



TOURISM

S A R I O

Slovak Investment
and Trade Development Agency

Tourism

Tourism is undoubtedly one of the fastest developing and most promising industries of the Slovak national economy. The position of Slovakia in the heart of Europe at the intersection of trade routes, its cultural and historical wealth and the favourable climatic conditions all create the potential for development of the tourism industry in our country. The tourism potential of Slovakia is vast, covering almost all key forms and types of tourism. According to the Regionalisation of Tourism in the Slovak Republic, northern Slovakia has features suited to mountain activities and winter hiking while southern Slovakia offers waterside holidays and the opportunity to take advantage of thermal waters. Throughout most of Slovakia there is a wealth of cultural, historical and natural attractions which may be utilised for tourism. In addition, a great deal of accommodation, catering and supplementary service capacity already exists in Slovakia. On the other hand, what is on offer does not match our possibilities and potential. Slovakia's historic towns and numerous mountain ski resorts are its most popular tourist destinations. The demographic makeup of visitors shows that the Slovak Republic is a target country for middle class and less-demanding visitors for whom price is a critical factor.

Basic facts and figures

Slovakia's tourism industry has grown remarkably since the country became independent. The number of tourists has been growing steadily over the years, and there is also a higher number of overnight stays in the country.

Total Number of Tourists (Accommodated Visitors)

Year	Total	Foreign	Domestic
2004	3 244 485	1 401 189	1 843 296
2005	3 428 083	1 514 980	1 913 103
2006	3 583 879	1 611 808	1 972 071

The number of tourists increased by 4.5 percent over 2005 to more than 3.5 million in 2006. The number of foreign tourists to Slovakia rose to 1,611,808, which is an increase of 6.4 percent year-on-year.

Most common countries of origin of foreign visitors

Country	Number of Tourists				
	2003	2004	2005	2006	Share
Czech Rep.	469 991	419 273	424 900	455 381	28.3
Poland	215 383	179 078	198 479	224 189	13.9
Germany	175 746	199 067	194 158	190 422	11.8
Hungary	100 546	111 065	121 615	121 981	7.6
Austria	51 365	55 609	55 630	60 560	3.8
Italy	37 996	50 201	59 344	60 971	3.8
United Kingdom	26 062	34 349	51 720	63 137	3.9

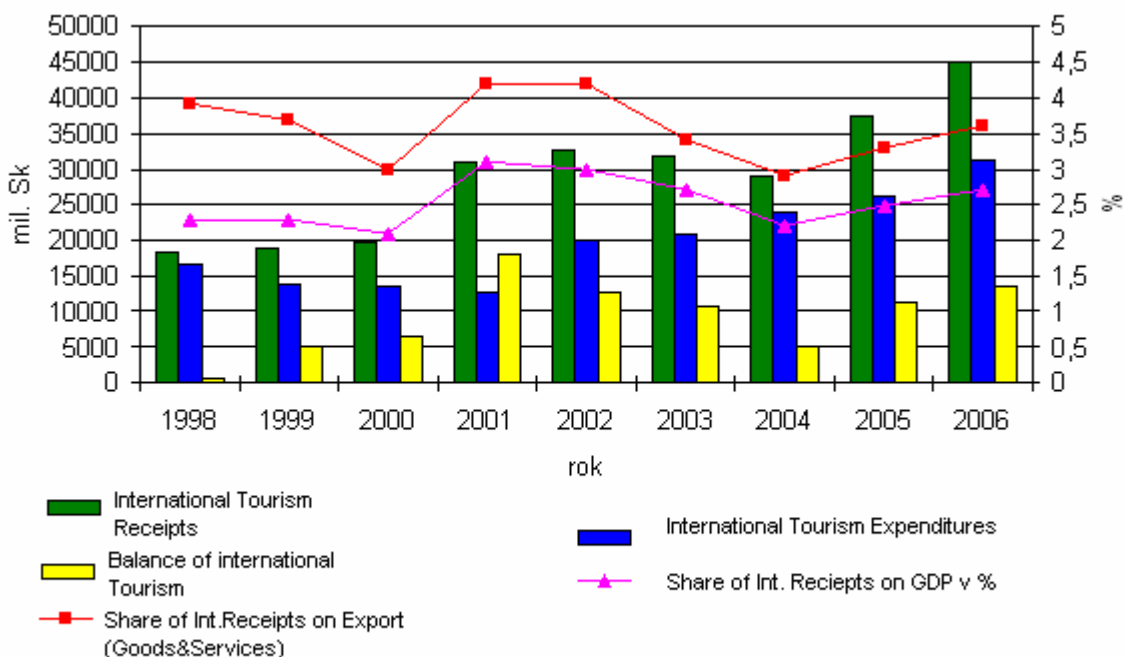
By the late 1990s the country was receiving more than 500,000 visitors each year. In the year 2006 the Bratislava Region showed the highest visit rate, followed by the Žilina, Prešov, Banská Bystrica and Košice Regions. However, Bratislava serves largely as a place of short stays for visitors mainly from neighbouring countries: Czech Republic, Poland, Germany and Hungary.

