

Chemical & Plastics Industry in SLOVAKIA



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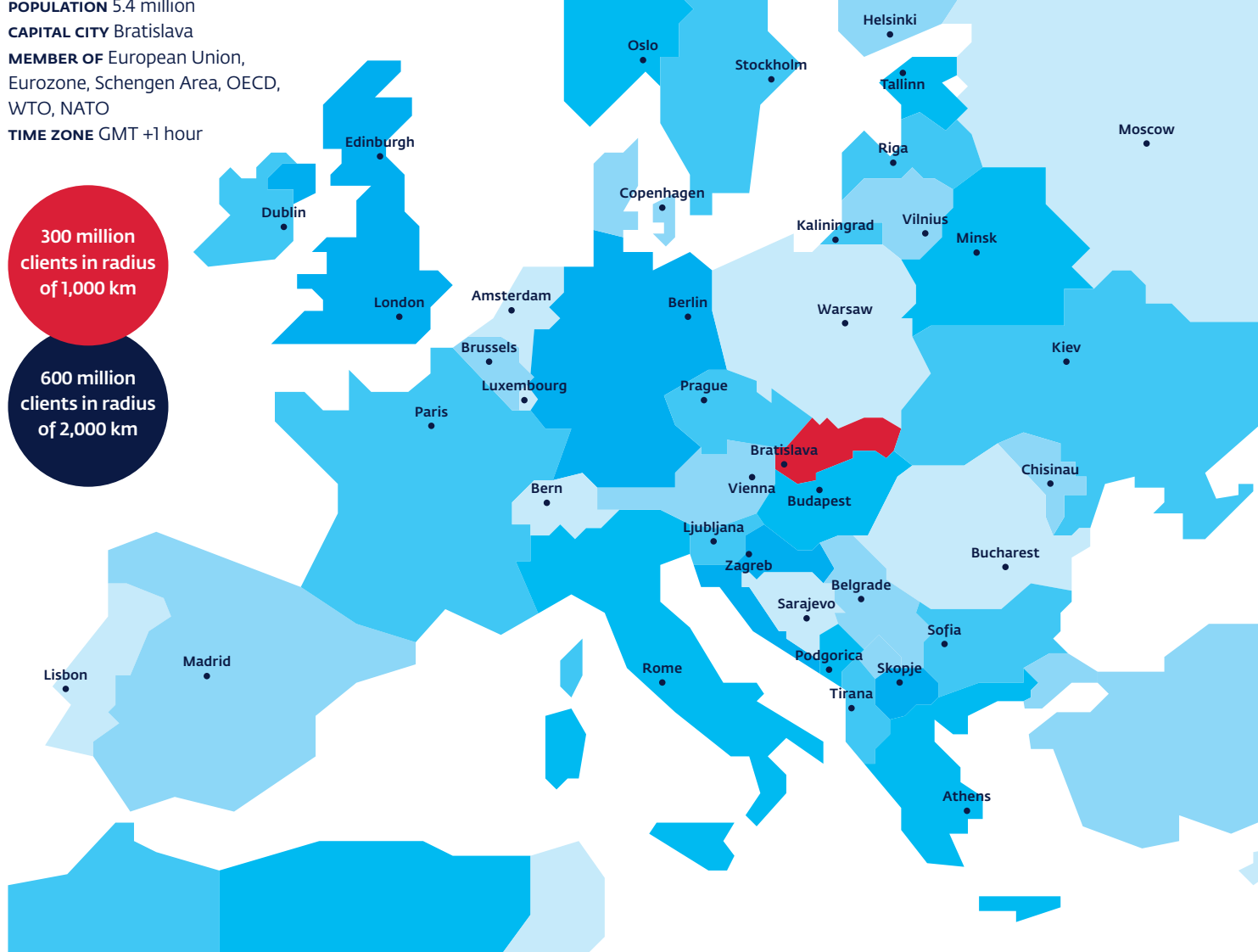
The purpose of this publication is to present the opportunities for the potential investors from the chemical industry in Slovakia. The two of the strongest economic sectors – automotive and electronics industry – build a lot of opportunities also for the suppliers of the plastic components. Publication includes facts and figures for both of these sectors and serves as an introduction to the chemical & plastics industry in Slovakia.



