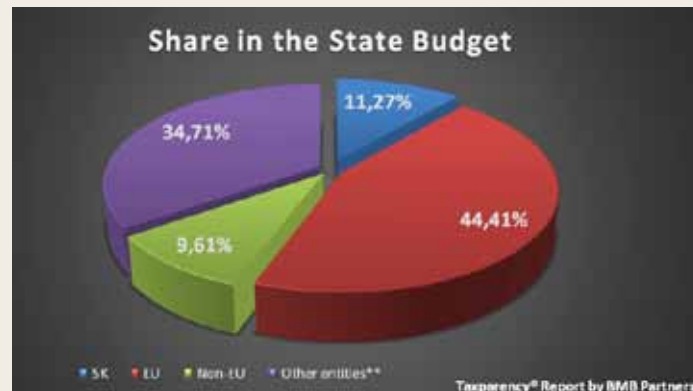
they have obligations towards the state, their employees, partners and so on.

**TSS: Does Slovakia benefit in any way from the fact that it had to build many of its institutions from scratch?**

**VM:** Most of the processes have some pros and cons. So, building our institutions on a green field meant that we did not need to transform old structures into new ones and instead took the latest know-how and expertise to build the most modern institutions. This was, for example, the case with our clearing house, which was considered to be one of the highest quality clearing houses in the whole of Europe at that time. Also, during the creation of Slovakia's central bank, the National Bank of Slovakia, we tried to utilise the latest experience and knowledge. On the other hand, it was a hectic period with neither enough time nor experts.

**TSS: You were appointed to manage the launch of the central bank. What did this process involve?**

**VM:** The central bank was one of the most important new institutions Slovakia needed to launch. Originally, there was a plan to build it from the Slovak part of the divided former state bank Štátna Banka Československá. However, as



This year, we have expanded the study by a survey, in which we asked the biggest taxpayers which of the ten most often discussed tax measures and changes they rank as most important.

**What are the changes the biggest taxpayers prefer?**

Just as we expected, the clear winner is the need to decrease the total tax and social security burden on work, as according to 25% of big taxpayers. What came as

The most important changes are, in short:

The decrease in the income tax rate from the current 21% to 15%. This reduced tax rate will be applicable by legal entities and individuals – sole traders, provided that their revenues/income for the relevant tax period do/does not exceed EUR 100,000.

Another very positive change is the increase of the "super deduction" of expenses for research and development from the current

BMB TAXPACITY® SURVEY			Responses
1	Decrease in total tax and social security burden on work	<input checked="" type="checkbox"/>	25%
2	More predictable and less frequent changes	<input checked="" type="checkbox"/>	21%
3	Tax system simplification	<input checked="" type="checkbox"/>	19%



processes on the side of the former state central bank were too slow, the Slovak cabinet at that time appointed me, while I was serving as the state secretary of the Finance Ministry, to manage the creation of the new central bank. We encountered a lot of problems, but the most pressing one, for both new central banks, was the foreign exchange currency.

This was one of the reasons we adopted certain measures, for example keeping the common currency for at least six months after the federal republic split on January 1, 1993. But the common currency ended just a few weeks later and Slovakia had to very quickly introduce its separate monetary policy. One of the more down-to-earth issues was marking banknotes with Slovak stamps to distinguish them from the Czech banknotes. We also negotiated full sovereign membership with the International Monetary Fund and the World Bank, which created preconditions for a fast access to foreign exchange financial resources. Along with this, we launched the process of obtaining the first international rating for Slovakia which was obtained from the Japan Bond Research Institute. Afterwards, we sold the first issue of state bonds while the proceeds, USD500 million if I remember correctly, were immediately used to support the central bank's foreign exchange reserves. This money actually helped stabilise our monetary policy and also the macro-economic situation of the new state. Thus, the development was very dynamic back then.

**TSS: As the governor of NBS for six years, did you face any political pressure?**

**VM:** The central bank is, by law, an independent body. At that time, it had much more influence and power than it has today. This was because Slovakia had its own monetary policy and currency, the Slovak crown, and also because the central bank assumed the functions of several institutions and bodies, which were launched later. It had a much bigger influence within the bank supervi-

sion, where it was responsible for the stability of the banking sector and regulation of commercial banks. This meant that the central bank itself had political influence as its decisions affected a large portion of the population.

In terms of pressure from the side of politicians, it is obvious that the cabinet had its own goals and visions, and that these sometimes collided with those of the central bank. There were, from time to time, tensions between the cabinet and the central bank. It was important that financial limits between the government and central bank were strictly defined by law, and during my term they were never exceeded.

When I now look back at my time as governor, we always held fair discussions with the cabinet and looked for compromises while the bank kept its independence.

**TSS: Slovakia, after the period of Mečiarism, bet on tax relief and other incentives to draw foreign investors here. Was this, from today's point of view, a good strategy?**

**VM:** It is natural that all governments try to attract foreign investors, but it is always better to improve the business environment than to do it via individual stimuli, which in the end deforms the business environment. Capital does not have a homeland, therefore it is essential to create an attractive environment for all investors, not only for some foreign ones. In addition to the inflow of capital, which was often too excessively highlighted regardless of the subsequent outflow of capital in the form of dividends and other transfers, I highly acknowledged the impact of these investments mainly from the perspective of creating new work places, transfer of know-how and corporate culture with higher ethical principles and social responsibility to society.

**TSS: How do you perceive the replacement of the armament industry, after it lost markets, by the automotive industry, with the strong support of the government?**

**VM:** I don't know to what extent building the strong auto-

motive industry in Slovakia was a result of governmental policies or individual decisions of investors and the market as such. The investors chose Slovakia as the destination for their investment on the basis of some preconditions, such as the availability of a highly qualified workforce with sophisticated skills and low wages. The arrival of the carmaker Volkswagen meant that this territory became attractive to suppliers and other carmakers.

Of course, there are pros and cons to everything, and it is obvious that the concentration of the automotive industry is now the Achilles' heel of Slovakia. This is the reality we got into when we were addressing problems of high unemployment, undercapitalisation and low added value in the economy. Now we have to address our high dependence on the automotive industry. We should diversify the economy to a greater extent and pursue more added value. This means we should focus on innovations and R&D, not only at lectures and conferences, but in real life, starting with the education and construction of scientific parks and R&D centres, and ending with their implementation to make our products more competitive.

**TSS: Did Slovakia have to become the small and extremely open economy that it is today?**

**VM:** The size of our country and thus the inner market is a matter of fact, we cannot change. In terms of openness, there are examples of countries that wanted to keep their economies relatively closed, but this has never been to the benefit of these small economies. In general, any economy benefits from being open, given that mutual relations are fair and of benefit to all participants.

**TSS: How do you perceive the adoption of the European single currency in 2009 and the timing of this change? What advantages and disadvantages has the euro brought to Slovakia?**

**VM:** This question suggests that things only began at the point when Slovakia adopted the euro. But the euro as our goal

was decided well before that. Not long after it emerged, the Slovak Republic committed itself to fulfil the Maastricht criteria, an inevitable precondition for the adoption of the euro. Entering the eurozone was a long-term process. The important thing is that Slovakia fulfilled these technical criteria and that there was the political will to adopt the euro. There are countries that were technically prepared but did not have the political will to make use of this and stayed outside the eurozone. But this does not mean that they are not strongly linked to the euro.

Of course, the euro has its positives and negatives. Even though I had an above-standard emotional relation to the Slovak crown, I still believe the advantages outweigh the disadvantages as Slovakia has been closely interconnected with eurozone member countries in terms of trade.

**TSS: Is Slovakia prepared for the economic slowdown or even recession forecast by economic analysts?**

**VM:** When looking at some aspects, like public finances, it seems we were not expecting a slowdown or a recession at all. Slovakia could have had a surplus budget a long time ago, and this surplus could have created space for governmental stimuli during an economic slowdown. The reality is that in spite of strong periods of economic growth, rising governmental revenues and better efficiency in tax collection, a balanced budget remains an unreachable goal. A deficit state budget is not only a matter of accounting, but it has to be covered by real money, which otherwise could have been used differently.

When we look at the performance of the public sector, it is lagging behind compared to both OECD and eurozone countries, as well as most EU member countries. Thus, until Slovakia manages to increase the efficiency of public administration significantly, the government should ponder very thoroughly the further financial burdening of the business sector and citizens.

*By Jana Liptáková*

# Freight transport and posting of employees from the perspective of the EU law (de lege ferenda)

Freight transport is a business activity that has various unresolved issues, including the status of employees carrying out the work of drivers outside of the territory of their place of work, which, in the respective countries of the European Union (EU), is not laid down consistently, causing a financial and administrative burden on their employers. Slovak employers often struggle to determine whether the employee carrying out the work of the driver is posted outside of the territory of the Slovak Republic in relation to the service provision (posting) or whether their stay outside of the territory of the Slovak Republic is considered a foreign business trip. The answer to this question is relevant to the employers mainly for the purpose of proper payment of wage claims to the employees, which differ for foreign business trips and postings.

According to Slovakia's generally binding regulations, if the driver of a freight transport over 3,5t has his place of work within the territory of the Slovak Republic, where he also carries out his work, and he only performs transit, or the loading or unloading of goods in another EU Member State, such a trip is not considered a posting (regardless of the duration) but rather a foreign business trip. In the case of a foreign business trip, the wage claims of the employee are governed by the law of the Slovak Republic<sup>1</sup>.

However, if the employer, through its employees, provides services to a third person outside



Mgr. Barbora Mihaliková

of the territory of the Slovak Republic (in this case services other than transit, loading or unloading of goods in another EU Member State), such an activity is considered a posting and the status of the employees (notably wage claims, i.e. minimum wage) is governed by the generally binding regulations valid in the state in which the transport or the service provisions are carried out.

The legislation of respective EU countries is not consistent. EU Member States regulate the posting issue differently, meaning that the employer is obliged to respect the wage conditions of different EU Member States according to the territory within which the transport is carried out. For this reason, in 2017 the European Commission introduced three initiatives relating to the governance of commercial road transport in the EU under the "Mobility Package", representing the biggest change in EU road transport rules. Each initiative covers various areas; postings are covered by Mobility Package Initiative I.



JUDr. Katarína Mesiariková

According to the directive proposal<sup>2</sup> the minimum posting period should be laid down, which, if not exceeded, shall mean that the rules of the host member state on minimum wage and paid yearly holiday should not be applied; in regards to the wage claims of the employee, the employer will apply the legal order of the EU member state in which the employee has his place of work. The abovementioned minimum period should not exceed 3 days during one calendar month. However, this time period will not be applied on the so-called cabotage, through which the employer must assess the wage claims of the employee according to the law of the host state, where the transport takes place, irrespective of its duration. The aim of the directive is to lay down unified rules for the assessment of the status of freight transport drivers and their remuneration in relation to the performance of work outside of the EU member state in which they have their agreed place of work. Moreover, a regulation<sup>3</sup>

within Mobility Package Initiative I should be adopted, according to which the road transport enterprises may not carry out the cabotage with the same vehicle in the EU member state for five days following the termination of the last freight transport in the same EU member state.

Members of the European Parliament also propose changes which would lead to the adoption of better conditions for the drivers' rest. According to the adopted text, the obligatory weekly rest of the drivers should not be taken in the cabin of the vehicle.

This represents only the minimum extent of changes which should be implemented prior to the adoption of the declared initiatives in relation to freight transport. According to the EU, the aim of the initiative is to adopt clear rules for posting drivers in the highly mobile sector of road freight transport while laying down precise legal framework for the status of employees in freight transport. This should prevent the application of different rules across EU member states in this sector.

Nevertheless, transport companies have reservations towards the EU initiative and perceive the proposals rather negatively due to the increase in financial burden. The adoption process of the respective initiatives has not been completed yet, therefore the extent of their actual adoption and implementation by the respective EU member states has yet to be seen.

## SOUKENÍK - ŠTRPKA



<sup>1</sup> The employee is entitled to the same compensation as with the foreign business trip according to Act No. 283/2002 Coll. on travel remuneration and Slovak wage claims (minimum wage etc.).

<sup>2</sup> Proposal for a directive of the European Parliament and of the Council amending Directive 2006/22/EC in regards to enforcement requirements and laying down specific rules with respect to Directive 96/71/EC and Directive 2014/67/EU for posting drivers in the road transport sector is part of the Mobility Package I.

<sup>3</sup> Regulation of the European Parliament and of the Council amending Regulation (EC) No. 1072/2009.



# Opportunities



Photo: AdobeStock

## Slovakia is not just a car assembly hall anymore

To remain the main pillar of the Slovak economy, the automotive industry needs to jump on the new wave of electromobility and draw more investments into research and development. That is the only way to advance from merely assembling cars to a more sophisticated industry a modern country can take pride in.

In this respect, the latest project of Porsche, intending to build an R&D centre in Slovakia, signals that local companies are prepared to answer the challenge.

### Research headed to Piešťany

In October 2019, the government approved an incentive of €2 million for Porsche Werkzeugbau, a subsidiary of the German carmaker Porsche in the town of Dubnica nad Váhom. The company that is part of the Volkswagen group will build a new technology centre, focusing on the automatisisation and robotisation of car production, in Horná Streda, a village near the western-Slovak spa town of Piešťany. With a plan to invest nearly €14 million, it should employ about 30 people by 2023.

In the new centre, the company will develop and verify the manufacturability of components

AUTOMOTIVE INDUSTRY BY THE NUMBERS	
Share of annual GDP	13%
Share of the automotive production in industrial production in Slovakia	46.8%
Share of the automotive production in the industrial exports of Slovakia	35%
Number of people employed directly in automotive production	>177,000
Total number of people employed in the automotive industry	>280,000
Value of exports generated by the automotive production	>€37 bn
Number of cars produced in Slovakia in 2018	1,093,215

Source: ZAP SR

and prepare prototypes of production equipment for the car industry. Porsche will also test prototypes of automated lines for joining, gluing, riveting and screwing sub-assemblies as well as entire assemblies of components.

“In terms of the long-term prosperity of the Slovak economy, it makes the most sense to support investments focusing on R&D,” said Economy Minister Peter Žiga.

Such an investment generates a much higher added value than car assembly, and indicates that Slovakia will become more than just an assembly hall, said Martin Jesný, industrial analyst at Revue Priemyslu magazine. This sends out the signal for other companies to present similar projects.

“It is proof that the Považie region has managed to transform into a modern manufacturing industry with people able to work with the latest modern machines and technologies,” said Jesný.

Moreover, the new investment shows that the Volkswagen concern has maintained its trust in Slovakia, even though it moved its tool factory, along with the 3D printer from the western-Slovak town of Stupava, to Germany in early 2019.

### Slovakia will produce car batteries

Another piece of good news for Slovakia is the plan to construct a 100 MWh battery production line in the near future with the price tag estimated at €100 million. Its construction is expected to begin in the first half of 2020, with the first batteries ready for distribution

towards the end of 2021. This initiative comes as the result of a strategic alliance between InoBat and its US-based technological partner Wildcat Discovery Technologies, later joined by Matador, the premium Slovak supplier of the automotive industry. It aims to become a global leader in automotive battery development and production, with a plan to upscale to a 10 GWh mass production facility in the long term.

This cooperation of companies with research institutions envisages the unique combination of an R&D centre and a production line that allows for the continuous development of proprietary batteries in close cooperation with electric vehicle manufacturers.

“Together with Matador and Wildcat, InoBat Auto will not only provide much-needed battery independence for the European market, but will also contribute to the transformation of the Slovak economy from manufacturing to knowledge-based,” said Marián Boček, InoBat’s co-founder and executive chairman, as cited in a press release.

Jesný sees this project as one that should be welcomed in Slovakia, especially stressing the requirement of InoBat to have related R&D in Slovakia.

“This is exactly the kind of project that draws investments into Slovakia and makes usage of the knowledge and expertise of existing companies,” said Jesný.

To draw more such investments, Slovakia needs to have an investment-supporting business

environment. This includes adequate income, corporate and payroll taxes, little red tape as well as a good education system. However, Slovakia has taken the opposite approach, the government increased surcharges for work during nights, holidays and weekends, introduced compulsory holiday vouchers, and increased the minimum monthly wage by €60, to €580 for 2020. Moreover, as of 2021, the pattern for calculating the minimum wage will change to equal at least 60 percent of the average gross wage.

“Slovakia has just complicated its position in terms of its business environment, since the latest [legislative] changes have significantly increased the wage costs of companies,” said Jesný, adding that carmakers citing investments in the billions of euros have indicated that they would expect a little better treatment from the side of the state.

### New models propel car production

As of 2018, Slovakia is home to four carmakers: the oldest one, Volkswagen Slovakia in Bratislava, Kia Motors Slovakia in Teplička nad Váhom near Žilina, Groupe PSA Slovakia in Trnava and the most recent arrival Jaguar Land Rover in Nitra. In 2018, more than 1,090,000 vehicles rolled off their production lines. Slovakia has remained at the top of the world ranking in the number of cars produced per 1,000 inhabitants in the past few years. In 2018, it maintained first place with 198 vehicles, eight more than the previous year.

Sector watchers estimate that car production will also exceed one million in 2019 when the brand new Jaguar Land Rover plant in Nitra, which launched production in late 2018, is expected to contribute to the final number. On the other hand, lower car sales in China, the US and Great Britain due to Brexit, and the tariff wars are pushing global car production down.

“Even though the world car

LARGEST RECEIVERS OF STATE INVESTMENT INCENTIVES IN AUTOMOTIVE SECTOR BETWEEN YEARS 2003-2018	
COMPANY	Total state investment incentives in EUR mil
Kia Motors Slovakia	233.09
PCA Slovakia	184.6
Jaguar Land Rover Slovakia	129.8
GETRAG FORD Transmissions Slovakia	57.5
Mobis Slovakia	47.3
Magneti Marelli Slovakia	41.44
Continental Matador Rubber	34.51
Honeywell Turbo	23.08
Johnson Controls Lučenec	22.2
Minebea Slovakia	19.25
Continental Automotive Systems Slovakia	18.23

Source: Ministry of Economy



market reports a decline, the car-makers in Slovakia are faring above the global market's level for now," said Jesný. "This is because all of them have introduced new models."

The first model produced at the JLR factory is the Land Rover Discovery. The production of a new version of its iconic Defender, to be exclusively manufactured in Nitra, will be launched by the end of 2019. The cars will be up for sale as of spring 2020. The new Defenders will include four-cylinder and six-cylinder petrol engines, as well as four-cylinder diesel engines.

"The new Defender will be available in 128 global markets and meet or exceed the toughest emissions and safety requirements in the world," said JLR chief commercial officer Felix Bräutigam.

Volkswagen Slovakia has added the third generation of Volkswagen Touareg, the brand new model Audi Q8 and Porsche Cayenne Coupé to its portfolio of models produced in Bratislava.

The only Korean Kia Motors plant in Europe, Kia Motors Slovakia near Žilina, launched the production of its new crossover in summer 2019, the Kia XCeed. It is the fourth version of the Ceed family successfully presented so far through the hatchback, sportswagon and shooting brake (ProCeed) versions.

In 2019, the new generation of Peugeot 208 replaced the first generation of this model manufactured in Trnava since November 2011. In line with the Groupe PSA's promise to produce an electric version of each of its models by 2025, the new generation Peugeot 208 is or will be available in electric, petrol, and diesel versions.

Going ever more electric

Volkswagen Slovakia was the first carmaker in Slovakia to start producing electric cars. Its Volkswagen e-up! has been in production since 2013, when the pilot model was first made in Bratislava. While there are no plans to build models on VW's electric vehicle platform in Bratislava so far, the plant would like to continue producing electric cars and even produce a new model within the group.

"We are professionally and technologically prepared for the launch of new products regardless of the kind of powertrain," Lucia Kovarovič Makayová, spokesperson of Volkswagen Slovakia, told The Slovak Spectator, refusing to specify when its parent company would make the decision.

Kia Motors Slovakia joined the club with the electrification of its Kia Sportage powertrain in May 2018. The new diesel mild hybrid

CARMAKERS IN SLOVAKIA			
Company	Employees	Total investment	Location
Jaguar Land Rover	about 2,600	€1.4 bn	Nitra
Kia Motors Slovakia	about 3,800	> €1.9 bn	Žilina
PSA Groupe Slovakia	about 4,500	> €1.2 bn	Trnava
Volkswagen Slovakia	about 14,800	> €4.5 bn	Bratislava

EcoDynamics+ 48v is the first powertrain that Kia is introducing on the market within its worldwide electrification of powertrains. The carmaker plans to introduce other electric powertrains later in 2019.

Groupe PSA Slovakia produced its first electric car on March 27, 2019, which it produces on the same line as petrol and diesel Peugeot 208s. The model Peugeot e-208 built on the CMP platform boasts a range of 340 km. Groupe PSA will produce the electric Peugeot 208 exclusively in Trnava, which is where e-car batteries are completed in Slovakia.

In terms of the JLR plant, the Plug-in Hybrid electric cars will complement the Nitra-based production of the Defenders. JLR has promised to produce all of its new models in electric versions as of 2020. Jesný welcomes that carmakers in Slovakia have started producing electric or hybrid versions of their models.

"A big question mark hovers above the suppliers, though, who

have not joined production linked with electromobility to any significant extent yet," he said.

Jesný expects that in a few years, 30 to 40 percent of all sold cars should have some form of electric propulsion, prompting the networks of suppliers to experience a significant transformation.

"They have to upgrade their production to a new level, while this process is already a source of innovations and an increase in the sophistication of production," said Jesný, adding that this may attract carmakers to expand the production of e-cars in Slovakia. "But if they are not fast enough to respond to this call, they might miss the train and carmakers might switch for suppliers from other countries."

The Slovak Automotive Industry Association (ZAP) warns that the increased production of electric cars to the detriment of diesel and petrol cars might bring in a lower need of workers as the production of electric engines is less demanding.

By Jana Liptáková

# What entrepreneurs should know when starting up their investment in Slovakia

When you arrive to a new country to start your business or expand into new markets, you have a thousand questions. It is with excitement and respect that one makes such a step.

COUNTRY DESKS

But where to start? Usually, you would begin by asking for some feedback from the advisors in your home country, but they are sitting far away and most of the time lack the connection to the local culture and habits. If they are part of a larger network, like the Nexia network, there is a big chance that they have a local partner who is qualified and experienced in dealing with foreign investors. Indeed, that is one of the factors you cannot underestimate. Not only the knowledge of a foreign language is required (often I meet with clients who cannot communicate directly with their advisors!), but also the ability to understand what the entrepreneur wants to say to you. This is exactly what we are trying to do via Country Desk, a concierge service. In such a case, you wouldn't be surprised when a client instructs you to pay out an interim dividend from the profit of the current year. In Slovakia this is not possible, but the local laws of the investor could well allow it. If you are aware of this fact, we can search together for solutions on how to figure out what the investor wants.

EMPLOYEES

Hiring your first employee is always an exciting moment. But with this, you also start an avalanche of obligations and commitments. You should register the company as an employer and it goes hand in hand with strict deadlines when you have to register the employees. Calculating the social

and health insurance contributions every month can also be problematic. Luckily, the outsourced payroll agency can take care of all of these commitments for you.

You will still need your advisor, who can explain to you that in Slovakia salaries are not paid on the last day of the month, but rather around the 10th of the following month, or how the staff can have a slightly different salary than the fixed amount you agreed upon every time they have a day of holiday.

On our website we have published a nice series of articles with all the obligations an employer has for the entire cycle: from hiring your first employee to letting employees go.

CONTROL ENVIRONMENT

Slovak laws contain a lot of obligations, but from an accounting point of view, there are also several options. Your internal directives provide a method to select the ones that are best for your business. As an entrepreneur you delegate a lot of activities to other smart people, but you also need feedback, which is exactly what you organise with your Internal Control organisation. However, sometimes things can go wrong. Recently, we published an interesting article about major mistakes we often encounter with our clients on our website.

An important part of your control environment should be a decent monthly management report. How else could follow-



Bart Waterloos, Partner at VGD SLOVAKIA

up on the achievement of your objectives? Clearly a Slovak general ledger report will not make you any smarter. Therefore, we discuss with every client what they want to see in a clear dashboard, supported by more detailed reports if they want. All your clients are likely to be web-based, so they can access the reports whenever they want, from wherever they want.

TAXATION

Taxes tend to change frequently in Slovakia. Slovakia used to be the region's front runner, with the most attractive flat tax rate of 19%. Now, other countries have started a race to lower taxation. Still, with a tax rate of 15% for small business as of 2020, Slovakia is still a good place to consider, especially if you combine it with smart investments

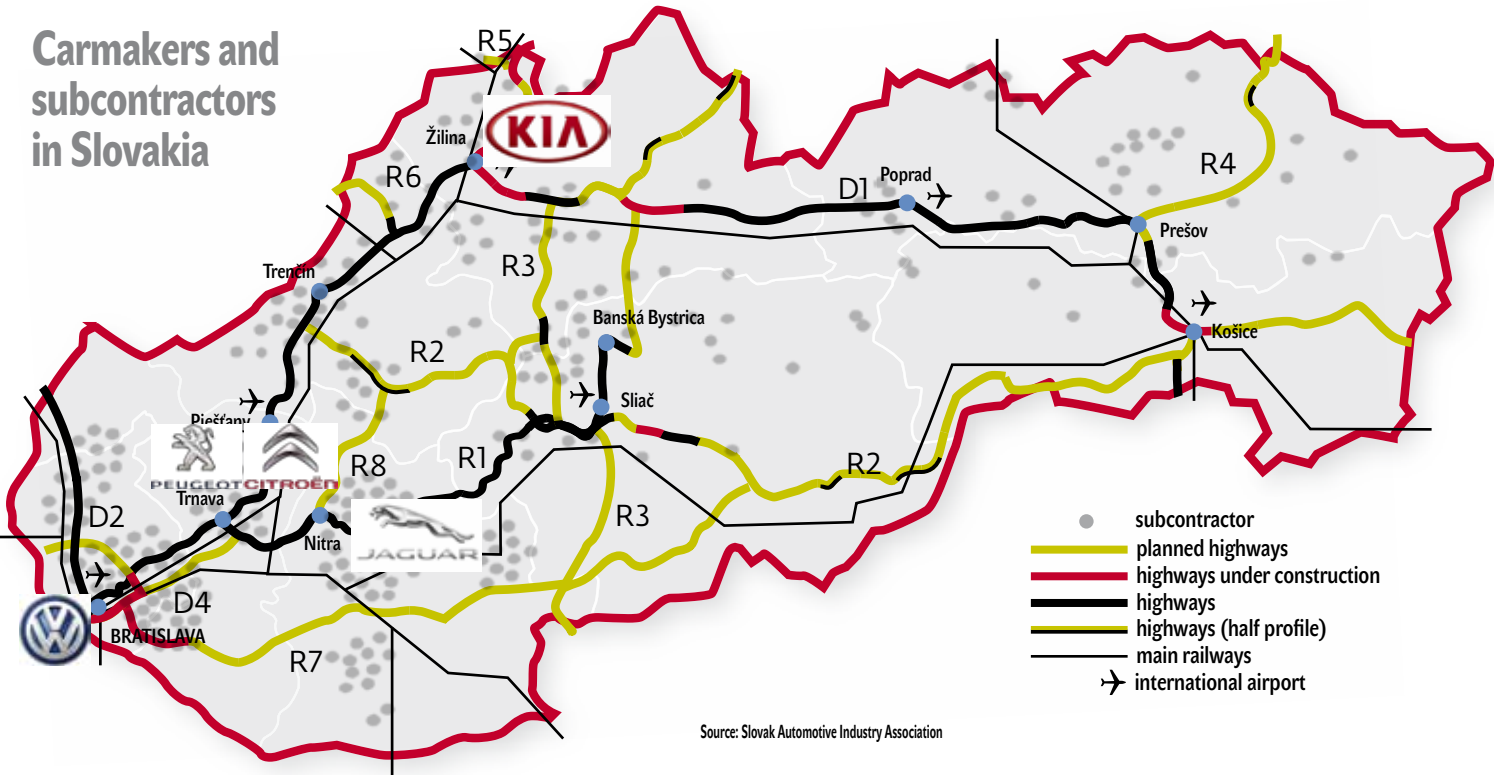
in Research and Development, through which a super-deduction of up to 200% is possible! Of course, your advisor should inform you regularly of such changes, as we do via our newsletters.

Often, we notice that foreign investors ignore the basics transfer pricing rules. It is clear that the local tax authorities have made this a much higher priority than many other tax offices in western European countries. This is proven by the million euros in additional taxes that the Slovak government imposed over the past years, as we nicely described in one article on our website.

By Bart Waterloos

About the author: As a 25 year-old junior he left Belgium to expand the audit department for VGD in Prague. Since 2004 he has lived in Bratislava, helping the company grow to become the 5th largest audit and consulting company in Slovakia. He is currently one of the company's four partners and is responsible for all international affairs.

## Carmakers and subcontractors in Slovakia



VGD

audit - tax & accountancy

beyond partnership



# Future of Industry 4.0 is in AI

The word industry no longer means just workers manually assembling products. Raw materials are carried by robots, processes are more and more automated and artificial intelligence is becoming a frequently used term.

In many respects, Slovakia, as an industrial country, easily adapts to the Industry 4.0 concept. Many Slovak-based branches are leaders in introducing technological innovations within their concerns, said Boris Duľa, CEO of the CEIT technology company, which focuses on Industry 4.0.

Some of them even resemble pioneers in the implementation of innovative solutions, he said. They gain the trust of the parent company in pilot projects.

"Once these pilot projects prove to be effective, they reach other affiliated plants within the group," Duľa told The Slovak Spectator.

The need for new technologies is reflected in the direction the country has embarked on. After the concept and action plan for smart industry was approved in previous years, the Economy Ministry now promotes and financially supports the area.

## Interest is growing

Nowadays, the development of Industry 4.0 in Slovakia is an increasing trend, with the interest of companies in Industry 4.0 growing from 19 percent in 2017 to 40 percent in 2019, according to a survey of the Industry4UM association.

The doubling involvement of firms in the concept, compared to the previous two years, is an encouraging result, said Martin Morháč of Industry4UM. On the other hand, only 19 percent of top managers perceive technology implementation as their role, "despite the fact that Industry 4.0 is a decisive path to increase competitiveness and creating competitiveness, is the basic task of the top manager of the company," Morháč told The Slovak Spectator.

Most people still see digitisation as only an IT role, the survey reported. Two-thirds of companies implement technologies without external suppliers, through their own IT.

## Is it secure?

One of the areas criticised is the replacement of labour by robots. In these terms, Duľa thinks that changing job requirements will not cause employees to disappear, but rather change their competences and educational needs, he said.

"This is not a short-term process, but I think the gradual steps are towards such an adjustment," Duľa said.

Another problem is security. Based on the latest survey of Soitron, at least 509 control systems in Slovak industrial enterprises are at risk of intrusions from the internet, the SITA newswire reported.

Security analysts link cyber threats to Industry 4.0. Remote access today is a commonly used method for monitoring production

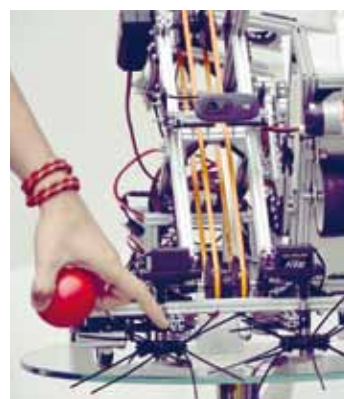


Photo: TASR

and logistics, as well as small hydro and solar power plants, said Martin Lohnert, general manager of Soitron Void SOC.

Soitron monitored weakly protected systems available on the internet, including the current level of the river on the site of a small hydroelectric power plant and the quality of the wastewater discharged from an industrial plant.

"Intrusion into such a system through a permanent disabling of warnings, for example, may clearly threaten not only the business itself but also the public," said Lohnert, as cited by SITA.

## Government's actions

The Slovak government claims to be aware of the need to support Industry 4.0. Currently, the Economy Ministry is implementing a Smart Industry Action Plan, approved in 2018, which follows the Intelligent Industry Concept from 2016.

In October 2019, the government approved financial injections

of €2 million for Porsche in Horná Streda (Trenčín Region) and €3 million for Muehlbauer near Nitra to establish new technological centres, the public-service broadcaster RTVS reported.

Morháč stressed that, so far, the ministry has met 19 out of the 35 action plan measures and wants to meet the others in 2020. Slovakia lags furthest behind in key education, which is not just a matter for the state, he said.

"The survey showed a significant decline in corporate support for the development of workers over the past two years," Morháč said.

Slovakia is one of the last countries in Europe without a platform to support the area between industry, businesses, employers and the state, Morháč added.

## Future with artificial intelligence

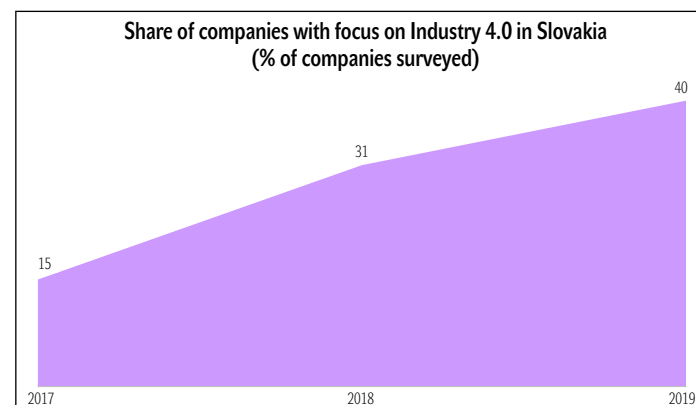
In the coming years, the industrial environment will change faster, with greater customisation, according to Duľa. There are noises about the transition from traditional assembly lines to more flexible cellular manufacturing.

While the recession has been manifest in Slovakia for several months, Morháč suggests innovating instead of saving, although at a small volume. There are many opportunities to increase competitiveness through Industry 4.0, low-cost adjustment and fast return processes optimisation.

Data collection, processing, monitoring, visualisation and analysis of facts are the first steps, followed by real-time responses and the automatic prevention of problems, said Duľa.

"By deploying artificial intelligence, we are entering a phase of self-optimisation, self-organisation and reconfigurability," Duľa said. "We believe that this will be the topic of the coming years."

By Peter Adamovský,  
analyst at the Slovak Innovation  
and Energy Agency



Source: Industry4UM

## PRIORITY AREAS OF THE SMART INDUSTRY ACTION PLAN IN SLOVAKIA:

- Research, development and innovation
- Basic principles of IT security of the implementation of smart industry
- Labour market and education
- Reference architecture, standardisation and creation of technical standards, framework European and national legal conditions
- Information and promotion

# Pressure on waste management needed

The average Slovak produced 427 kilograms of waste in 2018, 100 kilograms more than a decade ago. Is this a manifestation of the rising standard of living or a situation approaching an environmental disaster?

In general, richer countries generate more municipal waste per capita than poorer ones, according to experts.

The EU's current average production of municipal waste has stabilised at around 520 kilograms. In contrast, Slovak production is growing by approximately 10 percent year-on-year, said Marek Brinzík, PR director of the NATUR-PACK packaging waste recovery organisation.

Nevertheless, the country still produces less waste than the EU average, he says.

"This is significantly less than the countries at the forefront, including Norway with nearly 800 kilograms per capita per year," Brinzík told The Slovak Spectator.

## More waste every year

Official statistics show people in Slovakia produced 2,325,178 tonnes of municipal waste in 2018. Comparison to past waste production figures shows 1,888,456 tonnes in 2015, 1,953,478 tonnes in 2016 and 2,136,952 tonnes in 2017, the Statistics Office calculated.

Waste management expert Radoslav Jonáš uses the 12.3 million tonnes of total waste generated by the country in 2017 as an example, when a total of 41 percent was

recycled or used to generate energy, 35 percent disposed of and 24 percent treated in another way, the Odpady-portal.sk website reported.

Slovakia holds the 9<sup>th</sup> worst position among the 36 OECD countries in waste management, according to Sensoneo's Global Waste Index 2019. The country only managed 54.1 percent of the figure achieved by the best country, South Korea.

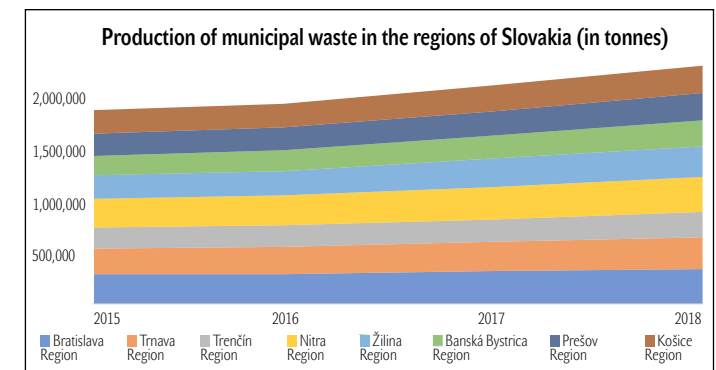
Despite this, the Environment Ministry reports an increase of 11 percentage points in the amount of sorted municipal waste between 2015 and 2017, when the figure reached 29.3 percent, said the ministry's spokesperson Tomáš Ferenčák.

Slovak state authorities set a goal to increase the amount of sorted and recycled municipal waste to 50 percent by 2020.

In 2017, new legislation put into force the possibility of imposing a 1-million-euro fine on landfill operators not complying with the rules. Early 2019 brought an anti-landfill package to encourage sorting, and at the end of February 2019, the government approved the Waste Prevention Programme of the Slovak Republic for 2019-2025, said Ferenčák.

Most recently, parliament has been discussing the transposition of EU measures, including a ban on disposable plastic products and an obligation for municipalities to sort biodegradable kitchen waste, into the Waste Act. The amendment should enter into force in 2021.

Although the amendment does not include all types of plastic



Source: Statistical Office

bags, Environment Minister László Sólymos expects their total ban in Slovakia.

Brinzík considers these targets strict and ambitious. After 2020, packaging manufacturers will feel the impact of so-called ecomodulation, when the cost of recycling fees will depend on recyclability and other characteristics.

"Significantly higher fees for non-recyclable or hardly recyclable materials should be the motivating elements for changing materials or finding new recycling technologies," Brinzík said.

In addition to the law, the ministry is supporting waste sorting through the EU's Operational Programme Quality of Environment. The programme has supported 272 waste management applications for more than €158 million, said Ferenčák.

So far there have been 254 applications for €33 million focused on the purchase of smaller composters and 55 applications for €64.8 million on building big composters of biodegradable waste, mechanical-biological treatment facilities, and recycling hazardous and other waste.

## Private activities

Private circular economy activities also play a part and the Institute of Circular Economy (INCIEN) has registered a number of projects: MOVECO and Green Group aimed at the circular economy, Ecovir by Curaprox, IKEA's second life of furniture, Tesco and Metro

Cash and Carry's food projects, ecological taxi services, crate food sales, zero-waste e-shops and catering apps. Other new projects are menojpadu.sk, Prijemné veci, SK-Tex, Fashion Recycling Lab, BagBet, Créme, Cila, Nosené, Dutka and Crafting Plastics, INCIEN's 2018 brochure on the circular economy reported.

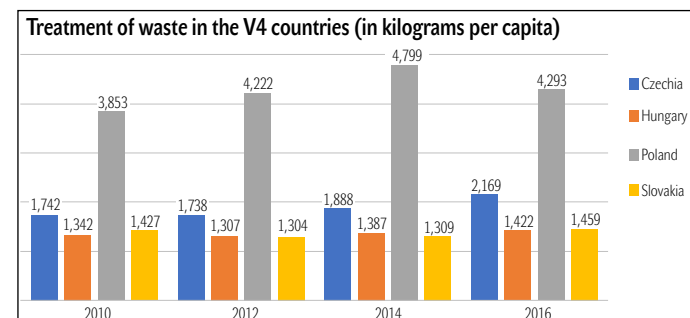
In mid-September 2019, the Wood & Company financial group launched the construction of a circular economy centre worth €120 million in Šaľa (Nitra Region). The ewia centre should employ 100 people and recover up to 100,000 tonnes of waste in the form of heat and electricity, and 30,000 tonnes of recycled materials, the Trend weekly reported.

While the expected start of the centre's operation will be in 2025, Wood & Company also plans to build five recycling factories worth approximately €600 million in the regions of Nitra, Trnava, Banská Bystrica, Trenčín, Žilina and Martin.

Brinzík pointed to the need to increase the goal of sorting to 65 percent, seek solutions to prevent and minimise waste generation and continuously work on raising the environmental awareness of citizens.

"Slovakia and Europe face great challenges as they need to take better care of their waste," Brinzík said.