Macroeconomic overview

The share of international tourism receipts on GDP in Slovakia was 2.7% in 2006 (2.6% in 2005). International tourism receipts totaled EUR 1,207.7 mil. in 2006, which is an increase of 24.2% compared to 2005. International tourism expenditures reached EUR 841.6 mil. in 2006 (EUR 679.8 mil. in 2005).

Share of international receipts on GDP

Share of international receipts and expenditures on Exports (Goods and Services)



International receipts and expenditures in USD

	2000	2001	2002	2003	2004	2005	2006
Receipts	431.5	638.5	724.2	863	901.2	1209.8	1513.4
Expenses	295.2	286.7	442.2	572.2	745.1	845.7	1054.7
Balance	136.3	351.8	282	290.8	156.1	364.1	458.7

Infrastructure in tourism

Within the tourism business there is a developed competitive environment made up largely of small and economically weak enterprises providing primarily accommodation and catering services. There are no larger companies that would fulfil the role of a market leader in terms of the quality and innovation of services, or in improving the country's image abroad.

One of the central problems faced by Slovak hotels is their low year-round occupancy rate, which is only 30%, although it is around 70% in the health spa industry. A more flexible pricing policy and marketing offers in the off-season could attract more visitors. The quality of the hotels has rapidly improved over the years due to massive investment, but foreign direct investment is still lagging behind, as it represents only 0.6% of the FDI in hotels and restaurants. Demand among domestic guests has in recent years been shifting towards simpler accommodation establishments of lower categories and classes. This is mainly

due to the low purchasing power among Slovak customers arising from low average wages and a contraction of the middle class that previously liked to travel. This trend is also present among foreign guests, but to a lesser extent. This is seen in the fact that the foreigners who come to Slovakia are typically less demanding tourists, those whose main criteria when choosing a holiday is the price and who are satisfied with the relatively low level of services on offer at present.

In 2006, 2,490 facilities provided accommodation services in Slovakia (2,446 in 2005). In total, they operated 48,173 rooms with 124,300 beds.

