Automotive Sector in Slovakia
Automotive Sector in Slovakia

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

GENERAL INFORMATION
Total area: 49,035 km²
Population: 5.4 million
Capital city: Bratislava
Currency: Euro
Member of: European Union, Eurozone, Schengen Area, OECD, WTO, NATO
Time zone: GMT +1 hour

300 million clients in radius of 1000 km
600 million clients in radius of 2000 km
Overview of the Automotive Industry In Slovakia

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

- **80,000** People employed directly by the 3 car producers — VW, PSA, Kia & Tier 1 suppliers
- **200,000** People employed directly & indirectly by the automotive industry
- **43%** Share of the automotive industry of the country's total industrial production
- **35%** Share of the automotive industry of the total industrial export of Slovakia
- **17 BN €** Volume of industrial export generated by the automotive industry
- **2.5 BN €** Added value in the automotive industry

Top Reasons to Invest in Automotive Industry in Slovakia

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

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

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

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

Car Production in Slovakia

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>218,349</td>
</tr>
<tr>
<td>2006</td>
<td>295,380</td>
</tr>
<tr>
<td>2007</td>
<td>571,071</td>
</tr>
<tr>
<td>2008</td>
<td>575,776</td>
</tr>
<tr>
<td>2009</td>
<td>463,140</td>
</tr>
<tr>
<td>2010</td>
<td>561,933</td>
</tr>
<tr>
<td>2011</td>
<td>639,763</td>
</tr>
<tr>
<td>2012</td>
<td>926,555</td>
</tr>
<tr>
<td>2013</td>
<td>987,718</td>
</tr>
<tr>
<td>2014</td>
<td>971,160</td>
</tr>
<tr>
<td>2015</td>
<td>1,040,025</td>
</tr>
</tbody>
</table>

5 fold increase of car production in last 10 years

Car Production per 1000 Inhabitants

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

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

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

VOLKSWAGEN SLOVAKIA

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

KIA MOTORS SLOVAKIA

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

PSA PEUGEOT CITROËN SLOVAKIA

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

JAGUAR LAND ROVER

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

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

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

Source: SARIO, Online Matchmaking Fair for Automotive Slovakia, GLOBAL Slovakia, 2015
300+ AUTOMOTIVE SUPPLIERS
More than 300 suppliers operate in Slovakia and based on past experience with the arrival of previous OEMs, it is expected that the investment of Jaguar Land Rover will considerably expand the automotive suppliers network, also to the central and eastern part of the country.
Overview of major Tier 1–2 Suppliers in the Slovak Automotive Industry

INTERIOR MODULES, DASHBOARDS

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

SEATS
Johnson Controls, Faurecia, Lear Corporation,

WIRING HARNESSES & ELECTRONIC COMPONENTS
Delphi Slovensko, Leoni, SE Bordnetze, Calearo, Yazaki, Kromberg & Schubert, JOHRAmont, Yura Corporation, PRETTL, Konfektion E, CRT Electronic, DongYang E&P, PANASONIC Industrial devices, Molex, Mkem, Silx EMS, Služba Nitra, MTA, CEMM THOME

MIRRORS
Magna

STEERING WHEELS
ADTOOL, TRW Automotive

AIR-CONDITIONING
Hanon Systems Slovakia, DELPHI Slovensko

MODUL FRONT END
HBPO, Mobis, Faurecia

SHOCK ABSORBERS
Plastic Omnium, Mobis, Rehau, Matador

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

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

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

EXTERIOR LIGHTS
OSRAM, SEC, CEMM THOME, HELLA Front Lighting, HELLA Signal Lighting, Služba Nitra, ZKW, Hella Innenleuchten
CABRIO SYSTEMS
Webasto Donghee, Matador, Webasto
Edscha Cabrio, INALFA Roof systems,
INTEVA Products

ANTENNAS
CALEARO

MODUL REAR END
Mobis

SAFETY EQUIPMENT
Garay, Belt & Buckle, IEE Sensing

FUEL TANKS & SYSTEMS
Plastic Omnium Auto Inergy,
Donghee, Martinrea, Nobel
Automotive, Coavis, Oerlikon,
Hyundam

