

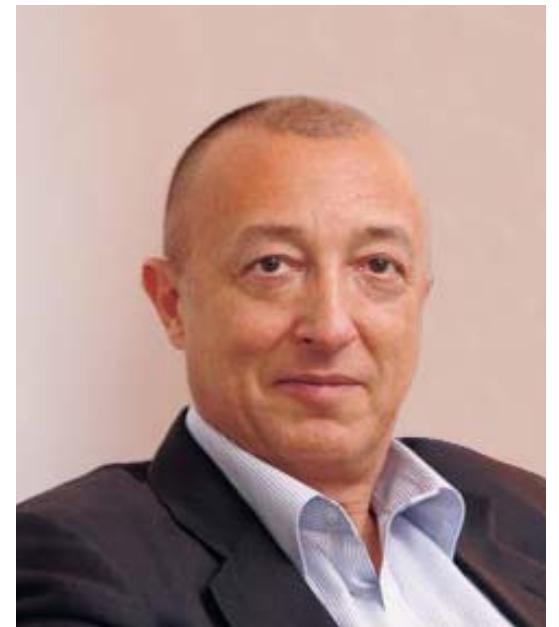


S A R I O

Slovak Investment
and Trade Development Agency

Slovak Investment and Trade Development Agency
Annual Report 2011

FOREWORD OF SARIO CEO



2011 – The Year of Projects

2010, a year of challenges and opportunities for SARIO, was followed by 2011, the year of projects. Together with my colleagues we continued to implement our strategy, aiming to transform SARIO into a modern and dynamic agency that brings high added value to the Slovak economy.

Our strategy includes the implementation of several transformation projects. Among them, allow me to mention our pilot project for research and development titled the Slovak Start-up Development Program. This program is intended to support the development of innovation and technology oriented Slovak companies in order to help them enter the global market. We hope to find talented Slovak entrepreneurs, and show that Slovakia has the innovation and R&D potential to become visible globally.

Also among our transformation projects was the establishment of the Corporate Development department. This department focuses exclusively on providing professional assistance to companies already established in Slovakia. We are following the trend of reinvestment, where statistics show that as many as one third of new investment projects come from already established investors.

What was achieved

Throughout 2011, the aim of the SARIO Agency was to present Slovakia to foreign countries as a dynamic economy that is open to

investors due to its highquality business environment. The results of the Agency for 2011 are a clear sign that we are on the right track towards the fulfilment of this aim. In 2011 SARIO successfully completed 26 investment projects with a total investment volume of EUR 517.6 million, and the potential to create almost 4,500 new job positions. When compared with 2010, 2011 was significantly more successful for the agency securing four times the investment volume into to Slovakia and doubling the planned number of new jobs to be created.

What to do next

One of our primary goals is to place projects into regions with high unemployment rates in order to contribute, as much as possible, to the levelling off of regional disparities. In 2011 we succeeded in meeting this goal since the majority of completed projects focused on the Trnava, Prešov, Trenčín, Banská Bystrica and Žilina regions.

Also in 2011, the Agency managed to organise several successful events, reinforce awareness of the investment environment and business potential of Slovakia, build a network of partners, and strengthen cooperation with the academic community as well as with the research and development institutions. Our long-term aim in cooperation with partners is to build the brand of Slovakia in the international context. There is a long road ahead of us in terms of achieving success in this area, though the first "signs" were quite positive when we successfully organised international road shows, for example, in the U.S.A., Germany and Israel. Despite positive feedback, we feel we lag behind other countries, since the deficit of foreign representations is notable. Direct contact with businesspersons in a target country is an irreplaceable advantage that we unfortunately still have not achieved, though progress is underway in this area to remedy this situation.

What we are working on

Recently we have noted a trend that investors prefer waiting tactics in order to consider their decisions much more thoroughly. This trend can be seen not only in Slovakia, but across the European Union. SARIO naturally makes maximum effort that investments considered for the region of Central and Eastern Europe come to Slovakia and support the development of the Slovak economy. Part of the new vision of SARIO is to follow the model of successful countries, such as Singapore and Ireland, and to focus mainly on investments with high added value instead of large production investments whose trend was noticeable especially in the recent period. If SARIO wants to succeed among strong competition, not only within the Central European region, it will have to focus on the proactive search for investors and systematically working with established entities.

To conclude, I would like to mention that in 2011 we took some steps in the right direction in order to achieve our aim: supporting the development of the Slovak economy as much as possible by receiving new investments and supporting business, which will be reflected in new jobs and an increased standard of living in Slovakia. My colleagues and I will continue these efforts with the same or even greater intensity in 2012.



SARIO SUCCESSES IN 2011

INVESTMENT ROAD SHOW AROUND THE UNITED STATES OF AMERICA

The road show was a strategic as well as most beneficial project in the 1st quarter of 2011. High attendance at the four investment seminars (217 entities), numerous B2B meetings, and the high number of investment projects in-process are a strong indicator and credible feedback confirming that the efforts associated with the preparation of the U.S. Road show was well capitalised on by the SARIO Agency.

26 SUCCESSFULLY COMPLETED INVESTMENT PROJECTS

The most significant projects of 2011 are:

- The investment of U.S. concern Honeywell in Prešov, which will create almost 500 new jobs in Slovakia;
- The project Domestic – expansion in Fil'akovo, in a region with an extremely high unemployment rate;
- The investment of Amazon, which is one of the most innovative companies in the world. Amazon opened its first Slovak representation office in Bratislava.

R&D: SLOVAK START-UP DEVELOPMENT PROGRAM

This is a project focusing on the support and development of innovative and technologically-oriented companies whose key employees have the opportunity to participate in a three-month stay in Silicon Valley, U.S.A. This completely new type of business competition showed the best of the start-up innovative companies, and the most interesting technologies and ideas of young Slovak businesspersons to the Slovak public. The Start-up Awards created an opportunity to link innovators with investors, and increased public as well as media awareness of the pulsing community of technological companies in Slovakia. It is an honour for us that thanks to SARIO, Slovakia joined countries such as Austria, Denmark, Finland and Singapore in sending representatives to America in order to learn, progress, and consequently apply their innovative projects in an international forum. We expect that the new talents we discovered will enable the transfer of know-how, technologies, and capital, and attract high-tech investments to Slovakia.

5. SLOVAK MATCHMAKING FAIR

The Slovak Matchmaking Fair has developed into an effective tool of pro-export policy focusing on bilateral negotiations between domestic and foreign business entities, with the aim to establish new economic cooperation. The 5th Slovak Matchmaking Fair was attended by 90 domestic and 49 foreign business entities from 14 countries.