Hotels

Top hotels in Slovakia

Rate	Name	Town	Services	Equipment	Quality/Price	Total
1.	Hotel International	Veľká Lomnica	55	78	44	177
2.-3.	Hotel Crowne Plaza Bratislava	Bratislava	60	79	37	176
2.-3.	Hotela Thermia Palace	Piešťany	60	76	40	176
4.	Holiday Inn	Žilina	58	77	40	175
5.-7.	Hotel Arcadia	Bratislava	63	75	36	174
5.-7.	Hotel Marrol's	Bratislava	63	74	36	174
5.-7.	Hotel Radisson SAS Carlton	Bratislava	62	76	36	174
8.	Hotel Hubert Vital Resort	Gerlachov	50	78	43	171
9.	Hotel Hills	Stará Lesná	55	69	46	170
10.	Grandhotel Praha	Tatranská Lomnica	46	78	41	165
11.	Hotel Patriot	Skalica	53	65	45	163
12.-13.	Hotel Kaskády	Sliach - Sielnica	48	68	45	161
12.-13.	Hotel Magnus	Trenčín	49	67	45	161
14.-16.	Hotel Aquacity Mountain View	Poprad	46	74	40	160
14.-16.	Grand Hotel Bellevue	Starý Smokovec	49	71	40	160
14.-16.	Hotel Partizán	Tále - Bystrá	53	67	40	160
17.	Hotel Apollo	Bratislava	56	63	40	159
18.-19.	Hotel Bránica	Belá	50	64	44	158
18.-19.	Hotel Wellness Patince	Patince	41	73	44	158
20.-21.	Hotel Balnea Palace	Piešťany	48	61	43	152
20.-21.	Hotel Dubná Skala	Žilina	49	65	38	152

Source: TREND TOP restaurants and hotels 2008

The biggest hotels and accommodation facilities

Rate	Name	Category	Revenues (thous.Sk)	Change (%)
			2006	2006/05
1.	Balnea Esplanade Palace, Piešťany	****	288 626	26.9
2.	Balnea Splendid ****/ Balnea Grand ***, Piešťany	****/***	165 705	0.0
3.	Slovan, Košice	****	132 626	0.8
4.	City Hotel Bratislava	***	123 889	16.7
5.	Holiday Inn, Bratislava	****	123 531	-1.1
6.	Devín, Bratislava	****	120 700	-0.7
7.	Grand Hotel Permon, Pribylina	****	114 786	16.8
8.	Dukla, Bratislava	****	102 292	8.1
9.	Patria, Štrbské Pleso1	****	100 883	8.3
10.	ibis Bratislava Centrum2	***	100 431	-0.4
11.	Holiday Village Tatralandia, Liptovský Mikuláš	***	93 451	63.5
12.	Barónka, Bratislava	***	83 151	7.8
13.	Kaskády, Sliač -- Sielnica	****	82 425	82.2
14.	Senec, Senec	***	76 274	8.8
15.	Tatra, Bratislava	***	75 131	-12.5
16.	Prírodné liečebné kúpele Smrdáky	***/**/*	66 616	13.0
17.	Grand, Demänovská dolina	****	66 473	2.5
18.	Grandhotel Praha, Tatranská Lomnica	****	65 005	15.4
19.	Marrol's, Bratislava	****	61 608	0.6
20.	Lux, Banská Bystrica	***	51 737	-7.2
21.	Sorea Sĺňava, Piešťany1, 3	***	47 360	42.8
22.	Sorea Hutník I./II., Tatranské Matliare1	***/**	46 807	15.6
23.	KH Pro Patria, Piešťany	**	43 445	-0.9
24.	Jalta + dep. Berlin, Smaragd, Šumava a Riviéra, Piešťany	***/**	43 428	-20.2
25.	Satel, Poprad	***	42 330	-2.3

Top restaurants

Rate	Name	Town	Category	Design	Service	Food and beverages	Quality/Price	Total
1.	Flowers	Bratislava	4.5	32	36	59	47	171
2.	Afrodita	Čereňany	4.5	30	32	56	51	169
3.	UFO watch.taste.grove	Bratislava	4.5	35	35	56	42	168
4.	Camouflage	Bratislava	4.5	31	36	58	41	166
5.	Le Monde	Bratislava	4.5	34	34	56	40	164
6.-7.	Alizé	Bratislava	4.5	32	36	55	40	163
6.-7.	Hotel Marrol's - Messina	Bratislava	4.5	35	34	54	40	163
8.-12.	Hotel Crowne Plaza - Fusion	Bratislava	4.5	29	35	58	39	161
8.-12.	Hotel International	Veľká Lomnica	4.5	31	32	50	48	161
8.-12.	Hotel Tri studničky	Demänovská dolina	4.5	33	32	48	48	161
8.-12.	Hotel Zlatý kľúčik	Nitra	4.5	29	33	51	48	161
8.-12.	Villa Nečas	Žilina	4.5	31	32	55	43	161
13.-16.	Hotel Devín - French restaurant	Bratislava	4	29	35	53	43	160
13.-16.	Hotel Grandis	Martin	4	28	34	50	48	160