By Peter Adamovský,  
analyst at the Slovak Innovation  
and Energy Agency



Source: Eurostat



# Lack of staffers hinders further growth of BSCs

The lack of a qualified labour force has become one of the most often mentioned concerns among employers. Most recently, it was also reflected in the annual statistics in one of the most progressive sectors in Slovakia.

Business service centres (BSCs) have seen a significant drop in the year-on-year growth of new staffers they hire.

“Two factors currently dominate in the BSC sector: people and new technologies,” said Ronald Blaško, executive director of the American Chamber of Commerce in Slovakia (AmCham), at the early October conference organised by the Business Service Center Forum (BSCF) and AmCham.

The lack of staffers and increasing labour costs create obstacles for further growth, BSCs say. Together with the representatives of employers, they are calling for changes to the labour legislation that will reflect more current trends on the market.

### Contribution to economy high

The BSC sector is the third biggest in Slovakia, after the automotive and electrotechnical industries. Companies associated

in the BSCF paid €129 million to the state coffers in the form of employee income tax for 2018, according to an annual survey.

The sector employs 36,500 people working in 65 BSCs across the country, 10 percent of whom are foreigners coming mostly from EU countries (66 percent).

The average monthly wage in the centres amounts to €1,830, up from €1,780 in the previous year.

The average age of employees in companies that are BSCF members and participated in the survey is 34 years. Almost three quarters (72 percent) have a university education.

The survey also showed that BSCs have a lean management structure as only 8.8 percent of their staff have management positions.

Moreover, the proportion of women and men employed in the BSC sector is balanced, with the share of female workers representing 46 percent. BSCs offer women opportunities to hold positions in management as well as the STEM (Science, Technology, Engineering, and Mathematics) fields. As the survey suggests, 41 percent of managers are female, but only 12 percent of the female employees work in STEM roles.

As for languages, BSCs are trying to hire staff with good and diverse foreign language skills. Speaking English is a must in all centres. When providing business services from Slovakia, other important languages include German, French, Russian, Italian, and Spanish.

### Challenges lying ahead

Although the respondents in the survey claimed that they

would like to expand and focus on investments in the following years, their plans are hindered by the lack of labour resources.

Unlike previous years, when the number of new employees rose at a two-digit rate, in 2018 it increased by only 1 percent.

This, however, is still more than in other fields of Slovakia's economy, as State Secretary of the Economy Ministry Rastislav Chovanec pointed out.

“It's striking that 70 percent of our members say they cannot achieve their strategic goals due to the increasing labour costs and continual lack of labour force,” said Gabriel Galgóci, BSCF's chair.

The centres struggle mostly with the availability of candidates and the level of relevant experience or quality of skills.

Another important area is the fluctuation of employees in the BSC sector, which accounts for 12 percent, which is slightly higher than the average (10 percent), as a result of the lack of labour force. They are either moved to a different company as part of the rotation process, leave to other companies or found their own business, according to Galgóci.

Apart from the problem with the lack of qualified staffers, BSCs have long been pointing to the fact that in repetitive activities, people may be replaced by robots or bots that will do the job faster and more precisely.

Currently, as much as 80 percent of companies use automation for data reporting, while 63 percent use RPA solutions and internal process automation. About 43 percent of companies use chatbots.



The survey suggests that most companies want to increase the share of automatised processes in the next few years, according to Galgóci.

### Flexible Labour Code necessary

In the previous years, the BSCF has intensively communicated with the state, resulting in governmental support of the sector, the register of BSCs running under the Economy Ministry, a shorter waiting time at the Foreigners' Police, and rules for providing state aid to companies situated in Slovakia's regions, Galgóci said.

“As a result, big centres don't fill office spaces only in Bratislava, but expand to other regions,” Galgóci added.

Apart from Košice, the centres have opened in other towns such as Nitra, Žilina, Prešov, Komárno, Banská Bystrica, Nové Zámky, and Považská Bystrica.

Other changes concern the list of scarce professions, with BSCs having a special regime. They do not have to first report a vacant position that is listed with the labour office and then wait for a certain period to start seeking a worker from the non-EU countries, but can automatically start their search abroad.

There is still a five-day waiting period to check the request, but this should change too, as soon as the new system to connect various databases is launched, said Marián Valentovič, head of the Central Office of Labour, Social Affairs and Family.

WHO IS WORKING AT BSCS IN SLOVAKIA?	
Total number of full-time employees	32,933
University educated	72%
Women	46%
Foreign nationals	10%
Managers	8.80%

Source: BSCF 2019 Forum

To secure further growth and maintain capacities in times of crisis, however, it is necessary to have flexible labour legislation, according to BSCs representatives.

“Otherwise there is a risk that Slovakia won't be interesting for BSCs, which we can't afford in good, let alone bad economic times,” Galgóci stressed.

### What should change?

The current valid Labour Code was adopted in 2001, and has since been amended numerous times. It currently has 123 pages and 252 paragraphs.

“The Labour Code should be much simpler,” said Ján Oravec, head of the Entrepreneurs Association of Slovakia and member of the board of the National Union of Employers. However, the trend in all of Europe is that everything demanded by the trade unions that should be a subject of

negotiations has been incorporated in the labour legislation.

The more modern legislation BSCs and the representatives of employers' associations are calling for should be based on a modern philosophy that respects the openness of the Slovak economy and its structural changes. It should reflect the adaptability, flexibility and high education level of staffers.

The changes should concern more flexible forms of employment, the organisation of working time, the setting of social policy applied by the employer, and collective-legal relations.

The new Labour Code should also bring about larger labour force mobility and the depoliticisation of decisions that provide BSCs with legal certainty and increase the country's competitiveness.

The 2019 Global Competitiveness Report by the World Economic Forum suggests

that the country ranked 64<sup>th</sup> out of the 141 monitored countries in the Labour market category.

“The Labour Code needs to respond to modern forms of employment,” said Peter Rusiňák, BSCF's coordinator. This includes part-time and more flexible jobs, and short-term agreements.

In the past, Slovakia used to attract BSCs with a good Labour Code and low labour costs. However, this is gradually changing, and the country is currently lagging behind in law enforcement, education, infrastructure and the quality of public services, he added.

“Despite all the problems we're currently facing, nobody has said that they would like to end their business in Slovakia,” Blaško said. “On the contrary, many are even planning further expansion.”

By Radka Minarechová

LARGEST BSCs IN SLOVAKIA*	
BSC	Locations
Accenture	Bratislava
Adient	Bratislava, Trenčín
AT&T	Bratislava, Košice
DELL	Bratislava
DXC Technology	Bratislava
Henkel	Bratislava
IBM	Bratislava, Košice
Johnson Controls	Bratislava
Swiss Re Management AG	Bratislava
T-Systems	Košice

\* more than 1,000 full-time employees



# Bottom-up rise of creative industry

Creative arts have a long history in Slovakia – almost every Slovak knows the houses in Čičmany adorned with folk-themed artwork, or the award-winning international film director, Juraj Jakubisko, to name just a few examples. But Slovakia’s creative industry, unlike in other countries in western Europe, has developed slowly since emerging a little more than a decade ago.

The reason behind this, according to Slavomíra Salajová of the Creative Industry Forum (CIF) – an association of groups supporting the creative industry – is that too much focus has been put on simply distributing financial support to the industry, while more needs to be done to promote and develop it.

While legislation on the industry and its funding has been passed, nothing else has been developed.

“The creation of communication platforms, networking and similar activities – none of this has been done,” Salajová told *The Slovak Spectator*. And while the Culture Ministry is overseeing financial support for the industry, authorities and industry groups in many cities and regions around the country feel it would be better if the state were not involved at all.

“Any, even well-intentioned, state support could bring more complications,” Michal Klembara of the Publikum.sk civic association, which created a strategy for the creative industry for Trnava Region, told *The Slovak Spectator*.

### More than a decade

The topic of the creative industry began to resonate in Slovakia in 2008, when CIF, working with the British Council, prepared the first strategic documents on developing the industry, according to Salajová.

In 2014, the Culture Ministry produced the Strategy for the Development of Cultural and Creative Industries.

This focused on the creation



of a structure to support creativity, production, innovation and investment within the creative industry, as well as motivating businesses and synchronising ministry support with other existing schemes for the industry, explained Pavol Čorba, spokesperson for the Culture Ministry.

“An effective system for developing the creative industry, improving human resources, creating favourable market conditions and other supportive tools were priorities in the strategy,” Čorba told *The Slovak Spectator*.

The ministry is still monitoring the strategy’s action plan implemented in 2016-2017.

### Difficult conditions

Under plans for industry support covering the period 2014-2020, the ministry has run two

#### Creative sectors supported by the Operational Programme Research and Innovation:

- architecture
- design
- advertising and marketing
- ICT – computer programming

grant programmes. The first, which involves grants of up to €200,000, is for projects which will create jobs and are aimed at small and medium-sized companies (SMEs).

While the ministry says that the approval of applications is in its final phase, CIF has criticised the way the process has been handled.

“People who submitted projects three years ago still have not had them evaluated, so they have not even received the [financial] support,” Salajová said.

A second programme aimed at developing creative centres in locations around the country was launched in July 2019. The cut-off date for submitting the application was the end of October.

However, the CIF says that meeting the conditions for obtaining the grant are so difficult that only one creative centre in the country – the Národné Osvetové Centrum (NOC) in Bratislava – is likely to be able to participate in the programme.

Local governments have also been highly critical of the scheme. Peter Bubla, Bratislava city author-

ity spokesperson, said that a lack of clarity around some aspects of the programme meant there was a substantial risk that the grants, which would in part be financed with EU funds, could be claimed back from the European Commission (EC) in future.

“As a result, we cannot use the resources for any meaningful project that would really help the development of the creative industry in Slovak regions,” Bubla told *The Slovak Spectator*.

With such concerns around state operations in the industry, it is perhaps unsurprising that cities have developed their own approaches to creative businesses – Žilina provides an existing space within the city to host creative work, Prešov is doing the same, while authorities in Trnava let the town’s industry support itself.

### Other support

Outside the Culture Ministry, there are a number of schemes under the auspices of other state bodies which are, in theory, available to the creative industry.

These include programmes under the Economy Ministry and the Education Ministry, some of which are for individual sectors, such as advertising, ICT, design and architecture. Meanwhile, others provide support related to specific research and development.

But these again fall short of the expectations of those in the creative industry who say they do little to really support its development.

“This is neither conceptual, nor strategic support, nor is it pouring resources into the sector to revive it,” Salajová said, adding that most of the support in some programmes goes towards things like computer software, printers and other technology.

There are also ‘creative vouchers’ distributed by the Slovak Innovation and Energy Agency (SIEA) through its national Supporting Creative Industry Development in Slovakia project.

Under the project, applicants can use these vouchers for the purchases of up to €10,000 on any items related to their work in architecture and up to €5,000 on work in advertising, ICT, or design. However, the applicants must co-finance 50 percent of the cost of the items for which the vouchers are used.

In terms of research and development (R&D), support available, interest in project submission from the creative industry is marginal compared to other areas, the Education Ministry told *The Slovak Spectator* in a statement.

### Bottom-up development

Experts say that creative centres tend to emerge naturally, bottom-up, and that the involvement of state institutions in those centres could actually be harmful.

“Competition for entrepreneurs from the public sector could

lead to a liquidation of the market,” Salajová said.

She added the state should limit its involvement in the industry to creating infrastructure for those businesses working in the industry and their inclusion in urban or regional life.

Creative centres across Slovakia which have grown bottom-up are in good health.

Bratislava has several creative hubs, a developing film and gaming industry, new galleries and studios and creative-community centres like Nová Cvernovka, according to Bubla.

Trnava has strong graphic design, publishing, video production and other advertising service sectors as well as IT, and, to a lesser extent, fashion design businesses, said Klembara.

Žilina’s creative industry involves advertising, websites, video spots, art photography, literature, furniture, design accessories, illustration, fashion, music, fine arts and festivals, said Katarína Gazdíkiová, head of the press and foreign affairs department at Žilina city authority.

The region is home to the State Chamber Orchestra, Považská Art Gallery, Rosenfeld Palace, the Fest Anča animated film festival, Kiosk dance festival, a literary festival, and the Hudba Sveta, One Day Jazz and Voce Magna music festivals.

Prešov has potential in traditional, folk and urban culture crafts, visual arts, music, as well as performing arts and architecture, said spokesperson Vladimír Tomek. It is host to the Akademický Prešov festival with a theatre, exhibitions and concerts, the Wave independent culture club for creative people, the Christiania café, which is also a concert venue, and the Festival of Architecture and Design.

Nitra’s focus is on visual art,

music and performing arts, design, advertising and marketing, city authorities say.

### New approach

Under government plans post-2020, when the next budgetary period begins, all financial support earmarked for the industry is to be transferred to the Culture Ministry. The government is also planning to take a new approach to its communication strategy related to the industry, said Salajová.

At the end of September 2019, meetings were undertaken at various schools focusing on several topics ranging from calculating creative indexes to creative tourism.

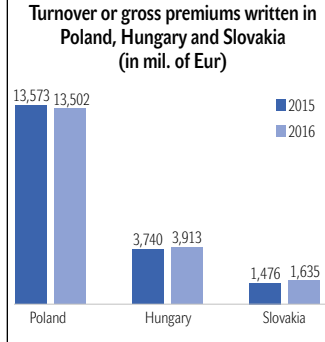
Salajová pointed out that the Culture Ministry would use its findings from these meetings, and subsequent related school projects, to help policymaking for the industry.

This comes after the ministry established the Institute of Cultural Policy (IKT) in 2018, which has used a so-called satellite account to calculate the impact of the industry on economic development – methodology which is already used in the tourism, agriculture and environmental sectors, according to Salajová.

Though the institute has already prepared an experimental satellite account for the 2012-2016 period and is processing data for 2017, the results of the analysis are not yet available to the public.

### Part of a larger universe

The Culture Ministry says it is keen to strengthen links between the creative industry and other sectors of the economy while an effective network needs to be established between creative industries, research, the public sector and other business environments, according to Čorba.



He explained that cross-sectoral links, mobility and cooperation, mainly between creative firms, the technology sector and more traditional industries, are still lacking in Slovakia.

“We need to focus on developing business collaboration to create innovative products, creative clusters, networks and other collaborative platforms,” Čorba said.

After 2020, the Culture Ministry plans to link national and regional support, build creative centres and draw up regional strategy documents for the industry, said Čorba.

### What people in the industry need

Many of those working within the industry are clear on some of their fundamental needs. Creative entrepreneurs need affordable space, presentation opportunities, workshops, counselling and community cooperation, according to Gazdíkiová.

Klembara explained the best way to promote entrepreneurship in the sector would be to reduce red tape, and reform payroll taxes as well as other sector-specific business levies. Curiosity, creation and innovation are the essence of the creative industry, said Bubla.

“All this must form a major part of city policies [for the industry],” he said.

By Peter Adamovský,  
analyst at the Slovak Innovation  
and Energy Agency

NUMBER OF ENTERPRISES IN THE CULTURAL SECTORS IN THE V4 COUNTRIES AND THE EU	2015	2016
Poland	71,020	76,010
Czech Republic	45,093	45,905
Hungary	26,098	27,817
Slovakia	11,690	12,766

Source: Eurostat

VALUE ADDED AT FACTOR COST IN THE V4 COUNTRIES (IN MILLIONS OF EUR)	2015	2016
Poland	4,472	4,475
Hungary	953	870
Slovakia	453	439
Czech Republic	NA	NA

Source: Eurostat



# Intellectual property remains of little interest in Slovakia

Apple, Google, Facebook, Microsoft, Samsung and other technology giants have thousands of patents worldwide. Without innovation protection, they would not have the competitive advantage that has raised them to global awareness.

Slovak firms can also engage in the competition for intellectual property thanks to the open, knowledge-based global society. However, they cannot compete fully due to the lack of resources for innovation.

Developed countries have long invested in research and development (R&D) to ensure sustainable growth in the competitiveness of their economies, said Žofia Ivaničová of the Slovak Industrial Property Office (ÚPV).

“In the long term, this area is significantly undersized in the Slovak Republic, as evidenced by the low share of R&D investments,” Ivaničová told The Slovak Spectator.

The development of a number of patent applications proves R&D results have a stagnating character in Slovakia, Ivaničová said.

### Still lagging behind

Intellectual property includes patents protecting objects created by intellectual activity, including inventions and technical solutions, trademarks that protect the distinguishing mark for the products and services, utility models protecting inventions, and designs protecting the visual



Source: Courtesy of CA Drilling

aesthetics of objects. Along with scientific articles, these are all innovation outputs.

In Slovakia, the production of innovation outputs has stagnated and still does not reach the level of most European countries. There was, however, a 12-percent increase in patent applications between 2017 and 2018, as recorded by ÚPV.

Regarding the number of applications, ÚPV registers most of the trademarks. The number of nationally registered trademarks in 2018 reached 2,737, of which 2,233 were from Slovakia, 282 from the Czech Republic, 46 from the US and 31 from Cyprus.

The total number of national trademarks registered in Slovakia was 47,024, as written in the ÚPV annual report for 2018.

Ivaničová pointed out that they registered nearly 10 percent more utility models than in the previous period.

“Utility models represent the most common form of protection of technical solutions in Slovakia,” Ivaničová said.

By the end of the year, Slovakia had 1,872 utility models, of which 337 were registered in that year. Domestic applicants submitted 262 applications; Czechs submitted 60 of those applications; Poles and Hungarians three; Austrians,

Germans and Ukrainians two; and Britons, Italians and Latvians one.

In terms of patents, the territory of Slovakia recognised 19,247 patents, of which only 1,163 were of Slovak origin. ÚPV recorded 231 patent applications filed in 2018, of which 217 were filed by domestic applicants, 10 by the Czech Republic, and one each by Germany, the UK, South Korea and Turkey. There was also a total of 915 valid designs in Slovakia, of which 107 were registered by domestic applicants, 11 by Swedes, seven by Czechs, three by the French, two by Italians and one by a German, the ÚPV annual report noted.

### Rankings show poor results, too

The innovation outputs are one of the most important indicators for country comparison. The European Innovation Scoreboard (EIS) 2019 assessment study ranked Malta the best country in Intellectual Assets for 2018 with

a score 169.69. This means that the country is nearly 70 percent more efficient in this area than the European Union’s (EU) average.

Slovakia placed 25th with a score of 38.69, whereas only Greece (34.97), Croatia (29.22) and Romania (22.35) had worse results. From the V4 countries, Poland was 19th (67.41), the Czech Republic 20th (62.08) and Hungary 24th (40.12). In the PCT Patent Applications sub-index, Slovakia placed 21st (16.32), 25th place (66.65) in Trademark Applications and 22nd (38.95) in Design Applications.

The Global Innovation Index (GII) of Cornell University, INSEAD, and the World Intellectual Property Organization (WIPO) allocates points for the quality of intellectual property rights within the Knowledge Creation sub-pillar. The GI 2019 ranked Switzerland the best country with a score of 84.7. While Slovakia placed 44th (20.2), the Czech Republic placed 24th (35.1), Poland 36th (24.3) and Hungary 43rd (20.3).

### Piracy a persisting problem

In June 2019, the EU’s Intellectual Property Office (EUIPO) issued a report on losses in the EU due to counterfeiting and piracy. Annual losses in 11 major economic sectors amount to €60 billion, or 7.4 percent of total sales. They cause a direct loss of 468,000 jobs, the EUIPO print release reported.

In Slovakia, the estimated annual loss is €456 million, or 12.3 percent of sales across those industries. The total value of lost profits corresponds to €84 per Slovak citizen per year.

Clothing, footwear and accessories is the largest sector in terms of sales volume and employment rate. While the EU loses €28.4 billion, or 9.7 percent of sales a year, Slovakia loses €139 million, or 14.2 percent.

The analysis includes clothing, footwear and accessories, sports goods, toys and games, jewellery

and watches, handbags and luggage, recorded music, spirits and wine, medicine, pesticides and smartphones among the major economic sectors, the press release wrote.

### Thinking about motivation

The interest in registering intellectual property depends on innovation, time, market size and competition. Patents are granted for new inventions that include inventive activity and are industrially applicable, according to Katarína Ondrovičová, Senior Associate of Bird & Bird, a member of the IT Association of Slovakia (ITAS).

In general, the protection confers an exclusive position on the market. The owner can sell, purchase, establish, donate or treat the intellectual property like any other tangible property, said Ivaničová.

“The value of the intellectual property depends on its usability and benefit to the individual or society,” Ivaničová said.

Ondrovičová stressed that the entire process from filing an application to granting a patent may take several years.

“Prior to commencing the process, the company must decide on the merits of the patent and the obsolescence of the product at the time of granting the patent,” Ondrovičová told The Slovak Spectator.

INTELLECTUAL PROPERTY VALID IN SLOVAKIA IN 2018	State (December 31, 2018)	Change during 2018
Trademarks	47,024	2,737
Patents	19,247	231
Utility models	1,872	337
Designs	915	119

Source: 2018’s annual report of the Slovak Industrial Property Office

### Limited area for validity

Another important factor is the size of the market where the patent is valid. When applying for a patent in the EU, the applicant states in the application which countries he wishes to protect his invention. By now, the EU has harmonised legal protection of intellectual property, said Ondrovičová.

“The company makes a strategic decision, especially concerning the market size in which it plans to place the products,” Ondrovičová said.

The company may consider protecting its rights against the competition, too, according to Ondrovičová. Some entrepreneurs demand protection in countries with smaller markets in order to defend their production plants from other firms.

The protection process in Slovakia consists of filing an application at ÚPV, paying administrative fees and the registration and granting rights procedure. The procedure is regulated through the relevant laws on individual rights.

“Laws also determine the formalities of applications, the

conditions for granting rights, their duration, the rights of owners and other important matters,” Ivaničová said.

### Steps to make it easier

One of ÚPV’s tools to simplify access to intellectual rights is Infocentrum. The service explains how applicants can fill out an application and obtain data from the office’s registers, and provides information on property protection and administrative fees.

Ivaničová pointed to search services, the monitoring of technology statuses based on the order and fee, pre-diagnostics of industrial rights, and knowledge dissemination at regional conferences and seminars. She said the measures focus on bringing industrial property rights closer to small and medium-sized enterprises.

“They do not adequately protect their innovations due to a lack of awareness or poor business strategies,” Ivaničová said.

By Peter Adamovský,  
analyst at the Slovak Innovation  
and Energy Agency



Source: TASR

SECTORS WITH THE HIGHEST ANNUAL LOSSES DUE TO COUNTERFEITING AND PIRACY	SLOVAKIA		EUROPEAN UNION	
	Absolute loss	% of revenue	Absolute loss	% of revenue
Medicine	€171 million	11.40%	€9,577 million	3.90%
Clothing, footwear and accessories	€139 million	14.20%	€28,419 million	9.70%
Smartphones	€40 million	12.50%	€4,212 million	8.30%
Cosmetics	€31 million	11.70%	€7,053 million	10.60%
Spirits and wine	€27 million	10.80%	€2,398 million	5.90%

Source: EU’s Intellectual Property Office (EUIPO)



# THE SLOVAK SPECTATOR

# 10 LARGEST LAW FIRMS

# IN SLOVAKIA 2019

FINANCIAL DATA PROVIDER

GENERAL PARTNER

CONTENT ADVISOR



## 10 LARGEST LAW FIRMS IN SLOVAKIA 2019

1. SOUKENÍK - ŠTRPKA
2. Advokátska kancelária RELEVANS
3. RUŽIČKA AND PARTNERS
4. Allen & Overy
5. TaylorWessing e/n/w/c advokáti
6. Barger Prekop
7. White & Case
8. Dentons Europe CS LLP
9. HAVEL & PARTNERS
10. PETERKA & PARTNERS

This ranking of the 10 largest law firms in Slovakia was created based on five factors derived from 2018 data to which we gave different weights: number of attorneys (36% weight); number of law graduates (practising longer than 3 years) besides attorneys (18% weight); number of law graduates (practising less than 3 years) besides attorneys (6% weight); sales revenue (25% weight); average net profit value for 2016-2018 (15% weight). A few law firms decided not to provide information and are not included in this ranking.

### 10 LARGEST LAW FIRMS BY REVENUE\*

1. Allen & Overy
2. Advokátska kancelária RELEVANS
3. White & Case
4. SOUKENÍK - ŠTRPKA
5. Dentons Europe CS LLP
6. Kinstellar
7. RUŽIČKA AND PARTNERS
8. Valko Marián & partners
9. Barger Prekop
10. Adv. kanc. ECKER - KÁN & PARTNERS

\* sales revenue in 2018 (based on data from FinStat s.r.o.)  
Note: Only companies with more than 10 lawyers are listed. If this criterion did not apply, also BADUCCI Legal law firm would make it to the ranking.

### 10 LARGEST LAW FIRMS BY NUMBER OF ATTORNEYS\*

1. RUŽIČKA AND PARTNERS	27.83
2. SOUKENÍK - ŠTRPKA	24.92
3. Advokátska kancelária RELEVANS	20.5
4. PETERKA & PARTNERS	13.83
5. Allen & Overy	13.75
6. Škubla & Partneri	13.42
7. HAVEL & PARTNERS	13.08
8. G. Lehnert	12.5
9. Barger Prekop	11.5
10. TaylorWessing e/n/w/c advokáti	11.17

\* average number of attorneys in 2018

### 10 LARGEST LAW FIRMS BY PROFIT\*

1. Advokátska kancelária RELEVANS
2. Allen & Overy Bratislava
3. SOUKENÍK - ŠTRPKA
4. White & Case
5. Adv. kanc. ECKER - KÁN & PARTNERS
6. Hillbridges
7. Barger Prekop
8. TaylorWessing e/n/w/c advokáti
9. PETERKA & PARTNERS
10. LawService

\* net profit in 2018 (based on data from FinStat s.r.o.)  
Note: Only companies with more than 10 lawyers are listed. If this criterion was not applied, these companies would also make it into the ranking: AK JUDr. Radomír Bžán and SELTON legal.

## 10 LARGEST LAW FIRMS

## NUMBER OF LAW GRADUATES

## IN SLOVAKIA 2019

		Number of law graduates	Number of attorneys	Law graduates* besides attorneys (practice > 3 years / practice < 3 years)
1. SOUKENÍK - ŠTRPKA		58.09	24.92	33.17 (19.83 / 13.33)
2. Advokátska kancelária RELEVANS		38.92	20.5	18.42 (14.17 / 4.25)
3. RUŽIČKA AND PARTNERS		35.08	27.83	7.25 (4.75 / 2.5)
4. TaylorWessing e/n/w/c advokáti		23.17	11.17	12 (10.92 / 1.08)
5. HAVEL & PARTNERS		22.41	13.08	9.33 (7.33 / 2)
6. Allen & Overy		21.25	13.75	7.5 (3.5 / 4)
7. Škubla & Partneri		21.09	13.42	7.67 (0.83 / 6.83)
8. PETERKA & PARTNERS		20.58	13.83	6.75 (5.58 / 1.17)
9. Hamala Kluch Víglaský		20.5	10	10.5 (8 / 2.5)
10. Paul Q		19.84	9.67	10.17 (6.08 / 4.08)

\* average number of full-time law graduates in 2018 (including law graduates who cooperate with a firm on a daily basis with an exclusive contract)

## THE SLOVAK SPECTATOR

# 10 LARGEST LAW FIRMS IN SLOVAKIA 2019



THE SLOVAK

SPECTATOR

10

LARGEST

INTERNATIONAL

LAW FIRMS

IN SLOVAKIA

2019

10 LARGEST INTERNATIONAL LAW FIRMS IN SLOVAKIA 2019	
An international law firm has at least two of its own offices outside the V4 region territory (Slovakia, Czechia, Poland and Hungary)	
1. Allen & Overy	
2. TaylorWessing e/n/w/c advokáti	
3. PETERKA & PARTNERS	
4. Dentons Europe CS LLP	
5. White & Case	
6. Kinstellar	
7. bnt attorneys-at-law	
8. Noerr	
9. Ernst & Young Law	
10. Deloitte Legal	
This ranking of the 10 largest international law firms in Slovakia was created based on five factors derived from 2018 data to which we gave different weights: number of attorneys (36% weight); number of law graduates (practising longer than 3 years) besides attorneys (18% weight); number of law graduates (practising less than 3 years) besides attorneys (6% weight); sales revenue (25% weight); average net profit value for 2016-2018 (15% weight). A few law firms decided not to provide information and are not included in this ranking.	

10 LARGEST INTERNATIONAL LAW FIRMS BY REVENUE*
1. Allen & Overy
2. White & Case
3. Dentons Europe CS LLP
4. Kinstellar
5. TaylorWessing e/n/w/c advokáti
6. Squire Patton Boggs
7. Ernst & Young Law
8. PETERKA & PARTNERS
9. Noerr
10. bnt attorneys-at-law

\* sales revenue in 2018 (based on data from FinStat s.r.o.)

10 LARGEST INTERNATIONAL LAW FIRMS BY NUMBER OF ATTORNEYS*	
1. PETERKA & PARTNERS	13.83
2. Allen & Overy	13.75
3. TaylorWessing e/n/w/c advokáti	11.17
4. bnt attorneys-at-law	11
5. Dentons Europe CS LLP	10.42
6. White & Case	9.67
7. Kinstellar	8.33
8. Noerr	8
9. Ernst & Young Law	7.58
10. Lansky, Ganzger & Partner	7

\* average number of attorneys in 2018

10 LARGEST INTERNATIONAL LAW FIRMS BY PROFIT*
1. Allen & Overy Bratislava
2. White & Case
3. TaylorWessing e/n/w/c advokáti
4. PETERKA & PARTNERS
5. Dentons Europe CS LLP
6. Kinstellar
7. Rödl & Partner Advokáti
8. KPMG Legal
9. bnt attorneys-at-law
10. PricewaterhouseCoopers Legal

\* net profit in 2018 (based on data from FinStat s.r.o.)

10 LARGEST INTERNATIONAL LAW FIRMS		Number of law graduates*	Number of attorneys	Law graduates* besides attorneys (practice > 3 years / practice < 3 years)
NUMBER OF LAW GRADUATES	1. TaylorWessing e/n/w/c advokáti	23.17	11.17	12 (10.92 / 1.08)
	2. Allen & Overy	21.25	13.75	7.5 (3.5 / 4)
	3. PETERKA & PARTNERS	20.58	13.83	6.75 (5.58 / 1.17)
	4. Dentons Europe CS LLP	17.84	10.42	7.42 (3.92 / 3.5)
	5. Kinstellar	15.25	8.33	6.92 (4.5 / 2.42)
	6. bnt attorneys-at-law	15	11	4 (2 / 2)
	7. Deloitte Legal	15	6	9 (5 / 4)
IN SLOVAKIA 2019	8. White & Case	14.84	9.67	5.17 (3 / 2.17)
	9. Ernst & Young Law	12.08	7.58	4.5 (2.75 / 1.75)
	10. Noerr	12	8	4 (4 / 0)

\* average number of full-time law graduates in 2018 (including law graduates who cooperate with a firm on a daily basis with an exclusive contract)

THE SLOVAK

SPECTATOR

10

LARGEST

LOCAL

LAW FIRMS

2019

10 LARGEST LOCAL LAW FIRMS 2019	
A local law firm has offices mostly within the V4 region territory (Slovakia, Czechia, Poland and Hungary)	
1. SOUKENÍK – ŠTRPKA	
2. Advokátska kancelária RELEVANS	
3. RUŽIČKA AND PARTNERS	
4. Barger Prekop	
5. HAVEL & PARTNERS	
6. Škubla & Partneri	
7. Hamala Kluch Víglaský	
8. Valko Marián & partners	
9. Hillbridges	
10. Paul Q	
This ranking of the 10 largest local law firms was created based on five factors derived from 2018 data to which we gave different weights: number of attorneys (36% weight); number of law graduates (practising longer than 3 years) besides attorneys (18% weight); number of law graduates (practising less than 3 years) besides attorneys (6% weight); sales revenue (25% weight); average net profit value for 2016-2018 (15% weight). A few law firms decided not to provide information and are not included in this ranking.	

10 LARGEST LOCAL LAW FIRMS BY REVENUE*
1. Advokátska kancelária RELEVANS
2. SOUKENÍK – ŠTRPKA
3. RUŽIČKA AND PARTNERS
4. Valko Marián & partners
5. Barger Prekop
6. Adv. kanc. ECKER - KÁN & PARTNERS
7. HAVEL & PARTNERS
8. Škubla & Partneri
9. Hillbridges
10. Malata, Pružinský, Hegeduš & Partners

\* sales revenue in 2018 (based on data from FinStat s.r.o.)  
Note: Only companies with more than 10 lawyers are listed. If this criterion did not apply, also BADUCCI Legal law firm would make it to the ranking.

10 LARGEST LOCAL LAW FIRMS BY NUMBER OF ATTORNEYS*	
1. RUŽIČKA AND PARTNERS	27.83
2. SOUKENÍK – ŠTRPKA	24.92
3. Advokátska kancelária RELEVANS	20.5
4. Škubla & Partneri	13.42
5. HAVEL & PARTNERS	13.08
6. G. Lehnert	12.5
7. Barger Prekop	11.5
8. Hamala Kluch Víglaský	10
9. ČECHOVÁ & PARTNERS	9.75
10. Paul Q	9.67

\* average number of attorneys in 2018

10 LARGEST LOCAL LAW FIRMS BY PROFIT*
1. Advokátska kancelária RELEVANS
2. SOUKENÍK – ŠTRPKA
3. Adv. kanc. ECKER - KÁN & PARTNERS
4. Hillbridges
5. Barger Prekop
6. LawService
7. Valko Marián & partners
8. ČECHOVÁ & PARTNERS
9. Advokátska kancelária Bugala - Ďurček
10. Bartošik Šváby

\* net profit in 2018 (based on data from FinStat s.r.o.)  
Note: Only companies with more than 10 lawyers are listed. If this criterion was not applied, these companies would also make it into the ranking: AK JUDr. Radomír Bžán, BADUCCI Legal, METIS Legal and SELTON legal.

10 LARGEST LOCAL LAW FIRMS		Number of law graduates*	Number of attorneys	Law graduates* besides attorneys (practice > 3 years / practice < 3 years)
NUMBER OF LAW GRADUATES	1. SOUKENÍK – ŠTRPKA	58.09	24.92	33.17 (19.83 / 13.33)
	2. Advokátska kancelária RELEVANS	38.92	20.5	18.42 (14.17 / 4.25)
	3. RUŽIČKA AND PARTNERS	35.08	27.83	7.25 (4.75 / 2.5)
	4. HAVEL & PARTNERS	22.41	13.08	9.33 (7.33 / 2)
	5. Škubla & Partneri	21.09	13.42	7.67 (0.83 / 6.83)
	6. Hamala Kluch Víglaský	20.5	10	10.5 (8 / 2.5)
	7. Paul Q	19.84	9.67	10.17 (6.08 / 4.08)
2019	8. Barger Prekop	19.67	11.5	8.17 (4 / 4.17)
	9. HMG LEGAL	17.67	5.67	12 (8 / 4)
	10. Malata, Pružinský, Hegeduš & Partners	16.33	8.83	7.5 (4.92 / 2.58)

\* average number of full-time law graduates in 2018 (including law graduates who cooperate with a firm on a daily basis with an exclusive contract)



# Top lawyer: Some opportunities only come during revolutionary times

After the fall of the totalitarian regime, attorneys were used to taking care of all kinds of legal issues. Specialisation was unheard of and undesirable, yet David Soukeník and his partner Peter Štrpka decided it was the methodology they wanted to pursue.

One of the two founding partners of the Soukeník – Štrpka law firm that regularly places among the largest in Slovakia looks back at how the legal profession developed in Slovakia, along with the current pains of the judiciary.

**TSS: Slovakia now marks 30 years since the fall of the totalitarian regime. How has your profession changed since then?**

**David Soukeník:** I graduated from university in 1999, but I have been aware of the significant changes the Velvet Revolution brought. As for our profession, after the revolution the professional chambers were founded, first the Slovak Bar Association followed by the chamber of commercial lawyers, which later merged with the Slovak Bar Association. The break-up of Czechoslovakia was another significant milestone, after which many laws and institutions were made specifically for Slovakia, different from the Czechoslovak ones. A quarter century later, there is already a significant difference between Slovakia and Czechia in this respect. This opened the door to the foundation of new local offices.

**TSS: Let's look at the development in Slovakia. You started your studies in Bratislava in 1993.**

**DS:** As a student I started working in a law firm, owned by a married couple who were judges-turned-attorneys. Back then, the legal profession was still only being formed. Former prosecutors, judges, and company lawyers were the ones who went into the business. The standard was one, at most two attorneys working in a small office. They needed to handle everything, including penal law, civil law, and commercial law. Offices had a junior associate, a clerk and maybe a student. With Peter Štrpka we decided to provide legal services differently. We wanted to have a one-stop-shop company that would provide all kinds of legal services to our clients. We understood that if we wanted to provide a quality service, we had to specialise. We were therefore forced to recruit other lawyers at that time. Hence, we excluded penal law from our services, which was unheard of and unthinkable for old-fashioned attorneys. We focused on businesses and also serviced clients in the regions. We knew we did not have a history like the big global law firms, but we did not want to be a small two-person law firm limited to Bratislava. In a way we narrowed our world down to Slovakia, but we wanted to cater to all of Slovakia with our legal services.

**TSS: The 2018 murder of a journalist in Slovakia triggered a process that has resulted in disturbing revelations about the Slovak justice system, including corruption at courts. How does this influence people's decision to go into legal professions? Do you feel worsened moods among people towards lawyers?**

**DS:** Definitely. This concerns all the legal professions. A vast majority of top politicians are or were lawyers. Lawyers have been seen negatively for a long time, sometimes due to envy, but oftentimes lawyers themselves are the ones to be blamed for it. On the other hand, a smart young person needs to see these drawbacks as opportunities. When things don't work well, it means there is room for those who go into that profession to do it better. That may have been the motivation for me and Peter to go into law. However, I understand the negative attitudes towards lawyers might be off-putting. As I already mentioned, big law firms, where newcomers need to put their egos behind them and become part of a colossus, are becoming the trend. In a way we were lucky with the timing of the start of our career. Admittedly, if things worked here for all those decades before 1989 like they did in western Europe, my generation wouldn't have so many opportunities like we had. Some opportunities only come during revolutionary times.

**TSS: Isn't the Slovak justice system going through revolutionary times once again, with all the misconduct surfacing at once?**

**DS:** At the moment we cannot say how the situation will evolve. But there are signs that cleansing is possible. It's quite frustrating when people say that the whole judicial system is bad. I believe the suspicions concern a low percentage of all judges (most judges are decent and professionally competent). But the judges that were implicated damaged the reputation of their

whole profession. I'm glad judges at courts have reacted now, saying that the judiciary needs to deal with its black sheep. It is a start. Courts and the judicial profession are subject to self-governing, and they need to manage the cleansing process on their own terms.

Former president Andrej Kiska refused to prolong the pension age of judges, which I believe to be a good thing. The judiciary needs young blood, the generation of young yet sufficiently experienced people who can translate new trends into the justice system. Courts need to be chaired by people who can handle the excesses of individuals.

**TSS: That's your generation of lawyers. Do you see the motivation, the drive among your colleagues to go into the judiciary, even under the current circumstances?**

**DS:** Judge is a prestigious profession, albeit its reputation is somewhat shaken at the moment. People who have the ambition to climb to the top consider judge to be the most prestigious among legal professions. It is often the case in western countries that attorneys who have reached all of their career goals want to become judges. The trend is also apparent here; just look at the selection of candidates for the Constitutional Court. Attorneys were among the candidates and some of them were successful. The judicial system is quite closed, though. Selection procedures are open only when a judge retires or leaves for some other reasons. Many lawyers still apply for these few vacancies, despite the things that have happened.



Source: Courtesy of Soukeník Štrpka, s.r.o.

**TSS: What happened is that some judges have apparently been involved with what we can call the mafia. Was it the system that went wrong, was it set up incorrectly from the start, or were they just individual failures?**

**DS:** There are two levels: the independence of judges with regard to their communication with attorneys, and outright bribery. The latter – issuing rulings for bribes – is a crime that falls on the heads of the individuals who have engaged in it. If there was a better way to control the decision-making of judges, it would be easier to identify, and it would appear continually, not only when huge scandals surface like now. We have made a lot of progress concerning the publishing of court rulings, but there are still gaps in the

**TSS: What are the main concerns the foreign businesses operating or wishing to operate in Slovakia voice when they approach your firm to assist with their business?**

**DS:** They worry about the poor enforceability of the law and the unpredictability of rulings. It might not affect their business in general, but once they are involved in a lawsuit, suddenly trouble may arise. As lawyers, we prefer to get a ruling that we are unsatisfied with but know is consistent. The worst thing is when you have to tell your client: I have no idea how this is going to end. What is more, different courts have different opinions on some legal issues. A court in Prešov might rule differently than a court in Banská Bystrica on the same issue. Judges should unify their legal opinions around the country. That, of course, is the Supreme Court's job, but some issues cannot be appealed at the Supreme Court. It might be things that are not even legally complicated, like a distraintment case that some courts allow, whereas others based on the same legal titles don't.