TOTAL AREA 49,035 km²
POPULATION 5.4 million
CAPITAL CITY Bratislava
MEMBER OF European Union,
Eurozone, Schengen Area, OECD,
WTO, NATO
TIME ZONE GMT +1 hour

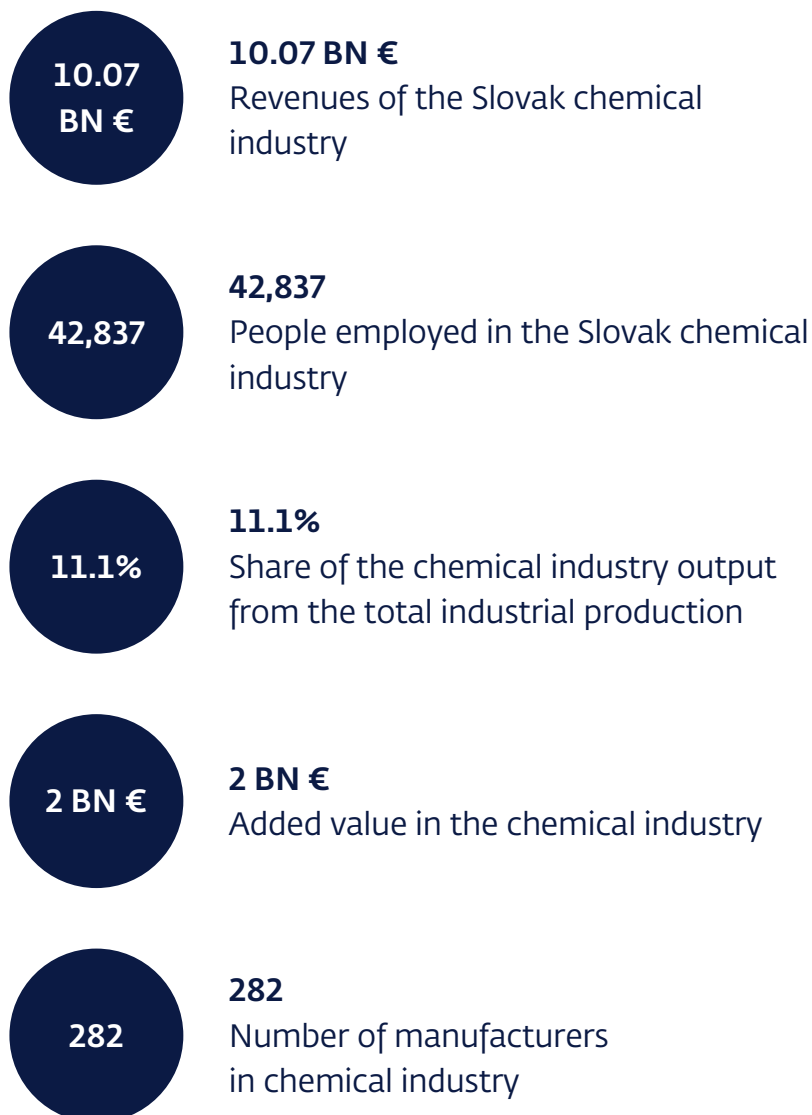
300 million
clients in radius
of 1,000 km

600 million
clients in radius
of 2,000 km



Chemical & Plastics Industry in Slovakia — Key Facts

Slovakia has a strong tradition in all major segments of the chemical industry, including petroleum refining, production of fertilizers, rubber and plastics production. The portfolio of the products is also influenced by Slovakia's strong automotive and electronics sectors, which serve as constant, high-capacity clients for different companies from the chemical & plastics industry.