ISA

SARIO supported the establishment of the Investment Support Association (ISA) in 2011. ISA represents a group of well-known companies working in the Slovak Republic, providing a wide range of services for investors in fields that facilitate the realisation of a wide range of investment plans. ISA members cover the expert depth of investor services for which SARIO lacks the capacity to cover. Potential investors can thus be confident that queries concerning areas such as legal services, real-estate counselling, financial, tax, and auditor services, and human resource consulting are handled by knowledgeable professionals.

GOALS FOR 2012

An important factor in terms of the Agency's progress in 2012 is the continued implementation of the strategy set in 2011, with an emphasis on utilising the current talent and experience available in SARIO.

Our strategy is based on knowledge of current global trends that influence the nature of and affairs in the global economy, on analyses of competitive agencies in neighbouring countries, as well as the thorough analysis of internal processes that have determined the activities of the SARIO Agency so far.

Apart from creating new jobs, the current focus of the SARIO Agency will be on the support of technological development and its practical application. The technological progress of the economy, resulting from the use of new technologies in the production process, has had a positive effect on the increased quality of available workforce. Technological progress leads to increased business competitiveness, reflected in reduced production costs and increased product innovation. Constant technological progress and innovations are the only

way developed economies can remain globally competitive, in spite of such economies' relatively high labour costs. Our aim continues to be the acceleration and facilitation of the Slovak economy's success in measurable terms, significantly contributing to domestic growth.

After the successful implementation of all planned projects, SARIO should become the preferred partner of companies considering investing in Central Europe. We aim to be the point of first contact of an investor with Slovakia, the mediator between investor, regional and local municipality, and state administration.

When implementing the new strategy in 2012, SARIO will utilise the current network of domestic as well as foreign partners, and will also create the optimal conditions for building new local and global business networks.



ABOUT SARIO

The Slovak Investment and Trade Development Agency (SARIO) is a government-funded organisation of the Ministry of Economy of the Slovak Republic. The main mission of the SARIO Agency is to accelerate the Slovak economy by acquiring new investments, to promote Slovakia in international political, economic and social structures, to help the Slovak business environment break into international markets in line with the foreign-economic policy of the Slovak Republic, to implement and administer projects supported by EU structural funds, and thus to significantly contribute to economic growth, job creation, increased exports, and greater competitiveness of the country.

Among the key tasks of SARIO are building a strong image of Slovakia as a business-friendly country, supporting and promoting measures aimed at the continued improvement of the business environment, defining promising

markets and segments (countries and sectors) with investment potential, preparing a value offer for investors, and offering consultations regarding the entry conditions to the Slovak market, the operative support of project implementation, the systematic development and nurturing of a network of investors, communication with established investors towards increased investment or reinvestment, use of the investors' community for reciprocal counselling and support, as well as building and developing relationships with the academic and corporate research and development community.

The SARIO team of professionals provides a wide range of services related to investment in Slovakia, supporting export or foreign trade.

SERVICES FOR INVESTMENTS

- Assistance in all stages of investment project implementation
- Analyses of the investment environment; sector and regional analyses
- Selection and recommendation of an ideal location and suitable real estate
- Facilitating communication with national and local institutions
- Consultation services for investment aid
- Services for investors already established in the Slovak Republic

FOREIGN TRADE

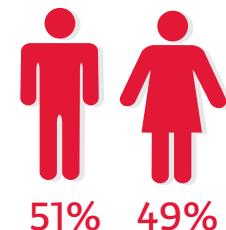
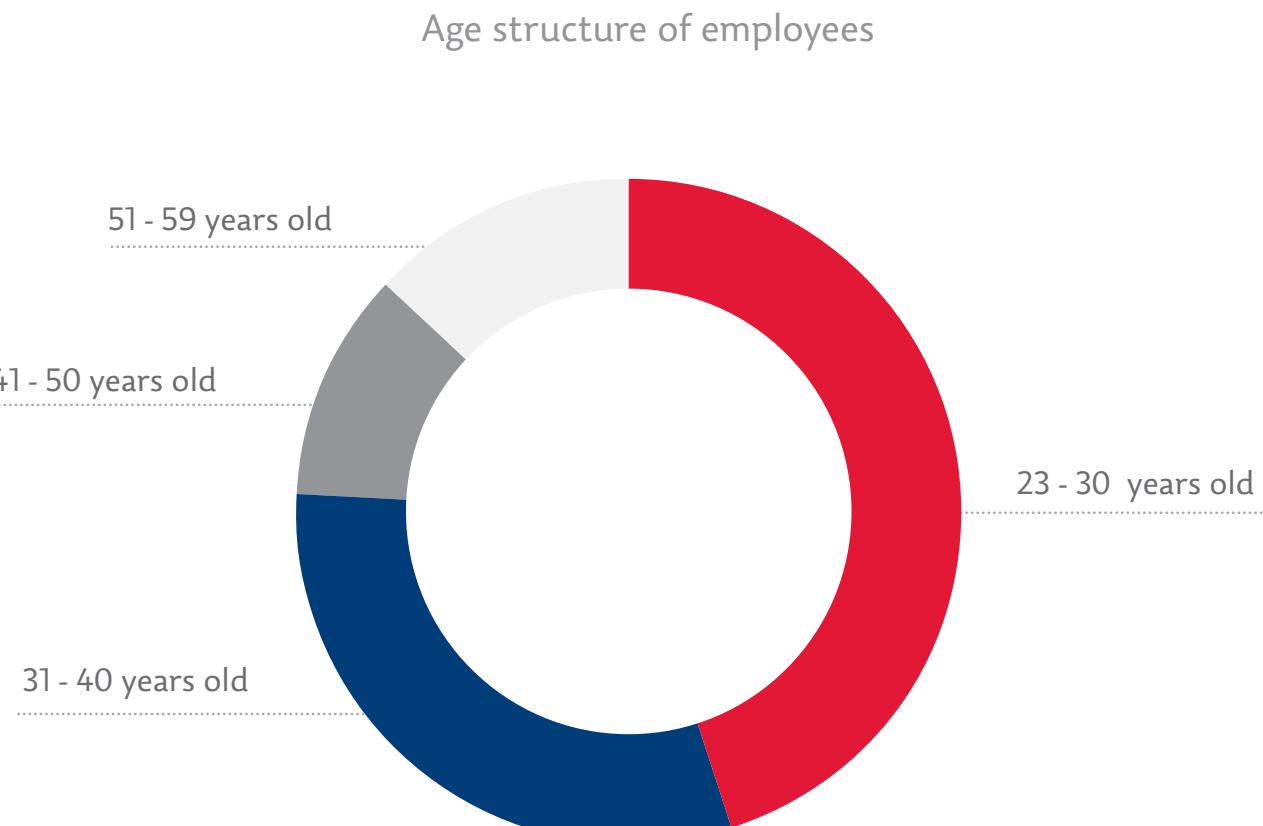
- Tailor-made solutions for your business with Slovakia
- Identification of potential suppliers
- Monitoring of currently available production capacities
- Assistance in the creation of joint ventures
- Organising B2B meetings and events

Structure of employees

The Slovak Investment and Trade Development Agency (SARIO) had 62 employees as of 31 December 2011, representing a year-on-year decrease of 23.46%. This significant reduction led to the closure of the Section of Structural Funds within the Agency as of 30 December 2011.

