

# Food Processing Industry in Slovakia



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The purpose of this publication is to present the opportunities that Slovakia has to offer to potential investors from the food processing industry. It includes facts and figures for all major subcategories of this industrial segment and serves as an introduction to why Slovakia should be a preferred location for your food processing business.



## GENERAL INFORMATION

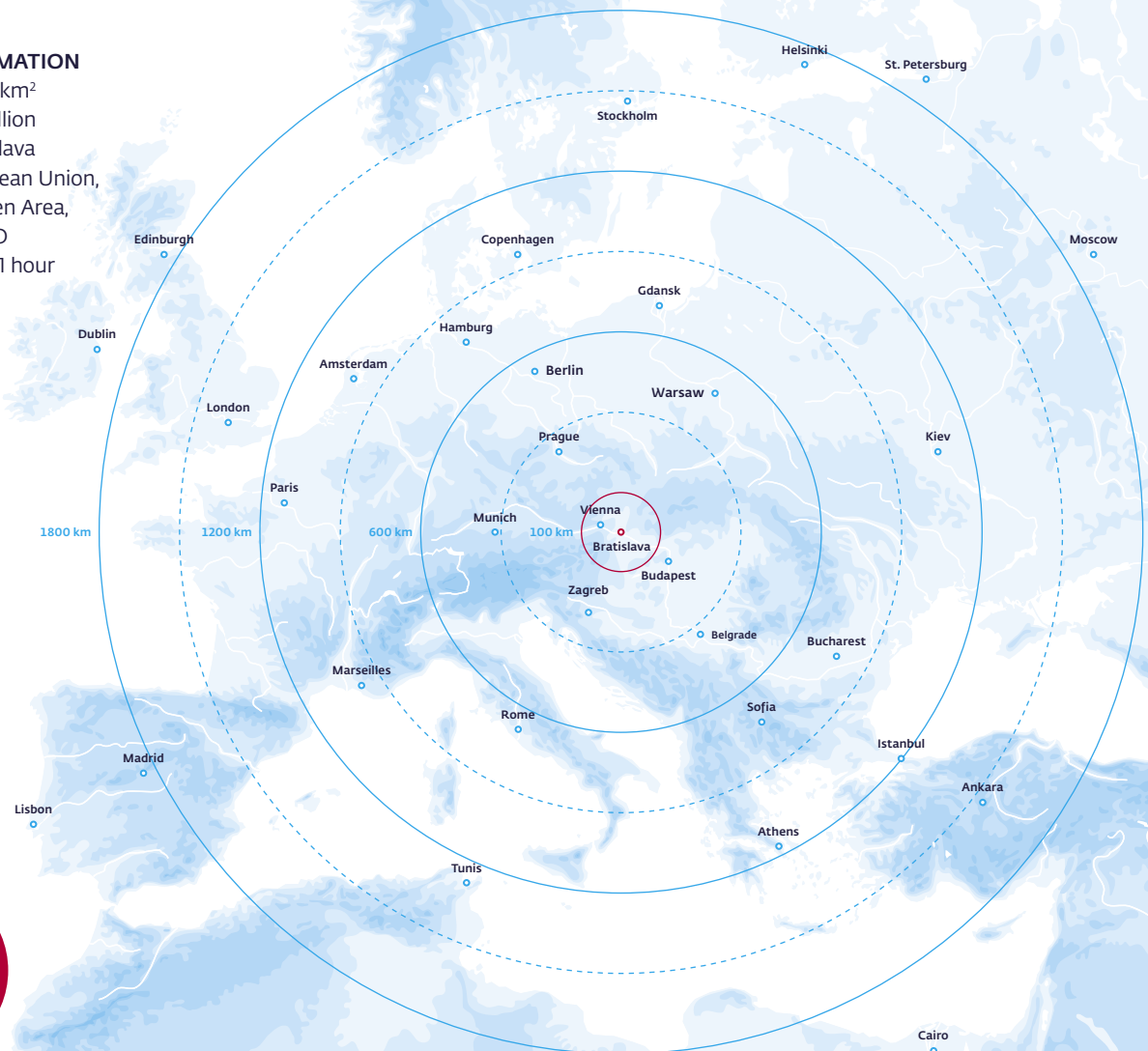
Total area: 49,035 km<sup>2</sup>

Population: 5.4 million

Capital city: Bratislava

Member of: European Union,  
Eurozone, Schengen Area,  
OECD, WTO, NATO

Time zone: GMT +1 hour



300 million  
clients in radius  
of 1000 km

# Food Processing Industry in Slovakia — Key Facts

The Slovak part of former Czechoslovakia served, among others, as the agricultural and thus food processing powerhouse of the previously food self-sufficient country. Since then, the production capacities have lost much of their original market, but have gained new value from a European perspective. This offers a lot of potential, as some of these opportunities still remain undiscovered.

**6.8 BN €**

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Production and trade revenues in Slovak food-processing industry

**50,200**

**52,200**

People employed in the food-processing industry

**5.3X**

**5.3X**

Increase of investments in Slovak food-processing industry

**16.8%**

**16.8%**

The highest increase in production capacity achieved in production of poultry products

**808 MIL €**

**808 MIL €**

Revenue of the biggest food processing segment — meat & poultry processing

**10,095**

**10,095**

People employed in the largest food processing segment in terms of employment — bakery (and related)



## Top 10 Reasons Why to Invest in Slovakia

**1**

Highest labour productivity in the CEE region

**2**

Cost-effective & skilled labour force — average salary in food processing industry is 89.9% of the national average