13.-16.	Hotel Hills	Stará Lesná	4	30	32	50	48	160
13.-16.	Hotel Sv. Michal	Skalica	4	27	30	50	53	160
17.-20.	Hotel Apollo - reštaurácia sv. Huberta	Bratislava	4	27	33	51	48	159
17.-20.	Hotel Magnus - Flor de Amor	Trenčín	4	31	30	50	48	159
17.-20.	Liečebný dom Solisko	Štrbské Pleso	4	27	32	52	48	159
17.-20.	Mama a Papa	Bratislava	4	32	33	46	48	159

The biggest Spa companies

	Name	Revenues (Sk)	Change (%)
		2006	2006/05
1.	Slovenské liečebné kúpele Piešťany, a.s. ¹	997 355	3.0
2.	Slovenské liečebné kúpele, a.s., Rajcecké Teplice	244 689	15.5
3.	Kúpele Bojnice, a.s., Bojnice	206 161	6.9
4.	Bardejovské kúpele, a.s., Bardejovské Kúpele	203 765	7.9
5.	Kúpele Dudince, a.s.	157 661	28.2
6.	Slovenské liečebné kúpele, a.s., Turčianske Teplice	134 018	35.5
7.	Kúpele Vyšné Ružbachy, a.s. Vyšné Ružbachy	103 699	23.0
8.	Liptovské liečebné kúpele, a.s., Lúčky	91 272	27.7
9.	Slovthermae, SLK, podnik služieb, š.p.	86 447	3.7
10.	Kúpele Nimnica, a.s., Nimnica	47 965	13.0
11.	Kúpele Štrbské Pleso, a.s., Štrbské Pleso	23 132	-72.3
1 SLK Piešťany, a.s., also includes the Natural treatment spa Smrdáky			
SOURCE: data offered by companies, documentation compiled for TREND			

The best ski resorts

Ski resorts in Slovakia have made great steps forward in improving their services. They have quickly adapted to the demands of customers with higher expectations and have invested into modernization, artificial snow making, chair lifts and additional services. Today, ski resorts in proximity to aquaparks and thermal baths have good prospects for attracting visitors. All the winter ski resorts have been evaluated on a 5 grade scale, grade 5 being the best, and the best results are as followed.

5*- Chopok Sever, Park Snow Donovaly, Park Snow Štrbské pleso, Ski Park Ružomberok, Snow Paradise Veľká Rača, Vrátna

4*- Jasenská dolina, Relax Centre Plejsy, Roháče- Spálená, Ski Drienica, Ski Kubínska hoľa, Snowland Valčianska dolina, Starý Smokovec, Tatranská Lomnica¹

Aquaparks and thermal swimming pools

Slovak spa, aquaparks and thermal swimming pools are undergoing profound changes in order to adapt to new global trends. Apart from classic treatments more and more popular are short term wellness or fitness stays for managers and families. There are more than 1200 thermal and mineral springs however only some of them are used for healing therapy. 19 spas are operating on the basis of balneological or mixed therapy and 6 are climatic however more than a half of it is over 50 years.²

¹ www.lavex.sk

² Commentary about SOP KaHR, www.economy.gov.sk

www.sario.sk

Aquaparks and thermal swimming pools in Slovakia:

Aquacity Poprad, Aquapark Tatralandia, Meander Park thermal-Oravice, Aquapark Senec, Rekreačný komplex Vadaš Thermal, Termál Veľký Meder, Termálne kúpalisko Diakovce, Thermal park Bešeňová, Spa&Aquapark Turčianske Teplice, Thermalpark Dunajská Streda, Termálne kúpalisko Podhájska, Termálne kúpalisko SOREA in Liptovský Ján, Termálne kúpalisko Veronika Rajec, Termálne kúpalisko Vrbov, Wellness Patince³.