The SARIO Agency in 2011 kept its high level of employee qualification which is evidenced by up to 90% of employees being university graduates.

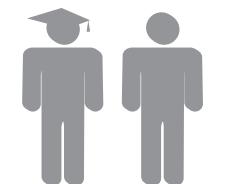
Also in 2011 the SARIO Agency again provided the opportunity to succeed particularly to young talented employees. The most represented age group is up to the age of 30. Highly represented is also the group up to 40.



Representation of women and men of the total number of employees



Representation of women and men in management positions



Educational structure of employees

Monitored period	Number of employees
Number of employees as of 31 December 2010	81
Increases (free applications)	24
Reduction	43
Final number as of 31 December 2011	62

Foreign Direct Investment Section

The Foreign Direct Investment Section (hereinafter referred to as the "FDI Section") provided services and professional information in the area of investments to new, as well as established investors in 2011.

The FDI Section comprises the following departments: Business Development Department (BDD); Project Management Department (PMD); and Corporate Development Department (CDD). These departments closely cooperate together, and present Slovakia as a suitable destination for new investment.

Based on the "one-stop-shop" principle, the project managers of the FDI Section provided complex services to investors, ensured communication between the investor and local or state administration, mapped and recommended suitable locations and real estate to carry out investment projects, provided consultations related to the opportunity of acquiring state aid, processed expert opinions for investment aims, coordinated publication activities, disseminated and updated relevant documents and information concerning the

investment environment of the Slovak Republic, organised meetings, seminars and presentation activities for potential investors, and communicated and closely cooperated with established investors.

FACILITATION OF INVESTMENT PROJECTS

As of 31.12.2011, the FDI Section registers and works on 93 investment project totalling EUR 2.4-2.5 billion with the potential to create 18 to 21 thousand jobs. It includes 68 projects at the so-called "live" stage, and their total volume is EUR 2-2.1 billion, potentially creating 15 to 17 thousand new jobs.

In 2011, 26 investment projects were implemented with the assistance of SARIO that will create 3,634-4,354 new jobs. The total volume of such investments will reach EUR 517.6 million, including 10 projects supported by investment aid. Up to 54% of successful projects are expansions of established companies.

Completed investment projects were directed to the following industries:

Industry	Number of projects
Wood processing	1
Paper and paper product manufacturing	2
Rubber and plastic product manufacturing	8
Metal constructions manufacturing	5
Production of computer, electronic and optical products	2
Production of electrical appliances	1
Production of motor vehicles	3
Furniture manufacturing	1
Power engineering	2
Shared service centre	1

From the regional distribution aspect, successful investments are directed to all regions, with the strongest representation in Trnava, Trenčín and Prešov:

Region	Number of successful projects
Prešov Region	4
Košice Region	1
Banská Bystrica Region	3
Žilina Region	3
Trenčín Region	4
Nitra Region	3
Trnava Region	6
Bratislava Region	2

The AU Optronics Project

In spite of the fact that AU Optronics (AUO) announced its decision to invest in Slovakia a long time ago, preparatory work on this project and intensive communication with the investor continue.

In order to help Slovak companies join the sub-contractor network of AUO, the investor was offered the opportunity to actively participate at the 5th Slovak Matchmaking Fair organised by the SARIO Agency. Furthermore, a package of services at "Partner" level was prepared for AU Optronics. A series of internal semi-

nars on expert topics, which will take place in 2012, is currently in preparation.

Investment aid

The SARIO Agency provided professional counselling and consultations to potential as well as established domestic and foreign investors in the area of governmental support during the development of investment plans in line with Act No. 561/2007 Coll. on Investment Aid and on amending and supplementing of certain acts, as amended, Guideline for National Regional Aid for 2007-2013, and Regulation of the European Commission No. 800/2008.

During 2011 the SARIO Agency received from the Ministry of Economy of the Slovak Republic the investment plans of 24 companies applying for investment aid. The project managers of the FDI Section developed an expert opinion for each of the investment aims.

INITIATIVE IN TERMS OF R&D

From the beginning of 2011 activities supporting and attracting foreign and domestic investment in research and development focused on the preparation of conceptual plans for future activities and solutions for in-house projects.

The R&D transformation project continued to deal with individual tasks during the year, mainly with the preparation of a catalogue (database) of R&D institutions in Slovakia and work in the Minerva team, which aims to create a national R&D website and launch work on the development of a R&D questionnaire.

As part of R&D support in Slovakia, two seminars (Bratislava, Košice) took place in June 2011 in Slovakia, focusing on providing information to companies on the current call under the Operational Programme Competitiveness and Economic Growth CaEG-13SP-1001, aimed at supporting innovation activities in companies.

The Slovak Start-Up Development Program Project

It is an interest of SARIO, as a governmental institution, and it follows the idea of the Minerva 2.0 governmental document, to support Slovak innovative and technologically oriented companies. Therefore in 2011 SARIO launched its own project titled the Slovak Start-up Development Program. This program should contribute to the development of a mechanism for support of innovation, and attract investors to Slovakia. The greatest added value for participants is the partnership of SARIO with the well-known American company Plug and Play International, Inc. Through the Slovak Start-up Development Program, which is funded from the state budget, the winners of the Start-up

Awards competition can participate in the prestigious 3-month-long stay in the Acceleration Program in the Plug and Play Tech Centre in Silicon Valley in the U.S.A. There the winning companies will have exceptional access to all the services provided within the incubator, including access to investors, aid during the development of a company, and mentoring. The highlight of activities in 2011 was the selection of the first four start-ups that will participate in the stay at the beginning of 2012.

BUSINESS DEVELOPMENT AND STRATEGIC APPROACH OF INVESTORS

In 2011, the BDD staff elaborated qualified responses to 672 inquiries from potential international investors, economic diplomats, other partners, and further entities from the Slovak Republic and abroad by phone, e-mail or fax.

From these inquiries, 100 new investment projects were generated in the volume of EUR 3-3.3 billion that can create 15 to 16 thousand new jobs. Another 12 projects were forwarded to the Foreign Trade Section of SARIO, since these involved Joint Ventures or acquisitions of Slovak companies not covered by the FDI Section.