**3**

Strong local agricultural sector and supplier network

**4**

Political & economic stability

**5**

Strategic location in Europe with great export potential

**6**

Attractive investment incentives for industry, including food-processing

**7**

Euro currency as one of the few in CEE

**8**

Fastest growing Eurozone member within the last 10 years

**9**

Large selection of industrial land

**10**

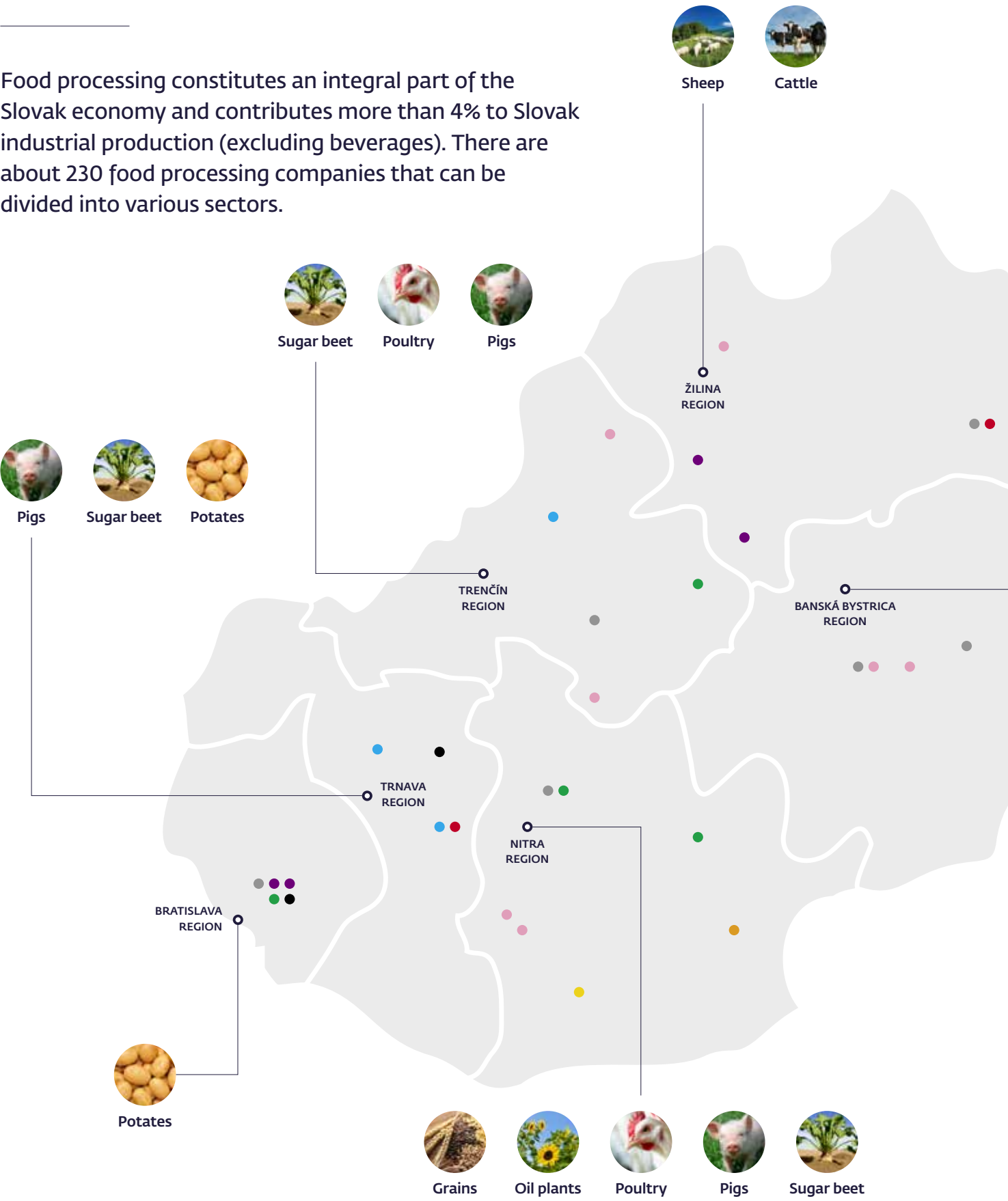
Well-developed infrastructure

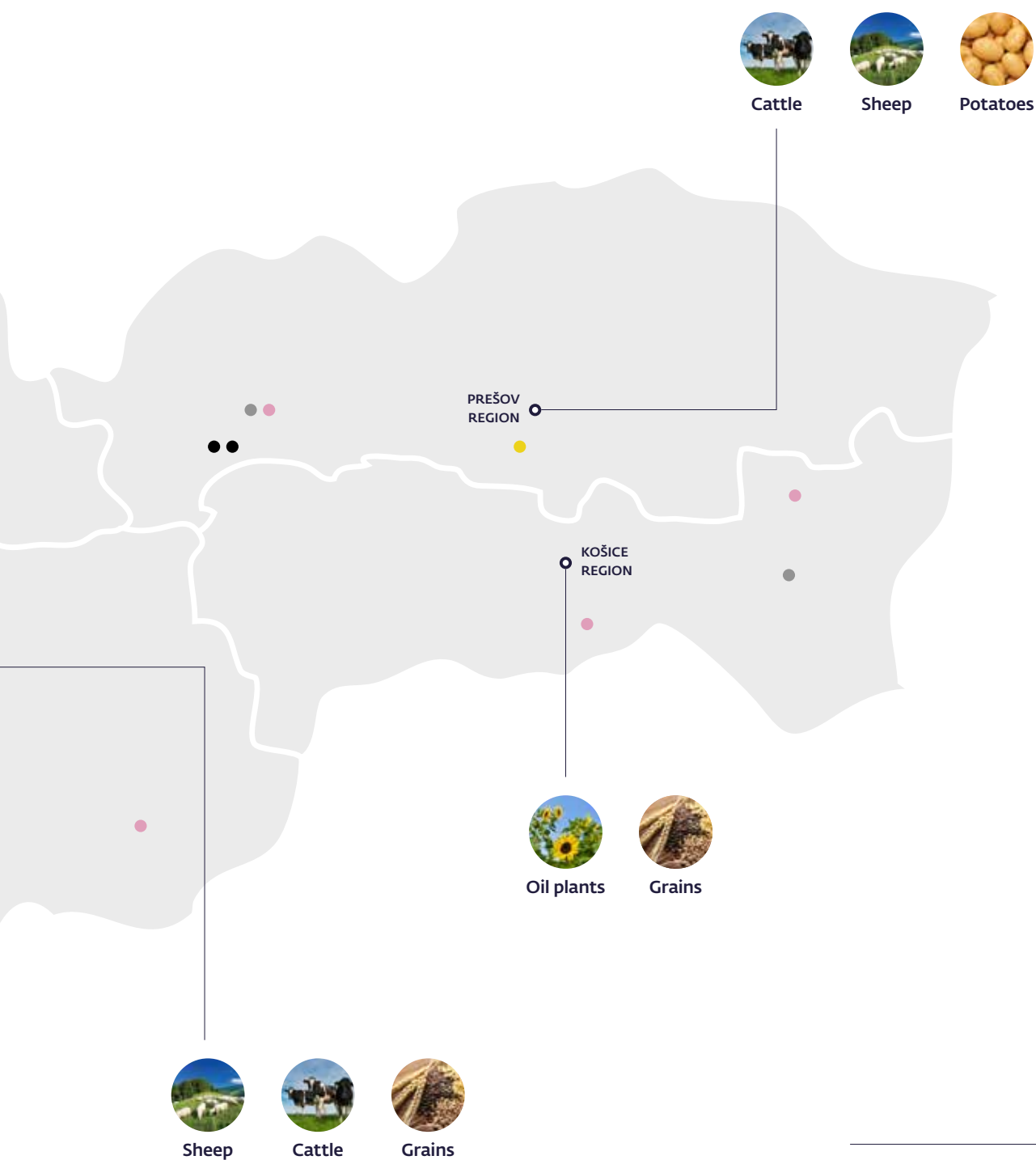
Source: Statistical Office of the Slovak Republic, 2015; data provided by Slovak Agriculture and Food Chamber; Ministry of Agriculture and Rural Development of the Slovak Republic; Green Report 2015 (data for 2014)