*Only companies with more than 20 employees included.
Source: Statistical office of the Slovak republic, Yearbook of Industry of the SR 2019



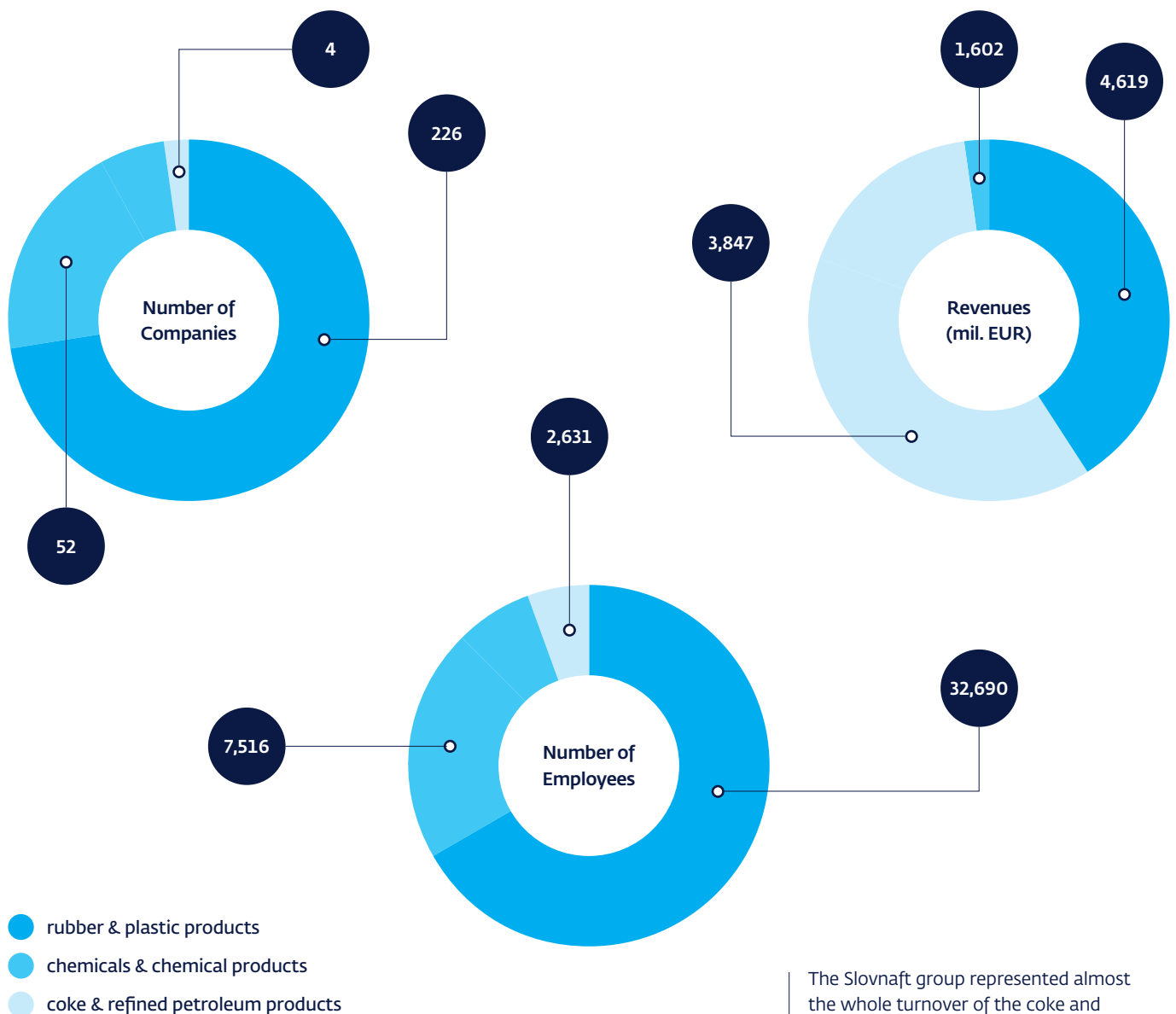
Top 10 Reasons Why to Invest in Slovakia

- 1 Highest labour productivity in CEE region
- 2 Cost-effective & skilled labour force
- 3 Political & economic stability
- 4 Strategic location in Europe with great export potential
- 5 Attractive investment incentives for industry
- 6 Euro currency as one of the few in CEE
- 7 Fastest growing Eurozone member within the last 10 years
- 8 Large selection of industrial land
- 9 Well-developed infrastructure
- 10 Strong local production capacities in need of plastic components

Chemical & Plastics Industry in Slovakia – Summary

Unlike in some other countries, the output of the Slovak chemical industry does not consist of one product or a group of few products, but includes a diversified portfolio of hundreds of different products, ranging from petrochemicals, agrochemicals, and primary organic/ inorganic chemicals, to rubber and plastic products.