MANAGEMENT OF EXISTING INVESTORS

Systematic work with established investors significantly helps the development and nurturing of existing networks of investors in Slovakia. Effective communication with investors about their needs and plans also helps to improve the business environment.

From its beginnings in the second quarter of 2011, the department contacted and participated in meetings with more than 30 companies. Based on these meetings, 10 specific cases were developed which required further intensive communication and assistance, as part of the basic services provided by the department.

In 2011, the department organised seminars about the business environment – "Closer to Your Business" in two regional centres - Nitra and Žilina. Both seminars were attended by around 40 representatives of companies, and led to successful results in the form of increased interest in the new services of the SARIO Agency.



Seminar about the business environment, Nitra



Investment seminar, New York

Foreign business trips

With the aim to promote Slovakia and its business environment abroad as well as to establish contacts with the international business community directly in place, the FDI Section participated in the preparation and realisation of foreign business trips to 11 countries.

SARIO actively participated in the preparation of seminars for foreign delegations and business missions from abroad, where it presented not only the Slovak business environment and potential, but also SARIO services.

USA, Washington, New York, San Francisco, Chicago	march 2011	Series of investment seminars- Part of the official visit of the Minister of Economy of the SR
France, Béthune	march 2011	investment seminar
Singapore, India, Vietnam	april 2011	Series of trade and investment seminars - Part of the official visit of the Minister of Economy of the SR
Denmark, Copenhagen	june 2011	investment seminar
USA	august 2011	investment seminar
Russia, Sankt Peterburg	september 2011	investment seminar
Germany, Dusseldorf, Frankfurt, Munich	september 2011	Series of investment seminars- Part of the official visit of the Minister of Economy of the SR
Sweden, Gotteborg	september 2011	investment seminar
Czech republic, Brno	october 2011	investment seminar
Indonesia	october 2011	Series of investment seminars- Part of the official visit of the President of the SR
Denmark, Copenhagen	november 2011	investment seminar
Israel, Tel Aviv	november 2011	investment seminar

Cooperation with the Diplomatic Corps

In 2011, SARIO representatives took part in 19 meetings with diplomatic missions from various countries, during which they discussed the opportunities of mutual cooperation and sharing the know-how of individual investment agencies, and preliminary plans of business missions and planned events.

Lead Generation product

In the 4th quarter of 2011, the SARIO Agency purchased

the lead generation product. It is a database through which it is possible to monitor global investment projects and investment signals. The database should contribute to a more active and targeted addressing of potential investors.

Assistance in the establishment of ISA

Project managers of the FDI Section participated in the establishment of the Investment Support Association – ISA that started to work formally in the 2nd quarter of 2011. Its aim is to support the SARIO Agency at home and abroad, and to help bring about an influx of investments.



Business forum , Indonesia

Real Estate and Regional Offices Department

During 2011, the representatives of the Real Estate and Regional Offices Department (REROD) processed offers for real estate from the database based on the requirements of potential investors, accompanied them during visits to these real estates, and during meetings with real-estate owners or their representatives with the relevant project manager of the FDI Section. Missing data in the database of real estate was also added and updated during this time.

In 2011, 113 new real-estate sites were registered. The total number of real estate sites in the SARIO database as of the end of 2011 is 865 registered industrial real estates, lands, production halls, industry parks and offices.

Meanwhile, the department carried out an analysis of the occupancy of industry parks in Slovakia, and an analysis of the quality of real estate in the database.

In 2011 the real estate and regional offices department ensured for the FDI Section offers of real estate from the database for 68 investment projects in process, and organised visits and meetings with the owners in the case of interest.

Number of recorded real estate sites based on type and region

Regions of the Slovak Republic	Greenfield	Brownfield	Offices	Total
Bratislava Region	25	27	19	71
Trnava Region	34	27	1	62
Trenčín Region	75	73	7	155
Nitra Region	62	54	1	117
Banská Bystrica Region	41	41	10	92
Žilina Region	47	72	10	129
Košice Region	48	57	8	113
Prešov Region	55	68	3	126
Total for the Slovak Republic	387	419	59	865



Grand opening of inalfa roof systems

Marketing Communication and PR Department

In 2011 the Marketing Communication and PR Department of SARIO actively participated in the preparation of events to support the influx of foreign investment in Slovakia organised by the FDI Section. Department also supported the Foreign Trade Section when preparing events in Slovakia, the aim of which was to support export and foreign trade between Slovak and foreign entities.

The Marketing Communication and PR Department participated in transformation projects of SARIO for 2011 – 2012 with its own project aimed at creating a new marketing and PR strategy for the SARIO Agency, a new website linked with the ISA website, set up working with the media in order to improve FDI presentation in Slovakia, and actively support ISA in event management.

Updated analyses, documents and publications

The FDI Section in cooperation with the Marketing Communication and PR Department during 2011 updated analyses on the macroeconomic development of the Slovak economy, labour market, Labour code, Commercial code, building process, infrastructure, business ex-

penditures, and professional informational materials on investment conditions in Slovakia with a thematic focus on various industries in several language versions. Regional analyses in English language were also updated. As of the end of 2011, the following publications were updated and graphically processed for project managers:

- Trade with Slovakia (focus on foreign trade)
- R&D in Slovakia (focus on research and development)
- Why Slovakia/Warum Slowakei (the most important information about the business environment in Slovakia in English and German language)
- Information booklet for the 5th Slovak Matchmaking Fair
- Comparison of the Investment Environment of the Visegrad 4 countries
- Online Catalogue of Cooperation Activities (profiles of Slovak companies looking for business partners)

PR articles, SARIO on social networks

To promote the activities of the Agency and to improve its public relations and support the business environ-

ment, staff of the Marketing Communication and PR Department regularly searched and posted articles on the most popular social networks such as Facebook, Twitter and LinkedIn, where SARIO has profiles.

In the area of PR, SARIO noticed increased media interest in 2011, both in terms of meeting top representatives of the agency, as well as opinions regarding investment topics. During the year, the Agency issued 22 press releases and organised 5 press conferences with interesting guests.

On a regular basis, the Department provided information to the media, institutions interested in the issue of foreign direct investment in Slovakia, and also to the student community.

SARIO Newsletter

During the year the Marketing Communication and PR Department in cooperation with the spokesperson prepared 12 issues of the monthly information bulletin of the Agency, the SARIO Newsletter, which provides

information about economic issues in Slovakia and the activities of the Agency. Currently it has up to 800 subscribers.

Projects and events of the Agency

The Marketing Communication and PR Department actively participated during the year in the organisation of foreign business trips, seminars, and events supporting foreign trade.