# Food Producers in Slovakia

Food processing constitutes an integral part of the Slovak economy and contributes more than 4% to Slovak industrial production (excluding beverages). There are about 230 food processing companies that can be divided into various sectors.





Source: Statistical Office of the Slovak Republic, SIMS, a.s., 2016

## Notable Slovak Companies

### LIST OF FOOD PRODUCERS IN SLOVAKIA

COMPANY	LOCATION	SEGMENT	REVENUE 2014 (THS. EUR)	NUMBER OF EMPLOYEES
Heineken Slovensko	Hurbanovo	brewing	214 037	648
Tate & Lyle Boleraz	Boleráz	sugar	179 213	215
Nestlé Slovensko	Prievidza	confectionery	161 588	736
Rajo	Bratislava	dairy	153 515	377
I.D.C. Holding	Bratislava	confectionery	133 718	N
Považský cukor	Trenčianska Teplá	sugar	122 254	189
Pivovary Topvar	Veľký Šariš	brewing	111 681	576
Coca-Cola HBC SR	Bratislava	soft-drinks	98 487	264
St. Nicolaus Trade	Bratislava	spirits	98 125	99
Mecom Group	Humenné	meat	97 043	863
Hyza	Topoľčany	poultry	87 980	850
Poľnoservis	Leopoldov	other	87 809	30
Púchovský mäsový priemysel	Púchov	meat	83 753	206
Syráreň Bel Slovensko	Michalovce	dairy	73 949	445
Hydina Slovensko	Lieskovec	poultry	72 890	279
Kofola	Rajecká Lesná	soft-drinks	72 794	292
Agro Tami	Nitra	dairy	71 662	210
Cloetta Slovakia	Levice	confectionery	70 351	666
Tatranská mliekareň	Kežmarok	dairy	68 155	201
Slovenské cukrovary	Sereď	sugar	62 637	177
Tauris	Rimavská Sobota	meat	57 387	573
Penam Slovakia	Nitra	baking	49 939	704
Savencia Fromage & Dairy SK	Liptovský Mikuláš	dairy	49 925	241
Ryba Žilina	Žilina	meat	43 938	310
Schreiber Slovakia	Zvolen	dairy	38 242	118
Podtatranská hydina	Kežmarok	poultry	35 153	304
JAV – AKC	Vičany	meat	34 706	191
Slovenské pramene a žriedla	Budiš	soft-drinks	34 320	313
Ryba Košice	Košice	meat	27 392	159
Hubert J.E.	Sereď	wine	26 141	88
Koliba	Hriňová	dairy	25 485	103
St. Nicolaus	Liptovský Mikuláš	distillery	25 146	144
Milsy	Bánovce n. Bebravou	dairy	24 905	261
Baliarne obchodu	Poprad	other	24 643	225
Mlyn Pohronský Ruskov	Pohronský Ruskov	milling	23 551	97
Mäspoma	Zvolen	meat	23 258	168
Nourus – Mäso	Tešedíkovo	meat	22 136	49
HO&PE Family	Poprad	other	21 886	138
Mlyn Kolárovo	Kolárovo	milling	21 876	64
Dr.Oetker	Bratislava	other	21 699	108
McCarter	Bratislava	soft-drinks	19 463	126