Chemical industry has traditionally been one of the largest sectors of Slovak economy. In 2018, revenues generated by all companies in this sector amounted to EUR 10.07 billion. At the same time Slovak chemical industry equaled output of 11.1% (EUR 9.44 billion) from the total industrial production (EUR 85.41 billion). The sector employs over 42,837 people in approximately 282 companies.



The Slovnaft group represented almost the whole turnover of the coke and petroleum production in Slovakia, which is the biggest revenue generating sub-sector of the chemical industry.

Source: Statistical office of the Slovak republic, Yearbook of Industry of the SR 2019

Skilled & Cost-Effective Labour Force



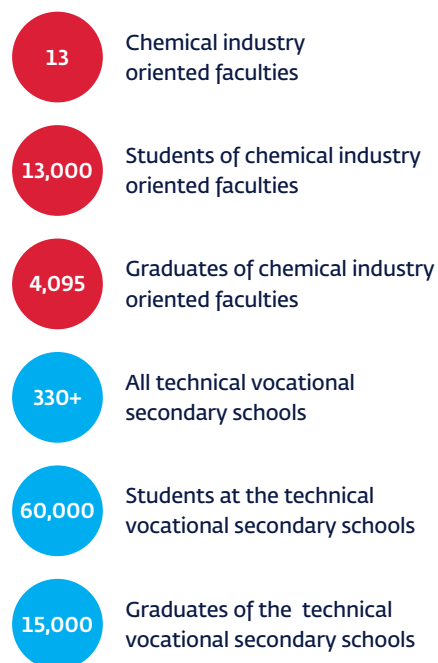
Slovakia is praised as one of the most productive countries in Europe. Combined with cost-effectiveness and high education level, Slovak labour force excels in the three areas that often concern investors – productivity, qualification and labour costs.

More than 680 companies and 5,800 students joined the dual education in 2019.

DUAL EDUCATION

The Slovak Government has fully implemented a new dual education framework facilitating combination of theoretical education in schools and practical training in companies. The companies joining the new scheme have the advantage of not only benefiting from a prepared and qualified labor force, but also from the possibility to utilize a related tax relief and other financial benefits.

Chemical & Plastics Related Education in Slovakia



- Universities
- Secondary Schools

R&D Faculty of Chemical & Food Technology

Slovak Technical University

In 2019 the faculty has participated in 168 research projects ranging from sample analysis to the development of new materials and chemicals.

AVERAGE GROSS MONTHLY SALARY (IN EUR)

POSITION	BRATISLAVA	TRNAVA	NITRA	TRENČÍN	ŽILINA	BANSKÁ BYSTRICA	PREŠOV	KOŠICE
Production Operative	1,000	875	925	850	850	775	725	800
Injection Molding Setter	1,500	1,250	1,500	1,200	1,200	1,100	925	1,050
Quality Technician	1,400	1,100	1,375	1,200	1,100	1,150	1,050	1,150
Production Supervisor	1,550	1,250	1,425	1,300	1,200	1,250	1,200	1,300
Chemical Engineer	1,400	1,350	1,350	1,350	1,250	1,250	1,250	1,400
Quality Engineer	2,200	2,100	2,100	1,700	1,600	1,650	1,500	1,650

Source: Grafton Slovakia 2019, SARIO calculations

Examples of Companies from the Slovak Chemical Industry



Slovnaft

3rd biggest company by turnover and the only oil refinery in Slovakia. It also houses an R&D center employing more than 100 engineers.
Revenue: 3,632,290,000 EUR
Employees: 3,100

Duslo

Fertilizer producer with European significance and global rubber chemical supplier. The company also produces polyvinyl acetate and poly acrylic glues, dispersions and various other special products.
Revenue: 398,297,000 EUR
Employees: 2,000