Education

There are 5 universities with a specialization in tourism or hotel management with more than 2500 students and which turn out around 400 graduates each year. The highest enrollment is in Banská Bystrica, traditionally a center of tourism. University graduates occupy top level management positions, while graduates from professional schools work in middle management and are generally very well prepared theoretically and practically. Prešov and Trnava are the regions with the highest enrollment in professional schools.

Foreign companies frequently praise the motivation and abilities of young workers, who also have good language and computer skills.

Universities

University	Specialization	Total students	Graduates 2007
Faculty of Commerce/Bratislava	Tourism	624	112
Faculty of Economics/Banska Bystrica	Tourism	666	60
Faculty of Philosophy/Nitra	Management of culture and tourism	649	91
Faculty of Management/Prešov	Hotel and tourism management	71	30
Technical Faculty/Košice	Exploitation and processing of raw materials/Geotourism	496	95
Total		2506	388

³ Spectacular Slovakia, In: The Slovak Spectator
www.sario.sk

Professional School:

Region/City	School/Specialization	Total students	Graduates 2007
Bratislava Region			
Bratislava	Private Hotel Academy	181	75
	Hotel Academy	161	15
	Business Academy/Tourism	72	28
	Business Academy/Tourism	126	37
	Private Business Academy	27	16
Pezinok	Business Academy/Tourism	142	0
Bratislava Region total		709	171
Trnava Region			
Šamorín	Hotel Academy	148	1
Piešťany	Hotel Academy	673	119
Dunajská Streda	Private vocational school/Tourism	61	0
Holíč	Vocational school/Tourism	149	0
Skalica	Private vocational school/Tourism	84	38
Trnava Region total		1115	158
Trenčín Region			
Stará Turá	Private Hotel Academy	94	0
Beluša	Private Hotel Academy	4	0
Nemšová	Vocational school/Tourism	180	0
Trenčín Region total		278	0
Nitra Region			
Nitra	Hotel Academy	547	103
Nitra Region total		547	103
Žilina Region			
Žilina	Hotel Academy	152	26
Žilina	Private Business Academy/Tourism	30	0
Slanická Osada	Hotel Academy	168	35
Martin	Business Academy/Tourism	20	0
Ružomberok	Business Academy/Tourism	25	10
Žilina Region		395	71
Banská Bystrica Region			
Banská Bystrica	Business Academy/Tourism	73	22
Brezno	Hotel Academy	552	102
Banská Štiavnica	Private Hotel Academy	130	19
Rimavská Sobota	Business Academy/Tourism	19	0
Banská Bystrica total		774	143
Prešov Region			
Prešov	Hotel Academy	657	120
Prešov	Private Hotel Academy	138	38
Prešov	Private Hotel Academy	101	15
Kežmarok	Hotel Academy	670	95
Bardejov	Private Hotel Academy	41	0

Svidník	Hotel Academy	121	0
Prešov region		1728	268
Košice Region			
Košice	Hotel Academy	16	0
	Hotel Academy	558	91
Michalovce	Private Hotel Academy	110	23
	Private Hotel Academy	22	0
Košice Region total		706	114
Total		11 798	1 942

Tourism entities in Slovakia

The Slovak Ministry of the Economy serves as the regulatory and decision making body for the tourism industry. The Slovak Tourist Board (STB) is responsible for the promotion and marketing of Slovakia. It cooperates *on a contractual basis* with the Slovak Association of Travel Agents, the Slovak Association of Hotels and Restaurants, the Association of Information Centres in Slovakia, LAVEX (the Slovak association of funiculars and ski lifts), the Slovak Association of Towns and Villages and the Faculty of Economics of the University of Matej Bel.