The present list of companies is subject to change and do not represent an exhaustive overview.  
Source: Top Trend, data as of 2016



#### IDC HOLDING

Biggest Slovak entity in the food processing sector. The holding covers mainly confectionary & biscuit products as well as other sweet commodities.



#### ST. NICOLAUS

Leader in spirits industry with 35% market share and 25 mil. litre sales per annum (mostly vodka). One of the biggest ethanol producers in the country.



#### KARLOFF

A family-owned company — one of the best & most valuable premium alcohol producers in Slovakia.



#### TATRAKON

Major canning industry player producing the best-selling spaghetti sauce in Slovakia for 20 years.

# Top Players of the Slovak Food Processing Industry



## Tate & Lyle

Food ingredients company. In Slovakia the company produces glucose syrups, isoglucose and other ingredients produced from corn processing.

Revenue: 179 mil. EUR

Employees: 215

## Hyza

A modern meatprocessing company with a daily processing capacity of 100,000 chickens. Part of the Agrofert Group.

Revenue: 88 mil. EUR

Employees: 850



## Rajo

One of the biggest companies present in the Slovak dairy industry. Part of the Senoble Group.

Revenue: 162 mil. EUR

Employees: 377

## Nestlé

The company has taken over an existing Slovak brand and set up a high capacity sweets and confectionary production in Slovakia.

Revenue: 155 mil. EUR

Employees: 736



## Heineken

Biggest player in the Slovak brewing industry in Slovakia. Apart from the beer production capacities they also have a separate malt plant.

Revenue: 214 mil. EUR

Employees: 648

Source: Global Slovakia (2016)

# Cost-Effective, Skilled Labour Force

Slovakia is praised as one of the most productive countries in Europe. Combined with cost-effectiveness and high education level, the Slovak labour force excels in the three areas that often concern investors the most — labor costs, productivity and qualification.

AVERAGE REGIONAL GROSS MONTHLY SALARY (IN EUR)

INDUSTRY	POSITION	BRATISLAVA	WEST	CENTRAL	EAST
DAIRY	Assistant workers	750	700	700	500
	Machine operators	950	650	600	500
	Technologists	1 400	1 300	1 200	1 000
	Production supervisor	1 850	1 650	1 600	1 400
MEAT	Assistant workers	800	750	700	500
	Machine operators	1 000	900	800	500
	Technologists	1 400	1 400	1 300	1 000
	Production supervisor	1 900	1 700	1 300	900
BAKING	Assistant workers	700	600	580	500
	Machine operators	900	800	750	500
	Technologists	1 300	1 200	1 200	1 000
	Production supervisor	1 800	1 700	1 300	900
DRINKS & BEVERAGES	Assistant workers	800	750	700	500
	Machine operators	1 000	900	800	500
	Technologists	1 400	1 400	1 300	1 000
	Production supervisor	1 900	1 700	1 550	900

Note: \* Meat industry comprehends production of poultry processing, canning and fat processing. Baking industry includes milling, sugar and confectionary production. Drinks & beverages category involves distilled spirits production, wine production, brewing & soft drinks production. \*\* Employer's contributions (35,2%) are not included.  
Source: The Institute for Information & Prognosis in Education, 2016; Lúgera Slovakia 2016

Thanks to educational system that covers the full spectrum of technical fields, investors can find skilled and diverse labour market in Slovakia.

5  
technical universities

7  
food industry  
oriented faculties

11 004  
students in  
food production fields

3 354  
graduates in  
food production fields

60+  
vocational  
secondary schools  
related to food  
processing

13 267  
students in  
food production fields

3 306  
graduates in  
food production fields



# Food Production Technology, Innovation and R&D in Slovakia



Given its level of automation, the modern food processing industry requires both strong industrial orientation as well as affiliation towards natural sciences.