Continental

Building up on Matador's tyre production history, Continental operates a truck and personal vehicle tyre production facilities in Puchov, with a 150 FTE R&D center.
Revenue: 1,050,736,000 EUR (rubber), 608,370,000 (truck tires)
Employees: 3,200 (rubber), 1,600 (truck tires)

GSK Consumer Healthcare Levice

The company, as a part of GlaxoSmithKline, has set up a high capacity production of consumer cosmetic products Slovakia.
Revenue: 112,497,000 EUR
Employees: 500



Chemosvit Folie

The company with a very broad portfolio of chemical products. One of the biggest employers in Eastern Slovakia.
Revenue: 92,559,000 EUR
Employees: 900

Chemical Industry Supporting Platform



THE ASSOCIATION OF CHEMICAL & PHARMACEUTICAL INDUSTRY OF THE SLOVAK REPUBLIC (ZCHFP SR)

- headquarters in Bratislava
- established 1991
- merges 58 companies in the fields of chemical and pharmaceutical industry
- members employ 12,000+ people

ZCHFP activities include:

- supporting research projects in Slovakia by networking companies with technical universities and help to enhance a mutual cooperation between the members
- defending of business and entrepreneurial interests of the chemical and pharmaceutical industries, in dialogue with the Parliament and the Government, with trade unions
- influencing of the legislative process

Slovak Academy of Science



INSTITUTE OF CHEMISTRY

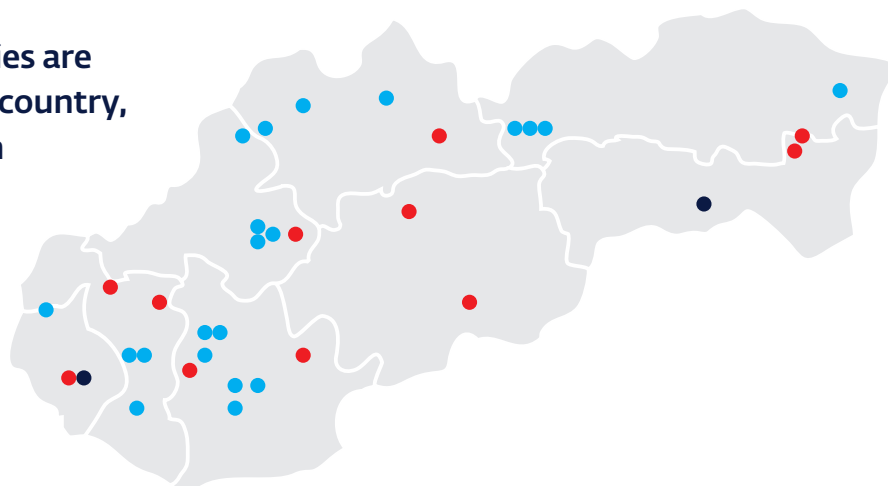
Research activities are focused on:

- Structure and functional properties of polysaccharides, their derivatives, and conjugates with other polymers
- Establishment of a Pan-European network on the sustainable valorisation of lignin (LignoCOST)
- Analysis of glycan markers by innovative methods based on biochips & biosensors using nano technologies and many more

Source: SARIO, Finstat 2020

The Biggest Players of the Slovak Chemical Industry

The biggest chemical companies are present in every region of our country, with a higher concentration in the Western part of Slovakia.



- Coke & refined petroleum
- Rubber & plastic products
- Chemicals & chemical products