In the 1st quarter, the Department actively participated in the preparation of the road show in the U.S.A. by creating the graphic design of the presentations and materials for the four investment seminars taking place during the trip. In the 2nd quarter of 2011, the Department actively participated in the preparation of the ISA project by creating the title, logo and graphic design of presentations and materials of the association. As part of the transformation project, work on the general PPT presentation promoting the Slovak Republic started. In the 3rd quarter of 2011, the Department participated in the preparation of events under the common slogan "Business Friendly Slovakia" in Germany and the Czech Republic. During the 3rd quarter, the Department organised an international conference in cooperation with the American Chamber of Commerce which took place in Košice. The Marketing Communication and PR Department also participated in the process of draft-

ing of the agenda, as well as providing the speakers and inviting the audience.

During the 3rd quarter, the Department carried out an analysis of the current website, benchmarked against comparable agencies, prepared a new layout proposal for the site, and following its approval by the General Director, it started to propose a new structure for website content. The new website should also include stories about successful companies assisted by SARIO in their establishment in Slovakia. In cooperation with the FDI project managers the Department prepared short "Success stories" about selected projects – testimonials and quotes from investor representatives.

During the 4th quarter, the Department participated in the organisation of the 5th Slovak Matchmaking Fair by arranging the venue, graphic design of all materials, and overall organisation of the event on site. In cooperation with the FDI Section and partners, it also organised a gala evening for the Start-up Awards as part of the Slovak Start-up Development Program. A complete package of materials in terms of content and graphics was prepared for this project, including graphic designs for STIC – Slovak Training Innovation Centre – the Slovak IT incubator that open as part of this project in Silicon Valley, U.S.A.



Press conference
"Start Up Development Programme"

Graphic design of
"Trade with Slovakia" brochure

Foreign Trade Section

The Foreign Trade Section of SARIO ensures complex services preferentially to Slovak business entities with the aim to gradually incorporate them in international economic relationships.

Priority areas of export support:

- Providing methodological, coordination, consulting, assistance and education services focusing on the support of Slovak business entities in joining the international markets, with an emphasis on start-up exporters;
- Registration, mediation of offers of Slovak products to foreign markets, and foreign demands into the domestic business environment;
- Presentation of all forms of economic cooperation in the area of production-cooperation relations, sub-contractor relationships, offers of free production capacities, and joint ventures;
- Mediating participation of Slovak business entities in Slovak and foreign fairs and exhibitions organized under the auspices of the Ministry of Economy of the Slovak Republic with the aim to actively promote the

Slovak business environment, Slovak producers and their products;

- Organisation and realisation of business missions at home and abroad;
- Organisation and realisation of specialised sub-contractor events in the Slovak Republic;
- Participation in the organisation and realisation of inter-governmental and inter-sectoral commissions;
- Organisation and realisation of the education project "Pro-export Academy";
- Administration of the information portal www.portal-exportera.sk;
- Administration of the Catalogue of Cooperation Activities with Slovak business entities.

SUB-CONTRACTING AND COOPERATION EVENTS

5th Slovak Matchmaking Fair 2011

International contracting event for business entities titled the "5th Slovak Matchmaking Fair" took place

on 22 November 2011 for the fifth consecutive year, at the Holiday Inn in Žilina. The event focused on bilateral negotiations between business entities with an aim to gain new production partners and establish new economic cooperations.

The international event targeted professional public with an industry orientation on the power industry, machine engineering, car industry, electrical engineering, wood processing industry, and the area of information technologies, with sub-contracting offers of partnerships, tenders, available production capacities, as well as requests for creating joint venture.

The event took place under the auspices of the Ministry of Economy of the Slovak Republic. The Republic of Serbia was the Partner Country and the Partner Region was Žilina Region.

Partners organising the event:

The Ministry of Economy and Regional Development of the Republic of Serbia, the Ministry of Foreign Affairs

of the Slovak Republic, the Embassy of the Republic of Serbia in Slovakia, Žilina Self-Governing Region, the City of Žilina, the Slovak Chamber of Commerce and Industry Žilina.

Number of registered companies: 139; including 90 Slovak business entities, 49 foreign business entities from 14 countries such as Australia, Austria, Belgium, Croatia, Czech Republic, France, Italy, Macedonia, Poland, Russian Federation, Republic of Serbia, Slovenia, Sweden and Turkey.

Sector representation of companies: machine engineering 62%, car industry 13%, energy industry 8%, electronic engineering 3%, plastic and wood processing 4%, other 10%.

488 bilateral meetings were realised.

Accompanying events:

Presentation of the Partner Country – Republic of Serbia: "Serbia – quality works"

Presentation of the Partner Region: "Žilina Region – place for business and investment"

Panel discussion Automotive: - "Innovative car industry, E-mobility – trends and opportunities"

Panel discussion Logistics & banking: "Supporting logistics and the export of Slovak companies in the countries of Eastern Europe, Russian Federation and Asia"

Panel discussion EU Program Gateway: "The outlook for business in Japan and Korea"

CONSULTATION AND COUNSELLING SERVICE AND OTHER ACTIVITIES

As part of the consultation and counselling service, partners actively searched for Slovak entities for negotiations abroad, through contacts from the internal SARIO database, network of economic diplomats of Slovakia, and partner institutions abroad. An identical service was also provided to foreign companies in Slovakia.

The status of registered companies and business cases on the internet portal of export and cooperation opportunities of SARIO Information Centre (SIC) as of 31 December 2011 was as follows:

Registered companies: 2,592

Offers and demands: 2,386

Foreign: 1,807

Domestic: 579

Sub-contracting: 322

JV: 161

Investments: 171

Tenders: 516

Goods: 1,216



5th Slovak Matchmaking Fair
in Žilina

Foreign trade section activites and projects in 2011

Business and Investmetn with Australia, SARIO, Banská Bystrica	co-organizer, presentation	february 2011	Slovakia
Seminar on Free Economic Zone Gomel- Belorussia	organizer	march 2011	Slovakia
Cooperation Event of Austrian and Slovak Companies (Furniture and Living, 2011, Nitra)	organizer	march 2011	Slovakia
Consultancy Days EBRD, MF SR, London	co-organizer	march 2011	Great Britain
Seminar "Support of export to the Russian Federation", PKO Black Eagle, Prešov	co-organizer	april 2011	Slovakia
Seminar "Support of export to the Russian Federation", Hotel Mikado, Nitra	organizer	april 2011	Slovakia
Seminar "Support of export to the Russian Federation", Hotel Premium, Bratislava	organizer	april 2011	Slovakia
International Cooperation Day –official event of the International Engineering Fair, Agrokomplex Nitra	co-organizer	may 2011	Slovakia
Promotion Conference on 110 Chinese Import and Export Fair, Bratislava, Slovakia	co-organizer	june 2011	Slovakia
Partnership with Slovak Chamber of Commerce and Industry in organ- izing business mission to the Republic of Montenegro as a part of offi- cial visit of Mr. Gašparovič, the President of the SR	co-organizer	september 2011	Montenegro
5th Slovak Matchmaking Fair, Žilina	organizer	november 2011	Slovakia
Slovak-Georgian business forum, Slovak Atlantic Commission, Tbilisi	co-organizer	december 2011	Georgia