It develops activities *on a non-contractual basis* with other professional organizations and institutions involved in tourism, e.g. the Slovak Association of Spas and Springs, the Slovak Association for Rural Tourism and Agrotourism, the Slovak Cycle Club, with regional and local offices, regional development sections and other related areas etc.

At present there are more than 100 tourism associations in Slovakia, and the STB cooperates actively with around 30 associations. The STB's main activities in this area of cooperation lie in mutual purposeful communication and marketing support for subjects involved in tourism. In order to intensify cooperation with the regions of Eastern Slovakia, a new branch office of STB was established in Prešov in May 2005.

Major tourist attractions

Spa

The best known Slovak spa town in the world is **Piešťany**, whose thermal waters are taken from 12 separate springs. The temperature of the water in the spring is 67-69 C. Piešťany's sulphur mud is one of the best quality peloids in the world. The oldest spa in Slovakia is **Bardejovské Kúpele**. A written record that has survived from 1247 makes mention of Bardejov's curative waters. The ten cold hypotonic healing springs here are used for drinking cures, inhalations, compresses and hydrotherapy to cure disorders of the digestive system, metabolism, endocrine glands, kidneys and the urinary tract.

UNESCO World Heritage List

The value of Slovak cultural heritage is documented in the four unique locations registered on the UNESCO World Heritage list.

Banská Štiavnica

was formerly one of the most significant centres of precious metal mining, mining science, technology and education in Europe. It was awarded the official status of a town and mining rights as early as 1238, but the extraction and processing of metals, principally gold and silver, date back to the Bronze Age. In medieval times, many German mining specialists came to Banská Štiavnica, bringing with them their new and progressive expertise in ore extraction. The world's first technical university, devoted to mining,

mineralogy, physics and chemistry, was established here in 1735 by decree of empress Maria Thereza, inspiring the establishment of the later polytechnic institute in Paris.

Vlkolínec

lies at the southern base of Sidorovo peak, at an elevation of 718 meters above sea level. The first written reference of this village dates from 1376. More than 40 original, still inhabited "gingerbread" houses are representative of an old-time Slovak mountain village. There is also a museum in the village – Roľnícky dom (Peasant House) – which has an exhibit of original, native housing and an information center. The dominant feature of this village is the wooden, rustic bell tower dating back to 1770. The village emblem is a heraldic rose with a coniferous tree in grassland.

Spišský hrad (Spiš Castle)

with its surrounding settlements, (Spišské Podhradie, Spišská Kapitula and the small church in Žehra) form a single historical settlement unit. Spišský hrad was constructed in the 12th century and is the largest castle of its kind in Central Europe. The history of the town of Spišské Podhradie and Spišská Kapitula – the nearby complex of chapter houses and a cathedral – are closely connected with the Spiš Castle. Spišské Podhradie, formerly a village below the castle, later grew into an independent small town with crafts and agricultural activities. Spišská Kapitula is a small ecclesiastical seat comprising notable buildings that serve the clerical and administrative functions of the Spiš diocese. The interior of the Gothic church of the Holy Spirit in Žehra, which dates from the 14th century, is entirely decorated with murals from the 14th and 15th century. The murals depict various biblical stories and guidance, a sort of bible for the poor, through which believers could remember the main beliefs of their religion.

Caves

Slovakia boasts an unusually **varied scale of different karstic phenomena**. Water that penetrates into the depths of the limestone mountain ranges and plateaus is the force which has created this rich underground world.

The branched labyrinth of cave corridors, domes and halls is adorned by a wide array of multicoloured **ornamental dripstones** of amazing and surprising beauty. This world submerged in eternal darkness has been progressively discovered by the Slovak potholers. There are around 4,000 caves in Slovakia, 12 of which are open to the public: Belianska, Bystra, Demanovska Freedom Cave, Dobsina Ice Cave, Domica, Driny, Gombasecka, Harmanec, Jasovska, Ochtinska and Vazec. In 1995, 12 typical caves and abysses in the Slovak karst region were included on the UNESCO World Heritage List. Another Slovak site, the Dobsina Ice Cave, was added in the year 2000.