**TSS: Procrastination in courts was one thing that was often mentioned by foreign businesses as a problem. Have things improved in this area over the years?**

**DS:** The new Civil Litigation Procedure Code that has been effective since 2016 still has some flaws and requires a more comprehensive amendment. However, the fact is that the speed of court proceedings initiated after 2016 has increased. Courts are rather burdened by the long-delayed suits instituted before 2016. We, too, have lawsuits that are 10 years old, and the judges are not really motivated to deal with them.

By Michaela Terenzani



# Top deals of law firms in Slovakia

Last year, several small companies, which provide services to tens of thousands of customers every day, changed owners. The transactions belonged among the top deals of the largest law firms in Slovakia. This included the sale of the Sygic technological company, another ownership change of the Skylink satellite services provider, and a new investor entering the Hopin transport app. There was also the conclusion of a merger of two insurance companies, NN and Aegon.

This stems from the list of the 50 largest or most important transactions overseen by the largest law firms in Slovakia, which provided their data to The Slovak Spectator for the fourth consecutive year. Every year, the list is dominated by transaction advisory services in mergers and acquisitions (joining and purchasing or sale of companies).

This time around, mainly the sales and purchases of technology companies are at stake. Lawyers are more often frequently boasting their references in the finance area – that is, the advisory services they provide to banks to arrange large loans or to debtors to refinance loans or issue bonds.

## Sale of Markíza and Skylink

Following more than two years of speculations, the sale of the Central European Media Enterprises (CME) multimedia company was concluded this year. The company operates on the television market in Bulgaria, Czechia, Romania, Slovenia, and Slovakia, where it owns the Markíza programme group.

A major package of CME shares was bought by the PPF Czech group tycoon Petr Kellner, the richest Czech and the 73<sup>rd</sup> richest person in the world according to Forbes, estimated to be worth USD15.6 billion. In Slovakia, PPF owns the O2



Source: SME

telecom operator and the Home Credit financial company.

Kellner's group was represented by the White & Case attorneys in the transaction, the seventh largest according to this year's ranking of largest law firms (see pg 33). The transaction is estimated at €2.1 billion and is expected to be wrapped up next year, after the respective regulatory offices approve it.

The Kinstellar law firm, the sixth largest in revenues, assisted in the purchase of the M7 Group, one of the largest operators of paid satellite television in Europe. The French media group Canal+ bought it for an estimated €1 billion, and the transaction has been approved by the European Commission.

Earlier this year, the M7 Group bought the freeSAT satellite platform. Canal+ will also gain control of Skylink and freeSAT through the purchase. The three services are estimated to have 3 million subscribers altogether. In Slovakia, Skylink has a traditionally strong position, with some half a million subscribers. Another 75,000 households are subscribed to freeSAT.

## Conflicts with Telecom over too costly internet

Telecommunications are also involved in the reference Ružička

and Partners provided.

"We represented Slovak Telekom in court disputes on compensation for damages cumulatively amounting to €140 million, initiated by alternative operators," the lawyers wrote.

They failed to specify the details, but it is probably about the disputes that alternative operators initiated after the European Commission fined Slovak Telekom for abusive behaviour on the Slovak market, linked to setting the prices for access to its local loops for broadband internet.

## Sygic, Hopin and SK-NIC

The sale of the Sygic technology company was assisted by the fourth largest law firm in the ranking, Allen & Overy. This transaction hasn't been officially published, but the Trend weekly reported on it in August based on its own findings.

The new majority owner of Sygic is the Eurowag company, specialising in fuel cards and tolls around Europe. It provides services to 11,000 clients and 250,000 drivers every day. Eurowag gained a 70-percent share in Sygic. The value of the transaction remained undisclosed, but Trend estimated it at a minimum of €50 million.

Sygic is a successful Slovak

company that has been developing an eponymous navigation app for 15 years now. About 200 million users have the app installed in their phones worldwide.

The top 50 deals include the entry of a new investor in another successful Slovak tech company.

The TaylorWessing law firm, the fifth largest in the ranking, advised "a central-European private equity investor on purchasing shares of the Slovak provider of the most popular transport app". The lawyers failed to specify the details, but the publicly available information points to a sale of a minority share in the Hopin app.

It is a ride-hailing app operating mainly in Bratislava, Košice, Prague and Lviv, with about 120,000 rides per month. Investors hope that it has a future in, for instance, food delivery.

The Eterus Capital fund, which the Slovak government and the Wood & Company private firm use to invest into promising projects, bought a 40-percent share in Hopin. The value of the transaction has been neither published nor estimated.

TaylorWessing assisted in the purchase of the SK-NIC company, the administrator of the national internet domain .sk, by the British group CentralNic.

## Monitoring of vehicles

An acquisition that used the advisory services of the Havel & Partneri law firm is also related to IT. The Slovak company PosAm, part of the Deutsche Telekom group, bought a 100-percent share in the Commander Services company, which specialises in the online monitoring of vehicles with the aim of cutting down on fuel and service expenses, and improving the management of a vehicle park.

The technology is used in the capital, for instance, to monitor the mechanisms of winter road maintenance, and during the winter season this monitoring is available online to the public. The value of the transaction has not been published or estimated.

Technologies are also central to an acquisition in the automotive industry. Havel & Partneri advised in increasing the share of the Portuguese company Sodecia Au-

tomotive in the company Matador Automotive Vráble, from 30 to 60 percent. The value of the transaction is unknown. It is a significant investment, because Matador, besides production, focuses on the research and development of new robots and production tools.

## Bonds with negative interest rates

The ranking of top 50 deals repeatedly sees several financial operations. The White & Case law firm represented the managers of the emission of covered bonds of Prima Banka with a cumulative value of €500 million (the programme authorises the bank to issue further emissions up to €1.5 billion).

This emission was extraordinary for the market, because the bank was the first one in Slovakia to sell it with a negative interest rate of -0.096 percent, with maturity in 2026. That means investors pay Prima Banka for lending it their money, unlike the

standard practice when the debtor pays the creditor for the borrowed money.

The Allen & Overy law firm helped the bank set the programme of covered bonds emission amounting to €1.5 billion, which included the €500-million emission with negative interest rates.

Significant financial transactions have been overseen by the Dentons law firm, which ranks eighth among the largest law firms. It advised the HB Reavis developer about financing the construction of the new Stanica Nivy bus terminal worth €175 million. In another case, Dentons advised a consortium of banks led by Erste in Austria in financing the purchase of the Twin City Tower office building in central Bratislava. The transaction was worth €120 million. The tower was bought by the companies AIP Asset Management and The Valesco Group, advised by the Kinstellar law

firm. The HB Reavis developer that built Twin City was the seller.

The Soukeník – Štrpka law firm also advised a syndicate of banks on gaining a significant loan. They failed to specify the details of the project, but the loan amount is extraordinary – €355 million.

## Financing and construction of Sky Park

The Škubla & Partneri law firm, representing the Penta financial group and its portfolio companies, represented the debtor in financing the construction of the Sky Park residential tower in central Bratislava. The transaction was worth €110 million.

Škubla & Partneri also advised Sky Park – the construction permit process and the subsequent division of the Sky Park company Penta Real Estate is using to shelter the project.

See page 85

# SAFE JOURNEY THROUGH THE TIMES OF UNCERTAINTY

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DETVAI LUDIK MALÝ UDVAROS







	Deal 1					Deal 2					Deal 3					Deal 4					Deal 5				
Company (listed alphabetically) www																									
Názov (v abecednom poradi) www	Buy side	Selling side	Government	Creditor/Borrower	Other	Buy side	Selling side	Government	Creditor/Borrower	Other	Buy side	Selling side	Government	Creditor/Borrower	Other	Buy side	Selling side	Government	Creditor/Borrower	Other	Buy side	Selling side	Government	Creditor/Borrower	Other
Advokátska kancelária RELEVANS s.r.o.	●									●						●									●
www.relevans.sk	Legal advisory to buyer in relation to the purchase of three shopping centres in Spain (app.€500 mil.).					Legal advisory in creation of joint enterprise of shareholders of Benestra and SWAN, which created the 4th biggest operator in Slovakia.					Representing MCH in a dispute over damages of > €50 mil. due to profit payment restrictions to shareholders of a private health insurance company.					Representing a bank in its €166 mil. receivable in insolvency proceeding.					Legal advisory to Slovak real estate developer in relation to creation of Eurovea City in Bratislava.				
Allen & Overy Bratislava, s.r.o.					●					●					●						●				
www.allenoverly.com	Advising Slovenské elektrárne on the extension and renegotiation of their loan portfolio of €2.9 bn.					Issuer and arranger for Prima banka Slovensko on the establishment of €1.5 bn covered bonds issuance programme.					Assisting Aegon on its €155 mil. disposal of insurance businesses in the Czech Republic, and insurance and pension savings business for NN Group (SK).					Advising W.A.G. payment solutions, a.s. (CZ) on acquisition of a majority interest in Sygic, a.s. leading provider of mobile-app-based navigation.					Global co-ordinators on the up to €3.025 bn leveraged acquisition financing of the PPF Group's acquisition of the CEE/SEE business of Telenor.				
Dentons Europe CS LLP, organizačná zložka				●		●									●								●		
www.dentons.com	Advising HB Reavis on €175 mil. financing of project STANICA NIVY, a supra-regional shopping mall and a bus station of international significance.					Advising Tatra Asset Management on acquisition of KLM companies that hold retail boxes in 9 localities - one of the largest 2018 retail transactions.					Representing pro bono the parents of the murdered investigative journalist Ján Kuciak in criminal proceedings.					Representing the largest private TV company Markiza in criminal proceedings concerning forgery of promissory notes amounting to €68 mil.					Advising a syndicate of banks led by Erste Bank on financing of the acquisition of the office property Twin City Tower (€120 mil.) in Bratislava.				
HAVEL & PARTNERS s.r.o., advokátska kancelária	●					●					●					●					●				
www.havelpartners.sk	Acquisition of MATADOR Automotive Vráble, a.s. and its subsidiary MATADOR Automotive Rus LLC by SODECIA Automotive.					Legal advice to the investor, Credo Stage II L.P., in connection with an investment in SENSONEO.					Legal advice to the investors, Credo Stage II L.P. and Digital East Fund 2013 SCA SICAR, in connection with an investment in Photoneo.					Legal advice to the buyer on the acquisition of a 100% business share in Commander Services by PosAm, which is a subsidiary of Slovak Telekom.					Advising Panattoni, a major international developer of industrial and logistics facilities, on the construction of industrial buildings.				
Kinstellar, s.r.o.	●					●					●					●					●				
www.kinstellar.com	Advising CANAL+ Group on its acquisition of M7 Group, one of the largest independent pay-TV operators in Europe.					Advising AIP Asset Management and The Valesco Group on the €120 mil. acquisition of the newly developed Twin City Tower from HB Reavis.					Advising Nationale-Nederlanden on the acquisition of Aegon's life insurance and pension businesses in Slovakia and the Czech Republic.					Advising Inteva Products on the acquisition of PPC Investments, which owns and operates a CCGT power plant in Bratislava.					Advising Veolia Energia Slovensko on the acquisition of PPC Investments, which owns and operates a CCGT power plant in Bratislava.				
RUŽIČKA AND PARTNERS s. r. o.			●							●					●										●
www.r-p.sk	Advising Ministry of Health on the develop. and reconstruct. of hospitals in Rázsochy (€250 mil.) and Ružinov (€80 mil.) and related lawsuits (€50mil.).					Advising MOL in voluntary share offer and squeeze out proceedings, incl. representing the client towards involved parties. The first squeeze out in SR. (€110 mil.).					Advised ŽSR on the procurement of two intermodal terminals in Lužianky (€40 mil.) and Žilina (€72mil.) and a rail link modernisation project (€300mil.).					Supporting Slovak Telekom in three follow-up damages lawsuits in the aggregate value of approx. €140 mil., initiated by alternative operators.					Advising Prologis, the global leader in industrial logistics real estate, in connection to several developments in Slovakia.				
Škubla & Partneri s. r. o.					●					●					●										●
www.skubla.sk	Complex one stop-shop legal services on the construction of Sky Park, an exceptional residential and administrative project designed by Zaha Hadid.					Legal advice on the financing of one of the largest residential projects in Slovakia - Sky Park Residences (€110 mil.).					Providing comprehensive legal advice on the corporate split of the company SKY PARK s.r.o. with regard to a planned division of the project itself.					Advised on the sale of the BCT2 office complex in Košice, eastern Slovakia to Austria's European City Estates.					Complex legal advice to client in an unprecedented court dispute concerning an unconstitutional prohibition of profit of health insurance companies.				
SOUKENÍK – ŠTRPKA, s. r. o.	●		●		●					●					●										●
www.akss.sk	Advice for Národná diaľničná spoločnosť, a.s. (Ministry of Transport and Construction) in relation to D4/R7 Project (€1.7 bn).					Advising on the application process for a syndicated loan amounting to €355 mil.					Advising in the arbitration initiated by Zero Bypass Limited (D4/R7 constructor) against the Slovak Republic.					Representing a chain store client in the so-called Million-fine proceedings.					Legal advice on the notice of concentration (€360 mil.).				
TaylorWessing e/n/w/c advokáti s. r. o.					●		●				●					●									●
www.taylorwessing.com	Representing a leading CEE real estate developer who filed several EU trade mark applications for its co-working subsidiary in opposition proceeding.					Advising the shareholders of the biggest Slovak domain name registrar on the sale of the shares to a strategic investor.					Advising a CEE private equity investor on its acquisition of a substantial stake in a Slovak provider of a popular transport mobile application.					Advising a local real estate fund in two retail object acquisitions in Košice (size 9.500m² and 12.000m²).					Representing a leading textile retailer with a major logistic hub in Slovakia in collective bargaining with the trade unions.				
White & Case s.r.o.	●									●					●						●				
www.whitecase.com	Advised Nepi Rockcastle, a leading real estate player in Central and Eastern Europe, on its acquisition of the Galéria Mlyny shopping mall.					Advising NFS, a.s. and Tehelné, a.s. in connection with the development and financing of the National Football Stadium in Bratislava.					Advised Joint Lead Managers on the inaugural issuance of €500 mil., 0.01% covered (mortgage) bonds by Prima banka Slovensko, a.s. due in 2026.					Advising PPF with its USD2.1 bn acquisition of CME, which owns TV companies in five CEE countries.					Advised Allianz-Slovenská poisťovňa, a.s., a leading insurance company in Slovakia, on its acquisition of the Slovak branch of D.A.S. Rechtsschutz AG.				

	Deal 1					Deal 2					Deal 3					Deal 4					Deal 5				
Company (listed alphabetically) www																									
Názov (v abecednom poradi) www	Buy side	Selling side	Government	Creditor/Borrower	Other	Buy side	Selling side	Government	Creditor/Borrower	Other	Buy side	Selling side	Government	Creditor/Borrower	Other	Buy side	Selling side	Government	Creditor/Borrower	Other	Buy side	Selling side	Government	Creditor/Borrower	Other
Advokátska kancelária RELEVANS s.r.o.	●					●									●						●				●
www.relevans.sk	Legal advisory to seller related to the sale of majority package of shares in EPH (app. €3 bn).					Legal advisory to buyer on the acquisition of the multifunctional property Eurovea in Bratislava (app. €360 mil.).					Representing state cargo companies ZSSK Cargo, Inc. and Railway Company Slovakia, Inc., as defendants in a dispute for compensation of damages of more than €82 mil.					Representation of Mr. Grund and Mr. Hruby in "Carlton case" (34 legal proceedings, accumulative value of three main disputes is over €200 mil.).					Representation of defendants in a dispute concerning invalidity of legal acts with a total value of more than €584 mil.				
Allen & Overy Bratislava, s.r.o.					●					●					●							●			
www.allenoverly.com	Advising Slovenské elektrárne on the extension and renegotiation of their loan portfolio of €2.9 bn.					Prima banka Slovensko as the issuer and arranger on the establishment of the €1.5 bn covered bonds issuance programme and the inaugural covered bond issuance of €500 mil., (first bond deal by a CEE bank priced with a negative yield).					Advising Slovenské elektrárne on the construction of units 3 and 4 of the Mochovce Nuclear Power Plant.					Advising Infracapital, one of the largest European infrastructure investment funds, on the acquisition of the Slovak utility group GCE.					Advising ENEL on the sale of its 66% stake in Slovenské elektrárne to EPH and creation of a temporary joint venture with EPH.				
Dentons Europe CS LLP, organizačná zložka				●					●					●					●					●	
www.dentons.com	Advising group of Slovak banks led by Tatra banka in relation to a syndicated €250 mil. credit facility for refinancing of the Eurovea multipurpose complex in Bratislava. This was the largest real estate loan on the Slovak market in 2016.					Advises borrowers and sponsors €495 mil. senior leveraged recap dividend credit facility provided by an international consortium of banks, led by UniCredit CR, for our client Dr. Max.					Advises Sanofi across several European jurisdictions on regulatory, competition, contract, employment and GDPR matters for generic division Zentiva business sale (transaction value €1.9 bn).					Advises group of banks led by Tatra banka on €110 mil. financing of the construction of SKY PARK Residence and financing of construction of SKY PARK Offices.					Prepares and negotiates credit documentation in relation to the rescheduling of the loans of a major energy company. Our legal advice included several parallel transactions, as the terms were negotiated with each creditor separately.				
HAVEL & PARTNERS s.r.o., advokátska kancelária	●					●					●					●					●				
www.havelpartners.sk	Advice to the sellers (SLOVINTEGRA and BIATEC GROUP in connection to the sale of energy companies SLOVINTEGRA ENERGY, GasTrading, SI HECU, SI Teplo, and BIATEC ENERGY, forming the Levice Energy Complex unit of VEOLIA Energia Slovensko.					Acquisition of MATADOR Automotive Vráble, a.s. and its subsidiary MATADOR Automotive Rus LLC by SODECIA Automotive.					Comprehensive legal advice for Ahold on its exit from the Slovak market. Ahold has operated 24 stores through the network of Hypernova and Albert stores all over Slovakia.					Legal advice on the acquisition of the Romanian company A&D Pharma Group by Dr. Max from Penta Investments' portfolio. Dr. Max operates pharmacy networks in five European countries.					Advising Železiarne Podbrezová on the acquisition of Transmesa, a major Spanish manufacturer of precision pipes and tubes, through which Železiarne Podbrezová also acquired control over TAP, a Spanish company engaging in the same industry.				
Kinstellar, s.r.o.					●					●					●						●				
www.kinstellar.com	Advising on privatisation of SPP, one of the largest ever transactions in the history of Slovakia, valued at USD2.7 bn.					Advising Cerner Corporation, a leading global supplier of healthcare technologies, on the USD1.3 bn acquisition of Siemens Health Services.					Advising Vinci Concessions and Meridiam Infrastructure on €1.24 bn refinancing of the Slovak Republic's first PPP project, the R1 Expressway, through the issue of bonds listed on the Luxembourg Stock Exchange by the concessionaire, Granvia.					Advising Nidec Corporation on the USD1.08 bn acquisition of the Brazilian compressor business, Embraco, from Whirlpool Corporation.					Advising GIC, Singapore's sovereign wealth fund, on its €2.4 bn acquisition of the European logistics property company P3 Logistic Parks.				
RUŽIČKA AND PARTNERS s. r. o.	●		●						●					●		●					●				
www.r-p.sk	Advised Slovak government on 3 motorway PPP projects (total value over €10 bn). The R1 project was the 1 <sup>st</sup> PPP project that reached financial closure and received the Project Finance Int. Europe Infrastructure Deal Award in 2009.					Advised JESS, a.s. on the development of a new nuclear power plant worth €4.6 bn.					Advised National Motorway Company on the development of an approximately €1 bn electronic toll collection system in Slovakia.					Advised U.S. Steel on the establishment of a joint-venture with the largest Slovak steel producer, VŠZ a.s. Košice, with a share capital of USD130 mil., on privatisation and investment contract negotiations with the Slovak Government.					Advised E.ON Energie AG on the acquisition of 49% of shares in Západoslovenská energetika, a.s. in the process of privatisation.				
Škubla & Partneri s. r. o.					●					●					●						●				
www.skubla.sk	Representing a client in an international arbitration case against the Slovak Republic in connection with investment protection and a damage compensation claim worth over €500 mil. Represents connected national cases and proceedings.					Representing a Slovak financial institution in a case regarding financial derivatives valued at over €100 mil. in court and arbitration proceedings, and connected complex legal counselling for the major shareholder of this institution.					Legal counselling and due diligence, focusing on complete contractual and legal documentation in connection with the acquisition of a Slovak bank (Dexia), incl. legal counselling after the takeover.					Acquisition of Sberbank – leading legal advisor of purchaser in one of the largest acquisitions of 2015. Legal advice incl. competitive bidding, due diligence, SPA negotiation, representation before National Bank and Antitrust Office.					Fully fledged assistance on the acquisition of the leading Slovak media houses Plus 7 dní, Trend and a 45 % stake in media house Petit Press, including subsequent corporate restructuring and merger clearance.				
SOUKENÍK – ŠTRPKA, s. r. o.	●		●		●					●					●										●
www.akss.sk	Advice for Národná diaľničná spoločnosť, a.s. (Ministry of Transport and Construction) in relation to D4/R7 Project (€1.7 bn).					Advised in the final property settlement of Gabčíkovo - Nagymaros Waterworks, including representation in court proceedings for issuing claims, which resulted from the operation of hydraulic structure Gabčíkovo (€2.7 bn in total).					Advising in the arbitration initiated by Zero Bypass Limited (D4/R7 constructor) against the Slovak Republic.					Advising in the application process for a syndicated loan amounting to €355 mil.					Representing client before the Antimonopoly Office of the Slovak Republic in the alleged breach of the competition law (business company operating in retail).				
TaylorWessing e/n/w/c advokáti s. r. o.		●				●									●										●
www.taylorwessing.com	Advised a German world-leading supplier of robot-based automation systems on the sale of its toolmaking division in Slovakia to a German automobile manufacturer and corporate re-organisation after the sale.					Advised a Swiss construction holding on acquisition of the leading manufacturer of windows and doors in CEE and subsequent expansion of the production facility in Slovakia.					Advised a foreign state export bank on its €168 mil. receivable against a Slovak steel mill in an insolvency proceeding.					Advised a Slovak developer on the acquisition of a 40,000 m² brownfield industrial site and development to a residential and multi-function city centre.					Advised a Slovak real estate developer on construction, leasing and management of a major 23,000 m² shopping mall in Slovakia.				
White & Case s.r.o.		●								●					●										●
www.whitecase.com	Representation of the Slovak Ministry of Transport on the €1.7 bn PPP construction of the Bratislava D4 bypass and the R7 expressway.					PSA Peugeot Citroen - €700 mil. greenfield investment in its manufacturing car plant in Trnava.					Represented Barclays, Citigroup, Slovenská sporiteľňa, a.s. and Tatra banka, a.s. as leading bond issue managers of the Slovak Republic's €500 mil. 2.250% notes due in 2068 and €1 bn 1.000% notes due in 2028.					Advising PPF with its USD2.1 bn acquisition of CME, which owns TV companies in five CEE countries. The transaction is subject to approvals of the CME shareholders and respective antitrust authorities.					Represented a group of banks in connection with the financing of the acquisition of Telefonica Czech Republic, a major mobile operator in the Czech Republic and Slovakia, by PPF Group, with total financing amounting to €2.288 bn.				



A local law firm has offices mostly within the V4 region territory (Slovakia, Czech Republic, Poland and Hungary).

Company (Listed alphabetically) Address City, Postal code E-mail  Názov (v abecednom poradí) Adresa Mesto PSČ E-mail	www Phone Fax  www Telefón Fax	Chief executive officer Phone E-mail  Riaditeľ Telefón E-mail	Year of establish. / No. of lawyers (lawyers besides attorneys) in 2019 / Languages Rok založenia / Počet právnikov (počet právnikov bez advokátov) v r. 2019 / Jazyky	No. of attorneys in SR (no. of foreign) in 2019 / No. of attorneys worldwide / No. of branches in SR Poč. advokátov v SR (zahranajní) v r. 2019 / Poč. advokátov vo svet / Poč. pobočiek v SR	Three sectors, in which your law firm has the most clients / In sectors, z ktorých má vaša kancelária najviac klientov	Five areas, which account for the greatest proportion of the law firm's business in 2019 / Päť oblastí, ktoré v agende právnickej firmy mali v roku 2019 najväčší podiel										Other services / Ostatné služby
Establishment	M&A	Litigation & arbitration	Bankruptcy law	Contractual & commercial law	Competition	Intellectual property	Labour law	Public procurement & PPP projects	Administrative law & regulation	Credit relations	Securities & transactions	Other	Environment / Tax / Due diligence Žia, prostredie / Dane / Due diligence	Criminal / Sports / Family law Trestné / Športové / Rodinné právo		
<b>1 Advokátska kancelária MCL, s.r.o.</b>																
 Carlton Savoy & Court-ard Building, Mostová 2 Bratislava - Staré Mesto 811 02 info@akmcl.sk	www.akmcl.sk +421(0)2 4363-8154	+421(0)2 4363-8154 info@akmcl.sk	2015 17 (5) E, G, I,	12 (0) 12 1	real estate, energy, trade											
<b>2 Bartošík Šváby s.r.o.</b>																
Plynárenská 7/A Bratislava - Ružinov 821 09 office@bartosiksvaby.sk	www.bartosiksvaby.sk +421(0)2 5244-2181 +421(0)2 5244-2182	+421(0)2 5244-2181 peter.bartosik@bartosiksvaby.sk boris.svaby@bartosiksvaby.sk	2005 20 (8) E, F, G,	12 (0) -	real estate, banking & finance, industry											
<b>3 ČECHOVÁ &amp; PARTNERS s. r. o.</b>																
 Staromestská 3 Bratislava - Staré Mesto 811 03 office@cechova.sk	www.cechova.sk +421(0)2 5441-4441 +421(0)2 5443-4598	+421(0)2 5441-4441 tomas.rybar@cechova.sk	1990 16 (6) E, F, G, R,	10 (0) 10 1	industry, health care, trade											
<b>4 SOUKENÍK – ŠTRPKA, s. r. o.</b>																
Šoltésovej 14 Bratislava - Staré Mesto 811 08 akss@akss.sk	www.akss.sk +421(0)2 3220-2111 +421(0)2 3220-2110	+421(0)2 3220-2111 partneri@akss.sk	2003 58 (33) E, H, G, Pl,	25 (0) -	real estate, energy, trade											
<b>5 Advokátska kancelária RELEVANS s.r.o.</b>																
Dvořákovo nábrežie 8A Bratislava - Staré Mesto 811 02 office@relevans.sk	www.relevans.sk +421(0)2 5235-4602	+421(0)917 803-736 kadelka@relevans.sk	2011 38 (18) E, F, G, S,	20 (0) 20 2	real estate, banking & finance, trade											
<b>6 Barger Prekop s.r.o.</b>																
Carlton Savoy Courtyard, Mostová 2 Bratislava - Staré Mesto 811 02 info@bargerprekop.com	www.bargerprekop.com +421(0)2 3211-9890 +421(0)2 3211-9899	+421(0)2 3211-9890 abarger@bargerprekop.com rprekop@bargerprekop.com	2010 22 (10) E, F, G, I,	12 (1) 12 1	real estate, energy, industry											
<b>7 Blaňár &amp; Partners s.r.o.</b>																
Gunduličova 4 Bratislava - Staré Mesto 811 05 bpartners@bpartners.sk	www.bpartners.sk +421(0)911 440-039	+421(0)911 440-039 pavol.blanar@bpartners.sk	2010 3 (2) E, R,	1 (0) 1 1	real estate, banking & finance, energy											
<b>8 CLS Čavojský &amp; Partners, s.r.o.</b>																
Zochova 6-8 Bratislava - Staré Mesto 811 03 office@clsckp.sk	www.clsckp.sk +421(0)2 5564-3365 +421(0)2 5564-3361	+421(0)2 5564-3365 cavojsky@clsckp.sk	2006 14 (5) E, Cr, F, G,	9 (0) 9 2	banking & finance, industry, trade											
<b>9 DETVAI LUDIK MALY UDVAROS</b>																
Cukrová 14 Bratislava - Staré Mesto 813 39 dlmu@dlmu.sk	www.dlmu.sk +421(0)2 5292-3628 +421(0)2 5292-6002	+421(0)2 5292-3628 dlmu@dlmu.sk	1993 12 (5) E, F, H, G, R,	7 (0) 7 1	real estate, banking & finance, trade											
<b>10 Hamala Kluch Víglašký s.r.o.</b>																
Poštová 3 Bratislava - Staré Mesto 811 06 office@hkv.sk	www.hkv.sk +421(0)2 5441-0160 +421(0)2 5441-0761	+421(0)2 5441-0160 office@hkv.sk	2006 21 (11) E, F, H, G, R,	10 (0) 10 1	real estate, industry, other											
<b>11 HAVEL &amp; PARTNERS s.r.o., advokátska kancelária</b>																
Centrum Zuckermandel, Žitkova 7803/9 Bratislava - Staré Mesto 811 02 office@havelpartners.sk	www.havelpartners.sk +421(0)2 3211-3900 +421(0)2 3211-3901	+421(0)2 3211-3900 jaroslav.havel@havelpartners.sk	2008 23 (10) E, F, D, H, G, R, Pl, I, S,	13 (5) 150 1	real estate, energy, industry											
<b>12 Hillbridges, s.r.o.</b>																
Sedlárska 1 Bratislava - Staré Mesto 811 01 hillbridges@hillbridges.com	www.hillbridges.com +421(0)2 3219-1111 +421(0)2 3214-4888	+421(0)2 3219-1111 hillbridges@hillbridges.com	2008 12 (5) E, G,	7 (0) -	real estate, energy, industry											
<b>13 Malata, Pružinský, Hegedúš &amp; Partners s. r. o.</b>																
Twin City Tower, Mlynské nivy 10 Bratislava - Ružinov 821 09 office@mph-advocates.com	www.mph-advocates.com +421(0)2 3211-3031	+421(0)2 3211-3042 milan.malata@actlegal-mph.com	2012 18 (8) E,	9 (0) 9 2	banking & finance, IT, energy											
<b>14 Martin Pavle s. r. o.</b>																
Eurovea Central 1, Pribinova 4 Bratislava - Staré Mesto 811 09 office@martinpavle.sk	www.martinpavle.sk +421(0)2 3231-0525	+421(0)2 3231-0525 pavle@martinpavle.sk	2008 6 (3) E,	3 (0) 3 1	real estate, IT, public administration											

A local law firm has offices mostly within the V4 region territory (Slovakia, Czech Republic, Poland and Hungary).

Company (Listed alphabetically) Address City, Postal code E-mail  Názov (v abecednom poradí) Adresa Mesto PSČ E-mail	www Phone Fax  www Telefón Fax	Chief executive officer Phone E-mail  Riaditeľ Telefón E-mail	Year of establish. / No. of lawyers (lawyers besides attorneys) in 2019 / Languages Rok založenia / Počet právnikov (počet právnikov bez advokátov) v r. 2019 / Jazyky	No. of attorneys in SR (no. of foreign) in 2019 / No. of attorneys worldwide / No. of branches in SR Poč. advokátov v SR (zahranajní) v r. 2019 / Poč. advokátov vo svet / Poč. pobočiek v SR	Three sectors, in which your law firm has the most clients / In sectors, z ktorých má vaša kancelária najviac klientov	Establishment	M&A	Litigation & arbitration	Bankruptcy law	Contractual & commercial law	Competition	Intellectual property	Labour law	Public procurement & PPP projects	Administrative law & regulation	Credit relations	Securities & transactions	Other	Environment / Tax / Due diligence Žia, prostredie / Dane / Due diligence	Criminal / Sports / Family law Trestné / Športové / Rodinné právo
<b>15 NOVICKÝ advokátska kancelária s.r.o.</b>																				
Františkánska 5 Košice - Staré Mesto 040 01 jnovicky@aknovicky.cz	www.aknovicky.cz +421(0)55 727-5225 +421(0)55 727-5113	+421(0)907 880-086 jnovicky@aknovicky.cz	2009 3 (1) E, G,	2 (0) 6 1	real estate, banking & finance, trade															
<b>16 Paul Q</b>																				
Karadžičova 2, Twin City, Block A Bratislava - Staré Mesto 811 09 office@paulqlaw.com	www.paulqlaw.com +421(0)2 5828-2828 +421(0)2 5828-2829	+421(0)2 5828-2802 blahusiak@paulqlaw.com	1991 21 (10) E, G,	11 (0) 11 1	real estate, IT, trade															
<b>17 Prosmán a Pavlovič advokátska kancelária s.r.o.</b>																				
Hlavná 31 Trnava 917 01 tomas.pavlovic@ppak.sk, maros.prosman@ppak.sk	www.prosman-pavlovic.sk +421(0)33 533-2388 +421(0)33 533-2389	+421(0)908 116-232 tomas.pavlovic@ppak	2009 20 (13) E, F, H, G, S,	7 (0) 7 4	real estate, trade, transport & logistics															
<b>18 RUŽIČKA AND PARTNERS s. r. o.</b>																				
Vysoká 2/B Bratislava - Staré Mesto 811 06 office-ba@r-p.sk	www.r-p.sk +421(0)2 3233-3444 +421(0)2 3233-3443	+421(0)2 3233-3441 jaroslav.ruizicka@r-p.sk	1992 33 (7) E, H, G, R,	26 (0) 26 1	real estate, industry, public adminis- tration															
<b>19 Škubla &amp; Partneri s. r. o.</b>																				
Digital Park II, Einsteinova 25 Bratislava - Petržalka 851 01 office@skubla.sk	www.skubla.sk +421(0)2 5778-8800 +421(0)2 5778-8055	+421(0)2 5778-8800 office@skubla.sk	2002 21 (10) E, F, G,	11 (0) -	real estate, banking & finance, health care															
<b>20 Valko Marián &amp; partners, s.r.o.</b>																				
Porubského 2 Bratislava - Staré Mesto 811 06 office@mvalko.sk	www.mvalko.sk +421(0)2 3231-3820 +421(0)2 5441-1141	+421(0)2 3231-3820 office@mvalko.sk	1991 11 (4) E, G,	7 (0) 7 1	real estate, banking & finance, trade															



**P**

MARTIN PAVLE  
ADVOKÁTSKA KANCELÁRIA  
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Public Procurement | Office Lease | M&A

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An international law firm has at least two of its own offices outside the V4 region territory (Slovakia, Czech Republic, Poland and Hungary).

Company (Listed alphabetically) Address City, Postal code E-mail  Názov (v abecednom poradí) Adresa Mesto PSČ E-mail	www Phone Fax  www Telefón Fax	Chief executive officer Phone E-mail  Riaditeľ Telefón E-mail	Year of establishment / No. of lawyers (lawyers besides attorneys in 2019) / Languages Rok založenia / Počet právnikov (počet právnikov bez advokátov) v r. 2019 / jazyky	No. of attorneys in SK (no. of foreign) in 2019 / No. of attorneys worldwide / No. of branches in SK / Počet advokátov v SK (zahranajných) v r. 2019 / počet advokátov zo zahraničia / Počet pobočiek v SK	Three sectors, in which your law firm has the most clients / Tri sektory, z ktorých má vaša kancelária najviac klientov	Five areas, which account for the greatest proportion of the law firm's business in 2019 / Päť oblastí, ktoré v agende právnickej firmy mali v roku 2019 najväčší podiel										Other services / Ostatné služby	
Establishment M&A	Litigation & arbitration Bankruptcy law	Contractual & commercial law	Competition	Intellectual property	Labour law	Public procurement & PPP projects	Administrative law & regulation	Credit relations	Securities & transactions	Other	Environment / Tax / Due diligence Za. podnikanie / Dane / Due diligence	Criminal / Sports / Family law Trestné / Športové / Rodinné právo					
1 Allen & Overy Bratislava, s.r.o.			Martin Magál														
Eurovea Central 1, Pribinova 4 Bratislava - Staré Mesto 811 09 info@bank.bratislava@allenover.com	www.allenover.com +421(0)2 5920-2400 +421(0)2 5920-2424	+421(0)2 5920-2400 info@bank.bratislava@allenover.com	1999 25 (11) E, F, H, G, R, PL	14 (2) NA 1	banking & finance, energy, industry									yes no yes	no no no		
2 bnt attorneys-at-law, s.r.o.			Margareta Sovova														
Cimborinska 7 Bratislava - Staré Mesto 811 08 info.sk@bnt.eu	www.bnt.eu +421(0)2 5788-0088 +421(0)2 5788-0089	+421(0)2 5788-0088 margareta.sovova@bnt.eu	2004 15 (4) E, G, R	11 (1) 100 1	real estate, industry, health care									yes yes yes	yes no yes		
3 bpv Braun Partners s.r.o., o.z.			Igor Augustinič														
Europeum BC, Suché mýto 1 Bratislava - Staré Mesto 811 03 bratislava@bpv-bp.com	www.bpv-bp.com +421(0)2 3388-8880 +421(0)2 2091-0844	+421(0)2 3388-8880 igor.augustinic@bpv-bp.com	2009 10 (3) E, H, G, I	7 (2) 140 1	real estate, banking & finance, industry									yes no yes	no yes no		
4 Deloitte Legal s. r. o., advokátska kancelária			Dagmar Yoder														
Digital Park II, Einsteinova 23 Bratislava - Petržalka 851 01 deloitteSK@deloitteCE.com	www.deloitte.com/sk +421(0)2 5824-9111	+421(0)2 5824-9111 dyoder@deloitteCE.com	2010 17 (10) E, K, G	7 (3) NA 3	real estate, banking & finance, industry									yes yes yes	no yes yes		
5 Dentons Europe CS LLP, organizačná zložka			Peter Kubina														
Štefánikova 15 Bratislava - Staré Mesto 811 05 bratislava@dentons.com	www.dentons.com +421(0)2 2066-0111 +421(0)2 2066-0999	+421(0)2 2066-0223 peter.kubina@dentons.com	1996 24 (7) E, F, H, G, R, PL, S	17 (1) NA 1	real estate, banking & finance, health care									yes no yes	yes no no		
6 Ernst & Young Law s. r. o.			Róbert Kováčik														
Žitkova 9 Bratislava - Staré Mesto 811 02 ey@sk.ey.com	www.ey.com/sk/en/services/tax/law +421(0)2 3333-9111	+421(0)2 3333-9111 robert.kovacik@sk.ey.com	2015 14 (8) E, G	6 (0) 1,400 1	real estate, IT, industry									no yes yes	no no no		
7 Kinstellar, s.r.o.			Patrik Bolf														
Hviezdoslavovo nám. 13 Bratislava - Staré Mesto 811 02 bratislavareception@kinstellar.com	www.kinstellar.com +421(0)2 5929-1111 +421(0)2 5929-1210	+421(0)2 5929-1111 patrik.bolf@kinstellar.com	2000 20 (9) E, F, H, G, R	11 (1) 116 1	real estate, banking & finance, energy									yes yes yes	no no no		
8 KPMG Legal s.r.o.			Marian Dzuroška														
Dvořákovo nábrežie 10 Bratislava - Staré Mesto 811 02 mdzuroska@kpmg.sk	www.kpmg.sk +421(0)2 5998-4111 +421(0)2 5998-4333	+421(0)2 5998-4111 mdzuroska@kpmg.sk	2012 11 (8) E, R	3 (0) - 1	banking & finance, industry, trade									yes yes yes	yes no no		
9 Noerr s.r.o.			Pavol Rak														
Palisády 29/A Bratislava - Staré Mesto 811 06 recepacia@noerr.com	www.noerr.com +421(0)2 5910-1010 +421(0)2 5910-1011	+421(0)2 5910-1010 pavol.rak@noerr.com	2004 12 (4) E, G	8 (3) 560 1	real estate, industry, trade									no no yes	no no no		
10 PETERKA & PARTNERS advokátska kancelária s.r.o. organizačná zložka			Lubomír Leško														
Kapitúlská 18/A Bratislava - Staré Mesto 811 01 lesko@peterkapartners.sk	www.peterkapartners.com +421(0)2 5441-8700	+421(0)2 5441-8700 lesko@peterkapartners.sk	2001 24 (8) E, Bul, F, H, G, R, PL, S	16 (2) 150 1	real estate, industry, trade									yes yes yes	no yes no		
11 Rödl & Partner Advokáti, s. r. o.			Maroš Tóth														
Lazaretská 8 Bratislava - Staré Mesto 811 08 ra.bratislava@roedl.sk	www.roedl.com/sk +421(0)2 5720-0444 +421(0)2 5723-3643	+421(0)2 5720-0410 maros.toth@roedl.com	2001 11 (4) E, G, R	7 (0) 7 1	real estate, energy, industry									yes yes yes	no no yes		
12 Squire Patton Boggs s.r.o.			Tatiana Prokopová														
Zochova 5 Bratislava - Staré Mesto 811 03 bratislava@squirepb.com	www.squirepattonboggs.com +421(0)2 5930-3411 +421(0)2 5930-3415	+421(0)2 5930-3411 tatiana.prokopova@squirepb.com	1991 10 (6) E, F, G, R, I	4 (0) 1,500 1	real estate, IT, health care									yes no yes	no yes yes		
13 TaylorWessing e/n/w/c advokáti s. r. o.			Andrej Leontiev														
Panenská 6 Bratislava - Staré Mesto 811 03 bratislava@taylorwessing.com	www.taylorwessing.com +421(0)2 5263-2804 +421(0)2 5263-2677	+421(0)2 5263-2804 a.leontiev@taylorwessing.com	2004 30 (16) E, G	14 (0) 1,100 1	real estate, IT, trade									yes yes yes	no no yes		
14 White & Case s.r.o.			Marek Staroň														
Hlavné námestie 5 Bratislava - Staré Mesto 811 01 bratislava@whitecase.com	www.whitecase.com +421(0)2 5441-5100 +421(0)2 5441-6100	+421(0)2 5441-5100 mstaron@whitecase.com	1997 15 (3) E, F, G, S	12 (0) NA 1	banking & finance, energy, industry									no yes yes	no no no		

NA - not available, Ar-Arabic, Bul-Bulgarian, Cr-Croatian, D-Dutch, E-English, F-French, G-German, H-Hungarian, Chi-Chinese, I-Italian, J-Japanese, K-Korean, N-Norwegian, Pl-Polish, P-Portuguese, R-Russian, Sl-Slovenian, S-Spanish

Compiled by The Slovak Spectator Team



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*Graduate of:* Comenius University in Bratislava  
*Areas of law:* banking and finance, M&A, insurance, real estate, employee shareholding/stock ownership plans

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www.prosman-pavlovic.sk; Tel.: +421(0)908 116-232  
Year of becoming an attorney: 2012  
E-mail: tomas.pavlovic@ppak.sk  
*Graduate of:* Comenius University in Bratislava, Trnava University; *Areas of law:* commercial law, investing, securities, bills of exchange and cheques law, network industries, civil

**PROSMAN ŠPAVLOVIČ**  
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### Jaroslav Ružička

Managing partner  
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www.r-p.sk  
Tel.: +421(0)2 3233-3441  
Year of becoming an attorney: 1992  
E-mail: jaroslav.ruzicka@r-p.sk  
*Graduate of:* Comenius University in Bratislava  
*Areas of law:* real estate, construction, corporate and M&A, infrastructure, PPP

**RUŽIČKA**  
AND PARTNERS



### David Soukeník

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**SOUKENÍK – ŠTRPKA, s. r. o.**  
Šoltéssovej 14, 811 08 Bratislava  
www.akss.sk; Tel.: +421(0)2 3220-2111  
Year of becoming an attorney: 2003  
E-mail: david.soukenik@akss.sk  
*Graduate of:* Comenius University in Bratislava  
*Areas of law:* Development projects; Litigation, arbitration, debt collection; Insolvency law

**SOUKENÍK – ŠTRPKA**



### Peter Štrpka

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Šoltéssovej 14, 811 08 Bratislava  
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**BARTOSIK ŠVABY**



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**BARTOSIK ŠVABY**



# Guidelines for investment support across Slovakia



Source: SME

The year 2018 saw a change to the legislative framework. The new Regional Investment Aid came into force on April 1, 2018 and responded to a transformation of the business environment in Slovakia. Key priorities include support of investments with high added value, research and development, increase of innovation and automation in line with Industry 4.0 technological trends and smart specialisation strategy - RIS3.