Seminar on Free Economic
Zone Gomel, Bratislava



Seminar "Support of export
to the Russian Federation", Prešov



International Cooperation Day
in Nitra

Section of EU Structural Funds

THE IMPLEMENTATION AND MONITORING OF EU PROJECTS DEPARTMENT

The main scope of the activities of project managers of the Implementation and Monitoring of EU Projects Department during January through December 2011 focused on the fulfilment of tasks resulting from the duties and powers of SO/RO.

Department staff ensured the following activities in connection with 11 contracted projects (the total non-repayable financial contribution (hereinafter referred to as "NFC") – EUR 83,636,271.49) as part of the Operational Programme "Competitiveness and Economic Growth" measure 1.2 "Support of common services for entrepreneurs":

- Ensuring consultation and counselling for applicants whose projects were approved as part of the second call - Levoča, Švedlár, Palárikovo, Utekáč, Levice, Krompachy in connection with the duties resulting from the Agreement on NFC – procurement of real estate, process of public procurement;
- Implementation of projects within the first call –

Trnava, Bardejov, Tornal'a, Gelnica, Stropkov;

- Updating data in the ITMS system and inputting detected discrepancies into the ITMS system;
- Carrying out control at the place of recipients who submitted SARIO an interim and final Request for Payment;
- Ensuring counselling connected with the signing of Agreements on Lien and insurance arrangement;
- Consultations connected with the preparation of requests for payments and interim, final and follow-up monitoring reports.

Staff of the department ensured the following activities in connection with 46 contracted projects (total value of NFC – 3,583,914.73 EUR) as part of the Operational Programme "Competitiveness and Economic Growth" sub-measure 1.1.3. "Supporting the participation of Slovak producers in fairs, exhibitions and business missions":

- Developing opinions to requests for an approval of change execution in the agreement on providing NFC and consequent processing of amendments to

agreements on providing NFC;

- Publishing concluded amendments to agreements on providing IFL in the Central Register of Agreements;
- Revision of all projects as part of the sub-measure 1.1.3. of the Operational Programme CaEG;
- Updating of data in the ITMS system and inputting detected discrepancies into the ITMS system;
- Updating of agreements on providing NFC according to the most recent version of the System of Structural Funds Management;
- Archiving project documentation for the sub-measure 1.1.3 OP CaEG;
- Carrying out control at the place of recipients who submitted SARIO an interim and final Request for Payment;
- Providing consultations to recipients connected with the submission of interim, final and follow-up monitoring reports;
- Commenting on documents to the prepared new call (code of the call CaEG-113DM-1201) as part of the sub-measure 1.1.3 OP CaEG.

Apart from these tasks, the staff ensured the provision of information and consultations to potential applicants about opportunities for using resources from the structural funds, as well as the provision of counselling in the area of project implementation.

Overall, project managers participated in the administration of 15 realized projects (the overall amount of NFC – EUR 51,459,275.71) for the building of industrial parks and the reconstruction of production halls within the measure 1.2 SOP PS, where the fulfilment of goals and set indicators was monitored, 5 projects from the first call of the measure 1.2 OP CaEG, and 6 projects from the second call of the measure 1.2 OP CaEG that are still in the process of realization. Within the projects for the support of international cooperation in the measure 1.5 SOP PS, the staff administered 48 realised projects (total value of NFC – EUR 1,584,985.49) as well as 29 realised projects and 17 projects in realisation for the sub-measure 1.1.3 OP CaEG.

DEPARTMENT OF FINANCIAL MANAGEMENT OF EU PROJECTS

In 2011 the main activities of the Department of Financial Management of EU Projects focused on the fulfilment of tasks resulting from the duties and powers of SO/RO (mediating body under the managing

body – the Ministry of Economy of the Slovak Republic) in the area of the financial management of approved projects as part of sub-measure 1.1.3. and measure 1.2. Operational Programme "Competitiveness and Economic Growth" (hereinafter referred to as the "OP CaEG").

In the area of the performance of the verification of the physical realisation of EU projects, the whole process was secured, from the acceptance of requests for payment, the performance of administrative controls and controls at site, to their approval and sending to the managing body (the Ministry of Economy of the Slovak Republic). The individual steps have been sequentially recorded in ITMS. The performance of the verification of the physical realisation of EU projects consisted of two basic types of preliminary financial control, namely 100% administrative control and the performance of control at site.

Documented use of financial resources for the Sub-measure 1.1.3 OP CaEG in the period from 1.1.2011 to 31.12.2011:

As part of the implemented Sub-measure 1.1.3 "Support of the participation of Slovak producers at trade fairs, exhibitions and business missions" SARIO received 34 interim requests for payment amounting

to NFC EUR 771,657.44, including 4 requests for payment cancelled, in the case of the recipients SLOVAKTUAL, s.r.o. (25110120249502), CANOR, spol. s r.o. (25110120262501 and 25110120262502), and Jamel Fashion (25110120247501) in the total amount of EUR 252,454.33

As part of the implemented sub-measure 1.1.3 "Support of the participation of Slovak producers at trade fairs, exhibitions and business missions", SARIO received 23 final requests for payment amounting to EUR 491,487.15 of the NFC, including 1 cancelled request for payment, in the case of the recipient StrojCad, s.r.o (25110120249603) amounting to EUR 2,607.50 of NFC.

As part of the implemented Sub-measure 1.1.3 "Support of the participation of Slovak producers at trade fairs, exhibitions and business missions", 55 requests for payment were paid in 2011 through the system of refund in the total amount of NFC EUR 929,426.11.

Documented use of financial resources for the Measure 1.2 OP CaEG in the period from 1.1.2011 to 31.12.2011:

As part of the implemented measure 1.2 "Support of common services for entrepreneurs" the system of pre-financing registered 22 requests for payments in the

total amount of EUR 11,192,853.53 of the IFL, including 19 requests for payments paid in the amount of EUR 9,742,318.50 of IFL, 1 request for payment concerning the project of the Town of Gelnica was returned to SARIO, 1 request for payment concerning the project

of the Town of Trnava was rejected, and 1 request for payment concerning the town of Trnava was cancelled.