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

EXHAUST SYSTEMS
TAJCO, SEJONG, Faurecia, Matador
Automotive, Liaz

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

BRAKES, BRAKE SYSTEMS, DAMPERS
Fragokov , Continental Automotive Systems, Europalt, FTE
Automotive, HUHN PressTech, Nobel Automotive, Ti-Hanil,
Ti Automotive, Mobis, Akebono Brake

DOOR SYSTEMS & MODULES
Brose, PHA Slovakia, Dura Automotive, Bourbon Automotive
Plastics, Pyeong Hwa Automotive, Slovakian Door Company,
U – Shin, Dongwon, Faurecia, Grupo Antolin

SUSPENSIONS
Donghee, Iljin

DRIVELINE, MECHANICAL OPERATIONS
Küster, GAMMA, Kongsberg Automotive, Bauer Gear Motor

TYRES, BALANCE WEIGHTS
Continental Matador Rubber, Continental
Matador Truck Tires, Rotobalance, Bekäert

SEALS AND SILENTBLOCS & OTHER RUBBER COMPONENTS
ALDOBEC, CIKAUTXO, COBA Automotive, DONGIL RUBBER BELT, Elastomer
Solutions, Eldisy, MIKON, Rubena, Vegum, SaarGummi, Contitech, Boge Elastmetall

Source: Automotive Industry Association of the Slovak Republic (ZAP SR), SARIO
# 40 Largest Suppliers in the Automotive Sector