**Key changes** in the new legislative framework include:

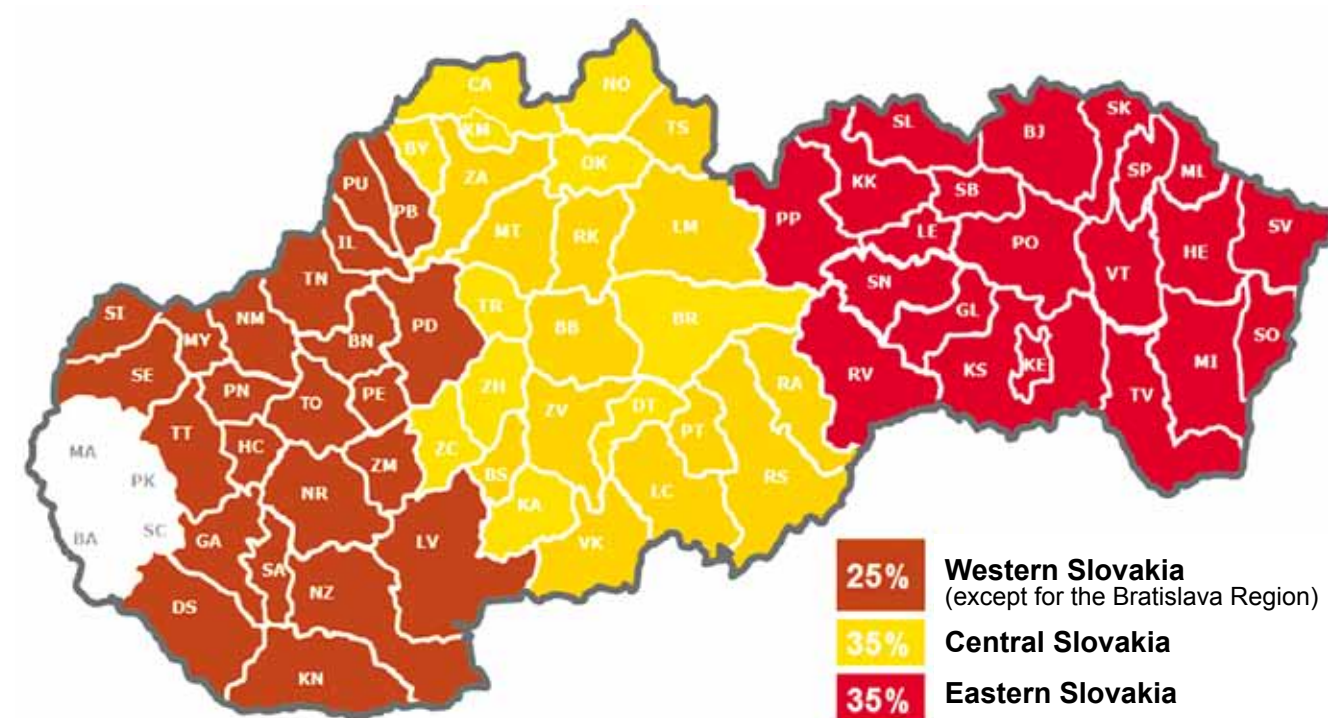
- investment aid can also be provided in the form of a transfer or lease of real estate at a price lower than market value
- the obligation of new job creation in industrial production has been omitted

Investment aid is an important tool that reduces economic disparities across the country with the main aim of promoting the

inflow of investments into less developed Slovak regions and increasing the competitiveness of the economy. Support and encouragement for

new and established investors with the realisation of their investment projects in existing or new operations is another key feature.

## Maximum intensity of investment aid in Slovak regions



- vendor tooling for industrial production is allowed up to 20%
- tax allowance is a preferred form of investment aid.

**Supported areas** continue to include:

- industrial production
- technology centres
- shared service centres

A combination of investment aid for industrial production and technology centres is also possible.

**Forms of investment incentives** include:

- tax allowance (tax holiday)
- subsidy for acquired non-current tangible and intangible assets
- subsidy for newly-created jobs
- transfer or lease of real estate at a price lower than market value.

### Zones

Slovakia is divided into three parts – western, central and eastern – upon which maximum intensity of investment aid granted is dependent. Support can be granted up to 35% of the total amount of eligible project costs, depending on the main location of the investment.

### General conditions

- initial investment is defined as the creation of a new business, expansion of an existing business, diversification of production or radical change in existing production
- eligible project costs are either capital investment costs or wage costs or a combination of both
- the investor cannot start work on an investment project before submitting an investment aid application to the Ministry of Economy.

Depending on the form of

investment aid, the location of the investment project and the character of production, the following specific conditions for supported areas apply:

### Industrial production

- minimum investment of €200,000-40,000,000
- minimum share of new technology in the total eligible capital investment costs 30-60%
- 20-200 created jobs (obligatory if investor wishes to receive subsidy for newly-created jobs)

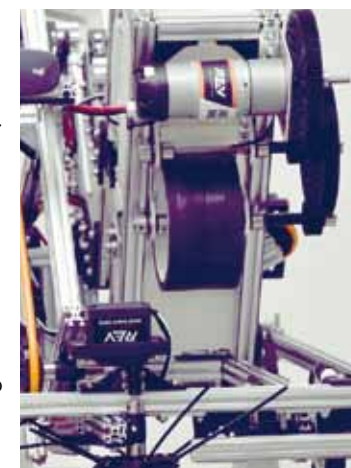
### Technology centres - R&D and innovation

- minimum investment of €100,000-400,000
- 10-20 obligatory newly-created jobs
- min. multiple of the average gross monthly wage (AGMW) paid to employees compared to AGMW for a particular district (1.7-2 multiple)

### Shared service centres

- minimum investment of €200 000
- 20-50 obligatory newly created jobs
- minimum multiple of AGMW paid to employees compared to AGMW for a particular district (1.5-1.8 multiple)

By Lenka Bartoňová  
Senior manager, PwC in Slovakia  
[www.pwc.com/sk](http://www.pwc.com/sk)



Source: TASR

## Full compensation for loss or damage in international carriage of goods by road according to the CMR Convention

A separate sphere of regulation of compensation for loss or damages in international carriage, especially international carriage by road, is well known among the majority of businessmen nowadays. In situations where a carrier causes the loss or damage of goods during international carriage, its responsibility is limited by the provisions of Article 23, section 3. of the CMR Convention.



JUDr. Tomáš Pavlovič

### GENERAL LIABILITY IN INTERNATIONAL CARRIAGE BY ROAD

Limitation of liability of a carrier is therefore a general rule regarding compensation for damage. The rule is that although the carrier is liable for damage in respect to total or partial loss of goods according to the value of the goods at the place and time of their taking over for carriage, such compensation shall not, according to Article 23, section 3 of the CMR Convention, exceed 8.33 SDR<sup>1</sup> per kilogram of gross weight. Should the damage to the consignment exceed the limit stipulated by the CMR Convention, the carrier shall be exempt from the liability to compensate the damage exceeding this limit.

However, the limitation stipulated by the gen-

eral rule in Article 23, section 3 of the CMR Convention is not absolute. Exemptions apply if there is a (i.) special interest in delivery or (ii.) specific fault of the carrier.

### SPECIAL INTEREST IN DELIVERY

Provisions of Article 26 et seq. of CMR Convention enable the injured businessman to claim from the carrier full compensation of damages, but general

rules of liability limitation would otherwise apply. The application of this regulation is conditioned by an agreement of the parties to the carriage contract in which the sender declares the amount of special interest in delivery of the consignment on the CMR document against payment of a surcharge to be agreed upon. In the case of a valid agreement and a fixed amount of special interest, the sender may, independently of the liability limits, claim compensation for the additional loss or damage proved, up to the total amount of the interest in delivery declared. In practice, entering into such an agreement with a carrier is difficult as it requires additional insurance on the carrier's part.

### FAULT OF THE CARRIER

A more common reason for claiming full compensation for loss or damage is the application of Article 29 et seq. of the CMR Convention, according to which the carrier may not refer to the liability limits according to Article 23, subsection 3 of the CMR Convention if the damage was caused by wilful misconduct or by fault on the carrier's part that is considered to be equivalent to wilful misconduct.



Mgr. Adam Keseg

Judicial practice of the European courts shows that the application of this legal regulation is connected with such faults of the carriers that may be generally described as gross negligence. Most often, this occurs when the carrier delivers the consignment to an unauthorized addressee, the damage is caused by a traffic accident brought about by the gross fault of the carrier, or the consignment is stolen while the vehicle is parked in an unguarded car park<sup>2</sup> or while the vehicle is left unattended<sup>3</sup>.

To conclude, the international carriage of goods protects the carrier from the full liability for damage. Nevertheless, this limitation is not boundless and is subject to special conditions.

<sup>1</sup> Special Drawing Rights – unified monetary and accounting unit used within the International Monetary Fund.

<sup>2</sup> OLG Köln, 10.12.2002 – 3 U 56/02, also Spanish Supreme Court Judgments 382/2015, dated July 9 2015, and 399/2015, dated July 10 2015

<sup>3</sup> LG Frankfurt am Main, dated 11.09.2001 – 3/4 or 79/0



# Government urged to adopt new focus on R&D to help economy

After 1989, Slovakia bet mainly on the manufacturing industry to drive its transformation into a market economy. Now it needs to shift its focus to innovation and ramp up currently lacklustre corporate spending on research and development, experts say.

"If Slovakia does not want to end up as an assembly hall creating very little added value, it must fundamentally change the structure of its economy," Silvia Hallová, tax partner at Grant Thornton Slovakia, a consulting firm, told The Slovak Spectator, adding that significant intensification of research and development (R&D) by private companies is key.

## Lagging behind

The European Commission's European Innovation Scoreboard provides a comparative analysis of innovation performance in EU countries and regional neighbours. It assesses relative strengths and weaknesses of national innovation systems.

In the 2019 scoreboard, Slovakia's summary innovation index stood at 69 percent of the EU average. This was the same as Hungary, more than Poland's 61 percent but less than Czechia's 89 percent. Slovakia was well behind Sweden, which topped the readings with 147 percent.

Spending on R&D in Slovakia also heavily lags. According to Eurostat data, investment in R&D in the country is only 0.88 percent of GDP, well below the EU recommended amount of up to 3 percent of GDP.

## Companies want to invest in R&D, but...

R&D in Slovakia is supported from EU funds, grants, and tax incentives such as the 'super



reasons behind this was that Slovak companies were often reluctant to invest in R&D for a number of reasons.

One such reason is a concern among businesses over privacy around their research. There is a public register of taxpayers who use the super deduction tax incentive and this register also contains sensitive data about the relevant R&D project, potentially giving important information to competitors watching what products their rivals are developing.

"This can affect company competitiveness," Hallová explained.

## Austrian example

Experts say that Slovakia must focus on making the private sector the primary driver of research.

"The change in the super deduction tax credit won't be enough on its own to draw innovative companies into the country and get firms to replace part of their production with R&D, which has exponentially higher added value," said Hallová.

She pointed to Austria as a good example for Slovakia to follow.

"The Austrian car industry's revenues, at €40 billion in 2018, are higher than those in Slovakia, even though there is not a single finished-car production plant operating in Austria," she said. The Slovak car industry's sales were €30.4 billion in 2018, according to official data.

She also highlighted Austrian firms' expenditures on R&D at 3.16 percent of GDP and the country's network of so-called competence centres where universities, scientific centres and the business sector work on joint research projects as examples Slovakia should follow.

By Jana Liptáková

# Changes to the System of Remedies under the Amendment to the Public Procurement Law – Take Two

## CHANGES IN LIFE AND LAW HARDLY EVER STOP

The same time last year we published an article about changes to the system of remedies under Slovak public procurement law, which were brought about by an amendment to the Slovak Public Procurement Act that took effect on January 1, 2019. Not even a full year has gone by and the Slovak Parliament has passed another significant amendment to the regulation of remedies, which shall take effect on January 1, 2020. Granted, there is always room to improve the laws, but constant changes to such an important piece of legislation mean that users of the system can hardly get used to it before it is tweaked at best, or totally changed at worst. It seems that we can make this a yearly update, so this is 2019's take on some of the effects of yet another amendment to the national remedy system from the perspective of the tenderers.

## ERADICATION OF SPECULATIVE CHALLENGES OR AN ATTEMPT TO CURTAIL TENDERERS' RIGHTS

In order to eliminate the speculative behaviour of economic operators, the regulator introduced a new concept called "an apparently ungrounded challenge" or put more simply "a speculative challenge". If a speculative challenge is filed, the regulator will stop the remedy procedure, and the contracting authority that was hurt by such a challenge may claim damages from the challenger. This all seems fine on paper,

but the definition of the speculative challenge contains too many unclear terms, and its very existence might lead to the hesitation of tenderers to enforce their rights guaranteed by European public procurement regulation. Damages caused by ungrounded challenges could be significant, so it will be interesting to follow the practice of the regulator and the courts both in terms of what kind of line they draw between a grounded and an ungrounded challenge and what sort of damages they accept as enforceable based on the "abuse" of the remedy system.

## INCREASED FEES

While lawmakers could claim last year that the fees associated with remedies had been decreased, strengthening the position of tenderers in enforcing their rights, the opposite applies to the 2019 amendment. The lives of unhappy tenderers will be more expensive due to rising fees and, contrary to the former regime when they increased towards the business end of a tender, these increased fees apply to all stages of the procedure. The amount of fees was set at 1% of the estimated contract value while the EUR 2,000 floor and EUR 50,000 cap remained unchanged. This means, for example, that if a tenderer were to challenge a contract notice for goods at an estimated value of EUR 3,000,000 under current rules, it would have to pay EUR 3,000 in administrative fees. Given the increase, in the same situation as of January 2020, the tenderer would be set back

Ján Azud is the head of Projects, infrastructure and public procurement practice of RUŽIČKA AND PARTNERS law firm. His more than 19 years long practice focuses on development of infrastructure projects, PPPs, public procurement and project financing. Over the years, he has acquired ample experience by participating in major projects and vast amount of public procurement proceedings on both local and international levels. From 2013 to 2018, Ján was a member of the Board of the Public Procurement Office. For three years he also acted as the adviser to the Chairman of the Public Procurement Office. Under his lead, the firm's public procurement practice was granted the Law Firm of the Year award for seven consecutive years. This year, Ján as the leading author together with other colleagues from his team finalised the Commentary to the Public Procurement Act, published in October 2019.



JUDr. Ján Azud  
Partner  
RUŽIČKA AND PARTNERS  
s. r. o.

by EUR 30,000. In high-profile projects worth tens of millions, the fees would remain the same given the unchanged cap, but there are many situations in mid-size tenders where international bidders could find themselves much worse off than before.

Another important change in the regulation of fees goes hand in hand with the introduction of the speculative challenges concept. If a tenderer files a challenge that is labelled as speculative by the regulator, the latter will stop the remedy procedure and keep the fees in full. In other cases, however, when the procedure is stopped the fees are returned to the challenger. Hence, tenderers will have to be even more careful to ensure their challenges are firmly grounded. Otherwise, they run the risk of losing their money in full.

## OVERALL ASSESSMENT

The introduction of the concept of the apparently ungrounded challenge and increase of fees aim to eliminate speculative behaviour by tenderers when enforcing their rights and filing challenges against contract award

procedures. Of course, credit must be granted to the Public Procurement Authority and the National Council of the Slovak Republic for their efforts to improve the system as there is no doubt that there is some level of abuse of it by entities that are not genuinely interested in winning a tender but for some reason attempt to frustrate the process. Nevertheless, it seems that stability, time and patience to develop settled case law would better accommodate the needs of stakeholders than endless modifications. It remains to be seen how the new system will work and, more than anything else, how long it will last.

Fun fact: the chairman of the Public Procurement Office publicly asked the president of the Slovak Republic to veto the amendment because of changes introduced to the bill during the approval process in the parliament. One of the reasons was the increase of fees as discussed above. The President obliged and vetoed the amendment with comments. It will be interesting to follow how the Parliament deals with the veto and whether the bill makes it into law in its current shape.

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AND PARTNERS



# Real estate section



## Einpark

Location: Bratislava, Petržalka, Einsteinova Street

Completion date: 1Q/2020

Website: [www.einpark.sk](http://www.einpark.sk)

### DESCRIPTION:

EINPARK Residences represent contemporary and stylish living in an attractive location. They are close to the historical city centre, and thanks to the nearby cycling route and connectivity to all main roads the project offers excellent accessibility. EINPARK Offices is the first building in Slovakia with LEED PLATINUM pre-certification, offering flexible office space and a public rooftop terrace with a 360° view of Bratislava.

### PROJECT TYPE

Residential ✓  
Retail & entertainment ✓  
Office (administrative) ✓

### DETAILS

Number of floors	residential: 18; office: 6
Number of apartments	110
Size of apartments	35 - 211 m <sup>2</sup>
Gross built area	30,990 m <sup>2</sup>
Gross lettable area	17,880 m <sup>2</sup>
Gross office space	16,083 m <sup>2</sup>
Gross retail space	1,797 m <sup>2</sup>
Gross storage area	108 m <sup>2</sup>

### Developer

Corwin a.s.  
Námestie Mateja Korvína 1, 811 07 Bratislava  
[www.corwin.sk](http://www.corwin.sk)

### DESCRIPTION:

GUTHAUS, Corwin's most ambitious project yet, is a unique housing development that kickstarts the transformation of the former industrial strip into a lively city boulevard. The project consists of two towers, 17 and 20 storeys in height, interconnected by a 8-storey block. GUTHAUS will be comprised of 292 apartments, providing the neighbourhood with more than 2,600m<sup>2</sup> of green roofs and 14,000m<sup>2</sup> of public landscape.

### PROJECT TYPE

Residential ✓

### DETAILS

Number of floors	Block A: 16; Block B: 8; Block C: 19
Number of apartments	292
Size of apartments	32 - 169 m <sup>2</sup> (with a balcony)
Gross built area	40,040 m <sup>2</sup> (above-ground + underground)
Gross lettable area	857 m <sup>2</sup>
Gross office space	680 m <sup>2</sup>
Gross retail space	177 m <sup>2</sup>
Gross storage area	-

### Developer

Corwin a.s.  
Nám. Mateja Korvína 1, 811 07 Bratislava  
[www.corwin.sk](http://www.corwin.sk)

## Guthaus

Location: Bratislava, Nové Mesto, Račianska Street

Completion date: 12/2021

Website: [www.guthaus.sk](http://www.guthaus.sk)





Nesto

Location: Kopčianska  
Completion date: first objects 2022-2023  
Website: [www.nesto.sk](http://www.nesto.sk)



**DESCRIPTION:**  
The new city district of Bratislava, Nesto, will be built near the border with Austria and it will be designed to house 15,000 people. The main principles of Nesto are creativity, ecology and accessibility. Future inhabitants will find housing, amenities, space for work and leisure activities. Nesto is a small town within the city and emphasizes CO<sup>2</sup> neutrality during the project's operation.

PROJECT TYPE	
Residential	✓
Retail & entertainment	✓
Office (administrative)	✓
Tourism & leisure	✓
Other (hotel, resort, etc.)	✓

DETAILS	
Number of floors	-
Number of apartments	170
Size of apartments	27-100 m <sup>2</sup>
Gross built area	17,341 m <sup>2</sup>
Gross lettable area	-
Gross office space	7,679.89 m <sup>2</sup>
Gross retail space	2,838 m <sup>2</sup>
Gross storage area	-

**Developer**  
Lucron group a.s.  
Záhradnícka 36, 821 08 Bratislava  
[www.lucron.sk](http://www.lucron.sk)

SP019115/001

NUPPU

Location: Bratislava, Ružinov, Mlynské Nivy / Hraničná Street  
Completion date: 2019-2024  
Website: [www.yit.sk](http://www.yit.sk)



**DESCRIPTION:**  
The NUPPU project, which means flower bud in Finnish, is destined to become the new blossoming district of Ružinov. It consists of 10 phases, a big yard and more than 1000 apartments, which will be finished in several phases during the next few years.

PROJECT TYPE	
Residential	✓
Retail & entertainment	✓

DETAILS	
Number of floors	7-12
Number of apartments	1000
Size of apartments	37 - 117 m <sup>2</sup>
Gross built area	-
Gross lettable area	-
Gross office space	-
Gross retail space	-
Gross storage area	-

**Developer**  
YIT  
Račianska 153/A, 831 54 Bratislava  
[www.yit.sk](http://www.yit.sk)

SP019115/001

**DESCRIPTION:**  
Vydrlica encompasses the area below Bratislava Castle, on the site of the extinct historical quarter. The revitalisation of the area creates a functional space for residents while connecting the divided city and bringing the collective memory of the centre that once was back to life. Developer Vydrlica Development is collaborating on the project with renowned architectural studios, and urban and public space experts.

PROJECT TYPE	
Residential	✓
Retail & entertainment	✓
Office (administrative)	✓
Tourism & leisure	✓

DETAILS	
Number of floors	-
Number of apartments	450
Size of apartments	23 - 201 m <sup>2</sup>
Gross built area	62,000 m <sup>2</sup>
Gross lettable area	23,000 m <sup>2</sup>
Gross office space	8,000 m <sup>2</sup>
Gross retail space	10,500 m <sup>2</sup>
Gross storage area	4,500 m <sup>2</sup>

**Developer**  
Vydrlica development a.s.  
Legionárska 10, 811 07 Bratislava  
[www.vydrlica.com](http://www.vydrlica.com)

Vydrlica

Location: Old Town Bratislava  
Completion date: first phase 2022-2023  
Website: [www.vydrlica.com](http://www.vydrlica.com)



SP019115/002

**DESCRIPTION:**  
Pradiareň 1900 is home to modern office premises in the historic building of the former Spinning Mill factory. As one of the few historical monuments in Bratislava, the building is coming back to life. The open plan creates a generous space of office premises that are both practical and representative of the area's rich historical past.

PROJECT TYPE	
Retail & entertainment	✓
Office (administrative)	✓

DETAILS	
Number of floors	4
Number of apartments	-
Size of apartments	-
Gross built area	-
Gross lettable area	14,900 m <sup>2</sup>
Gross office space	11,800 m <sup>2</sup>
Gross retail space	3,100 m <sup>2</sup>
Gross storage area	-

**Developer**  
YIT  
Račianska 153/A, 831 54 Bratislava  
[www.yit.sk](http://www.yit.sk)

SP019115/002

Pradiareň 1900

Location: Bratislava, Ružinov, Svätoplukova Street  
Completion date: 2020  
Website: [www.yit.sk](http://www.yit.sk)





### GalvaniHOME

Location: Na križovatkách Street, Bratislava  
Completion date: 01/2021  
Website: [www.galvanihome.sk](http://www.galvanihome.sk)



**DESCRIPTION:**  
GalvaniHOME is the perfect dwelling space for those looking for a sense of community and home. Thanks to its excellent access to the city centre, schools and kindergartens, along with civic amenities and shopping areas, are within an arms reach. The affordable and comfortable apartments have been constructed from stylish and top-quality materials, blending in seamlessly to its highly engaged surroundings.

**PROJECT TYPE**  
Residential ✓

DETAILS	
Number of floors	7
Number of apartments	200
Size of apartments	34 - 125 m <sup>2</sup>
Gross built area	11,275 m <sup>2</sup>
Gross lettable area	814 m <sup>2</sup>
Gross office space	-
Gross retail space	814 m <sup>2</sup>
Gross storage area	-

**Developer**  
MartinDevelopment s.r.o.  
Prievozská 14, 821 09 Bratislava  
[www.martindevelopment.sk](http://www.martindevelopment.sk)

SP019128/001

### Rezidencia Kyjevská

Location: Rybníky II, Levice  
Completion date: 06/2021  
Website: [www.rezidenciakyjevska.sk](http://www.rezidenciakyjevska.sk)



**DESCRIPTION:**  
Residence Kyjevská offers up to 66 standard furnished apartments, ranging from 1- to 4-room spaces. Whether you are a single person, a couple, a small or larger family, this living space covers all of your needs. Each apartment in Residence Kyjevská will offer you something different, whether you long for a large living area, multiple rooms, a balcony, a terrace, or a garden.

**PROJECT TYPE**  
Residential ✓

DETAILS	
Number of floors	4
Number of apartments	66
Size of apartments	34 - 85 m <sup>2</sup>
Gross built area	3,800 m <sup>2</sup>
Gross lettable area	550 m <sup>2</sup>
Gross office space	-
Gross retail space	550 m <sup>2</sup>
Gross storage area	-

**Developer**  
MartinDevelopment s.r.o.  
Prievozská 14, 821 09 Bratislava  
[www.martindevelopment.sk](http://www.martindevelopment.sk)

SP019127/001

**DESCRIPTION:**  
Eight unconventional apartments with beautiful views are located in an enclosed complex surrounded by nature. Grand Vue Villa is in harmony with its scenic surroundings, its beauty maximised by the vibrant colours of the changing seasons and its unique character - something you have only dreamt about until now.

**PROJECT TYPE**  
Residential ✓

DETAILS	
Number of floors	3
Number of apartments	8
Size of apartments	89 - 160 m <sup>2</sup>
Gross built area	1,089 m <sup>2</sup>
Gross lettable area	-
Gross office space	-
Gross retail space	-
Gross storage area	-

**Developer**  
MartinDevelopment s.r.o.  
Prievozská 14, 821 09 Bratislava  
[www.martindevelopment.sk](http://www.martindevelopment.sk)

**Villa GrandVue**  
Location: Komonicova Street, Bratislava  
Completion date: 12/2019  
Website: [www.grandvue.sk](http://www.grandvue.sk)



SP019125/001

**DESCRIPTION:**  
A residential complex consisting of six detached apartment buildings. You will fall in love with PrsiankaHOUSE, which provides breathtaking views in the lap of nature with direct access to the city center.

**PROJECT TYPE**  
Residential ✓

DETAILS	
Number of floors	5
Number of apartments	90
Size of apartments	34 - 110 m <sup>2</sup>
Gross built area	7,134 m <sup>2</sup>
Gross lettable area	-
Gross office space	-
Gross retail space	-
Gross storage area	-

**Developer**  
MartinDevelopment s.r.o.  
Prievozská 14, 821 09 Bratislava  
[www.martindevelopment.sk](http://www.martindevelopment.sk)

SP019129/001

**PršiankaHOUSE**  
Location: Pršianska Street, Banská Bystrica  
Completion date: 03/2021  
Website: [www.prsiankahouse.sk](http://www.prsiankahouse.sk)





### Rezidencia Ruža

Location: Polná Street, Ružomberok

Completion date: 10/2020

Website: [www.rezidenciaruza.sk](http://www.rezidenciaruza.sk)



**DESCRIPTION:**

This modern flat complex in the heart of Ružomberok has 28 flats with 2-3 rooms equipped with parquet, doors, tiling, and sanitary appliances, along with storage space and parking. This project is currently growing in the proximity of the pedestrian zone with a full social infrastructure.

**PROJECT TYPE**

Residential



**DETAILS**

Number of floors	3
Number of apartments	28
Size of apartments	34 - 85 m <sup>2</sup>
Gross built area	1,517 m <sup>2</sup>
Gross lettable area	-
Gross office space	72 m <sup>2</sup>
Gross retail space	-
Gross storage area	-

**Developer**

MartinDevelopment s.r.o.  
Prievozská 14, 821 09 Bratislava  
[www.martindevelopment.sk](http://www.martindevelopment.sk)

SP019126/001

### Rezidencia Brečtanová

Location: Bernolákovo, Senec district, Bratislava region

Completion date: 08/2020

Website: [www.rezidenciabrectanova.sk](http://www.rezidenciabrectanova.sk)



**DESCRIPTION:**

Project Rezidencia Brečtanová is a residential project in Bernolákovo, just 10 kilometres from Bratislava. It is situated in a quiet location with newly built infrastructure, which includes various types of 4-room and 5-room houses with spacious gardens. The architecture utilises large windows to connect the interior with gardens.

**PROJECT TYPE**

Residential



**DETAILS**

Number of floors	1-2
Number of apartments	48
Size of apartments	104 - 129 m <sup>2</sup>
Gross built area	-
Gross lettable area	-
Gross office space	-
Gross retail space	-
Gross storage area	-

**Developer**

Stavflex  
Popradská 34, 821 06 Bratislava  
[www.stavflex.sk](http://www.stavflex.sk)

100/1161045

**DESCRIPTION:**

Residential house Vrakuňa provides a direct connection to the city centre. You are sure to be satisfied with the building's proximity to the arm of the Danube, where you can relax after a busy work day.

**PROJECT TYPE**

Residential



**DETAILS**

Number of floors	11
Number of apartments	100
Size of apartments	34 - 120 m <sup>2</sup>
Gross built area	5,700 m <sup>2</sup>
Gross lettable area	-
Gross office space	-
Gross retail space	-
Gross storage area	-

**Developer**

MartinDevelopment s.r.o.  
Prievozská 14, 821 09 Bratislava  
[www.martindevelopment.sk](http://www.martindevelopment.sk)

### Bytový dom Vrakuňa

Location: Vrakuňa, Bratislava

Completion date: 12/2021

Website: -



ORIGI

SP019129/002

**DESCRIPTION:**

Project Moje Milko is a residential project in Miloslavov situated in a peaceful area with brand new infrastructure. It consists of semi-detached family houses with spacious gardens. When designing the project, emphasis was placed on respect for the client's privacy and a high standard of housing. The project offers four-room apartments ideal for families.

**PROJECT TYPE**

Residential



**DETAILS**

Number of floors	2
Number of apartments	32
Size of apartments	106.5 m <sup>2</sup>
Gross built area	-
Gross lettable area	-
Gross office space	-
Gross retail space	-
Gross storage area	-

**Developer**

Stavflex  
Popradská 34, 821 06 Bratislava  
[www.stavflex.sk](http://www.stavflex.sk)

SP019117/002

### Moje Milko

Location: Miloslavov, Senec district, Bratislava region

Completion date: 12/2019

Website: [www.mojemilko.sk](http://www.mojemilko.sk)





## BESICO MARTIN:

The 8.2 hectare plot is situated in the village of Sučany near Martin within easy reach of Speedway R3. The project has a valid building permit for the first 9,200 m².

Total rentable area of production and storage hall: 42,800 m²

Office space area: 4,460 m²

Total number of parking places: 275 pcs

Two independent driveways.

Address: Štúrova 22, 949 01 Nitra

Contact person: Alex Hubrecht  
+421 917 702 356, alex.hubrecht@rft.be

Vladimír Viktor jr.  
+421 905 833 877, vladimir.viktor@dynamik.sk  
[www.besico.eu](http://www.besico.eu)



## DYNAMIK:

This project is located in Nitra - city part Mlyńárce, Nitra region, in the south of Slovakia. The plot is within easy reach of Speedway R1A. The project will be built in two phases.

Total leasable area of production and storage halls: 9,500 m²

Office space area: 1,580 m²

Total number of parking places: 40 pcs

Address: Štúrova 22, 949 01 Nitra

Contact person:  
Vladimír Viktor jr.  
+421 905 833 877  
vladimir.viktor@dynamik.sk  
[www.dynamik.sk](http://www.dynamik.sk)



## CEHIP:

CEHIP industrial park has a total area of 5.5 hectares and is situated in Nitra region, in the city of Vráble. It has a close connection to the R1 and the Industrial park in Nitra. The project already has four existing tenants (CESAM, Auria Solution, Nordiq Slovakia and Heller Services). The offered area has a valid planning permit for a built area of 12,000m².

Expected start of construction: Q4 2019.

Address: Doležalova 1, 949 01 Nitra

Contact person:  
Alex Hubrecht  
+421 917 702 356  
alex.hubrecht@rft.be  
[www.cehip.sk](http://www.cehip.sk)



# Growth drives investment in real estate

## Bratislava is getting a new downtown area

The changing skyline of Bratislava reflects the sound economic growth that Slovakia has been experiencing in recent years. A brand new downtown area has been rising in the former industrial zone on the edge of the old town, while new real estate projects, including Slovakia's first skyscraper, a Silicon-Valley-style IT campus and a brand new city district, just to mention a few, are in the pipeline.

Slovakia reported the entry of Korean capital for the first time in 2019. As for sector specifics, logistics is an area highly sought after, but with low availability in this area, so there are few ongoing transactions. The retail segment is experiencing a similar situation. The office sector is dominant in the number of ongoing deals, which are at a different stage of the transaction process as a result of the abundance of newly built stock with attractive WAULTs (weighted average unexpired lease term), based on Cushman & Wakefield's Slovakia data.

"2019 year-end volumes will depend on the number of ongoing deals to be closed," said Marian Fridrich, partner and deputy head of Cushman & Wakefield Slovakia. Despite the landmark office deal [acquisition made by a Korean investor] and portfolio transactions in logistics and the retail segment, the analysts expect the numbers to fall short of those of 2018 "partly due to the absence of big shopping centre transactions, which drove the volumes in previous years."

### Office sector thrives

The above-mentioned major transaction is the sale of developer HB Reavis' 23-storey Twin City Tower, one of Bratislava's landmarks in the new downtown, to companies backed by South Korean

capital. This is, in fact, the first real estate investment with South Korean capital in Slovakia, in line with the continuing and increasing trend of inflow of Korean capital to all of central and eastern European.

The Valesco Group, a real estate investment manager from London, and AIP Asset Management, an asset manager based in Seoul, paid €120 million for the office tower.

"This prime asset, coupled with an exceptional principal tenant in Amazon in the growing core of Bratislava offers a unique and compelling investment opportunity," said Shiraz Jiwa, CEO of The Valesco Group, as quoted in the firm's press release.

In the last 12 months, office supply amounted to about 90,000 m², accounting for an approximate 5-7percent increase in the total office stock of A and B grade quality, Samuel Šporka, head of leasing at JLL, said in late October 2019.

"This means that this is one of the best periods for the completion of new offices in the last few years," Šporka told The Slovak Spectator.

The biggest factor affecting the office sector is the past demand for offices and their lack, triggering the current projects from 2015-2016. These are now under construction

or are just being completed.

"In general, demand for offices remains high, but it is no longer at the level it was in 2016," said Šporka, adding that the factor affecting international companies is the prevailing international economic uncertainty.

Šporka expects that construction will continue at pace, although this may result in an increased vacancy rate.

### Eastern Slovakia finally in the logistics spotlight

The growth of e-commerce and retail keep fuelling the demand for logistics real estate.

"Due to its advantageous position in the centre of the central-European region, Slovakia is becoming an attractive destination for logistics companies operating in this region," said Patrik Janščo, head of the industrial agency in Cushman & Wakefield Slovakia. "The Slovak logistics market is one of the quickest growing markets in the region."

Moreover, the lack of labour force in western Slovakia has made eastern Slovakia more attractive for developers of logistics and industrial real estate.

P3 Logistics Parks, one of the

biggest developers of logistics and industrial real estate in Slovakia, has decided to extend its activities to eastern Slovakia for the first time and build a modern industrial and logistics park in Nová Polhora, near Košice.

"It is a region with high potential for growth and economic development," P3 Logistic Parks Slovakia's head, Peter Jánoši, said in mid-October. This is due to the region's extending road infrastructure but also due to the presence of industries, services, trade, and an available labour force of high quality, he added.

The first €10-million phase will result in two buildings, almost 13,000 m² each, while the park, after completion, may be as big as 140,100 m².

Nová Polhora could become an important node as it lies by the highway between Košice and Prešov, the two largest cities in eastern Slovakia, and close to Ukraine, whose economic growth prognoses are positive.

Earlier in 2019, the Panattoni Europe industrial developer launched the construction of a new eight-hectare industrial park near Košice airport, with a price tag of €30 million.



Source: TASR



### Appetite for retail real estate continues

The developers of retail real estate continue to be optimistic, and experts do not expect any slowdown in construction in Slovakia in the near future. The occupancy of modern shopping centres is stable, exceeding 95 percent.

Branislav Golan, head of the retail agency CBRE Retail, listed among their latest interesting projects the brand new Nivy bus station combined with a shopping centre planned to be completed in late 2020. Construction work for the extension of Eurovea was launched, too. Polus, the first modern shopping centre in Bratislava, constructed in 2000 and rebranded to Vivo!, will open 25 new stores in early November 2019 and an extension of Tesco Petržalka will be completed during the second quarter of 2020. In the regions, several smaller retail schemes and

retail parks were completed, while the construction of Forum Prešov was launched, too.

"We expect an increase in rentals in premium shopping centres with modern architecture and high customer comfort located at attractive places," said Golan, adding that rentals in older shopping centres in highly saturated localities, whose standards do not correspond with the most modern shopping trends and the expectations of visitors, are either stable or even dropping.

### The highest building in Slovakia will be a residential tower

The first building in Slovakia to meet the latest criteria for being called a skyscraper, i.e. higher than 150 metres, will be the 168-metre high residential tower that is part of the extension of the Eurovea development on the Danube embankment.