Castles and Manor Houses

Historical sources state that in the past some 300 castles were located in Slovakia. Nowadays, 168 are marked on modern maps of the country, 109 of which are registered as national cultural monuments. Castles and castle ruins offer visitors not only history but also attractive programmes such as festivals, various games, competitions, etc. One of the largest castle complexes in Slovakia is **Trenčín Castle**, the dominant landmark of the town Trenčín and the entire Váh River valley. It was built in the 11th century on the site of a Great Moravian hill fort.

One of the best-preserved Renaissance fortified buildings in Slovakia is **Červený Kamen**, whose gigantic underground spaces are considered unique in Central Europe thanks to their great size and architecture.

The most important tourists attraction in Orava is **Orava Castle**. This masterpiece by medieval builders is perched precipitously on a steep, rocky limestone cliff rising almost vertically 112 metres above the River Orava. The castle was built on the high terrace of the rock from the middle of the 13th to the beginning of the 17th century.

The Slovak castle receiving the largest number of visitors each year is **Bojnický zamok**. It is considered to be one of the most beautiful castles in Slovakia. One of the best-preserved medieval castles in Slovakia is **Krásna Hôrka**, which is found above the village of Krásnohorské Podhradie. A noble family, the Bebeks, began to build it around 1320. In 1961 Krásna Hôrka was classified as part of Slovakia's national cultural heritage.

Natural Wealth

Nearly 62% of Slovakia's territory is covered by mountains, which offers many opportunities for the development of winter tourism and summer hiking activities. In particular there are 9 national parks, 14 protected land areas and 12 000 km of hiking trails. The mountains offer one of the rare competitive advantages that Slovakia has over neighbouring countries. Currently there are around 350 ski resorts in the mountain regions, 20 of which are of international importance. The **High Tatras** are the smallest high-mountain range in the world in terms of area, and the concentration of natural beauty found in such a relatively small area make them unique in Europe.

The largest mountain range in Slovakia in terms of area, the **Low Tatras**, offer magnificent hiking for almost 100 km along their main ridge, which is made up of 27 summits higher than 1700 meters and 18 over 1800 metres. Ten peaks reach an altitude above 1900 metres.

SWOT analyses

<p>Strengths</p> <ul style="list-style-type: none"> - Best conditions in Central Europe for summer and winter mountain tourism - numerous national parks, caves, historical buildings - well preserved nature - cultural heritage, lively folk art, handcrafts, festivals, - unique preconditions for balneal and health tourism - marked hiking paths throughout the country - special mountain infrastructure facilities - beneficial price levels 	<p>Weaknesses</p> <ul style="list-style-type: none"> - image of Slovakia as a tourist destination at a very low level - still undiscovered by foreign tourists - missing big foreign tour operators - infrastructure(highways and high-speed trains) still under construction - high level of transit and short stay tourists - orientation of Slovak travel agencies on passive foreign tourism - lack of cultural heritage maintenance - insufficient structure and quality of mountain facilities - regional tourist offices too small - lack of complex tourist products - low cost labor force/brain drain - poor language skills of inhabitants
<p>Opportunities</p> <ul style="list-style-type: none"> - discovering Central and Eastern Europe - possibility to use structural funds for building infrastructure and creating new products - supporting middle classes for enjoying domestic tourism - growing number of weekend trips in Europe - stabilisation of regional economy through tourism allowance 	<p>Threats</p> <ul style="list-style-type: none"> - growing international competition - absence of planning in the regions - Slovak currency strenghtening - decreasing demand for domestic tourism - undermining the humans factor and professional education - absence of environmental protection knowledge and the protection of natural resources

Empowering Tourism

Slovak Government – State Aid

The aim of state aid, regulated by both Slovak and European Communities law, is to promote the economic development of certain disadvantaged areas within the European Union, and in particular the Slovak Republic. This kind of state aid is known as national regional aid and is targeted on specific regions in order to redress regional disparities. Geographical specificity distinguishes regional aid from other forms of horizontal aid such as aid for research and development.