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th>COUNTRY OF ORIGIN</th>
<th>LOCALITY</th>
<th>SALES REVENUE THS. EUR (2014)</th>
<th>NUMBER OF EMPLOYEES (2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobis Slovakia</td>
<td>South Korea</td>
<td>Gbeľany</td>
<td>1 135 821</td>
<td>1 703</td>
</tr>
<tr>
<td>Continental Matador Rubber</td>
<td>Germany</td>
<td>Púchov</td>
<td>792 017</td>
<td>2 612</td>
</tr>
<tr>
<td>Johnson Controls International</td>
<td>USA</td>
<td>Bratislava</td>
<td>633 341</td>
<td>3 150</td>
</tr>
<tr>
<td>Continental Matador Truck Tiers</td>
<td>Germany</td>
<td>Púchov</td>
<td>572 569</td>
<td>1 187</td>
</tr>
<tr>
<td>Faurecia Slovakia</td>
<td>France</td>
<td>Bratislava</td>
<td>528 031</td>
<td>1 970</td>
</tr>
<tr>
<td>SAS Automotive</td>
<td>Germany</td>
<td>Bratislava</td>
<td>495 637</td>
<td>476</td>
</tr>
<tr>
<td>INA Skalica</td>
<td>Germany</td>
<td>Skalica</td>
<td>448 815</td>
<td>4 689</td>
</tr>
<tr>
<td>INA Kysuce</td>
<td>Germany</td>
<td>Kysucké Nové Mesto</td>
<td>447 996</td>
<td>4 059</td>
</tr>
<tr>
<td>Yura Corporation Slovakia</td>
<td>South Korea</td>
<td>Lednické Rovne</td>
<td>275 147</td>
<td>2 505</td>
</tr>
<tr>
<td>Bekaert</td>
<td>Belgium</td>
<td>Hlohovec</td>
<td>271 620</td>
<td>1 490</td>
</tr>
<tr>
<td>Johnson Controls Lučenec</td>
<td>USA</td>
<td>Lučenec</td>
<td>267 342</td>
<td>749</td>
</tr>
<tr>
<td>Hanon Systems Slovakia</td>
<td>South Korea</td>
<td>Ilava</td>
<td>257 716</td>
<td>495</td>
</tr>
<tr>
<td>Železiarne Podbrezová</td>
<td>Slovakia</td>
<td>Podbrezová</td>
<td>240 211</td>
<td>3 229</td>
</tr>
<tr>
<td>Continental Automotive Systems Slovakia</td>
<td>Germany</td>
<td>Zvolen</td>
<td>228 519</td>
<td>904</td>
</tr>
<tr>
<td>Getrag Ford Transmissions Slovakia</td>
<td>Canada</td>
<td>Kechnec</td>
<td>221 400</td>
<td>950</td>
</tr>
<tr>
<td>Emerson</td>
<td>USA</td>
<td>Nové Mesto n. Váhom</td>
<td>208 248</td>
<td>1 328</td>
</tr>
<tr>
<td>Hella Slovakia Front-Lighting</td>
<td>Germany</td>
<td>Kočovce</td>
<td>201 395</td>
<td>821</td>
</tr>
<tr>
<td>Inteva Products Slovakia</td>
<td>Netherlands</td>
<td>Lozorno</td>
<td>199 373</td>
<td>561</td>
</tr>
<tr>
<td>TRW Automotive Slovakia</td>
<td>USA</td>
<td>Nové Mesto n. Váhom</td>
<td>197 166</td>
<td>400</td>
</tr>
<tr>
<td>ArcelorMittal Gonvarri SSC Slovakia</td>
<td>Luxembourg</td>
<td>Senica</td>
<td>194 315</td>
<td>101</td>
</tr>
<tr>
<td>ZF Slovakia</td>
<td>Germany</td>
<td>Trnava</td>
<td>192 411</td>
<td>2 138</td>
</tr>
<tr>
<td>Sungwoo Hitech Slovakia</td>
<td>South Korea</td>
<td>Žilina</td>
<td>186 282</td>
<td>693</td>
</tr>
<tr>
<td>COMPANY NAME</td>
<td>COUNTRY OF ORIGIN</td>
<td>LOCALITY</td>
<td>SALES REVENUE THS. EUR (2014)</td>
<td>NUMBER OF EMPLOYEES (2014)</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>-------------------</td>
<td>--------------------</td>
<td>-------------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Hanil E – HWA automotive Slovakia</td>
<td>South Korea</td>
<td>Dubnica n. Váhom</td>
<td>176 440</td>
<td>450</td>
</tr>
<tr>
<td>U-Shin Slovakia</td>
<td>Japan</td>
<td>Košice</td>
<td>174 476</td>
<td>1 813</td>
</tr>
<tr>
<td>Sejong Slovakia</td>
<td>South Korea</td>
<td>Lietavská Lúčka</td>
<td>168 421</td>
<td>165</td>
</tr>
<tr>
<td>Plastic Omnium Auto Exteriors</td>
<td>France</td>
<td>Lozorno</td>
<td>161 814</td>
<td>640</td>
</tr>
<tr>
<td>ZKW Slovakia</td>
<td>Austria</td>
<td>Krušovce</td>
<td>155 997</td>
<td>1 141</td>
</tr>
<tr>
<td>Leoni Slovakia</td>
<td>Germany</td>
<td>Trenčín</td>
<td>153 850</td>
<td>2 163</td>
</tr>
<tr>
<td>Lear Corporation Seating Slovakia</td>
<td>USA</td>
<td>Prešov</td>
<td>150 286</td>
<td>1 100</td>
</tr>
<tr>
<td>Hella Slovakia Signal-Lighting</td>
<td>Germany</td>
<td>Bánovce n. Bebravou</td>
<td>148 768</td>
<td>1 173</td>
</tr>
<tr>
<td>Brose Bratislava</td>
<td>Germany</td>
<td>Lozorno</td>
<td>141 572</td>
<td>358</td>
</tr>
<tr>
<td>HBPO Slovakia</td>
<td>Germany</td>
<td>Lozorno</td>
<td>139 517</td>
<td>130</td>
</tr>
<tr>
<td>Donghee Slovakia</td>
<td>South Korea</td>
<td>Strečno</td>
<td>137 553</td>
<td>452</td>
</tr>
<tr>
<td>Magna Slovsetca</td>
<td>Canada</td>
<td>Nové Mesto n. Váhom</td>
<td>135 697</td>
<td>500</td>
</tr>
<tr>
<td>Osram</td>
<td>Germany</td>
<td>Nové Zámky</td>
<td>132 572</td>
<td>1 262</td>
</tr>
<tr>
<td>Iljin Slovakia</td>
<td>South Korea</td>
<td>Pravenec</td>
<td>132 152</td>
<td>312</td>
</tr>
<tr>
<td>Inergy Automotive Systems Slovakia</td>
<td>France</td>
<td>Lozorno</td>
<td>132 113</td>
<td>181</td>
</tr>
<tr>
<td>Matador Automotive Vráble</td>
<td>Slovakia</td>
<td>Vráble</td>
<td>131 262</td>
<td>685</td>
</tr>
<tr>
<td>Tower Automotive</td>
<td>USA</td>
<td>Malacky</td>
<td>123 971</td>
<td>540</td>
</tr>
<tr>
<td>Magneti Marelli Slovakia</td>
<td>Italy</td>
<td>Kechnec</td>
<td>120 702</td>
<td>425</td>
</tr>
<tr>
<td>Yazaki Wiring Technologies Slovakia</td>
<td>Japan</td>
<td>Michalovce</td>
<td>114 930</td>
<td>4 591</td>
</tr>
<tr>
<td>SE Bordnetze - Slovakia</td>
<td>Japan</td>
<td>Nitra</td>
<td>96 277</td>
<td>1 213</td>
</tr>
<tr>
<td>Boge Elastmetall Slovakia</td>
<td>China</td>
<td>Trnava</td>
<td>93 971</td>
<td>635</td>
</tr>
<tr>
<td>Trim Leader</td>
<td>USA</td>
<td>Koščany n. Turcom</td>
<td>91 546</td>
<td>1 263</td>
</tr>
</tbody>
</table>