The developer, J&T Real



Source: P3 Nová Polhora

Estate, has already launched the sale of apartments with the price of the most expensive exceeding €6,000 per m<sup>2</sup>. This is much more than the average price of apartments that stood at €1,849 per square metre at the end of July 2019, up 7.6 percent y/y according to the statistics of the National Bank of Slovakia and the National Association of Real Estate Agencies in Slovakia.

In general, the residential market keeps reporting a lack of housing, reflected in the increas-

ing prices of new apartments and houses, and the stable prices of the older ones. The group of people who can afford them is shrinking.

"In spite of the historically lowest interest rates to date, there is a growing group of people who cannot pay the current prices," Daniela Danihel Rážová, director of the real estate agency Bond Reality and head of Slovakia's Association of Real Estate Brokers, told The Slovak Spectator.

By Jana Liptáková

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SP019114/001



# Top 5 real estate projects in Bratislava

Bratislava has been experiencing a real estate boom incomparable to its past and other parts of Slovakia. The city centre is getting extended from the Old Town eastwards by a second phase of Eurovea shopping mall, nearby Sky Park and a brand new bus station combined with a shopping mall, Nové Nivy. Brand new settlements Bory and Slnecnice are also being built on the Bratislava's outskirts. Here is a sample of the five largest and most significant developments.



## Stanica Nivy

Bus station Stanica Nivy will be a combination of an international bus terminal, a shopping centre and the 125-metre-high Nivy

Tower - currently the highest building in Bratislava. Bus platforms will be located on the first underground storey, while the building will have three above-ground and two underground floors. It will be topped by a multifunctional green roof as large as two football pitches. Stanica Nivy will be part of the developing city quarter Nové Nivy, into which the developer plans to invest about €1 billion.

- **Developer:** HB Reavis
- **Total acreage:** 103,000 m<sup>2</sup>
- **Total acreage of retail space:** 70,000 m<sup>2</sup> plus
- **Total space of the bus station:** 30,000 m<sup>2</sup>
- **Total acreage of offices:** 30,000 m<sup>2</sup> (Nivy Tower)
- **Start of construction:** 2017
- **Planned completion of construction:** Nivy Tower – 2019, Stanica Nivy – 2020
- **Total investment:** not specified

## Sky Park

The project by the prominent Zaha Hadid Architects studio consists of four 31-storey residen-



tial towers and two administrative buildings. The project envisages a minimum built-up area and the creation of a new city park, with a historical industrial building, known as the Jurkovičova heating plant reconstructed and turned into a publicly accessible place with a restaurant, café and a coworking space.

- **Developer:** Penta Real Estate
- **Total acreage:** 139,200 m<sup>2</sup>
- **Total number of apartments:** 1,050 apartments (total acreage: 77,200 m<sup>2</sup>)
- **Total acreage of retail space:** 7,000 m<sup>2</sup>
- **Total acreage of offices:** 55,000 m<sup>2</sup>

- **Start of construction:** Dec 2016
- **Planned completion of construction:** after 2020 – the first three residential towers should be completed in 2019/2020, the first office building during the third quarter of 2020; completion of the fourth residential tower and the second office building has not been set yet

**Total investment:** €326 million

## Eurovea II

The long-awaited extension of the popular shopping and office area Eurovea on the Danube embankment, Eurovea II, will bring together residences, offices, shops, public spaces, waterfront



relaxation, restaurants and cafés. It will also include a 168-metre tall residential tower, meeting the latest standards of a skyscraper. With the existing Eurovea, office buildings Tower 115, Landerova 12 and Pribinova 19, along with the residential Panorama Towers and a planned congress centre, Eurovea II will become part of Eurovea City. The Eurovea City's public spaces are designed by renowned Spanish architect Beth Galí.

- **Developer:** J&T Real Estate
- **Total acreage:** 155,000 m<sup>2</sup>
- **Total number of apartments:** 488
- **Total acreage of retail space:** 25,000 m<sup>2</sup>
- **Total acreage of offices:** 47,000 m<sup>2</sup>
- **Start of construction:** 2019
- **Planned completion of construction:** retail areas in 2022, completion of the whole project is planned for 2023
- **Total investment:** not specified



## Bory

Bory is a brand new development growing on the northeast outskirts of Bratislava. After completion, it will consist of residential, retail and office zones. These are in various phases of planning and construction; Bory Mall is already completed. Part of it will be a €200 million top-of-the-art hospital.

- **Developer:** Penta Real Estate
- **Total acreage:** 220 hectares
- **Total number of apartments:** 627 apartments are under construction within the first and second phases, 663 within the third and fourth phases

- **Total acreage of retail space:** Bory Mall (completed, 54,000 m<sup>2</sup>); Bory Retail Zone (under construction, 70 hectares)
- **Total acreage of offices:** Bory Business Park (planned, 30,000 m<sup>2</sup>); Bory Office (planned, not specified)
- **Start of construction:** 2010
- **Planned completion of construction:** not set
- **Total investment:** not specified (Bory Mall – €150 million, investments into preparation of the area – €125 million)

## Slnecnice

The urban housing project Slnecnice (Sunflowers) is gradually growing in a new quarter of Bratislava located south of Petržalka near the Danube. It consists of the Viladomy Zone with low-rise residential buildings, urban villas and family houses, and the Mesto Zone with residential buildings in various

phases of planning, construction and completion.

- **Developer:** Cresco Real Estate
- **Total acreage:** 914,700 m<sup>2</sup>
- **Total number of apartments:** 10,156; 539,391 m<sup>2</sup>
- **Total acreage of retail space:** 55,107 m<sup>2</sup>
- **Total acreage of offices:** 99,900 m<sup>2</sup>
- **Start of construction:** the fourth quarter of 2010



- **Planned completion of construction:** 2030
- **Total investments:** not specified

By Jana Liptáková  
(Source: individual developers)

## FAQ: Buying and selling a property in Slovakia

**Q: I want to purchase an apartment in Slovakia. Which authorities will help me with ownership issues?**

**A:** The only state office you will be dealing with as the buyer of real estate is the cadastre office, or land registry office (Kataster or Katastrálny Úrad) in your respective district office. If you are buying your apartment or house through a real estate agency, the agents usually handle this for you.

**Q: What should I pay attention to before I sign a contract of purchase?**

**A:** The contracts must contain certain features as stipulated by the law on cadastre (162/1995), amended 212/2018. The contract must clearly state: identification data of both parties of the contract, a detailed specification of the real estate including description, location, square metres, equipment, and technical condition. If the cadastre office finds any mistakes in this, they will suspend the proceeding. It should also clearly state the purchasing price, how the money will be transferred from the buyer to the seller, and the deadline by when the transfer needs to be completed. The details on how the apartment or house will be given over to the new owner, such as keys or new locks, needs to be clear in the contract, as well as the deadline by when it should be done.

By law, the contract should include the name and contact of the administrator of the apartment block and the sanctions for both parties if they fail to fulfil their duties as defined by the contract.

**Q: How do I go about entering real estate in the land registry/cadastre office?**

**A:** The transfer can be proposed by either the buyer, the seller, or both, based on the agreement between the two parties. They should then file the proposal to enter the ownership rights at the cadastre office (Návrh na Vklad Vlastníckych Práv). This needs to be done in person at your respective cadastre office (respective to where the transferred flat or house is located).

**Q: How much does it cost to get the paperwork done?**

**A:** If the transaction is facilitated by a real estate agency, these fees are usually included in the fee paid to the real estate agent. The fee can be a fixed sum or a percentage of the purchasing price. If you choose not to use the services of a real estate agent, you need to pay the fees for the cadastre proceeding (€66 for regular proceeding within 30 working days or €266 in a fast-tracked proceeding, within 15 working days - if submitted online, clients pay half price).

There is also a fee for the verification of the signatures of the sellers on the contract (price per signature, at a notary office or your municipal office). The price per signature may be around €3 or so.

If you are buying real estate with a mortgage, you should also count on another fee at the cadastre office, €66, for entering the deposit contract with the bank in the registry.

**Q: Who usually covers the costs - the buyer or the seller?**

**A:** This depends on the agreement between the two parties.

Typically, the buyer pays the cadastre fees, but some people choose to divide the costs equally between themselves. If a real estate agency is involved, they pay the fees.

**Q: Do I need to have permanent residence in Slovakia in order to be eligible for a bank loan from a Slovak bank?**

**A:** No, banks also provide mortgage loans to foreigners who do not have permanent residence in Slovakia. Some banks, however, might require a confirmation of income from a company based in Slovakia.

**Q: What other conditions do I need to fulfil in order to be eligible for a loan from a Slovak bank?**

**A:** The standard criteria for Slovak citizens also applies to foreigners. The bank will want to see your ID, as well as any record of loan registry from your home country. When deciding on granting a mortgage, banks look at a range of parameters, including age, education, job, income, and number of children. It is not possible to guarantee your loan for real estate located outside Slovakia.

**Q: How do I proceed at the cadastre office?**

**A:** When paying for your real estate with a mortgage, you need to file a proposal to enter the depository right to your property in favour of the bank (Návrh na Vklad Záložného Práva).

You can do this simultaneously when filing the proposal to enter the property in the registry (Návrh na Vklad Vlastníckych Práv).

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# Former hospital to be turned into an innovation centre

When the founders of the now global IT security provider Eset developed their flagship product back in the early 1990s, they named it Nemocnica na Okraji Disku (NOD), or Hospital at the Edge of the Disk, as they considered computer viruses diseases and their programme their treatment. Now, after 30 years in the business, they remain, even though only accidentally, linked to health care. In 2017, they bought the premises of the former military hospital in Bratislava to build a brand new research and innovation campus.

"I had a long-term vision of our headquarters built in the style of a campus – lower buildings spread throughout a park," Pavel Luka, the company's chief operations officer, told The Slovak Spectator. The company keeps expanding and out of its more than 1,640 employees, more than 860 work in several places in Bratislava.

However, the company was not able to find land large enough and sufficiently close to Bratislava's centre, where such premises could be built. Their vision only had a chance to materialise when the possibility of acquiring the premises of the former military hospital near Bratislava's recreational green area Železná Studienka came up in 2017. Eset acquired the nine-hectare plot for €26.2 million and is looking for architects to design its new research and innovation campus with a price tag of €100 million.

"At Eset we fully realise that one of the main challenges for companies as well as countries is to keep talented people and enable them to fully use their potential," said Luka. "This is why we started thinking about our headquarters not as office buildings but as an

interconnected and inspiring ecosystem, in which people will want to work and spend time after working hours."

Eset wants to build not just its own headquarters, but create a network of innovative, mainly technological, firms. Luka used Silicon Valley as an example.

"Concentrating such firms could bring high added value," Luka said.

The project aims to link top IT and technology firms with technical universities, while their premises are close in nearby Mlynská Dolina and provide a modern form of accommodation for students, which would deepen the integration of universities into the system.

It should include public premises and apartments to be rented mainly by the employees of firms located on the campus. The investor wants to build a canteen, restaurants, cafés, shops, a pharmacy, a dental surgical unit, a nursery school for employees' children, a gym, a bicycle rental centre, an auditorium, extensive green areas and car parks that should also serve

the public on weekends. Part of the plan is to connect the premises to public transport, including the railways, as well as build cycling paths.

## Searching for an architect

Alongside a team of experts Eset is preparing an ideological architectural tender, which will not result in a final project, but the selection of an architectural studio. The studio will then prepare the final project.

"We are trying to find a partner who best understands the assignment, the locality and the needs, and can cooperate with the entire teams on materialising Eset's visions for the next 10-15 years," said Ján Baška of the InFlow company, which houses development management for Eset.

From a long list of 270 architectural studios, they first selected 30 studios and then narrowed it down to 10. Eset is selecting three candidates, all foreign studios, to take part in the tender.

At Eset, they realise that the working environment is highly

linked with function, but they do not place function above the design of the future campus.

"Our ambition is to create top architecture, something special," said Luka, adding that the visualisations by the a11 atelier architectural studio, which Eset showed when buying the premises in 2017, are not being considered anymore.

Eset expects to have the studio selected by the end of 2019 or early 2020. Afterwards they will select a local studio that will help with the project.

"The concept architect will bring visions, ideas and experiences, and the local partner is the one who will adapt them so that the final project is feasible in the given environs," said Baška.

The construction works should be launched in 2024 and the new premises should be completed in 2026.

## Military hospital

The former military hospital spreads out behind a high fence, flanking the busy Lamačská Cesta road, bordered by Cesta na Červený Most and Mokrohájska Streets, and the recreational Železná Studienka area on other sides in the area known as Patrónka.

All the buildings, except the underground bomb shelter, will be razed.

"We want to use the shelter in a creative way," said Luka. The company has already used it for presenting the ideas on the new Eset premises for its employees.

Eset is still thinking about keeping a historical trace of the military hospital.

"We are contemplating publishing a book, which will describe the history of this place and tell the stories of personal observers," said Luka.

By Jana Liptáková



Source: SME

# Bratislava's Petržalka to be extended

The new urban district of Nesto is projected to grow organically

Once it was a no man's land on the heavily guarded Iron Curtain just beyond Bratislava. In the next 10-15 years, it will turn into Nesto, a new city district of Bratislava. This will be a small town in the city, while the developer Lucron plans to invest between €800-€900 million. The developer, part of the IKO Real Estate international group and originating in Luxembourg, has taken an innovative approach to its creation.

"Nesto will grow organically and will be formed by the lifestyle and preferences of the people who will work and live in it," said Peter Kavecký, responsible for strategic projects at Lucron. "The new district is not designed to the very last detail, and there will be space for creative development."

The developer has taken inspiration for the green-field project of Nesto from European creative districts built according to the Woonerf principles of city design, meaning a living street in English. These principles, originally implemented in the Netherlands, include shared space, traffic calming, and low speed limits. Examples include Naschmarkt in Vienna, Kreuzberg in Berlin and Karlín in Prague.

The idea of the developer is that in the 48-hectare district now known as Kopčianska, its future dwellers will find housing, amenities, and space for work up to leisure time options. They perceive this approach as a cure to problems caused by the construction of monofunctional zones like residential and office ones in Bratislava, resulting in a lot of commuting.

"In Nesto, you will find everything you need for life and its size allows you to concentrate all these functions in one place," said Peter Gero, senior consultant for urban planning and architecture



Nesto (Source: Lucron)

for Lucron. In the past, he was responsible for the urban regeneration project of old port warehouses in Hamburg into a new quarter, HafenCity.

## Main principles

The main principles of the new district are creativity, ecology and accessibility.

Lucron perceives creativity in a broader extent when, apart from the way in which the new district will be created, it includes the creative industry, to which it would like to give space.

The ecology and sustainability principle translates into making the district CO2 neutral. The project envisages a major use of renewable energy sources, innovative technologies, measures to capture water in the territory and a large space with greenery in various forms.

## Housing

Nesto will offer a mix of housing forms, including various large flats, family houses, co-living, senior housing as well as rental housing. The latter should make up about 20 percent of the 4,500-5,000 housing units, as Lucron sees

this as an increasingly popular way of housing.

The results of a survey the Focus polling agency conducted for Lucron in June 2018 indicate that while one half of people living in rented apartments cannot afford their own housing, about 20 percent rent an apartment because it is more flexible, and the only possibility of living in a preferred district or with friends.

"It turns out that the generation of Millennials often prefers the flexibility of renting to owning and they decide based on the concept and location offered," said Paulína Kosírová, director of hybrid and commercial real estates at Lucron.

## Trees were the first

The developer wants to build an attractive infrastructure and public spaces with a lot of greenery so that the district is fully functional from the very beginning. In the spring of 2019, it already planted almost 600 10-year trees and more than 1,500 bushes on the border of the plot. These will serve as a green border of the urban district and protect it from the wind.

"When people move in after three to five years, the greenery will

already be well grown and meeting its function," said Kavecký.

In 2020, the developer will revitalise the space around the WWI cemetery and WWII bunker, which is part of the plot and signifies a historical trace.

## First and second phase

The first phase of the project called South spreads over about eight hectares. It will involve building housing for more than 4,000 people, retail spaces, a medicentre, a cultural centre, playgrounds, a kindergarten, senior housing as well as spaces for creative work. The start of the construction is planned for March 2020 while investments are estimated at €90-€100 million. The second phase called North, which will spread over about 30 hectares should bring in housing for about 11,000 people.

Both housing parts of the project are planned for the left part of the plot. They will be divided by greenery and public spaces from the part allocated for business premises. These will include several types of workspaces, including flexible offices, small-scale offices and hybrid spaces.

By Jana Liptáková



Residential properties - SALE									
	Studio	1 - room	2 - room	3 - room	4 - room	5 or more rooms	Villa	Family house	Family house plots
	Average price in €	Average price in €	Average price in €	Average price in €	Average price in €	Average price in €	Average price in €	Average price in €	Price in €/m²
	Price in €/m²	Price in €/m²	Price in €/m²	Price in €/m²	Price in €/m²	Price in €/m²			
Bratislava I	99,000	138,000	190,000	286,000	400,000	466,000	1,090,000	730,000	770
	4,018	3,466	3,189	3,020	3,086	2,914			
Bratislava II	69,000	96,000	135,000	175,000	230,000	248,000	410,000	350,000	288
	2,652	2,717	2,499	2,331	2,256	2,318			
Bratislava III	84,000	107,000	143,000	189,000	267,000	345,000	750,000	450,000	350
	2,548	2,878	2,686	2,490	2,221	1,966			
Bratislava IV	75,000	94,000	133,000	154,000	188,000	312,000	780,000	480,000	260
	2,537	2,414	2,401	2,085	2,154	2,181			
Bratislava V	92,000	102,000	147,000	157,000	182,000	390,000	560,000	320,000	215
	2,787	2,865	2,642	2,205	2,055	2,748			
Banská Bystrica	44,000	57,000	88,000	113,000	169,000	280,000	402,500	174,000	61
	2,214	1,641	1,538	1,430	1,536	1,235			
Košice I	64,000	71,000	96,000	135,000	175,000	251,000	725,000	275,000	120
	2,411	1,828	1,730	1,637	1,670	1,596			
Košice II	55,000	59,000	84,000	113,000	119,000	132,000	650,000	265,000	87
	1,916	2,048	1,874	1,705	1,455	1,611			
Košice III	52,000	61,000	87,000	115,000	136,000	N/A	N/A	197,000	62
	2,191	1,879	1,539	1,523	1,805	N/A			
Košice IV	62,000	72,000	80,000	113,000	118,000	249,000	345,000	242,000	140
	1,981	1,845	1,620	1,632	1,484	1,635			
Nitra	55,000	73,000	93,000	104,000	124,000	190,000	360,000	156,000	70
	2,453	1,883	1,546	1,414	1,296	1,094			
Prešov	49,000	54,000	76,000	100,000	132,000	157,000	230,000	136,000	35
	1,974	1,374	1,417	1,374	1,204	1,221			
Trenčín	40,000	54,000	75,000	95,000	138,000	230,000	690,000	132,000	55
	1,667	1,493	1,271	1,270	1,333	2,010			
Trnava	57,000	69,000	92,000	113,000	135,000	142,000	230,000	160,000	65
	2,631	1,985	1,758	1,629	1,539	1,204			
Žilina	54,000	66,000	100,000	119,000	128,000	174,000	430,000	184,000	70
	2,478	1,858	1,727	1,608	1,474	1,428			

## FAQ: Renting an apartment in Slovakia

**Q: Do I need approval from my landlord in order to record my permanent address in the apartment that I am renting?**

**A:** Yes, you need the approval of the property owner, your landlord, to be able to state the address of the property as your official address. Your landlord can come in person to state their approval or can give it to you in writing. Please note that the landlord's signature on the document needs to be verified by the notary public office. You will also need the deed of ownership, which cannot be older than three months, to prove that the landlord who signed the document actually owns the property.

**Q: How do I get hold of the deed of ownership?**

**A:** It can be obtained at any cadastre office. If your property is in Bratislava, you can obtain it at Ružová dolina 27, 821 09 Bratislava district II. Please be aware that you might need more than one hour to get such a document because of long waiting lines, especially at the Bratislava office. The deed of ownership can be also collected at a post office. The fee for collecting it is €8.

**Q: What if the owner of the property I am renting is not in Slovakia?**

**A:** The owner of the property can provide the power of attorney to another person, who can represent the real owner and sign on their behalf. In such cases, a verified power of attorney, along with the notarised signature of the landlord on the rental contract, have to be provided. **Q: I am renting an apartment, and I have a problem with my neighbours. Is my landlord obliged to help me?**

**A:** First, you should speak directly to the neighbour to try to reach an agreement or compromise. If the situation persists, you should talk to the owner of the apartment, who might have more influence on the neighbour. If the noise at night is made by students, you can often place your complaint to the parents. If problems persist, you can turn to the municipal police or the municipal office.

**Q: Someone broke into the apartment that I am renting. Do I have to pay for the things that were broken or stolen, or is it paid by the landlord?**

**A:** Under the duration of a rental contract, the tenant is fully responsible for the equipment of the flat, even if it is damaged or stolen. Therefore, it is crucial to have a signed insurance contract that covers damages that might occur not only to the building itself, but also to equipment and personal belongings found in the flat. Such insurance often covers furniture and electronic equipment, as well as personal belongings. Luxury items and art, or even cash, can usually be insured with an extra fee.

**Q: I want to sublet my apartment while I am not in Slovakia. Do I need to report anywhere? Are there any legal or tax duties connected with that?**

**A:** If you are renting out an apartment as a private person, first you need to find out if you are entitled to sublet the property you are renting. Usually rental agreements do not entitle you to sublet, unless you have written confirmation from your landlord. In such cases, if you do sublet, even for a short period of time, you should register yourself as a landlord with the tax

authority office. The office will issue a card with your tax ID number (DIČ) that is delivered by post within a few weeks. If your total rental income does not exceed €1,968.68 (this is a number based on data from 2019 and is regularly updated by the tax authorities), you will not have to pay taxes on this income. In such a case, you will only need to submit a statement that the rental revenue for a particular year has not exceeded this amount. The income can be offset by expenses connected to the rental of the apartment, such as agency commission, renovation and other expenses that are directly connected to the rental of the apartment.

**Q: I want to share my apartment for short-term stays with tourists. Do I need to report that anywhere?**

**A:** If you are closing a rental contract with a tourist, you do not need to report this short-term rent to the tax authorities. However, renting your apartment this way is a business activity (running an accommodation facility) and, as such, requires that you have a business licence. It is important that you have the right type of contract, which also defines the services that you provide to the tenant.

**Q: Do I have to pay taxes from short-term renting?**

**A:** Yes, if you are renting an apartment based on a contract for short-term rental, and not based on your business licence, your income is taxable and needs to be reported on your tax return. If your total rental income does not exceed €1,968.68 (this is a number based on data from 2019 and is regularly updated by the tax authorities), you will not have to pay taxes on this revenue.


Residential properties - RENT (Price in € per month)								
	Studio	1 - room	2 - room	3 - room	4 - room	5 or more rooms	Villa	Family house
Bratislava I	470	530	720	1,100	1,600	1,900	4,000	2,300
Bratislava II	380	450	580	690	1,000	1,300	2,700	1,020
Bratislava III	420	450	580	740	1,100	1,400	2,300	2,000
Bratislava IV	360	410	550	660	950	1,400	3,000	2,000
Bratislava V	450	450	580	650	750	1,500	2,900	1,700
Banská Bystrica	270	350	500	600	900	1,500	N/A	580
Košice I	350	420	580	750	1,000	1,450	N/A	1,500
Košice II	350	380	570	640	600	N/A	N/A	1,000
Košice III	N/A	N/A	500	550	N/A	N/A	N/A	800
Košice IV	N/A	400	570	750	1,000	1,100	N/A	900
Nitra	350	410	530	650	780	N/A	3,100	1,000
Prešov	N/A	320	570	500	1,000	N/A	N/A	1,000
Trenčín	N/A	400	440	570	950	N/A	N/A	N/A
Trnava	300	410	570	650	700	1,100	1,500	800
Žilina	350	400	570	650	1,000	1,100	N/A	1,100

Industry & storage, Office and Retail Space - RENT & SALE (Price in €)								
	Banská Bystrica	Bratislava	Košice	Nitra	Prešov	Trenčín	Trnava	Žilina
Offices/ Rent (price per m²/month)								
high standard	10	15 (12-16 centre / 8-13 city)*	11	12	8	8	11	11
mid standard	6	10	7	8	5	6	7	7
lower standard	4	6	5	4	3	4	5	4
Offices/ Sale (price per m²)								
high standard	1,700	3,050	2,200	2,250	1,500	1,700	1,900	1,800
mid standard	1,250	1,750	1,400	1,600	850	900	1,200	1,300
lower standard	800	800	750	900	600	650	750	750
Retail space/ Rent (price per m²/month)								
high standard	12	22	14	15	11	12	14	12
mid standard	7	12	9	8	6	7	8	8
lower standard	4	4	5	4	4	4	4	4
Industry & storage/ Rent (price per m²/month)								
high standard	4	7	5	5	3	4	5	4
mid standard	3	4.5	4	4	2	3	4	3
lower standard	2	3	2	2	1	2	3	2
Industrial parks / Rent in high standard (price per m²/month)*								
Warehouse & assembly space	3.90 - 4.50	3.30 - 4.10	3.80 - 4.20	3.85 - 4.30	3.85 - 4.25	3.50 - 3.90	3.20 - 4.25	3.90 - 4.40
Office space - service charge incl.	8 - 9.50	8.50 - 9	8.25 - 8.75	8.50 - 9.50	8.25 - 8.75	8 - 8.75	8.20 - 9	8.50 - 9
Plots for industrial projects / Sale (price per m²)								
Industrial zones	50	66 - 107 (city)	80	50	0	30	40	60
Industrial parks*	30 - 50*	70 - 90 (city) 40 (exit)*	30 - 50*	30 - 50*	30 - 50*	30 - 50*	30 - 50*	30 - 50*

N/A- not available

Source: Nehnutelnosti.sk, 2019; \* Source: CBRE, 2018



Company (Listed alphabetically) Address City, Postal code E-mail  Názov (v abecednom poradí) Adresa Mesto PSČ E-mail		www Phone Fax  www Telefón Fax	Chief executive officer Phone E-mail  Generálny riaditeľ Telefón E-mail	Year of establishment / No. of employees Rok založenia v SR / Počet zamestnancov	Revenue 2018 / Revenue 2017 Tržby v r. 2018 / Tržby v r. 2017	Contract breakdown (%) Public/Private/Foreign Štruktúra objemov (%) Verejná/Súkromná/Zahr.	City Občianske	Residential Bytové	Industrial Prémiové	Water works Vodné	Pipeline Potrubie	Transport Dopravné	Underground Podzemné	Environmental Ekologické	Property renovation Rekonštrukcie	Projects in 2018 / 2019 Zákazky v r. 2018 / 2019	Major clients Hlavní klienti	Quality certificates Certifikát kvality
1 TAKENAKA EUROPE GmbH																		PREMIUM LISTING
 Pivovarská 16 Žilina 010 01 zilina@takenaka.sk	www.takenaka.eu +421(0)41 507-7901	+421(0)41 507-7901 urvalek@takenaka.cz	2000 50	94.6 mil. EUR 150.50 mil. EUR	0% 100% 0%	•	•	•	•	•	•	•	•	•	Jaguar Land Rover, Mubea (design), G-Tekt Slovakia, Brezový háj, Amazon	Kia Motors Slovakia; Foxconn; Sejong; Jaguar Land Rover; G-Tekt; Nitra Invest; Amazon	ISO 9001:2015; ISO 14001:2015; ISO 18001:2007	
2 CESTY NITRA, a.s.																		
Murgašova 6 Nitra 949 78 headoffice@cestynitra.sk	www.cestynitra.sk +421(0)37 692-0500 +421(0)37 692-0517	+421(0)37 692-0516 headoffice@cestynitra.sk	1953 257	71.70 mil. EUR 60.30 mil. EUR	61% 39% 0%					•	•	•	•	•	road construction R1, R1& SSUR Galanta, repairs R1, R2 SSUR Nová Baňa & Zvolen	NDS; SSC; RSUC Nitra; NSK; TSK; communities and private clients	ISO 9001, 14001; ISO 10006; OHSAS18001	
3 COLAS Slovakia, a. s.																		
Priemyselná 6 Košice - Staré Mesto 042 45 colas@colas-sk.sk	www.colas-sk.sk +421(0)55 633-2157	+421(0)904 703-934 colas@colas-sk.sk	1951 509	64.20 mil. EUR 63.50 mil. EUR	NA NA NA	•	•	•	•	•	•	•	•	•	compressor station, ČOV, business residen- ce, bike paths, shopping centre	NDS; Slovenská správa ciest; self-governing regi- ons; VVS; Košice city	ISO 9001:2015, 14001:2015; OHSAS 18001:2007; ISO 10006:2019	
4 Doprastav, a.s.																		
Drieňová 27 Bratislava - Ružinov 826 56 sekrger@doprastav.sk	www.doprastav.sk +421(0)2 4827-1500 +421(0)2 4827-1563	+421(0)2 4827-1501 sekrger@doprastav.sk	1993 1,169	236.10 mil. EUR 275 mil. EUR	NA NA NA	•	•	•	•	•	•	•	•	•	D1 Prešov západ - Prešov juh	Národná diaľničná spo- ločnosť; ŽSR; Slovenská správa ciest	ISO 9001:2016; ISO 14001:2016; OHSAS 18001:2009	
DYNAMIK HOLDING a.s.																		
Šúrova 22 Nitra 949 01 dynamik@dynamik.sk	www.dynamik.sk +421(0)37 314-1500 +421(0)37 314-1560	+421(0)37 314-1500 info@dynamik.sk	1990 140	40.20 mil. EUR 25.50 mil. EUR	5% 95% 0%	•	•	•						•	Jaguar Land Rover, Bekaert, Avion, Cehip, Sinečnice III. phase, Sinečnice IV. phase	Jaguar Land Rover; Cresco; Ikea; Bekaert; Cehip; Nemak	ISO 10006; ISO 9001; ISO 14001; OHSAS 18001	
6 EUROVIA SK, a.s.																		
Osloboditeľov 66 Košice - Barca 040 17 riaditelstvo@eurovia.sk	www.eurovia.sk +421(0)55 726-1101	+421(0)55 726-1101 riaditelstvo@eurovia.sk	1952 680	144 mil. EUR 167.50 mil. EUR	68% 32% 0%					•	•	•	•	•	MET Košice; D1 Prešov západ - Prešov juh; I/18 Prešov, Levočská - Obr. mieru	Národná diaľničná spo- ločnosť; Slovenská správa ciest; self-governing regions	ISO 9001; ISO 14000; ISO 18000	
7 Goldbeck, s.r.o.																		
Dvojkřížna 9 Bratislava - Podunajské Biskupice 821 07 bratislava@goldbeck.sk	www.goldbeck.sk +421(0)2 4564-2084 +421(0)2 4564-2085	+421(0)2 4564-2084 bratislava@goldbeck.sk	2004 45	70.50 mil. EUR 103.10 mil. EUR	NA NA NA			•							NA	NA	NA	
8 L-construction, s.r.o.																		
Legionárska 10 Bratislava - Staré Mesto 811 07 info@lconstruction.sk	www.lconstruction.sk +421(0)903 603-774	+421(0)903 720-524 info@lconstruction.sk	2015 33	33.30 mil. EUR 27.50 mil. EUR	NA NA NA	•	•	•							Urban Residence, Arbo- ria, Klingerk, National Football Stadium - South tribune	Lucron Group	NA	
9 NECTEL, spol. s r.o.																		
Hrachová 18D Bratislava - Ružinov 821 05 necte@nectel.sk	www.nectel.sk +421(0)2 4333-0088 +421(0)2 3266-0911	+421(0)2 4333-0088 juraj.nemec@nectel.sk	1991 90	10.80 mil. EUR 11 mil. EUR	0% 95% 5%	•	•	•	•						residential objects, administrative objects	large development and construction companies	ISO 9001:2015; ISO 14001:2015; ISO BS OHSAS 18001:2007	
10 Skanska SK a.s.																		
Krajná 29 Bratislava - Ružinov 821 04 skanska@skanska.sk	www.skanska.sk +421(0)2 4829-5111	+421(0)2 4829-5111 miroslav.potoc@skanska.sk	1999 822	109.90 mil. EUR 113.10 mil. EUR	50% 32% 18%	•	•	•	•	•	•	•	•	•	highway D1 Budimír- Bidovce, residential complex Bory Home II a Première, BA	NDS; SSC; ŽSR; munici- palities; private investors; developers	ISO 9001:2009; ISO 14001:2005; OHSAS 18001:2008	
11 STRABAG Pozemné a inžinierske stavitelstvo s. r. o.																		
Mlynské nivy 61/A Bratislava - Ružinov 820 15 strabag-pozemne@strabag.com	www.strabag-pozemne.sk +421(0)2 3262-1111 +421(0)2 3262-3341	+421(0)2 3262-1111 juraj.hirner@strabag.com	1963 703	307.60 mil. EUR 387.60 mil. EUR	NA NA NA	•	•	•	•	•	•	•	•	•	Apartment house Fuxova Bratislava, factory Brose in Prievidza, LINAK premises	VW; Slovenské elektrárne; BROSE; INA; IKEA; Real Estate; Gebrüder Weiss; NFS	ISO 9001:2015; ISO 14001:2015; BS OHSAS 18001:2007	
12 STRABAG s.r.o.																		
Mlynské Nivy 61/A Bratislava - Ružinov 825 18 info.sk@strabag.com	www.strabag.com +421(0)2 3262-1040 +421(0)2 3262-3341	+421(0)2 3262-1026 info.sk@strabag.com	1991 680	225.80 mil. EUR 186 mil. EUR	90% 10% 0%	•		•	•	•	•	•	•	•	D3 Čadca, Bukov - Svr- činovec, TIP Lužianky, railway modernisation Slovnalt	NDS; SSC; ŽSR; self-governing regions	ISO 9001; ISO 10006; ISO 14001; ISO 27001; OHSAS 18001	
13 VÁHOSTAV - SK, a.s.																		
Priemyselná 6 Bratislava - Ružinov 821 09 info@vahostav-sk.sk	www.vahostav-sk.sk +421(0)41 517-1111	+421(0)2 4922-6204 sekrretariat.gr@vahostav-sk.sk	1956 550	71 mil. EUR 84.90 mil. EUR	80% 18% 2%	•	•	•	•	•	•	•	•	•	D1 H.Podhradie - L.Lúčka, D1 Hubová - Ivachnová, R2 - Prešov ring road	NDS; SEVAK; NR SR; ŽSR; SVP Bratislava; SSC	ISO 9001:2008; 14001:2004; BSI SAS 18001:2007	

Company (Listed alphabetically) Address City, Postal code E-mail  Názov (v abecednom poradí) Adresa Mesto PSČ E-mail	www Phone Fax  www Telefón Fax	Chief executive officer Phone E-mail  Riaditeľ Telefón E-mail	Year of establishment in SR / No. of branches in SR (No. of countries worldwide) / Languages Rok založenia v SR / Počet pobočiek v SR (Počet krajín vo svete) / jazyky	No. of employees / No. of Slovak / Foreign advisors / Počet zamestnancov / Počet slovenských / zahraničných	Management consulting / Manažment	Financial & tax consulting / Finance & dare	Legal advice / Právne poradenstvo	Human capital consulting / Ľudský kapitál	Marketing & PR consulting / Marketing a PR	IT consulting / IT	Real estate consulting / Nehnuteľnosti	Other Iné	Major clients Hlavní klienti
<b>1 CBRE s.r.o.</b>			<b>Tomáš Hegedúš</b>										
Staromestská 3 Bratislava - Staré Mesto 811 03 bratislavaoffice@cbre.com	www.cbre.sk +421(0)2 3255-3300	+421(0)2 3255-3302 tomas.hegedus@cbre.com	2005 3 / 68 E, Cr, Chi, F, H, G, R, S,	160 40 2							●	real estate, work place consultancy, architecture, property management, finance	Tatra banka, Avast, JCI, IBM, Eset, SwissRE, Dell, Oracle, E&Y, PwC, Uniqia, Johnson&Johnson, Allplan, Pfizer, ING, Union, Telekom
<b>2 Colliers International spol. s r.o.</b>			<b>Richard Urvay</b>										
Mlynské nivy 10 Bratislava - Ružinov 821 09 colliers@colliers.sk	www.colliers.com +421(0)2 5998-0980	+421(0)2 5998-0980 richard.urvay@colliers.com	2003 1 / 66 E, G, I, S,	25 17 2							●	real estate financing consultancy	NA
<b>3 Cushman &amp; Wakefield Property Services Slovakia, s.r.o.</b>			<b>Cristina Dumitrache</b>										
Pribinova 10 Bratislava - Staré Mesto 811 09 info.bratislava@cushwake.com	www.cushmanwakefield.sk +421(0)2 5920-9333	+421(0)2 5920-9340 cristina.dumitrache@cushwake.com	2005 1 / 70 E, G,	40 28 2							●	investment: acquisitions/sales, valuation, property and project management	AXA, Careus, Eurovea, Gemo, HB Reavis, ImmoCap, Immofinanz, InterCor, J&T, NEPI, Penta, Prologis, Steelcon, Reico, VIC, Dell
<b>4 Gleds Slovensko</b>			<b>Kamil Bado</b>										
Vysoká 26 Bratislava - Staré Mesto 811 06 gleds@gleds.sk	www.gleds.com +421(0)2 5292-2320	+421(0)2 5292-2320 kamil.bado@gleds.sk	1999 1 / 22 E, Bul, F, G, I,	55 30 NA	●						●	management and construction consulting	ImmoCap, Ballymore Properties, Slovenská sporiteľňa, CBE Development, Orco, J&T, Discovery Group, Tesco, TriGranit, Penta, P3, YIT
<b>5 Jones Lang LaSalle s. r. o.</b>			<b>Peter Nitschneider</b>										
Námestie Mateja Korvína 1 Bratislava - Staré Mesto 811 07 info.slovakia@eu.jll.com	www.jll.sk +421(0)2 5920-9911 +421(0)2 5920-9910	+421(0)2 5920-9920 peter.nitschneider@eu.jll.com	2006 1 / 80 E, H, G, R, Pl, S,	50 70 0	●			●			●	investment, valuation, property and project management, market research	NA
<b>6 MRE Management, k.s.</b>			<b>Peter Mišík</b>										
Hviezdoslavovo námestie 7 Bratislava - Staré Mesto 811 02 office@modestagroup.com	www.modestagroup.com +421(0)2 3240-8888	+421(0)2 3240-8888 misick@modestagroup.com	2005 1 / 2 E, G,	2 1 2							●	advisory, commercial real estate services, land development, investment	Prologis, P3, Mountpark, AXA Real Estate, CTP, Goldbeck, DHL, Gebrüder Weiss, Carcostics, Reifen Gundlach, SONY, Emil Frey, HELIKA
<b>7 PM Group Slovakia s.r.o.</b>			<b>Roman Zámečník</b>										
Ivanská Cesta 30/B Bratislava - Ružinov 821 04 bratislava@pmgroup-global.com	www.pmggroup-global.com 00421(0)2 5465-4814	+421(0)2 5465-4814 bratislava@pmgroup-global.com	2010 1 / 17 E,	12 < 50 < 50							●	project management, architecture & engineering, cost and technical consultancy	DCBA, Penta Investments, IKEA Bratislava, Sconto Bratislava

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REAL ESTATE AGENCIES

Názov (v abecednom poradí) Adresa Mesto PSČ E-mail  Company (Listed alphabetically) Address City, Postal code E-mail		www Telefón Fax  www Phone Fax	Riaditeľ Telefón E-mail  Chief executive officer Phone E-mail	Year of establishment in SR / Languages / No. of branches in SR / No. of employees in SR Rok založenia / jazyky / Počet pobočiek v SR / Počet zamestnancov v SR	Purchase - sale / Kúpa - predaj	Leasing agency / Lingová spoločnosť	Valuation (mkt. value) / Očtovanie	Valuation (RICS mkt. value) / Očtovanie RICS	Valuation (expert opinion) / Znalecký posudok	Buying real estate / Odkúpenie nehm.	Architectural service / Architektonické služby	Property & facility / Správa nehmotností	Project management / Projekty management	RE consultancy / Poradenstvo v oblasti realit	Relocation services / Reločné služby	Commission: purchase - sale (%) / Commission: rent predajom	Yield provide: kúpa - predaj (%) / Výška prír.:	# of Commercial agents / # of Residential agents Počet agentov na obchody s podnikateľskými priestormi / Počet agentov na obchody s bytovými priestormi	Active in sectors / Specializácia na sektory
Residential / Rezidenčné objekty																			
Office / Kancelárie																			
Retail / Obchodné priestory																			
Logistics & industry / Logistika a priemysel																			
Hotels & leisure / Hotely a voľný čas																			
1 HERRYS					Filip Žoldák											5%		15	
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3 ADMS, s. r. o.					Stanislav Haviar											-		3	
Kuzmányho 8 Žilina 010 01 adms@adms.sk		www.adms.sk +421(0)903 711-394	+421(0)903 711-394 haviar@adms.sk	1998 E, C, 1 / 5	•									•		-		-	•







# Labour market

## Prohibition Of Competition After Employment Termination

In order to protect the competitiveness of the employer on the market, along with the original results of its economic activity and the right to capitalize such results at its own discretion, since September 1, 2011, the Labour Code has allowed the employer and the employee to agree in the employment contract that the employee will not, for a maximum period of twelve months after the termination of his or her employment, perform an earning activity that is in competition with the employer's activity.