## Pioneers in Food Processing R&D in Slovakia

**Research Centre Agrobiotech in Nitra**  
Slovak University of Agriculture in Nitra with Constantine the Philosopher University in Nitra together with Institute of Plant Genetics and Biotechnology of Slovak Academy of Sciences opened new research centre in 2015. Through applied research, the centre aims to create links between education, science and economic practice in areas such as — agrobiology, biotechnology and agroecology, genetic technology & food industry, agricultural products processing technologies, bio–energy & bio–economy.

### **Faculty Of Biotechnology & Food Sciences at Slovak University Of Agriculture in Nitra**

Faculty educates professionals in fields of processing plant and animal products, technology of food preparation and professionals who control food quality and safety. In 2010, faculty has founded Center of Excellence for white-green biotechnology in cooperation with Slovak Academy of Sciences in order to improve biotechnological research.

**92**  
**Number  
of R&D projects  
carried out by National  
Agricultural & Food  
Centre in 2014**

### **Faculty Of Chemical & Food Technology at The Slovak University Of Technology in Bratislava**

FCFT is one of the best performing faculties in Slovakia. In 2015 the faculty participated in 161 research projects ranging from sample analysis to the development of new materials and food conservation technologies. A part of the research is the development of biodegradable wrapping materials, which could significantly advance packaging methods in the food industry.



## Food Processing Equipment Manufacturers Based in Slovakia

### **MAREL**

Marel is the leading global provider of advanced processing systems and services to the poultry, meat and fish industries.

### **PSS SVIDNÍK**

Notable Slovak player in the field of meat processing machines, brewery equipment, custom manufacturing as well as pressure and non–pressure vessels.

### **LEKOS**

Family company that designs and manufactures special machines and equipment for food industry, especially focusing on confectionery and baked goods.

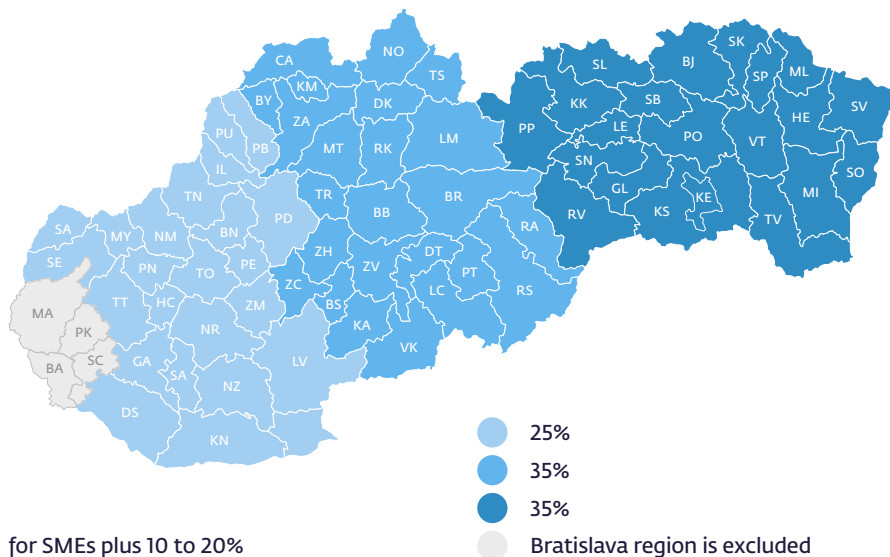
Source: Faculty of Chemical & Food Technology STU in Bratislava; Faculty of Biotechnology & Food Sciences at Slovak University of Agriculture in Nitra (2016)

# Investment Incentives

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.



## MAXIMAL REGIONAL INTENSITIES OF INVESTMENT AID IN SLOVAKIA



### 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

### 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
- cash grant
- tax relief

# 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

To find  
out more about  
the Slovak investment  
environment visit  
our website  
[sario.sk](http://sario.sk)

468

Number of SARIO  
Investment Projects from  
2002 – 2016

11

Number of SARIO  
investment projects in  
food industry sector  
2002 – 2016

Our Award



2014 Global Best to Invest 2013  
Selection Site magazine

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**SARIO IS YOUR ONE STOP SHOP FOR INVESTMENT & TRADE IN SLOVAKIA.  
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