As part of the implemented measure 1.2 "Support of common services for entrepreneurs", the system of

pre-financing accounting registered 18 requests for payment in the total amount of EUR 8,563,317.27 of NFC, including 10 requests for payments paid in 2011 in the total amount of EUR 6,510,995.76, 8 requests for payment were in the process of approval at the end of 2011.

Code of the Request for Payment	Aid recipient	Amount of NFC of the request for payment in EUR, thereof:		
		total	ERDF	State Budget
25110220004322	The town of Trnava	533 907,34	477 706,55	56 200,79
25110220001316	The town of Gelnica	256 248,80	229 275,23	26 973,57
25110220003320	The town of Tornal'a	117 900,23	105 489,68	12 410,55
25110220002303	The town of Stropkov	38 574,30	34 513,84	4 060,46
25110220001317	The town of Gelnica	582 825,69	521 475,60	61 350,09
25110220005308	The town of Bardejov	98 908,58	89 191,90	9 716,68
25110220003321	The town of Tornal'a	277 134,92	247 962,82	29 172,10
25110220003322	The town of Tornal'a	121 876,53	109 047,41	12 829,12
25110220011301	The town of Levoča	2 476 614,13	2 215 917,89	260 696,24
25110220002305	The town of Stropkov	88 498,60	79 182,96	9 315,64
25110220002306	The town of Stropkov	221 912,13	198 552,95	23 359,18
25110220002307	The town of Stropkov	202 157,72	180 877,94	21 279,78
25110220002308	The town of Stropkov	177 109,97	158 466,8	18 643,17
25110220010301	The town of Krompachy	1 425 286,86	1 275 256,66	150 030,20
25110220002309	The town of Stropkov	304 684,83	272 612,71	32 072,12
25110220004325	The town of Trnava	218 883,77	195 843,36	23 040,41
25110220004301	The town of Levice	1 373 090,00	1 228 554,21	144 535,79
25110220004301	The town of Palárikovo	554 523,34	496 152,46	58 370,88
25110220007301	The township of Švedlár	672 180,76	601 424,89	70 755,87
TOTAL		9 742 318,50	8 717 505,86	1 024 812,64



Levoča



Bardejov

Code of the Request for Payment	Aid recipient	Amount of NFC of the request for payment in EUR, thereof:		
		total	ERDF	State Budget
25110220004421	The town of Trnava	347 314,79	310 755,31	36 559,48
25110220004423	The town of Trnava	270 328,33	241 872,70	28 455,63
25110220004424	The town of Trnava	533 907,34	477 706,55	56 200,79
25110220005409	The town of Bardejov	2 228 436,61	2 009 517,38	218 919,23
25110220001419	The town of Gelnica	256 248,80	229 275,23	26 973,57
25110220002404	The town of Stropkov	38 574,30	34 513,84	4 060,46
25110220001420	The town of Gelnica	582 825,69	521 475,60	61 350,09
25110220003423	The town of Tornal'a	277 134,92	247 962,82	29 172,10
25110220003424	The town of Tornal'a	121 876,53	109 047,41	12 829,12
25110220003425	The town of Tornal'a	117 900,23	105 489,68	12 410,55
25110220011403	The town of Levoča	2 476 614,13	2 215 917,89	260 696,24
25110220005410	The town of Bardejov	98 908,58	89 191,90	9 716,68
25110220002410	The town of Stropkov	88 498,60	79 182,96	9 315,64
25110220002411	The town of Stropkov	221 912,13	198 552,95	23 359,18
25110220002412	The town of Stropkov	202 157,72	180 877,94	21 279,78
25110220002413	The town of Stropkov	177 109,97	158 466,8	18 643,17
25110220002414	The town of Stropkov	304 684,83	272 612,71	32 072,12
25110220004428	The town of Trnava	218 883,77	195 843,36	23 040,41
TOTAL		8 563 317,27	7 678 263,03	885 054,24

As part of the implemented measure 1.2 "Support of common services for entrepreneurs", the system of refund in 2011 registered only 1 request for payment from

the recipient of the town of Levoča in the total amount of NFC of EUR 3,061.28 that was carried out that year.

Code of the Request for Payment	Aid recipient	Amount of NFC of the request for payment in EUR, thereof:		
		total	ERDF	State Budget
25110220011403	The town of Levoča	3 061,28	2 739,04	322,24

As part of the implemented measure 1.2 "Support of common services for entrepreneurs", 2 final requests for payment were registered in 2011, from the recipients of the town of Tornal'a and the town of Stropkov in the total amount of EUR 806,995.86 of NFC. Both these requests were in the process of approval in SARIO at the end of 2011.

Code of the Request for Payment	Aid recipient	Amount of NFC of the request for payment in EUR, thereof:		
		total	ERDF	State Budget
25110220003626	The town of Tornal'a	496 316,28	444 072,44	52 243,84
25110220002615	The town of Stropkov	310 679,58	277 976,45	32 703,13
SPOLU		806 995,86	722 048,89	84 946,97

As part of the measure Technical Aid, the following activities were realised in 2011:

- processing and submitting interim requests for payments – accounting advance payment including annexes for September, October, November, December 2010 and final request – refund of salaries for January 2010, to the project of Financing Salary Expenses, including rewards and deductions of the employer of entitled employees of SARIO as SO/RO in connection with the implementation of OP CaEG to RO, project code 25140120030;
- processing and submitting Final monitoring report, project code 25140120030;
- signing of the Agreement on providing NFC reg. No. 29/2011 – 4220 – 4100 to the project of Financing of salaries including rewards and deductions of the employer by the system of advance payments of SARIO employees for 01 – 12/2011, ITMS code 25140120049
- processing and submitting advance payment request for payment No. 1, code ITMS 25140120049101 – Financing of salaries including rewards and deductions of the employer by the system of advance payment for SARIO employees for 01 – 12/2011, ITMS code 25140120049;
- processing and submitting of interim requests for payments – accounting advance payments including annexes for February, March, April, May, June, July, August 2011 No. 2, 4, 6, 8, 10, 12, 14 and advance payments No. 3, 5, 7, 9,

11, 13, 15 to the project Financing of salaries including rewards and deductions of the employer by the system of advance payment for SARIO employees for 01 – 12/2011, ITMS code 25140120049;

- updating of an internal manual of work procedures for EU structural funds staff 2007-2013;

As of 1.12.2011, organisational changes took place in SARIO – the section of EU structural funds was closed down, and a new department for the financial management of EU projects was established.