By concluding a non-competition clause, the employee agrees to not use ordinarily unavailable information and knowledge acquired by the employer that is capable of conferring a significant competitive advantage on a competing entity, for the employee himself/herself or for another entity competing with the former employer after the termination of employment. The most frequently asked questions related to the prohibition of competition after termination of employment have been answered by employment law specialists from the law firm SOUKENÍK – ŠTRPKA, s. r. o. – Senior Associate, Andrej Guba and Junior Associate, Simona Horáková.

### What is a competitive activity and what is the scope of its definition?

A competitive activity is the pursuit of a post-employment activity by an employee on the basis of another employment relationship, as well as the pursuit of a business activity (as a self-employed person, shareholder, member of a statutory or supervisory body in one of the legal forms of companies, in a state enterprise or in a co-operative, if his or her participation therein is also connected with the performance of work), in order to achieve property benefit, i.e. remunerated earning activity or activity normally associated with the provision of remuneration. It is irrelevant whether the employee has actually benefited from the pursued activity; the decisive factor is the employee's will and active activity towards its achievement.

In order to avoid any confusion as to what activities the employer considers to be competitive in relation to its scope of business, the employee and the employer should clarify this matter when they conclude an agreement on a non-competition clause. They should specify

in the clause which activities, due to their competitive character, must not be performed by the employee after termination of employment. The scope of business of an employer who is a legal entity can generally be ascertained

Mgr. Andrej Guba, LL.M.

from the extract from the Commercial Register of the Slovak Republic, the object of activities of a person doing business under a trade license from such a trade licence and the object of activities of persons doing business under special legal regulations. The non-competition clause may be agreed in a manner that the employee's earning activity may not coincide with the scope of business of the former employer in whole or in part.

Given that employers often have a number of objects registered in the Commercial Register or in a trade license, a restrictive interpretation should be applied to the limitation of earning activity. The restriction is justified only in respect of the activity actually carried out by the previous employer, since it cannot be competed in relation to the activity the employer does not carry out at the relevant moment. If the employee carries out an earning activity after termination of employment on the basis of an employment relationship, the identity/similarity of the earning activity is assessed in relation to the object of activity of the new employer, not in relation to the type of work specified in the employee's employment contract. The employer's object of activity is therefore identical for all its employees, no matter what type of work they carry out for the employer. If after the employment termination the employee does business in the same object as his or her previous

employer (e.g. computer services) but in another area (the employer designs websites, the employee programs games), they may not be competitors on the market.

An earning activity is competitive if its performance by the employee is tied to the same region (territorial area) in which the former employer also carries out the activity. If the place where the object of the activity is carried out by the former employer differs from the place of earning activity of the employee, they do not compete with each other on a territorial basis; therefore, the employee's activity cannot be regarded as competitive.

The activity of an employee who is a shareholder, executive director or member of the supervisory board in a company is considered to be an earning activity if he or she participates (except for exercising his or her rights and obligations arising solely from his or her shareholding in the company) in the company's object of activities defined by the scope of business registered in the Commercial Register, even if the company does not carry out an activity identical to the object of the employer's activity temporarily or permanently. The earning activity is not the ownership of shares or equity contribution in a company unless they are connected with the performance of work.

### Is the employee entitled to a monetary remuneration for the conclusion of the agreement?

The non-competition clause is a reciprocal commitment in which former employment relationship participants provide each other with economic benefit. Since the employer limits the employee's constitutional right to earning activities for a certain period of time, the Labour Code grants the employee, towards his or her former employer, the right to receive remuneration for that limitation in the form of adequate financial compensation. The former employer

is obliged to provide the employee with financial compensation of at least 50 % of the employee's average monthly earnings for each month of limitation of his or her earning activity.

### What are the possibilities for terminating the agreement and what is the sanction for its breach?

The non-competition clause may be terminated independently of the termination of the employee's employment. The employer may terminate it by written withdrawal only during the employee's employment when the employer ceases to insist on the arising obligation. The

employee is entitled to terminate the non-competition clause only after the termination of his or her employment, either by payment of the amount agreed upon with the employer in the employment contract, or by written notice if the employer has failed to pay the monetary

compensation to the employee within 15 days of its maturity. The Labour Code, under penalty of invalidity, requires a written form for both withdrawal and notice of termination.

If the employee commences a competitive activity despite a concluded non-competition clause, the employer is entitled, if they so agreed in the employment contract, to demand payment for breach of this obligation. However, the amount of monetary sanction may not exceed the amount of monetary compensation that the former employer was obliged to provide to the employee after his or her termination of employment.

It is necessary to assess whether the employee pursues an earning activity which is competitive (even in part) with the object of the employer's activity on a case-by-case basis, taking into account the specific circumstances of the case. When agreeing on the scope of the non-competition clause, caution must be taken to ensure that the employer and the employee are equal in their right to earning activities, and that their mutual rights and obligations under the non-competition clause are balanced.



Mgr. Simona Horáková



# Employment relations in Slovakia

## EMPLOYMENT CONTRACT

Working relations must always be based on a written employment contract with at least two signed copies – one for the employer and one for the employee. In the contract, the employee commits himself or herself to performing the tasks defined by the employer, and the employer commits to paying wages for the performed work.

The contract must contain at least the following conditions and provisions: job description, location of the work, the starting date, the amount of the salary and the date it is paid, the working hours, the number of days off and the notice period for the termination of the contract.

## TYPES OF EMPLOYMENT CONTRACTS

Slovak law allows employers and employees to agree upon one of two basic types of job contracts:

**Fixed-term employment contract** is limited to up to two years. The fixed-term contract can be prolonged or renewed, but only twice within two years.

**Employment contract for unlimited** does not state a fixed period for the contract's validity.

In addition to these, two basic forms of employment contract, there are other agreements which can serve as the basis for employment relations in an agreement on performing certain tasks; an agreement on working activity; and an agreement on seasonal work for students.

**An agreement on performing certain tasks** can be signed between an employer and a natural person, provided the performance of the tasks stated in the contract does not exceed 350 hours in a year.

**An agreement on working activity** can serve as a basis for performing work not exceeding 10 hours per week.

**An agreement on seasonal work for students** can be signed between employers and a natural person who is a student. This contract can be used for performing tasks that do not require, on average, more than half of the standard weekly working hours and the agreement must be accompanied by proof that the employee is a student.

These three types of agreement must be in written form and be signed in order to become valid.

## SICK LEAVE

In the event of a temporary sick leave, an employee is entitled to sickness insurance benefits only beginning from the 11<sup>th</sup> day of the leave, at 55 percent of the daily assessment basis. Until that point, the employee is entitled to an income substitute as defined by the law.

The income substitute is paid by the employer from the first day until the end of the temporary sick leave, up to the 10<sup>th</sup> day. For the first three days, it is 25 percent of the daily assessment basis and from the fourth until the 10<sup>th</sup> day, it is 55 percent of the daily assessment basis. In order to receive the income substitute, the employee is required to provide confirmation of temporary sick leave.

## TERMINATING AN

## EMPLOYMENT RELATIONSHIP

**By mutual agreement between the employer and the employee.**

**A termination notice from either the employer or the employee.** In the case of the employer, the reason must be stated in the notice. If an

employer terminates an employee on the basis of redundancy, the employer is not allowed to fill the same position during the following two months.

**Immediate termination of an employment relation.**

The employer is entitled to do so if the employee was sentenced for committing a crime or for severely violating working rules. An employee can terminate a contract immediately for personal health reasons, if an employer does not pay the salary, or if the employee's life or health is at risk at work.

**Termination of the fixed-term employment contract** is automatic after the term passes if the contract is not extended.

**Terminating an employment contract in the probationary period** can be done by either party for any reason.

**A mass layoff** is when an employer issues termination notices or agrees on the termination of employment relations with 10 or more employees (or 10 percent or more of the total workforce depending on the size of the company) within a 30 day period.

Source: [www.socpoist.sk](http://www.socpoist.sk)  
[www.employment.gov.sk](http://www.employment.gov.sk)

## FAQ: Dealing with Slovaks

The answers were prepared based on the responses of Dana Blechová (managing partner, Blechova Management Consulting); Luboš Sirota (chairman of the board, McROY Group); Marek Chrástina (managing partner, TRIGON Consulting); Sergio Duarte (country manager, Adecco Slovakia); Martin Marek (managing partner, Balanced HR), and Ivana Molnárová (executive director, Profesia).  
**Q: What should I expect when communicating with Slovak partners?** **A:** Slovaks want to create and maintain good relationship with their business partners, in the long run even friendship. But even after many years of cooperation you should not expect complete loyalty, especially if your Slovak business partner is offered a much lower price from the competition. Slovaks are not always punctual for meetings. Slovaks without international experience might have problems to create an equal partner relationship, often lack healthy self-confidence and a global viewpoint, or even communication skills. Slovaks are not always politically correct and diplomatic, and are not masters of small talk. Due to the specifics of the Slovak business environment, local companies tend to be over-cautious and suspicious towards new business partners. They are used to dealing with their issues "unofficially", relying on personal contacts. They might take longer to build mutual trust. In general, however, Slovaks are ready to adjust to the new

rules and be reliable partners. The typical Slovak features used to be low self-confidence, lower acceptance of risk, lack of a global dimension in business, focus on content rather than attractive presentation and low flexibility to move for business. With the new generation now arriving to business, this is changing. There are no specific traditions about structure or phases of business negotiations the way we know it from Asia. Slovak companies are generally seen as producing good quality and being consistent in keeping agreements.

**Q: How do Slovaks react to changes?** **A:** The older generation is more cautious and loyal to employers or business partners, while the young generation is much more self-confident, flexible, and not easily scared by changes.

**Q: What are the specifics of corporate culture in Slovak companies?** **A:** Most companies are struggling with introducing some official corporate culture, like clear vision and mission of the company, and many haven't managed to do so yet. Those tend to act ad hoc and spontaneously when dealing with a problem. There are still companies where the pre-1989 culture is felt, or some where the specifics of the 1990s persist. But nowadays most companies have already achieved a professional level where owners respect and value their people and the employees in turn respect and value their customers.

**Q: What ethical principles do Slovaks adhere to while**

**doing business in Slovakia?** **A:** Slovak companies have come a long way in respecting ethical standards in recent years. They realise that damage to reputation is hard to repair in business. Many companies have come up with codes of ethics. Companies do not tend to harm their clients and keep contracts and agreements.

**Q: What are the specifics of the Slovak labour market that foreigners might find surprising?** **A:** Generally foreign employers are satisfied here. The qualities they value about Slovaks include the willingness to work hard and return good results. On the other hand, they often have to cope with Slovaks' lacking initiative and willingness to have their say in business issues. Foreigners also note the lack of openness in communication and willingness to take responsibility among Slovaks.

**Q: What should I expect from Slovaks as employees?**

**A:** Slovaks tend to maintain informal and even friendly relationships with their colleagues at work. They need good atmosphere and interpersonal relations, and they talk about their private matters at work. This might affect the productivity of their work sometimes. They are also emotive when it comes to feedback, and find it difficult not to take critical feedback personally. On the other hand, they are ready to work long hours if needed and return good results. They tend to be less assertive and are unlikely to fight for their employee rights.

# Job portals & HR companies in Slovakia

## JOB PORTALS

[www.brigady.sk](http://www.brigady.sk); [www.job.sk](http://www.job.sk); [www.jobagent.sk](http://www.jobagent.sk); [www.kariera.zoznam.sk](http://www.kariera.zoznam.sk); [www.profesia.sk](http://www.profesia.sk)

## HUMAN CAPITAL CONSULTING

**CPL Jobs:** [www.cpljobs.sk](http://www.cpljobs.sk)  
**FBE Bratislava:** [www.fbe.sk](http://www.fbe.sk)  
**Human Dynamic Central & Eastern Europe:** [www.humandynamic.sk](http://www.humandynamic.sk)  
**Jenewein Group:** [www.jeneweingroup.com](http://www.jeneweingroup.com)  
**Libellius:** [www.libellius.com](http://www.libellius.com)  
**Manuvia SK:** [www.manuvia.com](http://www.manuvia.com)  
**Maxman Consultants:** [www.maxman-consultants.com](http://www.maxman-consultants.com)  
**Mercuri International:** [www.mercuri.sk](http://www.mercuri.sk)  
**TRIGON Consulting:** [www.trigon-consulting.sk](http://www.trigon-consulting.sk)

## RECRUITMENT AGENCIES

**ADECCO Slovakia:** [www.adecco.sk](http://www.adecco.sk)  
**BALANCED HR:** [www.balanced-hr.com](http://www.balanced-hr.com)  
**DRAFTCOM:** [www.draftcom.com](http://www.draftcom.com)  
**Grafton Slovakia:** [www.grafton.sk](http://www.grafton.sk)  
**HRC Slovakia:** [www.hrconsulting.sk](http://www.hrconsulting.sk)  
**HRQ services SK:** [www.hrqgroup.com](http://www.hrqgroup.com)  
**Lugera & Maklér:** [www.lugera.sk](http://www.lugera.sk)  
**Manuvia Expert Recruitment SK:** [www.manuvia.com](http://www.manuvia.com)  
**Neumann Consulting:** [www.neumannconsulting.sk](http://www.neumannconsulting.sk)  
**Pro HR:** [www.prohr.sk](http://www.prohr.sk)

**Start Group:** [www.startgroup.sk](http://www.startgroup.sk)  
**SYNERGIE Slovakia:** [www.synergie.sk](http://www.synergie.sk)  
**Trenkwalder:** [www.sk.trenkwalder.com](http://www.sk.trenkwalder.com)  
**TRIGON Consulting:** [www.trigon-consulting.sk](http://www.trigon-consulting.sk)

## EXECUTIVE SEARCH FIRMS

**Amrop - Leaders For What's Next:** [www.amrop.sk](http://www.amrop.sk)  
**Arthur Hunt:** [www.arthur-hunt.com](http://www.arthur-hunt.com)  
**Blechova Management Consulting:** [www.blechovaconsulting.sk](http://www.blechovaconsulting.sk)  
**KINGFISHER Executive Search:** [www.kingfisherexecutive.com](http://www.kingfisherexecutive.com)  
**MENITY GROUP:** [www.menity-group.com](http://www.menity-group.com)  
**Menkyna & Partners Management Consulting:** [www.menkyna.com](http://www.menkyna.com)  
**Pedersen & Partners:** [www.pedersenandpartners.com](http://www.pedersenandpartners.com)  
**TARGET Executive Search Slovakia:** [www.targetexecutivesearch.com](http://www.targetexecutivesearch.com)  
**Teamconsult SR:** [www.teamconsult.sk](http://www.teamconsult.sk)

## TEMPORARY EMPLOYMENT AGENCIES

**Arios - human resources:** [www.arioshr.sk](http://www.arioshr.sk)  
**EUROTRADE - SR:** [www.pseurotrade.sk](http://www.pseurotrade.sk)  
**HRQ SK:** [www.hrqgroup.com](http://www.hrqgroup.com)  
**INDEX NOSLUŠ:** [www.indexnoslus.sk](http://www.indexnoslus.sk)  
**LUTO Automotive:** [www.lutogroup.com](http://www.lutogroup.com)



**ManpowerGroup Slovensko:** [www.manpower.sk](http://www.manpower.sk)  
**Manuvia:** [www.manuvia.com](http://www.manuvia.com)  
**Proact People Slovensko:** [www.proactpeople.sk](http://www.proactpeople.sk)  
**SYNERGIE TEMPORARY HELP:** [www.synergie.sk](http://www.synergie.sk)  
**Work Service Slovakia:** [www.workservice.eu.sk](http://www.workservice.eu.sk)

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# Recession could affect job market. No disaster expected

The dropping unemployment rate continues to be the cause of grey hairs for employers. The fight for qualified workers is pushing up salaries, pushing companies to come up with various strategies to maintain staffers.

Yet, the signs that the economy will grow at a slower pace suggest that this may change soon, affecting both salary hikes and the employment rate, observers say.

"Slovakia's labour market is in good shape," Alexej Dobroľubov of the Employment Institute told The Slovak Spectator. He does not expect the predicted drop in economic growth to have a significant impact on the labour market.

Representatives of employers, who have been critical towards the recent labour market policies applied by the government (the surcharges for night, holiday and weekend work and a big hike in the minimum wage passed in October) met with PM Peter Pellegrini, who promised to draft measures to help businesses in times of slower economic growth.

Soon after the meeting, the Economy Ministry introduced an action plan comprised of 42 measures to support the business sector and Slovak industry. The most

detailed proposals revolve around the minimum wage and changes to surcharges, others introduce a flexible working time, and a digital tax.

Martin Hošťák, secretary of the National Union of Employers (RÚZ), perceives the measures positively.

"The problem is that their implementation is planned for the next year or the year after, which is very late," he said.

## Jobless rate stagnates

In the second quarter of 2019, the growth of Slovakia's economy slowed down to 1.9 percent year-on-year, the slowest annual growth since the second recession wave within the eurozone in 2013. To compare, in the first quarter of the year, the GDP rose by 3.7 percent y-o-y, the Statistics Office data shows.

The National Bank of Slovakia (NBS), the country's central bank, eventually echoed the predictions of analysts, confirming in late September that economic growth may decelerate down to 2.5 percent in 2019, and to 2.4 percent the following year.

"The Slovak economy is going downhill, but there is no sign of an abyss at this point," NBS Governor Peter Kažimír said when presenting

the bank's medium-term forecast, as quoted by the SITA newswire.

The prediction has not been reflected in an unemployment increase yet. The registered unemployment rate in Slovakia accounted for 4.97 percent at the end of August 2019, at the same level as in June and July. In annual terms, it fell by 0.45 percentage points, according to data of the Central Office of Labour, Social Affairs and Family (ÚPSVaR).

"It's not easy to comment on this development," said Labour Minister Ján Richter (Smer) at the September 20 press conference, as quoted by SITA. The employment dynamics weakened in the previous months, he added.

Tatra Banka analyst Juraj Valachy expects the jobless rate to stagnate at around 5 percent in September, too.

The number of available jobs increased to nearly 95,000 in August, while the number of unemployed ready to take up jobs immediately amounted to 137,000.

"Big regional differences – jobs in central and western Slovakia and unemployed in eastern and southern Slovakia – prevent the drop in the unemployment rate in the future," Valachy said, as quoted by SITA.

## Salaries at a record high, on average

Meanwhile, Slovakia broke a record when the average monthly salary in the national economy amounted to €1,101 in the second quarter of 2019, according to the Statistics Office data.

This is an increase of 9.7 percent year-on-year, and an analysis by UniCredit Bank stated it has reached an 11-year high.

Labour market observers, however, warn that salaries have been growing much faster than labour productivity over a long period.

Labour productivity went up by only 1.1 percent in the second quarter of 2019, according to the European statistics office, Eurostat. Employers in Slovakia see a problem in Slovakia posting the EU's second highest growth in unit labour costs in the second quarter, at 7.8 percent, the Sme daily reported.

Meanwhile, observers note that unlike the previous years, the average salary will not increase at such a high pace in the coming years. While the growth rate increased from 4.2 percent in 2016 to 8.1 percent in 2018, the trend is expected to change in 2019. However, the growth will still remain relatively high, amounting to 6-8 percent, according to a recent salary survey carried out by Grafton Slovakia.

"We expect the salary increase to amount to 5 to 7 percent in 2020, while the salary differences between Slovakia's regions will be gradually wiped out," said Miroslav Garaj, country manager of Grafton Slovakia.

## Higher surcharges affect some sectors

One of the measures that increased employers' costs was the hike in surcharges for night, weekend and holiday work, introduced in two phases in May 2018 and May 2019. Since night and weekend surcharges are calculated as a share of the minimum wage, the constant government pressure on increasing the minimum wage also means an increase in these surcharges.

Surcharges for night work increased from 20 to 40 percent of minimum wage as of May 1, 2019. Night surcharges for work involving risk increased to 50 percent.

The weekend work surcharge went up to 50 percent for Saturdays and 100 percent on Sundays.

The surcharges for work during holidays increased to 100 percent.

In Dobroľubov's opinion, the change in surcharges may result in a partial rationalisation of production since companies will try to avoid night shifts.

"Yet, there are sectors that will see increased costs, which will reflect in the prices of products, like in the bakery industry," he added.

Compared with 2017, the food industry indeed saw labour costs rise by 67 percent in the case of Saturday work and by 137 percent for Sunday work, 17 percent for work on holidays and by 45 percent for night work, Hošťák confirmed.

"Regarding the upcoming economic slowdown, it is really a significant increase in costs which, in the case of a crisis, will be hard to reflect in prices," he told The Slovak Spectator.

Food producers cannot adapt or modify their production processes to avoid higher surcharges, he explained.

Apart from increased costs, higher surcharges interfere with the motivation systems and make planning in companies harder, Hošťák said.

## Minimum wage according to gov't

Employers are also critical of the latest raise of the minimum

wage, approved ahead of the February 2020 general election. The minimum monthly wage will increase from the current €520 to €580 as of January 2020, the biggest hike in 17 years.

The lowest hourly earnings will, therefore, rise from the current €2.989 gross to €3.333 gross. The Labour Ministry estimated the number of employees whose salary is to rise, totally or partially, at about 191,000.

The increase in the minimum wage was proposed by the government, after the trade unions and employers failed to reach an agreement. The Confederation of Trade Unions (KOZ) advocated an increase in the lowest gross earnings to €607.80, whereas employers demanded a minimum wage of €552.20.

Since the minimum wage is linked to the recently introduced surcharges, there is risk if approved in an ill-considered way, according to Mária Filová Špániková, spokesperson of the Federation of Employers' Associations (AZZZ). She stressed minimum wage should not be a political topic, but that it should be considered based on real economic and social parameters.

"Its unfounded and dynamic increase combined with the surcharges linked to the minimum wage may have a very negative



Source: TASR

impact," she told The Slovak Spectator.

## Crisis might not be as bad as before

The measures such as higher surcharges or the increase in the minimum wage will bring a negative impact when the situation in the economy worsens, since the companies will reassess the use of every single euro, Filová Špániková said.

The problem is that companies are already restraining investment in their own development since they use the money to finance the new measures.

"It's very probable that the economic slowdown combined with high labour costs will result in an increased unemployment rate and the reduced production

volume in companies," she added. The most impacted will be small and medium-sized companies as well as firms that are not in a good economic condition. These are mostly those situated in economically weaker regions with a higher unemployment rate, according to Filová Špániková.

Dobroľubov stresses that the intensity of the upcoming recession remains unclear. Nonetheless, companies active in automotive and other industries will not need as many staffers as they do now.

"However, we still can't predict that the recession will be as strong as in 2008-2009," he added. "We do not expect the unemployment rate to rise as quickly as in those years."

By Radka Minarechová



Source: TASR



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Basic information about Slovakia's regions									
	Slovakia	Bratislava Region	Tmava Region	Trenčín Region	Nitra Region	Žilina Region	B. Bystrica Region	Prešov Region	Košice Region
Population as of 31.12.2018	5,450,421	659,598	563,591	585,882	676,672	691,368	647,874	825,022	800,414
Size (in square kilometres)	49,034	2,054	4,147	4,501	6,344	6,811	9,454	8,972	6,751
Share of Slovak GDP creation 2017	100.00%	27.96%	11.22%	8.96%	10.93%	10.84%	8.82%	9.06%	12.21%

Source: Statistics Office of the Slovak Republic

Wages & Labour Costs*									
	Slovakia	Bratislava Region	Tmava Region	Trenčín Region	Nitra Region	Žilina Region	B. Bystrica Region	Prešov Region	Košice Region
Average nominal monthly wage for the first half of 2019	€1,062	€1,339	€999	€980	€870	€937	€906	€805	€981
Avg. nominal monthly wage 2018	€1,013	€1,272	€952	€951	€832	€911	€859	€775	€929
Avg. nominal monthly wage 2017	€954	€1,200	€890	€895	€789	€855	€807	€734	€869
Monthly wage costs per employee 2017	€1,492	€1,894	€1,411	€1,397	€1,297	€1,352	€1,272	€1,204	€1,374

\* data based on the statistical data for quarters (estimation of wages of self-employed included)

Source: Statistics Office of the Slovak Republic

Average monthly wage in 2018 based on the National Classification of Economic Activities (NACE)*									
	Slovakia	Bratislava Region	Tmava Region	Trenčín Region	Nitra Region	Žilina Region	B. Bystrica Region	Prešov Region	Košice Region
Economy total	€1,171	€1,532	€1,114	€1,094	€1,034	€1,088	€1,023	€928	€1,110
A Agriculture, fishing & forestry	€978	€1,066	€1,069	€1,011	€1,040	€931	€947	€886	€891
B Mining and quarrying	€1,202	€1,506	€1,501	€1,155	NA	€1,204	€1,283	NA	€1,040
C Manufacturing	€1,236	€1,743	€1,260	€1,209	€1,131	€1,230	€1,037	€934	€1,278
D Electricity, gas, steam supply	€1,749	€2,315	€1,840	€1,634	NA	€1,564	€1,471	NA	€1,429
E Water supply and waste	€1,002	€1,250	€1,134	€904	€935	€1,029	€897	€843	€1,029
F Construction	€1,045	€1,355	€1,012	€1,027	€893	€1,049	€884	€841	€1,045
G Wholesale and retail trade; Repair of motor vehicles	€1,100	€1,401	€989	€1,028	€995	€951	€983	€882	€931
H Transport and storage	€1,074	€1,368	€1,045	€926	€888	€931	€970	€966	€996
I Accommodation, food services	€700	€817	€667	€641	€547	€696	€741	€626	€679
J Information & communication	€2,060	€2,409	€1,283	€1,347	€1,170	€1,673	€1,537	€1,362	€1,774
K Financial & insurance act.	€1,880	€2,079	€1,374	€1,403	€1,341	€1,370	€1,449	€1,292	€1,417
L Real estate activities	€1,087	€1,541	€923	€944	€885	€883	€1,142	€885	€854
M Professional, scientific and technical activities	€1,444	€1,736	€1,222	€1,176	€1,159	€1,079	€948	€1,005	€1,107
N Administrative & support services	€861	€1,063	€935	€821	€660	€823	€740	€633	€870
O Public administration, defence & social security	€1,234	€1,554	€1,154	€1,148	€1,119	€1,181	€1,160	€1,074	€1,146
P Education	€992	€1,052	€985	€933	€988	€923	€952	€997	€1,045
Q Health and social work	€1,137	€1,362	€1,043	€1,067	€1,106	€1,168	€1,098	€1,018	€1,100
R Arts, entertainment, recreation	€938	€1,138	€844	€828	€781	€926	€856	€920	€838
S - U Other	€836	€1,027	€906	€859	€683	€841	€869	€554	€732

\* collected through workplace method (estimation of wages of self-employed not included)

Source: Statistics Office of the Slovak Republic

Unemployment & economic activity rate in Slovakia's regions in 2Q/2019*									
	Slovakia	Bratislava Region	Tmava Region	Trenčín Region	Nitra Region	Žilina Region	B. Bystrica Region	Prešov Region	Košice Region
Economically active population	2,724,900	358,200	288,300	298,100	340,300	342,500	328,500	396,700	372,300
Unemployment rate	5.7%	2.3%	4.8%	3.0%	4.7%	4.4%	8.1%	9.4%	7.7%
Unemployed	155,000	8,400	13,800	8,900	16,000	15,200	26,600	37,300	28,800
Economic activity rate in %	59.3%	65.6%	59.8%	59.0%	58.3%	58.8%	59.4%	58.6%	56.2%

\* data based on a labour force sample survey (LFS)

Source: Statistics Office of the Slovak Republic

Unemployment rate*									
	Slovakia	Bratislava Region	Tmava Region	Trenčín Region	Nitra Region	Žilina Region	B. Bystrica Region	Prešov Region	Košice Region
2001	19.2%	8.3%	18.0%	13.4%	23.1%	18.9%	22.4%	22.7%	24.8%
2004	18.1%	8.2%	12.5%	8.6%	20.3%	17.5%	26.6%	22.9%	25.2%
2005	16.2%	5.2%	10.4%	8.1%	17.8%	15.2%	23.8%	21.5%	24.7%
2006	13.3%	4.3%	8.8%	7.1%	13.2%	11.8%	21.1%	18.1%	20.3%
2007	11.0%	4.2%	6.5%	5.7%	10.7%	10.1%	20.0%	13.8%	15.9%
2008	9.6%	3.6%	6.2%	4.7%	8.8%	7.7%	18.2%	13%	13.5%
2009	12.1%	4.7%	9.1%	7.3%	13%	10.6%	18.8%	16.2%	15.5%
2010	14.4%	6.1%	12%	10.2%	15.4%	14.5%	18.6%	18.6%	18.3%
2014	13.2%	6%	12.4%	8.6%	11.9%	13.6%	18.3%	17.5%	15.6%
2015	11.5%	5.7%	11.0%	7.2%	10.8%	10.3%	15.3%	16.8%	13%
2016	9.7%	5%	8.5%	5.8%	8.7%	8.6%	13%	14.8%	11.4%
2017	8.1%	4.2%	5.9%	4.1%	6.4%	6.7%	12.2%	12.9%	11.1%
2018	6.5%	2.9%	5.1%	3.0%	4.7%	5.5%	9.6%	10.0%	10.1%
2Q/2019	5.7%	2.3%	4.8%	3.0%	4.7%	4.4%	8.1%	9.4%	7.7%

\* data based on a labour force sample survey (LFS)

Source: Statistics Office of the Slovak Republic

Unemployment rate by education in 2Q/2019*									
	Slovakia	Bratislava Region	Tmava Region	Trenčín Region	Nitra Region	Žilina Region	B. Bystrica Region	Prešov Region	Košice Region
Unemployed	155,000 (100%)	8,400 (100%)	13,800 (100%)	8,900 (100%)	16,000 (100%)	15,200 (100%)	26,600 (100%)	37,300 (100%)	28,800 (100%)
Elementary and without education	49,600 (32%)	2,200 (26.2%)	2,500 (18.1%)	1,600 (18.0%)	2,400 (15%)	1,400 (9.2%)	9,700 (36.5%)	19,000 (50.9%)	10,800 (37.5%)
Secondary without A level	42,800 (27.6%)	2,000 (23.8%)	6,200 (44.9%)	2,900 (32.6%)	5,400 (33.8%)	6,200 (40.8%)	5,200 (19.5%)	6,600 (17.7%)	8,200 (28.5%)
Secondary with A level	47,200 (30.5%)	2,300 (27.4%)	4,200 (30.4%)	3,100 (34.8%)	6,800 (42.5%)	5,300 (34.9%)	8,600 (32.3%)	9,300 (24.9%)	7,600 (26.4%)
University	15,500 (10%)	1,900 (22.6%)	1,000 (7.2%)	1,200 (13.5%)	1,400 (8.8%)	2,300 (15.1%)	3,100 (11.7%)	2,400 (6.4%)	2,200 (7.6%)

\* data based on a labour force sample survey (LFS)

Source: Statistics Office of the Slovak Republic

Economically active population by education in 2Q/2019*									
	Slovakia	Bratislava Region	Tmava Region	Trenčín Region	Nitra Region	Žilina Region	B. Bystrica Region	Prešov Region	Košice Region
Economically active population	2,724,900 (100%)	358,200 (100%)	288,300 (100%)	298,100 (100%)	340,300 (100%)	342,500 (100%)	328,500 (100%)	396,700 (100%)	372,300 (100%)
Elementary and without education	161,100 (5.9%)	11,200 (3.1%)	18,900 (6.6%)	9,100 (3.1%)	20,700 (6.1%)	9,000 (2.6%)	26,500 (8.1%)	38,500 (9.7%)	27,200 (7.3%)
Secondary without A level	636,800 (23.4%)	40,200 (11.2%)	80,500 (27.9%)	96,200 (32.3%)	88,000 (25.9%)	92,300 (26.9%)	72,300 (22%)	87,700 (22.1%)	79,600 (21.4%)
Secondary with A level	1,213,700 (44.5%)	139,200 (38.9%)	122,400 (42.5%)	133,000 (44.6%)	156,600 (46%)	163,700 (47.8%)	152,700 (46.5%)	179,400 (45.2%)	166,800 (44.8%)
University	713,300 (26.2%)	167,800 (46.8%)	66,500 (23.1%)	59,800 (20.1%)	75,100 (22.1%)	77,500 (22.6%)	77,000 (23.4%)	91,200 (23%)	98,600 (26.5%)

\* data based on a labour force sample survey (LFS)

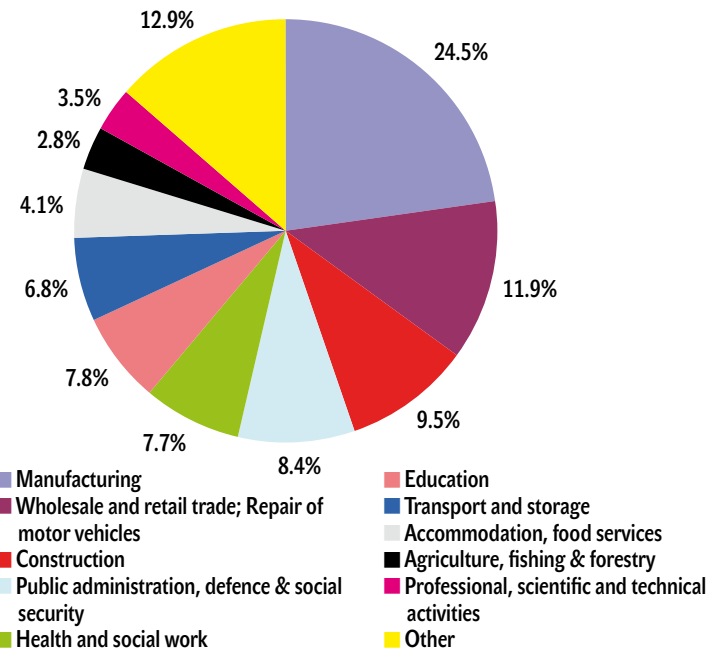
Source: Statistics Office of the Slovak Republic

Employment in sectors of economy in 2Q/2019 based on the National Classification of Economic Activities (NACE)*									
	Slovakia	Bratislava Region	Tmava Region	Trenčín Region	Nitra Region	Žilina Region	B. Bystrica Region	Prešov Region	Košice Region
Economy total	2,569,900 (100%)	349,800 (100%)	274,500 (100%)	289,200 (100%)	324,400 (100%)	327,400 (100%)	301,800 (100%)	359,400 (100%)	343,400 (100%)
A Agriculture, fishing & forestry	71,600 (2.8%)	1,200 (0.3%)	7,400 (2.7%)	5,300 (1.8%)	15,400 (4.7%)	11,400 (3.5%)	13,400 (4.4%)	8,600 (2.4%)	8,800 (2.6%)
B Mining and quarrying	8,800 (0.3%)	500 (0.1%)	0 (0.0%)	3,200 (1.1%)	0 (0.0%)	1,500 (0.5%)	2,100 (0.7%)	900 (0.3%)	500 (0.1%)
C Manufacturing	628,900 (24.5%)	39,000 (11.1%)	84,900 (30.9%)	115,700 (40%)	85,800 (26.4%)	85,000 (26%)	62,400 (20.7%)	82,200 (22.9%)	73,800 (21.5%)
D Electricity, gas, steam supply	28,900 (1.1%)	1,900 (0.5%)	5,800 (2.1%)	2,400 (0.8%)	7,400 (2.3%)	3,700 (1.1%)	2,100 (0.7%)	1,400 (0.4%)	4,200 (1.2%)
E Water supply and waste	20,000 (0.8%)	2,000 (0.6%)	1,300 (0.5%)	1,900 (0.7%)	2,600 (0.8%)	2,400 (0.7%)	3,500 (1.2%)	3,600 (1.0%)	2,600 (0.8%)
F Construction	244,900 (9.5%)	23,700 (6.8%)	22,300 (8.1%)	24,400 (8.4%)	28,700 (8.8%)	46,200 (14.1%)	24,700 (8.2%)	47,800 (13.3%)	27,100 (7.9%)
G Wholesale and retail trade; Repair of motor vehicles	305,600 (11.9%)	39,600 (11.3%)	32,400 (11.8%)	30,700 (10.6%)	38,000 (11.7%)	34,200 (10.4%)	37,300 (12.4%)	49,900 (13.9%)	43,400 (12.6%)
H Transport and storage	175,600 (6.8%)	33,000 (9.4%)	20,200 (7.4%)	13,100 (4.5%)	24,900 (7.7%)	19,800 (6%)	21,100 (7%)	17,200 (4.8%)	26,300 (7.7%)
I Accommodation, food services	105,300 (4.1%)	11,800 (3.4%)	12,200 (4.4%)	10,900 (3.8%)	12,800 (3.9%)	18,500 (5.7%)	9,900 (3.3%)	15,300 (4.3%)	13,700 (4%)
J Information & communication	71,600 (2.8%)	26,400 (7.5%)	5,600 (2%)	3,900 (1.3%)	5,700 (1.8%)	5,700 (1.7%)	5,900 (2%)	4,100 (1.1%)	14,200 (4.1%)
K Financial & insurance activities	52,500 (2%)	18,900 (5.4%)	3,900 (1.4%)	4,900 (1.7%)	4,800 (1.5%)	4,500 (1.4%)	7,000 (2.3%)	4,100 (1.1%)	4,500 (1.3%)
L Real estate activities	15,000 (0.6%)	4,300 (1.2%)	1,600 (0.6%)	1,900 (0.7%)	1,000 (0.3%)	1,900 (0.6%)	1,900 (0.6%)	1,100 (0.3%)	1,400 (0.4%)
M Professional, scientific and technical activities	89,400 (3.5%)	26,800 (7.7%)	10,500 (3.8%)	9,400 (3.3%)	8,100 (2.5%)	8,200 (2.5%)	8,200 (2.7%)	9,700 (2.7%)	8,500 (2.5%)
N Administrative & support services	58,200 (2.3%)	9,100 (2.6%)	7,100 (2.6%)	4,200 (1.5%)	7,600 (2.3%)	7,000 (2.1%)	6,600 (2.2%)	6,800 (1.9%)	9,700 (2.8%)
O Public administration, defence & social security	215,900 (8.4%)	33,600 (9.6%)	17,200 (6.3%)	20,100 (7.0%)	19,800 (6.1%)	17,700 (5.4%)	35,900 (11.9%)	36,900 (10.3%)	34,900 (10.2%)
P Education	201,500 (7.8%)	33,300 (9.5%)	18,700 (6.8%)	14,700 (5.1%)	25,400 (7.8%)	30,800 (9.4%)	20,100 (6.7%)	31,900 (8.9%)	26,600 (7.7%)
Q Health and social work	198,500 (7.7%)	27,800 (7.9%)	14,600 (5.3%)	18,000 (6.2%)	25,600 (7.9%)	20,600 (6.3%)	31,200 (10.3%)	29,800 (8.3%)	31,000 (9.0%)
R Arts, entertainment, recreation	36,600 (1.4%)	10,900 (3.1%)	3,400 (1.2%)	1,700 (0.6%)	3,900 (1.2%)	5,100 (1.6%)	4,100 (1.4%)	2,700 (0.8%)	4,800 (1.4%)
S - U Other	41,200 (1.6%)	6,000 (1.7%)	5,500 (2%)	2,700 (0.9%)	6,700 (2.1%)	3,200 (1.0%)	4,300 (1.4%)	5,500 (1.5%)	7,300 (2.1%)

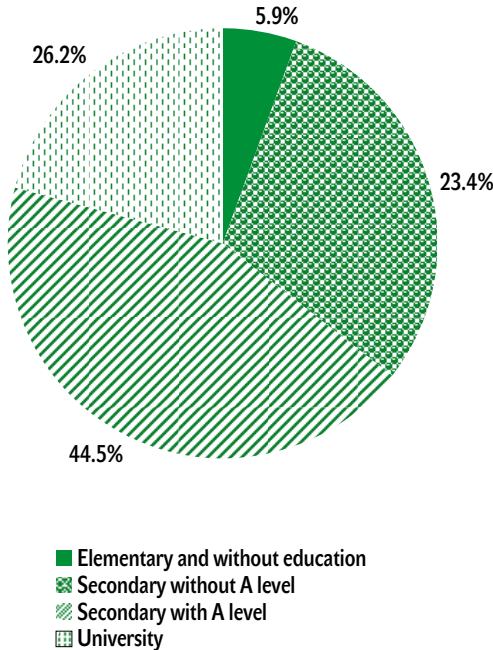
\* data based on a labour force survey (LFS)

Source: Statistics Office of the Slovak Republic

Employment in sectors of economy in 2Q/2019



Economically active population by education in 2Q/2019





# Economy & business environment

## Slovak economy no longer defies global gravity

**Tight labour market and short supply of skilled workers results in a pay bonanza**

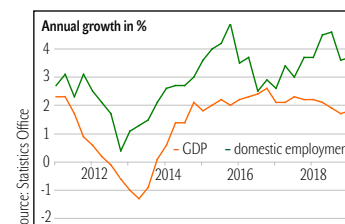
In recent years, the Slovak economy has been doing extraordinarily well, exceeding its potential by boosting its share on the rising global markets, thanks especially to its increased automotive capacities. With global trade now stalling amidst rising protectionism, the value of Slovak exports, cars in particular, are starting to decrease. Domestic demand, to be sure, will still contribute positively to overall GDP growth, as households continue to enjoy generous wage gains. However, households are also facing increasing uncertainty about future income since declining orders and rising labour costs are now leading companies to scale down investment and hiring intentions. As a result, VÚB Bank is revising its growth expectations from 3.5 percent, which it predicted for 2020 a year ago, to 2 percent. Trade and currency disputes within the global economy also push the economic growth forecast downward, but these factors are rather unpredictable.