COMPANY	LOCATION	SEGMENT	REVENUE 2019 (THS. EUR)	AVERAGE NUMBER OF EMPLOYEES
Slovnaft	Bratislava	coke & refined petroleum	3,632,290	3,100
Continental Matador Rubber	Púchov	rubber & plastic	1,050,736	3245
Continental Matador Truck Tires	Púchov	rubber & plastic	608,370	1,592
Duslo	Šaľa	chemicals & chemical products	398,297	200
Fortischem	Nováky	chemicals & chemical products	133,034	791
BASF	Bratislava	chemicals & chemical products	124,063	193
GSK Consumer Health Levice*	Levice	chemicals & chemical products	112,467	518
Meroco	Leopoldov	chemicals & chemical products	112,306	46
Enviral*	Leopoldov	chemicals & chemical products	108,977	186
ContiTech Vibration Control Slovakia	Dolné Vestenice	rubber & plastic	100,701	647
Nexis Fibers*	Humenné	chemicals & chemical products	95,291	453
Chemosvit Folie	Svit	rubber & plastic	92,559	861
SaarGummi Slovakia	Dolné Vestenice	rubber & plastic	71,488	1,087
Dongil Rubber Belt Slovakia	Považská Bystrica	rubber & plastic	64,847	690
SMRC Automotive Solutions Slovakia	Nitra	rubber & plastic	64,578	388
Nobel Automotive Slovakia	Dolný Kubín	rubber & plastic	57,159	437
DP Ekoplast	Snina	rubber & plastic	53,674	57
Audia Plastics	Voderady	rubber & plastic	50,214	108
Cikautxo SK	Nové Zámky	rubber & plastic	50,083	539
Bang Joo Electronics Slovakia	Šurany	rubber & plastic	45,367	149
Diakol Strážske	Strážske	chemicals & chemical products	42,646	32
Terichem Tervakoski	Svit	rubber & plastic	39,522	247
Polycasa Slovakia	Žilina	rubber & plastic	39,139	103
LB Slovakia Plastics	Nitra	rubber & plastic	38,049	354
Vegum	Dolné Vestenice	rubber & plastic	34,715	693
Prima Poprad	Poprad	rubber & plastic	34,091	233
Chemolak	Smolenice	chemicals & chemical products	31,342	229
Evonik Fermas	Slovenská Ľupča	chemicals & chemical products	29,305	228

*Data for 2018 (last available).

The present list of manufacturers of different chemical products is subject to change and it does not represent an exhaustive overview. Source: TREND Top 2019, FinStat 2020

Examples of Companies Producing Plastics

A separate part of the chemical industry handout is attributed to plastics as it is an important supportive pillar for both the Slovak automotive & electronics industries. Additionally this subcategory of the industry is represented by the highest amount of companies within the Slovak chemical industry.



Seoyon E-Hwa Automotive

Korean Tier1 producer of various automotive plastic and trimmed parts.

Revenue: 162,411,000 EUR

Employees: 620



Magna Slovteca

Canadian interior and exterior automotive plastic parts producer.

Revenue: 140,516,000 EUR

Employees: 540



Jasplastik

Three facilities for production of automotive & television plastic components.

Revenue: Jasplastik SK — 74,341,000 EUR, Jasplastik Automotive — 23,552,000 EUR

Employees: Jasplastik SK — 700 (Galanta), 300 (Nitra), Jasplastik Automotive — 80 (Galanta)



Thermoplastik

Slovak Tier 1 supplier, injection moulding plastic component manufacturer for automotive exteriors as well as interiors.

Revenue: 27,632,000 EUR

Employees: 220

Služba Nitra

Vehicle plastic components for electronics, fuse boxes as well as interior and exterior lighting equipment.

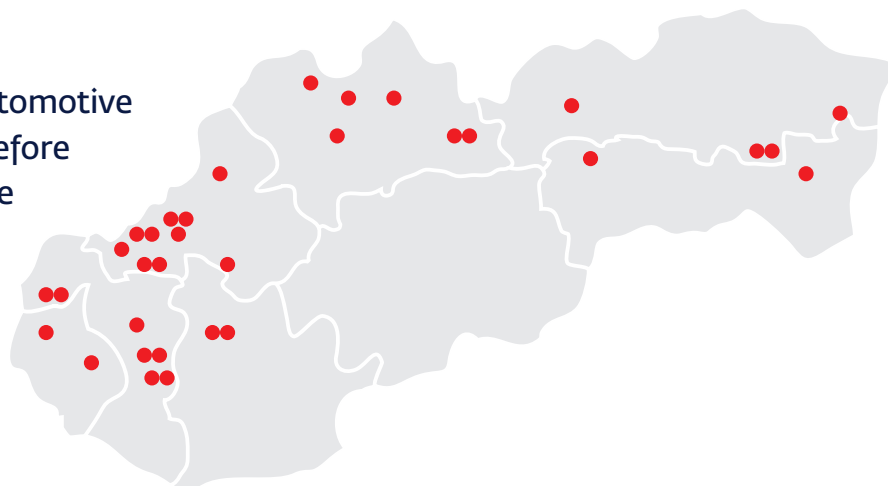
Revenue: 25,728,000 EUR

Employees: 250

Source: SARIO, Finstat (2020)