National regional investment aid is designed to assist in the development of the most disadvantaged regions by supporting investment and job creation. It promotes expansion of the economic activities of enterprises located in less-favoured regions, in particular by encouraging firms to set up new establishments there.

One of the areas covered by national regional investment aid is tourism, with specification on a complex center where at least three different services are provided. This may include, for example, lodging services, sports facilities or food and beverage services.

Opening of a new establishment, or the upgrading of an existing one,
Procuring of new technological equipment used for providing services in the amount of at least 40% of the total amount of tangible and intangible assets,
incurring not less than SKK 500,000,000 (approx. EUR 17,000,000) in the procurement of tangible or intangible fixed assets, of which at least SKK 250,000,000 (approx. EUR 8,500,000) must be financed from the capital of the entity applying for the incentives,
at least 80% of the aggregate revenues must be generated from the business specified in the investment incentives application,
compliance with the environmental rules regarding the environmental impact of the establishment.

Please note that in the case of investments in a region where the rate of unemployment is higher than the Slovak average, the minimum amount of investment into the fixed assets is only SKK 250,000,000 (approx. EUR 8,500,000) and thus only SKK 125,000,000 (approx. EUR 4,250,000) of the investment has to be covered by an entity's own financial resources.

If the unemployment rate of the particular region is at least 50% higher than the Slovak average, the minimum amount of investment into fixed assets is only SKK 100,000,000 (approx. EUR 3,400,000) and thus only SKK 50,000,000 (approx. EUR 1,700,000) of the investment has to be covered by the entity's own financial resources.

Forms of aid

Investment incentives mean public aid aimed at financing initial investments and encouraging the creation of new jobs in connection with such investment.

The incentives, under the new Act, may take the following form:

- Corporate income tax relief
- Contributions for the creation of new jobs
- Transfer of a title to the real estate property of the state or municipality at a price lower than standard market price
- Financial grant from the state budget

European Union - Structural Funds

Slovakia has the opportunity to use EU funds throughout the duration of the National Strategic Reference framework in years 2008-2013.

The Managing Authority, which is the Ministry of the Economy of the Slovak Republic, is responsible for the efficiency, propriety of management, provision and use of this aid in accordance with EU regulations, institutional, legal and financial systems and the regulations of the Slovak Republic.

The Ministry of the Economy uses the existing network of implementation agencies under the jurisdiction of the MoE SR and which focus on the Measure of the Operational Programme. For the purpose of tourism, the implementation agency is SACR – the Slovak Tourist Board. The Operational Programme “Competitiveness and Economic Growth” includes support for business activities in tourism that are also aimed at the private sector.

In the area of tourism, investments will be focused on increasing the variety and quality of tourism and spa services, with particular emphasis placed on comprehensive service packages with all-seasonal use (exploitation of mineral and geothermal springs for the development of summer and winter tourism, with a wide range of services provided to visitors, etc.). Support for the development of tourism information services and for the promotion and presentation of tourism activities at regional and national level will also be important. Support for tourism-related activities under this OP will be complementary with activities concentrated on tourism infrastructure supported under the Regional Operational Programme and with measures under the National Strategic Rural Development Plan.

Eligible activities:

1. building and reconstruction of infrastructure, foremost micro-infrastructure (parking lots, engineering, sanitary facilities bays, etc)
2. building and modernization of existing tourist sites, facilities (spas, swimming pools, ski facilities)
3. building of new tourist attractions in regions
4. renovation of cultural, historical, technical and industrial sites for future use in tourism
5. free-time management support
6. support for building and reconstruction of ski slopes, waterways, etc
7. other similar eligible activities supporting the measure objectives



S A R I O

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