Source: Trend Top 2015, Global Slovakia 2015, SARIO
Qualified and Productive Labour Force

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

AVERAGE GROSS MONTHLY SALARY
Selected Positions in the Automotive Sector (supplier network)

Bratislava region is excluded and employer's contributions (35.2%) is not included.
Source: SARIO calculations based on data provided by Grafton Recruitment Slovakia s.r.o., 2015

Technical Education in Slovakia

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

5 Technical Universities

32 Technical faculties
42 453 Students in technical fields
14 468 Graduates in technical fields

100+ Technical Vocational Secondary Schools

44 080 Students in technical fields
10 455 Graduates in technical fields

Dual Education Comeback

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

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

Source: Institute of Education Information & Prognosis of Slovakia for the Academic Year 2015/2016, State Vocational Training Institute
Growing R&D & Innovation Network

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

Success Stories in Automotive R&D

JOHNSON CONTROLS
Part of the global R&D network for seat systems

ZKW SLOVAKIA
Innovation of lighting systems

LEONI
Development of car cable systems

CONTINENTAL AUTOMOTIVE
Development of brake calipers

YANFENG
Engineering centre for interiors systems

INA SCHAEFFLER
Development of rolling and ball bearings

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

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

Institute of Materials & Machine Mechanics
Applied research institute within the Slovak Academy of Sciences.

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

ELIGIBLE PROJECTS
The Act on Investment Aid divides the projects which may be supported into four categories:
- industry
- technology Centers
- shared Services Centers
- tourism

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

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

INVESTMENT INCENTIVES

MAXIMAL REGIONAL INTENSITIES OF INVESTMENT AID IN SLOVAKIA

for SMEs plus 10 to 20%

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

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

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

INVESTMENT SERVICES

SERVICES FOR POTENTIAL INVESTORS

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

SERVICES FOR ESTABLISHED INVESTORS

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

FOREIGN TRADE SERVICES

IF YOU ARE LOOKING FOR

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

SERVICES FOR EXPORTERS

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

INNOVATION SUPPORT

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

439
Number of SARIO Investment Projects from 2002 — 2015

150
Number of SARIO Investment Projects in Automotive sector from 2002 — 2015

Our Award

2014 Global Best to Invest 2013 Selection Site magazine

ALL OUR SERVICES ARE FREE OF CHARGE
CONTENT ADVISOR

AUTOMOTIVE INDUSTRY ASSOCIATION OF THE SLOVAK REPUBLIC (ZAP SR)
Secretariat
Bojnická 3, 831 04 Bratislava
T: +421 2 4364 2235 – 6
sektariat@zapsr.sk
www.zapsr.sk

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

SARIO | Slovak Investment and Trade Development Agency
Trnavská cesta 100 | 821 01 Bratislava | Slovakia
GPS +48° 9’ 52.77”, +17° 9’ 20.27”
invest@sario.sk | trade@sario.sk | www.sario.sk

Copyright © 2016 SARIO
The information in this publication needs to be in every case double-checked to ensure that it is up to date.
Photo sources: Volkswagen Slovakia, Kia Slovensko, Dreamstime.com, i23RF.com