### Slovakia no longer immune to economic slowdown

Amidst rising protectionism and trade tensions, the global economy has slowed significantly over the past year. From 3.6 percent growth in 2018, global GDP has slowed in 2019 to an estimated 2.6 percent. In the eurozone, 2019 growth expectations have downshifted from 1.7 percent, forecast a year ago, to 1.1 percent. Slovakia's main trading partner, Germany, is now at its weakest economic phase since 2013, having slipped in mid-2019 at the brink of a technical recession.

Until the spring, the Slovak

economy seemingly defied this global and European slowdown, maintaining a growth pace close to 4 percent. In the second quarter of 2019, exports faltered and GDP growth slowed to a mere 2 percent. A particularly hard hit came from the declining demand for cars, a key segment of the Slovak export industry and also the dominant factor supporting recent Slovak growth outperformance. As a result, growth expectations for 2019 have downshifted to around 2.5 percent from close to 4 percent, which was expected a year ago.

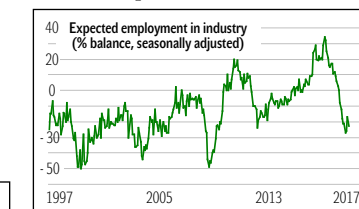


### Outlook is marred by global uncertainty

The growth of Slovakia's small, open economy very much depends on global trade. And this, unfortunately, has come to a near standstill amidst unprecedented uncertainty over the global trade policy. Disputes between the US and China in trade, technology and currency affairs appear to be escalating rather than easing over time. As we write this outlook in autumn 2019, trade relations between the US and the EU are also coming under pressure due to disagreements over industrial policy in the aviation industry along with uncertainty related to the exit of the UK from the EU.

Amidst these global risks, the hopes of a reacceleration of growth in 2020 become increasingly distant. The baseline scenario is that global growth will remain sluggish, as in 2019. A return to an

expansionary monetary policy and prospective easing in fiscal policies within key global economies might prevent a recession, but they will not really change the outlook. Our colleagues at Intesa Sanpaolo forecast the eurozone economy will slow further in 2020, posting 0.9 percent growth. The German economy is expected to grow by a mere 0.5 percent.



### Automotive backbone hit especially hard

The global slowdown has a particularly deep impact on the automotive industry, which is highly cyclical. Moreover, the automotive industry is now also undergoing a structural shift in demand, away from traditional, fuel-fired cars to electric and hybrid vehicles. Both of these factors have a discretionary negative impact on the Slovak economy, which is heavily dependent on the automotive sector and specialises predominantly in traditional fuel-fired car production.

Uncertainty in the automotive sector, moreover, is amplified by trade disputes and threats of car tariffs, especially from the US. As detailed on this page a year ago, Slovakia is the EU's most exposed country to the US car market and thus would also be hit disproportionately hard should a 25-percent tariff be raised.

For the time being, the negative impact on the overall industry has been to a large extent offset by the rollout of new car production

at Jaguar Land Rover's recently completed factory in Nitra. Yet, new orders in the sector, minus 7 percent over a year ago in June and July vs a 48-percent increase at the start of the year speak clearly of changing fortunes for the Slovak automotive sector.

### Resilience of domestic demand will be tested

Unlike external demand, domestic demand is still expanding. All major components of domestic demand contributed positively to GDP growth in the first half of 2019. Going forward though, it will become increasingly challenging to maintain the momentum. On the investment front, companies, to be sure, still operate at near full throttle. Capacity utilisation in manufacturing through the third quarter remained at 88 percent, far above the levels that historically motivated manufacturers to invest in new machinery and equipment. However, the changed global outlook and declining new orders will make managers think twice about historical rules. While gross investments grew in the first half of 2019 by a formidable 9 percent over a year ago, all of this growth was due to inventories and not investment in capital. As a result, a payback for increased stockpiles is likely later on.

Households are enjoying a pay bonanza amidst the tightening labour market and short supply of skilled workers. The average gross wage in the second quarter grew 10 percent over a year ago, the fastest clip in over a decade. This bonanza will not last forever. The hiring intentions of employers and job vacancies abate as order books get thinner and labour more costly.



Households, aware of these trends and the uncertainty they create for their future income, are spending less and saving more for the future. The growth of private consumption in the first half of the year thus slowed to 1.5 percent, half the pace seen in 2018. Gross savings, by contrast, grew by a hefty 40 percent over a year ago in the first half, on top of their 9 percent growth in 2018.

The housing market could also experience a change in fortunes. The stock of housing under construction rose to the highest in modern history, but the new supply stopped growing. The number of new housing units actually dropped in the second quarter by nearly 11 percent from last year's levels. A decline in the prospective supply of new housing is due to several causes such as steep property prices, a lack of suitable lots, slow building permits etc. Demand, however, also appears to be affected by the developments on the mortgage market, which the central bank is trying

to slow amidst rising household indebtedness. Slovak households became the most indebted in the central and eastern European region. Some age segments in Slovakia even exceed the EU average in terms of household debt. To prevent a build-up of financial stability risks, the central banks thus intervened and capped access of debt-stretched households to new housing loans. They will likely continue tightening the measures in the future.

The public sector, to be sure, could help bridge the economic down-cycle and accelerate its investment spending, especially now, as we move toward the later part of the current seven-year EU programming period. However, the space to do so appears limited. The slowing economy has namely deprived the government budget of a substantial part of forecast revenues, already pre-empted by hefty social spending ahead of 2020 parliamentary elections. The plan of a balanced budget in 2019



Source: Jaguar Land Rover

has officially been abandoned and, according to the fiscal watchdog, the budget outcome will most likely be a deficit of 1.2 percent of GDP. For 2020, to comply with EU rules, the government is due to present a budget accounting for a 0.5 percent GDP gap at most. This leaves no room for extra fiscal stimulus or co-financing

of EU funded projects, even if the government is able to save a lot on debt servicing costs. Similar to most other eurozone countries, Slovak yields have also been impacted negatively, which will most likely continue for the foreseeable future.

*Zdenko Štefanides,  
chief economist at VÚB Banka*

BASIC STATISTICAL DATA - SLOVAKIA & THE EUROPEAN UNION							
	Euro Area	EU 28	Germany	Slovakia	Poland	Czech Rep.	Hungary
Population 1.1.2019 (mil.)	341.93	513.48	83.02	5.45	37.97	10.65	9.77
GDP Percentage change 2017 / 2018	1.9%	2.0%	1.5%	4.0%	5.1%	3.0%	5.1%
Unemployment (%) in September 2019, seasonally adjusted	7.5%	6.3%	3.1%	5.6%	3.3%	2.1%	3.4%
Annual inflation (%) in September 2019	0.8%	1.2%	0.9%	3.0%	2.4%	2.6%	2.9%

Source: Eurostat

GDP - SLOVAKIA & THE EUROPEAN UNION							
	Euro Area	EU 28	Germany	Slovakia	Poland	Czech Rep.	Hungary
GDP per capita 2018 (€)	36,200	33,100	43,700	17,700	14,000	20,900	14,400
GDP per inhabitant in PPS, 2017, EU 28 = 100%	106%	100%	123%	77%	70%	89%	68%
GDP per inhabitant in PPS, 2018, EU 28 = 100%	106%	100%	123%	78%	71%	90%	70%

Source: Eurostat, World Bank, exchange rate USD/EUR used was the average of 2016

PUBLIC FINANCES & TAXES - SLOVAKIA & THE EUROPEAN UNION							
	Euro Area	EU 28	Germany	Slovakia	Poland	Czech Rep.	Hungary
Government deficit in 2018 (%)	-0.5%	-0.7%	1.9%	-1.1%	-0.2%	1.1%	-2.3%
Government debt in 2018 (% of GDP)	80.4%	85.9%	61.9%	49.4%	48.9%	32.6%	70.2%
Total general government revenue 2018 (% of GDP)	46.5%	45.1%	46.4%	40.8%	41.4%	41.7%	44.4%
Top statutory personal income tax rate (%)	-	-	47.5%	25.0%	32.0%	15.0%	15.0%
Corporate income tax rate (%)	-	-	29.9%	21.0%	19.0%	19.0%	9.0%

\* arithmetic average (all members)

Source: Eurostat, OECD

LABOUR MARKET - SLOVAKIA & THE EUROPEAN UNION (BASED ON LABOUR FORCE SURVEY)							
	Euro Area	EU 28	Germany	Slovakia	Poland	Czech Rep.	Hungary
Employment rate 2018 (%) *	72.0%	73.2%	79.9%	72.4%	72.2%	79.9%	74.4%
Unemployment rate 2018 (%)	7.0%	8.2%	3.4%	6.5%	3.9%	2.2%	3.7%
Long-term unemployment rate 2018 (%)	3.8%	2.9%	1.4%	4.0%	1.0%	0.7%	1.4%
Labour productivity in 2018 per person employed (EU 28 = 100, based on PPS series)	106.3%	100.0%	104.5%	80.9%	77.4%	83.3%	69.3%
The hourly labour cost in the business economy in 2018 (€)**	30.6	27.4	34.6	11.6	10.1	12.6	9.2
The hourly labour cost in the business economy in 2017 (€)**	30.3	26.8	34.1	11.1	9.4	11.3	9.1
Total nominal hourly labour cost in second quarter 2019 % change compared with same quarter of previous year	2.7%	3.1%	3.2%	10.6%	7.8%	8.0%	10.1%

\* rate is calculated by dividing the number of employed persons aged 20-64 years by the total population of the same age group, \*\*estimation

Source: Eurostat

# Chip developer: Slovakia will hold a prominent position in AI

Ever since he emigrated to the United States, Radoslav Danilák has been hoping for the day he could repay Slovakia for the contribution it made to his success abroad.

“With Tachyum and Prodigy, that day has finally arrived,” said Danilák, whose Tachyum company has been developing the Prodigy microprocessor with high performance and low energy consumption that is three times cheaper than the best chip on the market used by the operators of data centres.

The Prodigy Universal Processor chip, the world's first “universal processor” as Danilák described it, will be developed in Slovakia.

## Years-long career in the field

Danilák has more than 25-year experience in the electronics industry designing state-of-the-art processing systems and owns over 100 patents.

Born in eastern Slovakia, he graduated from the Technical University of Košice (TUKE), where he gained a PhD in Computer Science and an MS in Electrical Engineering.

He went to the United States in 1998, and started working for several companies focusing on the production of chips, like nVidia, Nishan Systems, Toshiba and Gizmo Tech, before founding his own startups.

Danilák co-founded and served as the chief technical officer of SandForce, acquired by LSI in 2011 for \$377 million. He pioneered enterprise and consumer MLC flash controllers and solved the problem of endurance limited by device physics.

He also founded Skyera, a supplier of ultra-dense solid-state storage systems, which was acquired by WD in 2014. As its CEO, he won the 2013 Gold Tech Awards Circle



Source: TASR

for Emerging Company Executive of the Year.

He then founded Tachyum in 2016, to disrupt markets by solving the processing performance plateau of nanometer class chips.

Apart from his activities in the US, Danilák serves on the Slovak government's Innovation Advisory Board and is a member of the IDC Technical Computing Advisory Panel and the Forbes Technology Council, and is a contributor to TechTarget. He also teaches compiler courses at TUKE.

## A unique chip

Back in May 2018, the media headlines were hit by the information that Danilák and his team in Silicon Valley had developed a chip that should be able to simulate the capacity of a human brain in real time. Its production should be launched by 2020.

Prodigy is unique, as it outperforms the fastest Xeon CPU using 10-times lower power and with a three-times lower sales price, Danilák said in a recent interview with The Slovak Spectator.

“Prodigy architecture requires only one-tenth the number of transistors required for a Xeon core,” he continued. “With more than 10-times fewer transistors, the average wire length connecting them is less than half the length in Prodigy compared to competing products, resulting in faster clock speeds.”

Thanks to its design, data centres can seamlessly and dynamically power up unused servers, which comprise most of the data centre server racks with no additional capital expenditures.

“This, by definition, makes every Prodigy-powered data centre an AI hub, offering Big-AI at low cost to all,” Danilák said.

In his opinion, the use of Prodigy is “virtually unlimited”, from a bigger, more flexible onboard brain for self-driving cars, to enabling drones to perform onboard sensor fusion, to creating the next generation of intelligent robots.

## A loan for R&D centre

Prodigy's mask set, or the final design for fabrication, will be

produced in Tachyum's Bratislava subsidiary, while the chip as such will be fabricated by TSMC in Taiwan.

“Tachyum is the only startup we know of, which is contracted directly with TSMC,” Danilák said.

For this purpose, the cabinet approved the proposal to provide Tachyum's Slovak subsidiary with a repayable loan of €15 million to develop the processor at its March 2019 session.

The interest rate for the instalment was set to 4 percent p.a., while the payback period is 10 years. The money is expected to be used for the establishment of a research centre.

“The R&D centre in Bratislava will be responsible for the tape-out of the final design for Prodigy,” Danilák said.

## A proud Slovak

Moreover, the Bratislava operation will be engaged in advanced AI solutions development, which will create additional revenue streams for Tachyum in Slovakia.

“I set up the corporate structure of Tachyum specifically to ensure that Slovakia would be in a prominent position to deliver and support the revolutionary Prodigy product, which will disrupt both AI and data centre markets in the EU, and across the globe,” Danilák said.

When asked why he decided to build an R&D centre for Prodigy in Slovakia, he replied: “I'm a proud Slovak national who wants to give something important back to the country and culture that helped enable my success.”

In recognition of his contributions, he received a state decoration from ex-president Andrej Kiska in January 2019.

*By Radka Minarechová*



# Clusters: Untapped innovation potential

In 2007, there were less than 1,000 people working in the IT industry in Košice, Slovakia's second largest city, and many young people were leaving it to head either to the west of the country or abroad for work.

Today, there are more than 15,000 people employed in the sector, which plays a key role in the development of the wider Košice Region, thanks largely to the Košice IT Valley cluster – a joint initiative between local IT companies, schools, and municipal and regional authorities.

"We're trying to bring investments with added value to eastern Slovakia," Pavol Miroššay, executive director of Košice IT Valley, told The Slovak Spectator.

## What are clusters?

Košice IT Valley, which recently lured Norwegian IT company Visma to the region to open a new business service centre in the city, which will create nearly 200 new jobs, is just one of several successful clusters active in Slovakia.

A cluster is a group of independent companies and institutions



Source: TASR

concentrated in regions which specialise in a certain field. They usually involve companies, schools, research institutions, municipal or regional authorities, and non-governmental organisations linked by technology and knowledge.

The clusters can help companies gain a competitive advantage in both Slovak and foreign markets, according to the Slovak Alliance for Innovation Economy (SAPIE).

Importantly, they also help companies innovate.

"In today's rapidly changing world, it's impossible to act individually," said Daniel Ács, head of the Union of Slovak Clusters. "Cooperation is necessary."

Experience from other European countries suggests that cluster members are more innovative and can adapt with greater flexibility to changes than those acting individually, he added.

## Education in focus

About 56 clusters were registered in Slovakia in various fields in 2017, with 16 having bronze and one gold certification, according to the data of the Slovak Innovation and Energy Agency (SIEA).

IT Valley Košice has been internationally recognised, it is the only cluster in Slovakia to receive the Cluster Management Excellence Label Gold certificate, granted by

the European Commission, in 2015. It was also the first in central Europe to receive the gold certificate.

The cluster focuses on four main fields: community, education, region, and companies. It organises meetings and conferences on various topics, such as marketing, programming, and user experience, sharing the local IT community's knowledge.

The cluster is also working to stop a brain drain from the eastern Slovak region, collaborating with regional universities, including the Technical University of Košice and the Pavol Jozef Šafárik University in Košice, and secondary schools.

"I dare say we're the only entity in Slovakia to successfully unite an entire IT sector, even though companies compete with one another on the labour market," Miroššay said.

Another cluster, the Slovak Plastic Cluster (SPK), focuses on improving the quality of people working in plastics processing.

Its activities involve cooperating with secondary vocational schools as well as universities to support creativity and innovation among students and graduates, explained Katarína Ikrényiová, the cluster's executive director.

Through its activities the cluster has been instrumental in prompting the Government's Council for Vocational Education to approve

three new technical specialisations at vocational schools this year – plastics processing operator, plastics processing technician and plastics processing specialist.

"This change will contribute to the development of vocational training in the field of plastics processing and the improvement of secondary vocational education as a whole," Ikrényiová told The Slovak Spectator.

The cluster's activities include preparing various seminars, promoting of its members and their work, and helping make companies more competitive. They also run a large database of firms with more than 20 employees focused on producing and processing plastics, or who are involved in recycling.

SPK is also looking to connect companies and institutions focusing on basic research with companies.

"Our second big achievement has been facilitating cooperation between scientists from the Slovak University of Technology's Faculty of Chemical and Food Technology and companies focusing on biodegradable materials," Ikrényiová said.

## Boost to tourism

Cluster Liptov, the first tourism cluster in the country, is another success story.

Created in 2008 to bring local municipalities and businesses

together, its main role has been to create a platform for subjects active in tourism to come together and promote the region both at home and abroad, explained Darina Bartková, executive director of Region Liptov, a destination management organisation which is a successor of the original cluster.

One of their first projects was the introduction of the Liptov Region Card, which offers various discounts for tourists to the region, she told The Slovak Spectator. It was also behind the launch of ski-buses, which take people directly to the popular Jasná ski resort from places outside the area.

Running the buses has helped accommodation rates at hotels and guest houses in the surrounding region, she said.

Region Liptov also organises two important summer festivals to attract more tourists to the region while the organisation has also carried out various promotional campaigns and was responsible for the creation of the Visitliptov.sk website.

"We've managed to double the number of visitors to Liptov during the past 11 years," Bartková said.

## Financing is a problem

Despite their huge potential, people involved in the clusters complain of a lack of state support.

"I sometimes feel that we're a bit forgotten in Košice," Miroššay said. "Košice has great potential in the creative and IT industries, which is why the cluster should be actively supported."

Ikrényiová argued that there is a lack of any systemic help from the state for clusters.

This may be down to the fact that there is little to no information about them or what they do in state policy documents, she said. Moreover, neither the state nor key regional bodies have shown any interest in implementing a cluster strategy in their development plans.

"Slovakia doesn't need a specific strategy for clusters," Ikrényiová said. "It would be enough if clusters were simply included in regional development programmes."

If clusters want to develop the quality of their management, they need to be able to secure continuity.

"That's not possible without targeted and systemic support," she added.

Other problems are closely

linked to financing. Currently, most clusters are financed via member contributions, which is the case with IT Valley Košice and SPK. According to Ács, some clusters also receive EU funds if they are involved in specific EU programmes.

## Changes may come soon

The Economy Ministry began providing financial support to clusters active in industry in 2013 through one-off subsidies to carry out non-investment projects focused on education, promotion, expert activities, and participation in international projects. Meanwhile, SIEA has also been created to support cluster innovations. However, this is not enough, said Ács.

"The state doesn't recognise the innovation potential of clusters for Slovakia," he added.

Some changes may be coming though. The Economy Ministry, SIEA and cluster representatives met last year to begin working on a new call for funding financed using EU funds via the joint-ministerial Operational Programme Research and Innovation.

It will be open to various types of clusters who, after meeting the

conditions, may subsequently receive financial support for three-year projects.

Ács expects the call for funding to be announced towards the end of this year or in early 2020.

## Tourism needs changes, too

Destination management organisations are currently eligible for subsidies based on legislation governing support specifically for the tourism industry.

Bartková welcomed some recent changes for the sector, such as lower accommodation tax and the introduction of a scheme for companies to provide recreational vouchers for employees, which she says help eliminate the illegal renting of accommodation.

But there needs to be greater synergy between destination management organisations and the state in focusing on developing new tourist markets, in her opinion.

"Tourism is a long-distance run," Bartková said. "It's worth investing in the sector though as it creates employment in non-industrial areas."

By Radka Minarechová

## Continued from page 38

The Relevans law firm, which ranked second among the largest law firms, advised the buyer in the purchase of three shopping malls in Spain worth €500 million. The lawyers had entered this among their references in 2018, but back then the details of the transaction were still unknown.

It turns out that at stake was the purchase of the following shopping malls GranCasa in Zaragoza, Valle Real in Santander and Max Center in Bilbao, by the Slovak developer Peter Korbačka of the J&T Real Estate group. Korbačka also owns shopping malls in Slovakia, including Eurovea in Bratislava and City Arena in Trnava.

## Arbitration over bypass

Several references in the top 50 deals concern litigation, or

leading court disputes.

Soukeník – Štrpka, for instance, advises the Zero Bypass Limited consortium that is building the Bratislava ring road, namely stretches of the D4 highway and the R7 dual carriageway, in the arbitration against the Slovak Republic linked with this construction worth €1.7 billion. Discrepancies arose between the government and the concessionaire regarding the lands, the speed of the work and what the state should be paying for.

Soukeník – Štrpka also represents an unspecified retail chain in a food inspection dispute regarding the so-called million euro penalties. These are fines worth at least €1 million, which the law on food-stuffs orders the State Veterinary and Food Administration to impose

if it repeatedly finds discrepancies in a store, regardless of the gravity of the error (like a forgotten package of rice past its best before date).

The Ružička and Partners law firm is advising the Hungarian petrochemical MOL group in the expropriation of small shareholders of the Bratislava-based Slovnaft refinery. It is the first-ever squeeze out in Slovakia. It is probable that lawsuits will follow, as the small shareholders have already announced. MOL intends to pay them €85 per share, while they demand at least €100.

Among its references the Relevans law firm entered that it is "representing one of the most significant Slovak banks in the dispute on determining the legitimacy of claims" at the

significant amount of €166 million.

They have not specified the details, which is common with references in the litigation area. These references tend to be vague in the interest of protecting clients.

By Adam Valček



Source: SVE

## Certified clusters in Slovakia

### Golden certificate

Košice IT Valley (Košice)

### Bronze certificate

1. Slovenský strojársky klaster

(Detva)

Klaster AT+R (Prešov)

Automotiv Cluster Slovakia

(Trnava)

IT Valley (Košice)

Národný energetický klaster – NEK

(Bratislava)

Slovak Plastic Cluster (Nitra)

BITTERAP (Košice)

Elektrotechnický klaster – Západné

Slovensko (Galanta)

In Tech (Žiar nad Hronom)

Z@ict (Žilina)

Klaster Liptov (Liptovský Mikuláš)

Klaster Orava (Dolný Kubín)

Klaster Horehronie o.o.c.r. (Mýto

pod Ďumbierom)

OOCR Dudince (Dudince)

Source: SIEA



# Investment highlights

## ■ NOVEMBER 2018

Žilina-based carmaker Kia Motors Slovakia kicked off the production of its newest model, the third generation of the Kia ProCeed.

MiddleCap Real Estate Ltd. sold New Stein, an office building on the former Stein brewery premises in Bratislava, to Prvý Realitný Fond managed by IAD Investments. Although they did not reveal the price, the companies claimed that it was one of the largest real estate transactions in Slovakia for 2018.

## ■ DECEMBER 2018

The Saudi-Arabian company Sisban started building a brand new logistics park near the village of Chocholná-Velčice (Trenčín Region). Sihoľ Park will spread over 160,000 square metres, while investments are projected at €50 million.

More than 1 million vehicles rolled off the carmakers' production lines in Slovakia in 2018. Volkswagen Slovakia, Kia Motors Slovakia, Groupe PSA Slovakia, and Jaguar Land Rover produced more than 1,080,000 vehicles, which is the highest figure in the history of Slovakia.

## ■ JANUARY 2019

The Slovak company Nafta completed the acquisition of

underground gas storage facilities in Inzenham – West, Wolfersberg and Breitbrunn/Eggstätt in Germany's Bavaria region.

Economic freedom in Slovakia worsened slightly. It ranked 65<sup>th</sup> of 180 countries surveyed in the Index of Economic Freedom (IEF), published by The Heritage Foundation. Slovakia scored 65 points, which is 0.3 points less than the year before.

The U.S. Steel Košice steel-works announced the intention to build a new line for the production of non-grained oriented electrical steel, investing \$130 million. Its production capacity is expected to be roughly 100,000 tonnes a year.

The British retail chain Tesco sold its department store in Kamené Námestie square in the centre of Bratislava to the Mirage Shopping Center company of Žilina-based businessman George Trabelsies. The sum of the transaction has not been disclosed.

## ■ FEBRUARY 2019

Slovakia has lost the whole decade to improving the quality of its business environment. Although there has been no rapid decrease, the country did not report any significant rise either. In the Superindex ranking for 2018, published by the Business Alliance of Slovakia, it scored 80.9 points, down by one position to 36<sup>th</sup> place compared with 2017.

Nové Zámky-based Novofruct SK announced a plan to produce baby food with a special Halal certification for Muslim consumers. All production should be exported to European and Arab markets.

Bratislava-based carmaker Volkswagen Slovakia published its plan to ax nearly 3,000 jobs by June 2019.

## ■ MARCH 2019

Slovak startup Cviker from Poprad (Prešov Region) signed a prestigious agreement worth \$60,000 with JBG Smith, the real estate company focused on the Washington metropolitan area. It will enable it to redraw the new quarter in Washington, D.C., where Amazon is to move its headquarters.

The Slovak financial group Proxenta joined forces with Confitaria Caibarién to establish the first Cuban-Slovak joint venture. They will focus on the production of sweets.

Slovak technology company GA Drilling signed a deal on financing worth €4.2 million with the investment firm Lead Ventures. The latter invested in the former with the funds of the MOL group and Hungarian Eximbanka bank.

The cabinet approved a proposal to provide the Tachyum

company with repayable financial aid of €15 million to develop a new processor.

## ■ APRIL 2019

The Trnava-based carmaker Groupe PSA Slovakia launched the production of its first electric car in Slovakia, Peugeot e-208.

The Bratislava-based carmaker Volkswagen Slovakia produced its one-millionth Touareg. The record-breaking vehicle was produced for a Polish customer.

The intention of the Swiss company Mubea Automotive Slovakia to establish a new manufacturing hall in Kežmarok (Prešov Region) was certified by the government as an important investment. The company plans to produce car components and set up an engineering centre, investing €51 million in total.

## ■ MAY 2019

Slovak companies are the least disciplined firms in Europe when it comes to paying their invoices on time, the European Payment Practices study conducted by the EOS KSI company in 2018 suggested. The data indicated that up to 27 percent of payments by Slovak firms came either late or not at all.

## ■ JUNE 2019

The German company BHS-Sonthofen announced its intention to build a new manufacturing plant in the Zátarecká industrial park in Haniska, near Prešov. It is expected to invest €10 million and employ 100 people.

The HB Reavis developer has sold Twin City Tower to the Valesco Group, a real estate investment manager from London, and AIP Asset Management, an asset manager based in Seoul. The transaction worth €120 million is the first real estate investment backed by the South Korean capital in Slovakia.

AeroMobil announced an investment from the Israeli invest-

ment company Focus Capital Group and Chinese investment group Weilong Enterprise, with its headquarters in Shanghai. It should help the company complete the certification process and then kick off the sale of its 4.0 version of the flying car.

Gestamp, a multinational company specialising in design, development and the manufacturing of highly engineered metal components for the automotive industry, opened its new plant in Nitra. An investment worth nearly €130 million will create almost 200 jobs. The Slovak government supported it with a €9 million stimulus.

## ■ JULY 2019

The government greenlighted an action plan to transform the Upper Nitra region after mining in the area ceases. It counts on pouring about €3 billion into the region within about 200 investment projects.

A new kind of blue cheese will be produced by the dairy factory Tami in Kežmarok (Prešov Region), with the company investing €15 million.

U.S. Steel Košice announced a plan to reduce the number of employees working at the plant and its subsidiaries by 2,500 before the end of 2021.

The Slovak company InoBat signed a contract with the American company Wildcat Discovery Technologies (WDT) concerning cooperation on the development and production of batteries for e-cars. A new plant should emerge in Slovakia in the second quarter of 2020, with an investment reaching €100 million. The project was joined by the Matador Group.

The Slovak arm of the German system service provider Mühlbauer obtained a building permit for the third construction phase of its factory in Nitra, adding a new building that should be completed by December 2020. The investment, whose amount has not been specified, will bring 200 new jobs.



Mlynské Nivy in Bratislava (Source: TASR)

Roehling Automotive, a German components supplier for the automotive industry, opened a new plant in Kočovce (Trenčín Region), with the ambition of employing 240 people. The construction of the new hall cost €12 million, while investment in technologies has consumed an additional €10 million.

## ■ AUGUST 2019

The Slovak branch of the Hungarian OTP bank was put on sale. There are reportedly three bidders interested in purchasing the bank: ČSOB bank, Tatra Banka and the Penta investment group.

Austrian company Miba announced an investment of €10 million, to expand its capacities in Vrable (Nitra Region). The investment will create 80 new jobs.

The Panattoni Europe industrial developer has launched the construction of a new eight-hectare industrial park near Košice airport, with a price tag of €30 million.

## ■ SEPTEMBER 2019

The Duslo Šaľa chemical company stopped all investments into its development due to high electricity prices and increasing labour costs caused by governmental measures.

Altogether 43 Slovak companies appeared in the recent Coface CEE Top 500 list, up by two compared with 2017. On the other hand, there was only one Slovak

firm in the top 10. The Bratislava-based Volkswagen Slovakia, however, fell from the 5<sup>th</sup> to 7<sup>th</sup> position.

The Centre of Development of Innovations, scheduled to open by the end of the year in Lučenec (Banská Bystrica Region), will among other things develop a new type of battery for cargo transport. The government will support the centre's construction with a subsidy of €140,000.

British carmaker Jaguar Land Rover (JLR) introduced a new version of its iconic Defender, which will be exclusively manufactured in Nitra.

The Brose Prievidza company kicked off the construction of its third manufacturing hall, where around 400 people will find a job once it is completed. It will cost €50 million.

The oldest shopping mall in Bratislava, Polus City Center, will be renamed Vivo! once its reconstruction is completed. The Immofinanz company from Austria invested €25 million into the facelift.

Economy Minister Peter Žiga introduced an action plan comprised of 42 measures to support the business sector and the Slovak industry. He did so shortly after PM Peter Pellegrini met with the representatives of employers, who had criticised the high work surcharges and fast-growing minimum wage joint for all sectors,

promising to draft measures to help businesses in times of slower economic growth.

## ■ OCTOBER 2019

There were 151 robots per 10,000 employees in Slovakia in 2018, according to the latest World Robotics report published by the International Federation of Robotics. This is nearly twice as much as the global average.

The government approved the increase in the minimum wage. It will rise from the current €520 to €580 as of January 2020.

Slovakia ranked 42<sup>nd</sup> of 141 countries surveyed in the 2019 Global Competitiveness Report, published by the World Economic Forum. With a score of 66.8 points out of 100, it worsened its position by one spot compared to last year.

The government approved an incentive of €2 million for German carmaker Porsche to build a new technology centre, focusing on the automation and robotisation of car production, in Horná Streda (Trenčín Region).

The Czech PPF group, owned by Petr Kellner, signed an agreement to acquire the current owner of private broadcaster TV Markíza, CME, which operates TV stations in several countries. The transaction is estimated at USD2.1 billion.

By Radka Minarechová



Source: TASR




	Company (Listed alphabetically) Address City, Postal code E-mail  Názov (v abecednom poradi) Adresa Mesto PSČ E-mail	www Phone Fax  www Telefón Fax	Chief executive officer Phone E-mail  Riaditeľ Telefón E-mail	Year of establishment in Slovakia / # of members / Languages Rok založenia / Počet členov / Jazyky	Annual membership fee Ročný členský poplatok	Membership conditions Podmienky pre členstvo	Services and activities Služby a aktivity
1	<b>American Chamber of Commerce in the Slovak Republic</b>		<b>Ronald Blaško</b>				
	Hodžovo námestie 2 - Hotel Crowne Plaza Bratislava - Staré Mesto 811 06 office@amcham.sk	www.amcham.sk +421(0)2 5464-0534	+421(0)2 5464-0534 ronald.blasko@amcham.sk	1994 330 E,	patron EUR4,000; corporate EUR2,300; general EUR850; NGO/Individual EUR500	AmCham's main pillars: information, network- ing and advocacy	contacts; information; events; facilitation of trade and investment opportunities
2	<b>Austrian - Slovak Chamber of Commerce</b>		<b>Mária Berithová</b>				
	Kutlíkova 17, P.O. BOX 228 Bratislava - Petržalka 814 99 sohk@sohk.sk	www.sohk.sk +421(0)2 6353-6787 +421(0)2 6353-6788	+421(0)917 450-964 berithova@sohk.sk	1996 182 E, G,	depending on number of employees	business entities, companies with Slovak and Austrian connections	event organisation; seminars; business networking; contacts and information for members; publication; meetings; lobbying
3	<b>Brazilian - Slovak Chamber of Commerce</b>		<b>Milan Cigáň</b>				
	Palisády 724/47 Bratislava - Staré Mesto 811 06 info@brazilslovakiaacc.sk	www.brazilslovakiaacc.sk +421(0)2 3218-1409	+421(0)2 3218-1409 info@brazilslovakiaacc.sk	2017 17 E, P,	EUR350	NA	NA
4	<b>British Chamber of Commerce in the Slovak Republic</b>		<b>Denisa Brighton</b>				
	Mostová 2 Bratislava - Staré Mesto 811 02 info@britcham.sk	www.britcham.sk +421(0)2 3266-1949	+421(0)2 3266-1941 denisa.brighton@britcham.sk	1998 110 E,	EUR590 - EUR1,330 (depending on the number of employees)	application complete, board approval, inte- rest in gaining UK and SK connections	services for SK / UK business to enter the UK / SK market; business and social events; partnership proposal; business promotion
5	<b>Canadian Chamber of Commerce</b>		<b>Joseph Burza</b>				
	Mariánska 12 Bratislava - Staré Mesto 811 08 ksok@ksok.sk	www.cancham.sk +421(0)2 5293-2895	+421(0)918 485-978 joseph.burza@ksok.sk	2001 64 E, G, R, S,	corporate EUR1,000; associated EUR600; individual EUR350	application form, board approval, mem- bership fee	lobbying; contacts and information for members; assistance to market entry
6	<b>French - Slovak Chamber of Commerce</b>		<b>Zuzana Desvergues</b>				
	Klariská 14 Bratislava - Staré Mesto 821 03 fsok@fsok.sk	www.fsok.sk +421(0)2 5910-3411	+421(0)2 5910-3411 desvergues@fsok.sk	1994 145 E, F,	depending on the basic capital of the company	registration form, board approval	assistance in business entry; networking events; business breakfasts; seminars; speed business meetings
7	<b>German - Slovak Chamber of Industry and Commerce</b>		<b>Peter Kompalla</b>				
	Suché myto 1 Bratislava - Staré Mesto 811 03 info@dsihk.sk	www.dsihk.sk +421(0)2 2085-0620 +421(0)2 2085-0632	+421(0)2 2085-0631 kompalla@dsihk.sk	2005 450 E, G,	large companies EUR600; small companies EUR420; institutions EUR250	involvement in German-Slovak business community	individual assistance in market entry in Germany / Slovakia; organisation of member events; support in vocational training
8	<b>Hispanic - Slovak Chamber of Commerce</b>		<b>Francisco de la Sierra</b>				
	Poštová 1 Bratislava - Staré Mesto 811 06 info@camaradecomercio.sk	www.camaradecomercio.sk +421(0)2 5249-3005	+421(0)2 5249-3005 fdelasierra@camaradecomercio.sk	2009 32 E, S,	individuals EUR150; small companies EUR500; big companies EUR1,000	application form, membership fee	support of commercial relations between Slo- vak and Spanish companies through contacts, information, events and disaissions
9	<b>Italian - Slovak Chamber of Commerce</b>		<b>Giorgio Dovigi</b>				
	Michalská 7 Bratislava - Staré Mesto 811 01 info@camitslovakia.sk	www.camit.sk +421(0)948 899-880	+421(0)948 899-880 g.dovigi@camitslovakia.sk	1997 170 E, I,	EUR500	application form, membership fee	lobbying; events; meetings; info and con- sulting services; assistance in market entry; accountancy
10	<b>Netherlands Chamber of Commerce in the Slovak Republic</b>		<b>Adriana Kukučková</b>				
	Moskovská 13 Bratislava - Staré Mesto 811 08 director@netherlandschambers.sk	www.netherlandschamber.sk +421(0)904 281-608	+421(0)904 281-608 director@netherlandschambers.sk	1997 - E,	individual EUR200; corporate EUR830; patron EUR1,500	application form, board approval, mem- bership fee	business contacts; networking; consulting; business and social events; seminars; events in Slovakia and in the Netherlands
11	<b>Slovak - Polish Chamber of Commerce</b>		<b>Stanislav Kučírek</b>				
	Hájkova 31 Žilina 010 01 zahrza@za.scci.sk	www.spok.sk +421(0)41 723-5102 +421(0)41 723-5653	+421(0)41 723-5102 zahrza@za.scci.sk	1996 35 E, Pl,	EUR166	company established in she Slovak Republic and Poland	search for business partners; presentation of members; organisation of trade missions; exhibitions; seminars; etc.
12	<b>Slovak Chamber of Commerce and Industry</b>		<b>Peter Mihók</b>				
	Grosslingová 4 Bratislava - Staré Mesto 816 03 sopkurad@sopk.sk	www.sopk.sk +421(0)2 5413-1228 +421(0)2 5413-1159	+421(0)2 5413-1228 predseda@sopk.sk	1992 - E, F, G,	EUR200 - EUR8,600 (depending on size of company)	NA	contacts for firms; business trips; arbitration court; seminars; trainings; legal and customs consulting; publication
13	<b>Swedish Chamber of Commerce in the Slovak Republic</b>		<b>Jan Norrman</b>				
	Kalinčiakova 27 Bratislava - Nové Mesto 831 04 swedcham@sweden.sk	www.sweden.sk +421(0)917 750-884	+421(0)907 586-991 jan.norman@sweden.sk	1997 35 E,	companies up to 10 empl. EUR415; from 11 empl. EUR 830; individuals EUR100	submit application form, pay annual member- ship fee, attend events	seminars; breakfast meetings and presenta- tions; visits to companies, social and sports events; networking
14	<b>Swiss - Slovak Chamber of Commerce</b>		<b>Zsolt Kajtor</b>				
	Michalská 12 Bratislava - Staré Mesto 811 01 hssr@hssr.sk	www.hssr.sk +421(0)903 476-538	+421(0)905 227-891 zsolt.kajtor@gmail.com	2000 49 E, G,	EUR500 - EUR1,200	governing board approval	NA

NA- not available, Ar-Arabic, Bul-Bulgarian, Cr-Croatian, D-Dutch, E-English, F-French, G-German, H-Hungarian, Chi-Chinese, I-Italian, J-Japanese, K-Korean, N-Norwegian, Pl-Polish, P-Portuguese, R-Russian, Sl-Slovenian, S-Spanish