By the decree of the Minister of the Economy of the Slovak Republic No. 50/2011 of 14 September 2011 issued under number: 1529/2011-1000 in response to the decree of the Minister of the Economy of the Slovak Republic No. 55/2011 of 26 October 2011 issued under file number: 1767/2011-1000, the powers of the Slovak Investment and Trade Development Agency as a mediating body under the managing body for OP CaEG and the Sectoral Operational Programme Industry and Services were terminated as of 30 December 2011, and the consequent transfer of related activities from SARIO to the competence of the Slovak Innovation and Energy Agency as of 31 December 2011.

FINANCIAL STATEMENT OF THE ORGANISATION AS OF 31.12.2011

The Slovak Investment and Trade Development Agency had an approved budget for 2011 in the amount of EUR 1,938,524 for regular expenditures based on the Agreement for Sub-program 07K 04 Development of Foreign Cooperation, Trade and Investment for 2011. On 01.03.2011, Annex No. 1 amended the budget for regular expenditures for 2011 by EUR 45,000 to EUR 1,983,524. On 05.05.2011, the agreement on providing budget resources for the sub-program 07K0F Supporting the Realisation of significant investment AU Optronics was signed, based on which financial resources were provided for normal transfer amounting to EUR 169,000. On 06.06.2011, Annex No. 2 adjusted the budget by EUR 210,000 to EUR 2,362,524. On 17.10.2011, Annex no. 3 was adjusted to regular expenditures for 2011 by EUR 432,000 to EUR 2,794,524 and a capital transfer of EUR 96,000.

The SARIO Agency had approved for 2011:

- * **Project 07K0402 Administration of SARIO**
- * **Sub-program 07K0F Supporting the realisation of significant investment of AU Optronics**

07K 04 02 ADMINISTRATION OF SARIO

Resources approved for the project of SARIO Administration were mainly designed to ensure these activities:

- Support of investments of foreign and domestic entities in Slovakia;
- Support of foreign trade including export;
- Support of regional development.

On 17.10.2011, Annex no. 3 expanded these activities:

- Support of innovative and technologically oriented activities, promoting the Slovak research and development environment.

For this project, the approved budget for 2011 for regular expenditures was EUR 1,938,524 . Annex No. 1 to the Agreement on the sub-program 07K 04 Development of foreign cooperation, trade and investment for 2011 of 07.02.2011 adjusted the budget for regular expenditures for 2011 to EUR 1,983,524. Annex no. 2 was a regular transfer increasing the amount by EUR 432,000 to EUR 2,625,524, and Annex No. 4 transferred financial resources of EUR 28,000 from the category: Ensuring

other activities to the category of regular transfers. Financial resources for the capital transfer of EUR 96,000 were mainly for the purchase of computer technology, software, special vehicles, etc.

The agency used regular expenditures amounting to EUR 2,045,580.69 when fulfilling its tasks as part of its main activity during 2011. EUR 916,458.43 were used for salaries and wages, EUR 342,274.81 for deductions to individual insurance companies, EUR 746,998.15 for goods and services, and EUR 39,849.30 for regular transfers that represent membership contributions, compensation money, and business and health insurance benefits paid by the employer. Capital resources for 2011 were used in the total amount of EUR 796.42 for the purchase of computer technology.

From the project of SARIO Administration, the tasks of the SARIO Agency, as the implementing agency, were funded on an on-going basis based on the authorisation of powers from the control body to the mediating body under the managing body concluded between the

Ministry of Economy of the Slovak Republic and the SARIO Agency.

The agency received a non-returnable financial contribution in 2011 amounting to EUR 62,338.32 for the refund of eligible expenditures as part of the limited technical aid. As part of pre-financing, we received a sum of EUR 545,938.03 in 2011 for the funding of salary expenditures, including rewards and deductions of the employer through the system of advance payment for eligible employees.

Own resources of the agency came mainly from the charging for its own activities (e.g. seminars, 5th Slovak Matchmaking Fair, sale of publications, etc.), and substitutions of insurance fulfilment amounting to EUR 54,787.56.

07KOF SUPPORTING THE REALISATION OF A SIGNIFICANT INVESTMENT OF AU Optronics

Resources approved for the sub-program of the realisation of a significant investment of AU were mainly designed to ensure the following activities:

- Support of the project of AU Optronics in terms of the Investment Agreement. The SARIO Agency ensured the performance of own activities related to the reali-

sation of the project, provided services from one place concerning issues related to the Investment Agreement, implementation of the project, and providing governmental aid.

Financial resources amounting to EUR 169,000.00 for regular expenditures were approved in 2011 for the sub-program of AU Optronics.

Total expenditures of the organisation for the sub-program of AU Optronics represent a total of EUR 52,114.25. EUR 27,297.66 was used for salaries and wages, EUR 8,494.64 for deductions to individual insurance companies, and EUR 16,321.95 for goods and services.

Economic Result after Tax

Revenues	EUR3,156,979.53
Costs	EUR3,194,821.00
Economic result - loss	EUR37,841.47

The SARIO Agency reached a negative economic result for its activity in 2011 – a loss amounting to EUR 37,841.47.

RULES OF ECONOMIC MANAGEMENT

The rules of economic management of budget resources provided to SARIO based on a signed contract for

2011 and the control of compliance there with were managed by the provisions of Act No. 523/2004 Coll. on the Budgetary Rules of Public Administration. SARIO was obliged to follow the provisions of Act No. 25/2006 Coll. on Public Procurement and on amending and supplementing of certain acts as amended when administering the provided budgetary resources, Act No. 431/2002 Coll. on Accounting as amended, Act No. 502/2001 Coll. on Financial Control and Internal Audit and on amending and supplementing of certain acts, and Act No. 291/2002 Coll. on State Treasury and on amending and supplementing of certain acts as amended. The Agency used financial resources economically, effectively, and for the given purposes to fulfil the set tasks.

The Slovak Investment and Trade Development Agency (SARIO) is a government-funded organisation of the Ministry of Economy of the Slovak Republic. The SARIO team of professionals provides a wide range of services related to investment in Slovakia, supporting export or foreign trade.

SERVICES FOR INVESTMENTS

- Assistance in all stages of investment project implementation
- Analyses of the investment environment; sector and regional analyses
- Selection and recommendation of an ideal location and suitable real estate
- Facilitating communication with national and local institutions
- Consultation services for investment aid
- Services for investors already established in the Slovak Republic

FOREIGN TRADE

- Tailor-made solutions for your business with Slovakia
- Identification of potential suppliers
- Monitoring of currently available production capacities
- Assistance in the creation of joint ventures
- Organising B2B meetings and events



Slovak Investment and Trade Development Agency

Martinčekova 17,
821 01 Bratislava, Slovak republic

Web: www.sario.sk,
E-mail: invest@sario.sk, export@sario.sk

Tel.: +421 2 58 260 100