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1	<b>Renaudit</b>  Jasná 13 Nitra 949 01 info@renaudit.sk	www.renaudit.sk +421(0)37 655-0281	+421(0)905 851-426 paramonova@renaudit.sk	1991 1 / 1 E,	15 10 0								audit of financial statements, accounting, payrolls, legal consulting	Cikautxo, Koppert, Muehlbauer Technologies, Leder&Schuh, DS Smith Slovakia, Ansaldo Nucleare, MC-Bauchemie, Takko Fashion, SEC, Kärcher, Granvia
2	<b>Accace k.s.</b>  Mlynské nivy 16 - Twin City C Bratislava - Ružinov 821 09 slovakia@accace.com	www.accace.com +421(0)2 3255-3000	+421(0)2 3255-3000 slovakia@accace.com	2002 1 / 20 E, G,	100 25 NA								accounting & reporting, payroll & HR administration, tax advisory, corporate and legal services	NA
3	<b>ACCEPT AUDIT &amp; CONSULTING, s.r.o.</b>  Baštová 38 Prešov 080 01 ibosela@acceptaudit.sk	www.acceptaudit.sk +421(0)903 601-052	+421(0)903 601-052 ibosela@acceptaudit.sk	1995 3 / 1 E, F, N, G, R, Pl,	19 6 2								audit, accounting, payroll services, wages and salaries, valuation of assets and companies	NA
4	<b>ACCREDO s.r.o.</b>  Partizánska 1078/1 Malacky 901 01 info@accredo.sk	www.accredo.eu +421(0)905 403-286	+421(0)905 403-286 holes@accredo.sk	1992 3 / 2 E, R, Pl,	5 5 NA								NA	NA
5	<b>ASB Slovakia, s.r.o.</b>  Laurinská 18 Bratislava - Staré Mesto 811 01 bratislava@asbgroup.eu	www.asbgroup.eu +421(0)2 5464-1187	+421(0)2 5464-1187 zkolarova@asbgroup.eu	2006 1 / 4 E,	17 NA 0								accounting, tax and payroll services, due diligence projects and M&A, corporate services	real estate investors, private equity funds, retail clients
6	<b>BDR, spol. s r.o.</b>  M. M. Hodžu 3 Banská Bystrica 974 01 bdr@bdrbb.sk	www.bdrbb.sk +421(0)48 470-0041	+421(0)905 689-598 bdr@bdrbb.sk	1991 2 / 103 E, F, G,	24 5 0								audit, tax advice, customs, corporate, financial consultancy, accounting, transfer pricing	NA
7	<b>BMB Partners</b>  Zámocká 34 Bratislava - Staré Mesto 811 01 bmb@bmb.sk	www.bmb.sk +421(0)2 2129-9000	+421(0)2 2129-9000 renata.blahova@bmb.sk	1996 1 / 1 E, G,	25 NA 0								NA	NA
8	<b>CCS Tax, k.s.</b>  Tomášikova 50/E Bratislava - Nové Mesto 831 04 office@ccstax.sk	www.ccstax.sk +421(0)2 3260-6512 +421(0)2 3214-4000	+421(0)2 3260-6512 ruzickova@ccstax.sk	2009 1 / 2 E, H, G,	17 5 NA								business consulting, accounting, payroll, corporate services, audit	OBi, Austrian Airlines, Raiffeisen Leasing
9	<b>Elanor Slovakia, spol. s r. o.</b>  Miletičova 23 Bratislava - Ružinov 821 09 obchod@elanor.sk	www.elanor.eu +421(0)2 2081-2646	+421(0)915 392-499 ivan.zizic@elanor.sk	1991 3 / 10 E, H, G, R, Pl,	40 40								complex payroll outsourcing and HR administration, HR reporting, HR IS provider	Accenture, Allianz, Atlas Copco, British Council, Euler Hermes, Generali, Schenker, Škoda Transportation Group, Tieto, Unicredit Bank, VUB
10	<b>Ernst &amp; Young, s.r.o. (EY)</b>  Žitkova 9 Bratislava - Staré Mesto 811 02 ey@sk.ey.com	www.ey.com/sk +421(0)2 3333-9111 +421(0)2 3333-9112	+421(0)2 3333-9111 ey@sk.ey.com	1991 2 / 150 E, G,	400 NA 0								assurance, tax, legal, transaction and advisory (performance improvement, IT advisory) services	NA
11	<b>Grant Thornton Consulting, k.s.</b>  Hodžovo námestie 1/A Bratislava - Staré Mesto 811 06 office@sk.gt.com	www.granthornton.sk +421(0)2 5930-0400 +421(0)2 5930-0410	+421(0)2 5930-0400 wilfried.seres@sk.gt.com	1991 1 / 135 E, G,	60 6 1								accounting, tax and payroll services	NA
12	<b>KPMG Slovensko, spol. s r.o.</b>  Dvořákovo nábrežie 10 Bratislava - Staré Mesto 811 02 kpmg@kpmg.sk	www.kpmg.sk +421(0)2 5998-4111	+421(0)2 5998-4111 kpmg@kpmg.sk	1991 2 / 155 E, K, H, G, R,	318 63 1								audit, tax, transactions and restructuring, management consulting, risk consulting, legal services	NA
13	<b>LeitnerLeitner</b>  Staromestská 3 Bratislava - Staré Mesto 811 03 bratislava.office@leitnerleitner.sk	www.leitnerleitner.sk +421(0)2 5910-1800	+421(0)2 5910-1800 anna.fabryova@leitnerleitner.sk	1996 1 / 9 E, G,	48 7 NA								tax advisory, audit, corporate services, financial advisory, payroll	NA

NA- not available, Ar-Arabic, Bul-Bulgarian, Cr-Croatian, D-Dutch, E-English, F-French, G-German, H-Hungarian, Chi-Chinese, I-Italian, J-Japanese, K-Korean, N-Norwegian, Pl-Polish, P-Portuguese, R-Russian, Sl-Slovenian, S-Spanish

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Company (Listed alphabetically) Address City, Postal code E-mail  Názov (v abecednom poradi) Adresa Mesto PSČ E-mail	www Phone Fax  www Telefón Fax	Chief executive officer Phone E-mail  Riaditeľ Telefón E-mail	Year of establishment in SR / No. of branches in SR (No. of countries worldwide) / Languages Rok založenia v SR / Počet pobočiek v SR (Počet krajín vo svete) / Jazyky	No. of employees / No. of Slovak / Foreign advisors Počet zamestnancov / Počet slovenských / Počet zahraničných poradcov	Management consulting / Manažment Financial & tax consulting / Finančné a daňové Legal advice / Právne poradenstvo Human capital consulting / Ľudský kapitál Marketing & PR consulting / Marketing a PR IT consulting / IT Real estate consulting / Nehnuteľnosti	Other Iné	Major clients Hlavní klienti
14 Mazars							
Europeum Business Center, Suché Myto 1 Bratislava - Staré Mesto 811 03 mazars@mazars.sk	www.mazars.sk +421(0)2 5920-4700	+421(0)2 5920-4700 NA	2000 4 / 89 E, F, G,	100 90 3	• • • • •	audit, accounting, payroll & HR, tax, financial advisory services, consulting, RPA	NA
15 PricewaterhouseCoopers Advisory, s.r.o.							
Twin City Business Centre A, Karadžičova 2 Bratislava - Staré Mesto 815 32 office.general@sk.pwc.com	www.pwc.com/sk +421(0)2 5935-0111 +421(0)2 5935-0222	+421(0)2 5935-0111 alexander.srank@pwc.com	1991 2 / 157 E,	96 96 8	• • • • •	restructuring, digitisation and process automation	NA
16 Sahesa s.r.o.							
Miletičova 21 Bratislava - Ružinov 821 08 sahesa@sahesa.sk	www.sahesa.sk +421(0)2 4464-4188 +421(0)2 4464-4189	+421(0)2 4464-4188 szabova@sahesa.sk	1993 2 / 1 E, G, R,	12 3 NA	• • • • •	due diligence	business and production companies, foundations, local governments, grants
17 TPA AUDIT, s.r.o.							
Blumental Offices II, Námestie Mateja Korvína 1 Bratislava - Staré Mesto 811 07 office@tpa-group.sk	www.tpa-group.sk +421(0)2 5735-1111	+421(0)2 5735-1124 ivan.paule@tpa-group.sk	2001 2 / 9 E, G,	70 6 NA	• • • • •	acquisitions, investment aid, accounting	NA
18 VGD SLOVAKIA s.r.o.							
Moskovská 13 Bratislava - Staré Mesto 811 08 info.bratislava@vgd.eu	www.vgd.eu +421(0)2 5920-1112	+421(0)905 570-566 bart.waterloos@vgd.eu	2002 2 / 8 E, F, D, G,	116 96 1	• • • • •	audit, payroll, M&A	NA

CONSULTING - MANAGEMENT

Company (Listed alphabetically) Address City, Postal code E-mail  Názov (v abecednom poradi) Adresa Mesto PSČ E-mail	www Phone Fax  www Telefón Fax	Chief executive officer Phone E-mail  Riaditeľ Telefón E-mail	Year of establishment in SR / No. of branches in SR (No. of countries worldwide) / Languages Rok založenia v SR / Počet pobočiek v SR (Počet krajín vo svete) / Jazyky	No. of employees / No. of Slovak / Foreign advisors Počet zamestnancov / Počet slovenských / Počet zahraničných poradcov	Management consulting / Manažment Financial & tax consulting / Finančné a daňové Legal advice / Právne poradenstvo Human capital consulting / Ľudský kapitál Marketing & PR consulting / Marketing a PR IT consulting / IT Real estate consulting / Nehnuteľnosti	Other Iné	Major clients Hlavní klienti
1 Centire s. r. o.							
Záhradnícka 72 Bratislava - Ružinov 821 08 info@centire.com	www.centire.com +421(0)2 5010-9800 +421(0)2 5010-9888	+421(0)2 5010-9800 renata.kiselcova@centire.com	1994 1 / 1 E,	21 15 0	• • • • •	process management, grant consulting, international projects, IT consulting	Slovak Telekom, Hotel Amade Chateau, Slovak University of Technology in Bratislava, Pontis Foundation
2 Deloitte							
Digital Park II, Einsteinova 23 Bratislava - Petržalka 851 01 deloitteSK@deloitteCE.com	www.deloitte.sk +421(0)2 5824-9111 +421(0)2 5824-9222	+421(0)2 5824-9111 deloitteSK@deloitteCE.com	1991 3 / 150 E, K, G, R,	272 NA NA	• • • • •	enterprise risk services, forensic investigations, transaction advisory, project management	NA
3 Fipra - Public Policy & Regulatory Advisers							
Štefanovičova 12 Bratislava - Staré Mesto 811 04 slovakia@fipra.com	www.fipra.sk +421(0)2 5443-6001 +421(0)2 5443-6001	+421(0)2 5443-6001 slovakia@fipra.com	2007 1 / 60 E, F, H, G, R,	8 8 167	• • • • •	public affairs, government relations, regulatory affairs, competition policy, consumer policy	energy, health, transport, trade, public procurement, innovation, industrial and consumer policy and finance
4 Jenewein Group							
Štefanovičova 12 Bratislava - Staré Mesto 811 04 bratislava@jeneweingroup.com	www.jeneweingroup.com +421(0)2 5443-6001 +421(0)2 5443-6001	+421(0)2 5443-6001 bratislava@jeneweingroup.com	1990 1 / 1 E, F, H, G, R,	45 88 15	• • • • •	strategic & leadership consulting, executive search, public affairs & government relations	private & family companies, foreign investors, public sector, EU/UK organisations, NGOs
5 MARKETIN CEE s.r.o.							
Lichnerova 41 Senec 903 01 info@marketincee.com	www.marketincee.com +421(0)2 2020-0030 +421(0)2 2020-0031	+421(0)2 2020-0030 kopec@marketincee.com	2003 1 / 1 E, G, S,	3 3 200+	• • • • •	market entry, export, M&A, partnership, competitiveness, business development in CEE region	ABB, Atlas Copco, Deloitte, DHL, DIBD, Forum, Hörle Trad, RIBE, Schenker Storen, Switzerland Global Enterprise, Trocenen
6 Menkyna & Partners Management Consulting, s.r.o.							
Palisády 47 Bratislava - Staré Mesto 811 06 info@menkyna.com	www.menkyna.com +421(0)2 5441-2718 +421(0)2 5441-2718	+421(0)2 5441-2718 jan.menkyna@menkyna.com	2006 1 / 1 E, H, G, P, I, S,	20 17 0	• • • • •	executive search, management & leadership consulting, individual and team coaching	NA
7 PricewaterhouseCoopers Slovensko s.r.o.							
Twin City Business Centre A, Karadžičova 2 Bratislava - Staré Mesto 815 32 office.general@sk.pwc.com	www.pwc.com/sk +421(0)2 5935-0111 +421(0)2 5935-0222	+421(0)2 5935-0111 alexander.srank@pwc.com	1991 1 / 157 E, G,	289 250 9	• • • • •	accounting services, risk management	NA

NA- not available, Ar-Arabic, Bul-Bulgarian, Cr-Croatian, D-Dutch, E-English, F-French, G-German, H-Hungarian, Chi-Chinese, I-Italian, J-Japanese, K-Korean, N-Norwegian, Pl-Polish, P-Portuguese, R-Russian, Sl-Slovenian, S-Spanish

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Consulting - Grant and subsidy							
1 EFA SK s. r. o.							
Slavičie údolie 41 Bratislava - Staré Mesto 811 02 k.papanova@efa-sk.com	www.thefundingalliance.com/sk/ +421(0)911 558-890	Kvetoslava Papanová +421(0)911 558-890 k.papanova@efa-sk.com	2004 1 / 25 E, R,	3 8 5	• • • • •	EU funds, grant & finance advisory, business development, innovation management	private sector, public sector, NGOs
Consulting - IT							
1 Accenture, s.r.o.							
Plynárenská 7/C Bratislava - Ružinov 821 09 robert.belavy@accenture.com	www.accenture.com/sk-en +421(0)2 5929-0290	+421(0)2 5929-0290 tomas.volek@accenture.com	1997 2 / 54 E, F, D, H, G, P, R, Pl, I, S,	- NA NA	• • • • •	digital, management and infrastructure consulting, security, systems integration	world's leading companies and governments, serving clients in more than 120 countries, working across 40 industries
2 gd - Team, a.s.							
Moyzesova 4/A Pezinok 902 01 info@gd-team.sk	www.gd-team.sk +421(0)33 641-4173 +421(0)33 641-4173	+421(0)905 561-731 erik.gottschall@gd-team.de	2005 4 / 10 E, H, G,	100 94 7	• • • • •	SAP/programming, data migration, nearshoring, bodysopping	NA
3 itelligence Slovakia, s.r.o.							
Prievozská 4/C Bratislava - Ružinov 821 09 info@itelligence.sk	www.itelligence.sk +421(0)2 2091-1111	+421(0)2 2091-1111 martin.denesi@itelligence.sk	2013 2 / 25 E,	39 36 NA	• • • • •	BPM, SOA, EAM, B2B integration; ARIS, webMethods, SAP, BellaDati, Metasonic	Orange, SPP, Transpetrol, Nafta, VSZP, Východoslovenská energetika, Západoslovenská energetika, Železnice SR
Inspection and certification							
1 TÜV SÜD Slovakia s.r.o.							
Jasikova 6 Bratislava - Ružinov 821 03 info@tuv-sud.sk	www.tuv-sud.sk +421(0)2 4829-1200	+421(0)2 4829-1200 info@tuv-sud.sk	1993 4 / 100 E, G,	110 NA NA	• • • • •	auditing, training, testing, technical due diligence	mostly clients from these sectors: all kinds of industry, energy, real estate, aerospace, infrastructure, sports, leisure & entertainment

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# Foreigners in Slovakia



## Trade licences and doing business in Slovakia

The Slovak Spectator brings you the most frequently asked questions on obtaining a trade licence and other conditions a foreigner needs to meet to be able to do business in Slovakia. We have answered these questions with the kind help of the Migration Information Centre of the International Organisation for Migration - MIC IOM.

**Q: What do I need to be able to pursue trade activities in Slovakia?**

**A:** If you intend to do business in Slovakia, it is essential to be granted a residency status which allows you to conduct business. This means not all types of residency allow you to do business in Slovakia. If you intend to conduct a trade, you need to notify the Trade Licencing Office and obtain a Trade Licence.

Your activity would be

regarded as unauthorised trading if you systematically, independently, on your own behalf, on your own responsibility, for the purpose of earning profits, without holding a Trade Licence, perform an activity subject to craft, regulated or unregulated trades. The fine for unauthorised trading ranges from €1,659 up to €3,319.

<http://www.mic.iom.sk/en/doing-business/trade-business.html>

**Q: Which activities are considered trade?**

**A:** A trade is a constant systematic activity pursued independently, on one's own responsibility, with the aim to gain profits.

The law does not define which activities it does recognise as trades, but rather lists activities that are NOT considered trades and governed by the law on trade

licences. These are mostly the activities of freelancers or activities that require other authorisation than just a simple trade licence (like banking or health-care services).

**Q: As a foreigner, am I able to obtain a trade licence in Slovakia?**

**A:** A person can pursue a trade in Slovakia in two different legal statuses – either as a Slovak person or as a foreign person. In general, every foreign person can carry on a trade under the same conditions as every Slovak person.

**Q: Can I do business in Slovakia on the basis of a trade licence issued in another country?**

**A:** In general, no. Only citizens of EU/EEA member states or Switzerland can occasionally provide services on the basis of a trade licence issued in another EU/EEA member states. Occasional providing will be determined in respect to quantity, regularity and duration of services.

**Q: What type of residence permit do I need to be able to get a trade licence?**

**A:** Neither EU/EEA and Swiss citizens nor non-EU/EEA citizens need a residence permit in Slovakia to obtain a trade licence, apart from regulated trades and crafts trades, where residence in Slovakia is required. However, non-EU/EEA citizens need a residence permit in Slovakia if they are willing to run their business legally.

EU/EEA and Swiss citizens can start running a business immediately after obtaining a trade licence.

Non-EU/EEA citizens can start operating their business only based on permanent residence or temporary residence granted for the purpose of doing business, family reunion, studies, research and development or temporary residence granted based on the status of a Slovak living abroad, or a person with long term







Source: TASR

residence in another EU member state. In addition, foreigners from EU/EEA and Switzerland or OECD member states are obliged to register themselves in the

Commercial Register. Without this registration the right to operate a business in Slovakia will not be permitted. Permanent or temporary residence in Slovakia is

a vital condition for registration.

**Q: Where do I request my trade licence?**

**A:** The Trade Licencing Office

issues trade licences. The first step is to notify the office about your intention to pursue a trade. You can do that in person at your district trade licencing office based on your permanent residence. The addresses of the offices are available on the Interior Ministry's website, search by region (in Slovak). It is now also possible to request your trade licence online on the [www.slovensko.sk](http://www.slovensko.sk)

E-government portal, but this can only be done by those who have biometric ID cards.

If a person does not have permanent residence, they must go to the Trade Licencing Office in the region where their place of business is located.

**Q: What conditions do I need to fulfil in order to be eligible for a trade licence?**

**A:** An applicant needs to be older than 18 years of age; have a legal capacity; be impeccable

## What foreigners ask before relocating to Slovakia?

**Q: Is Slovakia safe? What are the safest and the most dangerous places for living in Bratislava?**

**A:** Slovakia ranked 23<sup>rd</sup> out of 163 countries in the 2019 Global Peace Index, and 15<sup>th</sup> out of the 36 countries in Europe. The crime, violence and vandalism rate, based on data from Eurostat is one of the lowest in Europe. As in other bigger cities in Europe, also Bratislava has its small areas with poorer reputations the Stavbárska street, referred to as Pentagon by locals, in the Podunajské Biskupice borough and the Kopčianska street in the Petržalka district. The most dangerous places in Slovakia are Bratislava II district, Košice, and Trnava, as well as Hlohovec and Piešťany, according to crime maps published by the police in late October 2016.

**Q: What is the average wage in Slovakia?**

**A:** €1,013 (according to the 2018 figures).

**Q: Where can my children study?**

**A:** Several international kindergartens and schools are active in Slovakia ([www.bis.sk](http://www.bis.sk), [www.qsi.org](http://www.qsi.org), [www.galileoschool.sk](http://www.galileoschool.sk), [www.cambridgeschool.eu](http://www.cambridgeschool.eu), [www.montessori-school.sk](http://www.montessori-school.sk), [www.wonderland.sk](http://www.wonderland.sk), [www.bbhill.sk](http://www.bbhill.sk)). There is also a boarding school ([www.leafacademy.eu](http://www.leafacademy.eu)).

**Q: What should I know about health care in Slovakia?**

**A:** Emergency medical services are accessible to patients within 11 minutes across the whole country. Health care in public hospitals is paid

for via public health insurance. Every employed foreigner in Slovakia is entitled to public health insurance, however, he/she needs to register with one of three health insurers who offer more information for foreigners in English on their web pages: [www.vszp.sk](http://www.vszp.sk), [www.dovera.sk](http://www.dovera.sk), [www.union.sk](http://www.union.sk). The last one also provides special health insurance for those foreigners who are not entitled to public health insurance. Many public hospitals are outdated, English is still not common and it is why foreigners prefer to use private clinics where most of the services are not free of charge.

**Q: How much do I spend for food?**

**A:** The average Slovak spent €864 in year 2018 to purchase food and non-alcoholic beverages (€784 food, €80 beverages), according to the Statistics' Office.

**Q: Where can I learn Slovak and how long does it take?**

**A:** Slovak is a bit easier for foreigners coming from the Slavic group of languages as some words may be similar. [Slovake.eu](http://Slovake.eu) is a multilingual free-of-charge website where foreigners can learn Slovak.

**Q: Where can I find job offers?** **A:** There are several job portals with offers in Slovakia. The biggest is [Profesia.sk](http://Profesia.sk).

**Q: What should I do to make calls in Slovakia?**

**A:** There are four mobile operators in Slovakia: Slovak Telekom, Orange, O2 and Swan (4ka).

Each of them has many branches around the country. To obtain a new number with rechargeable credit foreigners need their passport or ID (applicable only for EU residents).

**Q: What conditions should I meet to get a bank account?**

**A:** A person willing to get an account should be older than 18 (in the case of student accounts, the age limit is reduced to 15). Banks like VÚB, Tatra banka, Slovenská sporiteľňa or ČSOB offer the easiest way to open an account: foreigners need only their passport or ID (the latter is applicable only for EU residents). Legal entities need to have an extract from the business register and an ID (in the case of companies), or the trade licence, concession license/application to assign company ID and ID (in the case of self-employed), plus a minimum deposit.

**Q: When can I obtain Slovak citizenship?**

**A:** Foreigners can obtain Slovak citizenship by adoption (applies to children) or granting. The latter means that the applicant has to meet several conditions, including having permanent residency in the country for eight years (check [www.mzv.sk](http://www.mzv.sk) for more details).

*The questions were collected from the survey carried out among the relocation companies Pro Relocation, Slovakia Invest, and AGS Bratislava International Movers.*

– which means that the person has not been sentenced for committing an economic crime, a crime against property or another deliberately committed crime linked to business. In the case of legal persons, this relates to its statutory representatives.

There are also some specific conditions applicants need to fulfil, based on the type of trade licence: for a craft trade licence applicants are required to have a certificate issued by an education facility stating they are professionally competent in a selected craft; for a fixed trade licence – applicants need to have confirmation of their professional competence acquired outside of education.

**Q: What documents do I need when applying for a trade licence?**

**A:** All applicants need to fill in a form, either for natural persons

or legal persons. For natural persons it is necessary to state their personal information, residential address, place of business (if it is different from the residential address), and the business name of their health insurer. Natural persons with permanent residence in Slovakia need to prove they are impeccable by handing in an abstract from the criminal records of the General Prosecutor's Office. In the case of foreigners, they need the abstract from the criminal records issued in their home country. If their country does not issue such a record, applicants need to submit an equivalent document issued by the respective court or administrative body. The documents cannot be older than three months and must be translated into Slovak. Applicants also need to submit the certificate authorising them to use the property at which they will do business (if the address is different

from the address of permanent residency).

**Q: How much does it cost to have a trade licence issued in Slovakia?**

**A:** An applicant who goes to the trade authorities in person needs to pay €5 to be issued a

certificate for a free trade licence and €15 for the craft and fixed trade licence. This can be paid via e-tax stamp, cash, money order or bank transfer.

In case of electronic submission at [www.slovensko.sk](http://www.slovensko.sk), the certificate is issued for free concerning free trade licences, and



Source: SME - Tomáš Berechlovic

## FAQ: EU citizens - dealing with immigration authorities

**Q: Am I obliged to register with the authorities as a citizen of another EU member state living in Slovakia?**

**A:** You are required to report your stay in Slovakia within 10 days of entering the country (if you are staying in a hotel, they report for you). You can stay in Slovakia up to 90 days without requesting a residence permit at the Alien Police Department.

**Q: Where do I register? Who issues the residence permit in Slovakia?** **A:** In Slovakia, the alien police department acts as the immigration authority and receives residence permit requests.

**Q: Can I also register for residence prior to my arrival, outside Slovakia?** **A:** No, you are only able to register with the respective alien police department within the country.

**Q: How long does it take to obtain my residence permit in Slovakia?** **A:** You receive a document of registration for a residence permit on the day when you submit your registration with the alien police department. Within 30 days, the



Source: TASR

police issues a plastic card stating your residence in Slovakia (Pobytový preukaz občana EÚ).

**Q: Do I have to pay an administrative fee to be registered?** **A:** While the registration is officially free of charge, you are required to pay to get your residence card (Pobytový preukaz občana EÚ) issued. The standard fee is €4.50.

**Q: Do I need to ask for the residence card?**

**A:** The document that you receive from the alien police department after they accept your registration request is sufficient for you in the first five years of your stay in the country. The card is optional.

**Q: What documents do I need to apply for my residence permit?** **A:** To apply for a five-year residence permit you need to submit your valid ID or passport, two pictures sized 3x3.5 cm, proof of address, and proof of your purpose of staying in Slovakia.

The proof of your purpose of staying in Slovakia may be a work contract, or promise of employment, or a document that you are self-employed, or a document that you have sufficient resources and will not fall into material need during your stay in Slovakia plus proof of health insurance, or a confirmation from your school that you are a student in Slovakia, or a statutory declaration that you are continuously looking for a job in Slovakia, or a document that proves your family relationship to a person

residing in Slovakia and the residence permit of that relative. The documents need to be Slovak originals or official translations.

**Q: When can I ask for permanent residence in Slovakia?** **A:** If you reside in the country for at least five years without interruption. In specific cases, also earlier.

**Q: How do I register my family members living with me in Slovakia?** **A:** You need to submit two pictures of the family member sized 3x3.5 cm, a valid passport, and a document proving your family relationship with the person you are registering (a birth certificate, a wedding certificate), as well as your residence permit document.

**Q: What are my duties as a foreigner with a residence permit in Slovakia?** **A:** You are required to report any change in your personal data: name, surname, civil state, state citizenship, data from your passport or your ID, within 10 days of the change taking place. If your passport or your address card is lost, stolen, or damaged, you should report it within 10 days.

**Q: What do I do if I need to prolong my residence permit in Slovakia?** **A:** You need to submit your expired residence card (Pobytový preukaz občana EÚ), a valid travel document (passport or ID), and a form filled out in Slovak. For more detailed questions and answers about dealing with immigration authorities, go to [www.spectator.sk](http://www.spectator.sk).





for €7.50 in the case of craft and fixed trade licences.

Q: What do I need to do after I receive my trade licence?

A: Only foreign nationals with permanent residence outside EU/EEA/OECD member states or Switzerland

are liable to register in the Commercial Register. If you are a non-EU/EEA citizen and you have been granted temporary residency or you do not have residence in Slovakia, you must register yourself in the Commercial Register after obtaining the trade license (or

after obtaining the temporary residence). Your registration with a public health insurer and the tax office will be carried out directly by the Trade Licence Office, if you fill in also the attachments to the official application form. Your obligation to pay your

health insurance contributions starts the first day of your sole trading. Subsequently, within eight working days after this obligation arises, you are obliged to inform your health insurer of the amount of advance payments. The obligation to register at the Social Insurance Agency does not arise during the first year of sole trading (the next years it depends on the amount of your income). However, you have the right to register yourself and pay the contribution voluntarily.

Q: Where do I register to pay my health insurance and how much should I pay?

A: You can be registered in one of the public insurance companies by the Trade Licence Office directly. There are three public health insurance companies in Slovakia (Všeobecná zdravotná poisťovňa, Dôvera, Union

FAQ: Non-EU citizens dealing with immigration authorities

Q: Can I request a residence permit outside Slovakia? A: Third country nationals who require a visa to be able to enter Slovakia may register for a residence permit at the Slovak embassy or consulate in their home country. Third country nationals who do not need a visa to enter Slovakia can register either at the Slovak embassy in their home country or with the Alien Police Department after their arrival to Slovakia.

Q: What documents do I need to apply for my residence permit? A: Filled in application form, 2 identical colour photos (3 x 3.5 cm), administrative fee (as required for the relevant type of residence), valid passport, document proving the purpose of residence (business, studies, employment, research and development, official duty, family reunion, special activities, status of Slovaks living abroad), document proving clear criminal record, documents on accommodation, documents proving financial coverage.

Q: Do the required documents need to be submitted in Slovak? A: Yes, all applications and documents you submit need to be officially translated into Slovak by a translator who has official credentials. Only documents in Czech do not need to be translated. Authorised translation into Czech language is also valid, but needs to be accompanied with a document issued by the consulate that confirms the translation has been

made by an authorised person. Also, the documents need to be apostilled or superlegalised. This does not apply to documents issued by authorities of France, Austria, and the Czech Republic.

Q: I came to Slovakia to do business. What documents do I need to prove this is the purpose of my stay?

A: In the case of a temporary residence permit for the purpose of business, the purpose of the residence can be documented by: 1. A business plan along with expected expenses related to the commencement of business, 2. Trade Registry Extract, 3. Articles of Incorporation signed by all the founders (the signatures of the founders must be authenticated), 4. Foundation Agreement or a Foundation Deed, where the applicant is listed as an authorised representative, 5. Slovak Commercial Registry Extract and notarially authenticated record documenting that the applicant has become an authorised representative, 6. Other documents proving business activities in Slovakia (e.g. extract from the Register of Self-employed Farmers, or a license to operate private medical or legal practice). Documents must not be older than 90 days.

Q: I want to bring my family members to Slovakia. What documents do I need to request temporary residence for them?

A: For spouses - marriage certificate and spouse's proof of residence in Slovakia. For single minors

under 18 years of age - birth certificate of the child, proof of residence of the parent of the child in Slovakia, an affidavit of the parent of the child that the child is single, and the written consent of the second parent of the child who has the right to meet with the child. For a single parent of a foreigner living in Slovakia - birth certificate of the child and proof of the child's residence in Slovakia, a document proving that the parent is single (e.g. death certificate of the late spouse) and a document proving that the parent is dependent on the child (e.g. medical certificate stating that the health condition of the parent necessarily requires the care of another person, and an affidavit stating that in the country where they come from they receive no appropriate family support). The documents shall not be older than 90 days.

Q: How do I prove my integrity? What are the requirements of the criminal record?

A: You need to prove you have a clean criminal record. The documents you need are a Criminal Registry Extract from your country of origin and a Criminal Registry Extract from the country where you resided in the last 3 years for more than 90 days during 6 consecutive months.

For more detailed questions and answers about dealing with immigration authorities in Slovakia, see [www.spectator.sk](http://www.spectator.sk).

zdravotná poisťovňa) from which you can choose one according to your preferences. The minimum rate for sole traders is €70.91 in 2020.

Q: Where do I register to pay my social insurance and how much should I pay?

A: Your obligation to pay social insurance depends on income earned in a particular calendar year. This obligation arises the year following the calendar year in which your income reached the required limit (€6,078 in 2020). If your income in a particular calendar year reaches this limit, you are obliged to start paying the social insurance from July 1, as

of the next year, as well as register yourself as self-employed in the Social Insurance Agency by July 9.

Q: Do foreigners with permanent residency in Slovakia and doing business in Slovakia have to submit a tax return and pay taxes in Slovakia?

A: First, it is necessary to distinguish whether the taxpayers are tax residents in Slovakia or not. The tax residents in Slovakia, who need to pay taxes from all their incomes here, are natural people with permanent residency in Slovakia or those who usually reside here. The law stipulates that such people need to pay taxes in Slovakia, from income received

both on the country's territory and abroad. As the same person can be considered a tax resident of another country as well (if said state has similar legislation), the international agreement on preventing double taxation is applied. Based on this deal, the tax residency is set.

Q: What deadlines must taxpayers meet?

A: Everybody needs to submit a tax return for the previous year, by March 31.

Q: What rules related to tax payment are applicable when foreigners do not have permanent residency in Slovakia but do business here?

Foreigners residing in Slovakia for more than 183 days (with-outholding a permanent residence permit) are obligated to fill in tax returns in Slovakia which include all sources of income. Foreigners residing in Slovakia for less than 183 days (without holding a permanent residence permit) are obligated to fill in tax returns for incomes in Slovakia. However, if a foreigner holds a temporary residence permit for the purpose of business and wants to renew this permit, he/she must prove taxed income amounting to a specific sum of money (depending on the statutory life minimum).

Sources: MIC IOM, Interior Ministry website, Financial Administration

RELOCATION COMPANIES

Company (Listed alphabetically) Address City, Postal code E-mail	www Phone Fax	Chief executive officer Phone E-mail	Year of establishment in SR / No. of branches in SR (No. of countries worldwide) Languages / Rok založenia v SR / Počet pobočiek v SR (Počet krajín vo svete) / jazyky	No. of employees / No. of Slovak / Foreign advisors / Počet zamestnancov Počet slovenských / Zahr. poradcov	Management consulting / Manažment	Financial & tax consulting / Finance a daňe	Legal advice / Právne poradenstvo	Human capital consulting / Ľudský kapitál	Marketing & PR consulting / Marketing a PR	IT consulting / IT	Real estate consulting / Nehnuteľnosti	Other Iné	Major clients Hlavní klienti
<b>1 4Expat, s.r.o.</b>		<b>Katarína Ostatníková</b>											
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<b>2 AGS Bratislava International Movers</b>		<b>Justas Cemnolonskas</b>											
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<b>3 FRACHTMEISTER International</b>		<b>Ladislav Holocsi</b>											
Trnavská 70 Bratislava - Ružinov 821 02 ladislav.holocsi@frachtmeister.com	www.frachtmeister.com +421(0)948 251-707	+421(0)948 251-707 ladislav.holocsi@frachtmeister.com	2018 1 / 4 E, F, H, G,	10 2 1						•	international moving and relocation services		international companies, embassies, diplomats, managers, expats, individual clients
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<b>5 Pro Relocation s.r.o.</b>		<b>Ivona Demáčková</b>											
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<b>6 ProfiDeCon Slovakia s.r.o.</b>		<b>Patricia Tóthová</b>											
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Compiled by The Slovak Spectator Team



# Index of companies

## APPEARING IN THE INVESTMENT ADVISORY GUIDE 2019/2020

A



1. realitná a aukčná spoločnosť.....	69
108 Agency.....	69
4Expat.....	97
Accace.....	89
Accenture.....	91
ACCEPT AUDIT & CONSULTING.....	89
ACCREDO.....	89
ADMS.....	69

### MCL ADVOKÁTSKA KANCELÁRIA

Advokátska kancelária MCL.....	42
Advokátska kancelária RELEVANS.....	42, 38-41
agreal.sk.....	70
AGS Bratislava International Movers....	97
Allen & Overy Bratislava.....	44, 38-41
American Chamber of Commerce in the Slovak Republic.....	88
Arthur Real Estate Company.....	70
ASB Slovakia.....	89
Austrian - Slovak Chamber of Commerce.....	88
Axis real.....	70

B

Barger Prekop.....	42
--------------------	----

### BARTOSIK & SVABY

Bartošík Šváby.....	42
BDR.....	89

### BLAŇÁR & PARTNERS

Blaňár & Partners.....	42
BMB Partners.....	89
bnt attorneys-at-law.....	44
BOND Reality.....	70
bpv Braun Partners.....	44
Brazilian - Slovak Chamber of Commerce.....	88
British Chamber of Commerce in the Slovak Republic.....	88

C, Č

Canadian Chamber of Commerce.....	88
CASSOVIA REALITAS Košice.....	70
CBRE.....	69
CCS Tax.....	89
CEHIP.....	71
Centire.....	90
CESTY NITRA.....	68

### CLS Čavojský & Partners

CLS Čavojský & Partners.....	42
COLAS Slovakia.....	68
Colliers International.....	69
COMPRA.....	70
CORWIN.....	71
CRESO REAL ESTATE.....	71
CTP Invest SK.....	71
Cushman & Wakefield Property Services Slovakia.....	69
CZ Slovakia.....	71

### ČECHOVÁ & PARTNERS

ČECHOVÁ & PARTNERS.....	42
Deloitte.....	90
Deloitte Legal.....	44
Dentons Europe.....	44, 38-41
DETVAI LUDIK MALY UDVAROS.....	42
Direct Real.....	70
Doprastav.....	68
DYNAMIK HOLDING.....	68

E, F

EFA SK.....	91
Elanor Slovakia.....	89
Ernst & Young.....	89
Ernst & Young Law.....	44
EUROVIA SK.....	68
Fipra - Public Policy & Regulatory Advisers.....	90
FRACHTMEISTER International.....	97
French - Slovak Chamber of Commerce.....	88

G

gd - Team.....	91
German - Slovak Chamber of Industry and Commerce.....	88
Gleeds Slovensko.....	69
Goldbeck.....	68
Grant Thornton Consulting.....	89
HALO reality.....	70
Hamala Kluch Víglašký.....	42

### HAVEL & PARTNERS

HAVEL & PARTNERS.....	42, 38-41
HB Reavis Group.....	71
HERRYS.....	70
Hillbridges.....	42
Hispanic - Slovak Chamber of Commerce.....	88
Immobcap Group.....	71

Italian - Slovak Chamber of Commerce.....	88
itelligence Slovakia.....	91

J, K

J&T REAL ESTATE.....	71
Jenewein Group.....	90
Jones Lang LaSalle.....	69
Kinstellar.....	44, 38-41
KPMG Legal.....	44
KPMG Slovensko.....	89

L

L-construction.....	68
LeitnerLeitner Consulting.....	89
LEXXUS.....	70
Lucron Group.....	71

M

MADISON SK.....	70
Malata, Pružinský, Hegeduš & Partners.....	42
MARKETIN CEE.....	90
Martin Pavle.....	42
MartinDevelopment.....	71
Mazars.....	90
Menkyna & Partners Management Consulting.....	90
Move One.....	97
MRE Management.....	69

N

Národná asociácia realitných kancelárií Slovenska.....	70
--	----



NECTEL.....	68
Netherlands Chamber of Commerce in the Slovak Republic.....	88
Noerr.....	44

### NOVICKÝ

advokátska kancelária NOVICKÝ advokátska kancelária.....	43
--	----

P

Paul Q.....	43
Penta Real Estate.....	71
Pergo.....	70
PETERKA & PARTNERS.....	44
PM Group Slovakia.....	69
PricewaterhouseCoopers Advisory.....	90
PricewaterhouseCoopers Slovensko.....	90
Pro Relocation.....	97
ProfiDeCon Slovakia.....	97
Prologis.....	71
Prosmán a Pavlovič advokátska kancelária.....	43
RE/MAX Slovakia.....	70



Renaudit.....	89
RK SPIRIT.....	70
Rödl & Partner Advokáti.....	44
Royal Reality (Bernolakovo Gardens)....	71

### RUŽIČKA

AND PARTNERS RUŽIČKA AND PARTNERS.....	43, 38-41
--	-----------

S, Š



Sahesa.....	90
Santa Fe Relocation Services.....	97
Skanska SK.....	68
Slovak - Polish Chamber of Commerce and Industry.....	88



SlovakInvest Group.....	97
-------------------------	----

### SOUKENÍK - ŠTRPKA

SOUKENÍK - ŠTRPKA.....	42, 38-41
Squire Patton Boggs.....	44
STRABAG.....	68
STRABAG Pozemné a inžinierske stavitelstvo.....	68
Swedish Chamber of Commerce in the Slovak Republic.....	88
Swiss - Slovak Chamber of Commerce.....	88
Škubla & Partneri.....	43, 38-41

T



TAKENAKA EUROPE GmbH.....	68
TaylorWessing e/n/w/c advokáti.....	44, 38-41
TPA AUDIT.....	90
TÜV SÜD Slovakia.....	91
VÁHOSTAV - SK.....	68
Valko Marián & partners.....	43



VGD SLOVAKIA.....	90
VGP.....	71
VRK REAL PLUS.....	70
Wesconi.....	97
White & Case.....	44, 38-41
YIT Slovakia.....	71



# Investment Support Association

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