The Biggest Plastic Component Producers in Slovakia

Manufacturing of plastics is mostly connected to Slovak automotive & electronics industry & is therefore mainly located in regions where these industries have a strong presence.



COMPANY	LOCATION	REVENUE 2019 (THS. EUR)	AVERAGE NUMBER OF EMPLOYEES
Seoyon E-HWA Automotive Slovakia	Považská Bystrica	162,411	619
Plastic Omnium Auto Energy Slovakia	Lozorno	154,666	228
Magna Slovteca	Nové Mesto nad Váhom	145,116	540
RF	Malacky	97,445	632
Jasplastik SK	Matúškovo	87,341	750+300
Bourbon AP Nitra	Čab	58,553	480
Fremach Trnava*	Trnava	30,060	333
Bourbon AP Dolný Kubín	Dolný Kubín	29,932	457
Thermoplastik	Poriadie	27,632	221
COBA Automotive	Terchová	24,474	297
Jasplastik Automotive	Matúškovo	23,252	79
SMP Automotive Solutions Slovakia*	Matúškovo	23,046	127
JIT Plastic*	Nové Mesto nad Váhom	18,452	72
Esox — Plast	Liptovský Ján	13,915	89
LPH Vranov nad Topľou	Vranov nad Topľou	13,503	245
Uniplast MH	Vranov nad Topľou	12,399	178
Polytec Composites Slovakia*	Sládkovičovo	11,845	109
Trend Rejlek*	Martin	10,594	161
Tecoplast PM Slovakia	Myjava	10,594	132
Aspel Slovakia	Kežmarok	8,929	89
CRW Slovakia*	Spišská Nová Ves	8,119	102
HDF*	Čadca	5,255	93
MI Plastik Plus	Michalovce	4,371	64
JMP Plast*	Michalovce	4,345	78
Stavoplast	Nové Mesto nad Váhom	2,939	44
M+D Plast*	Malacky	2,727	20
Inventive	Liptovský Hrádok	2,373	23
VÚSAPL (restructuring)	Nitra	2,339	61
Market IPM Plast	Vaňovce	1,911	46

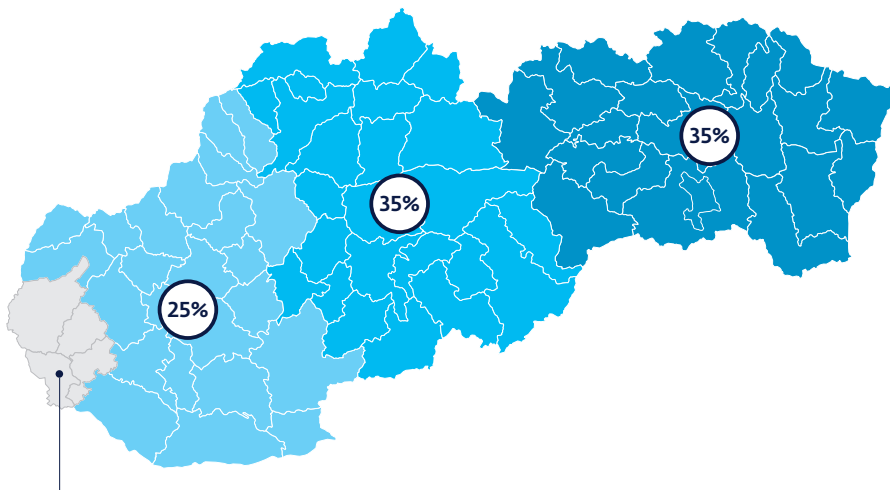
*Data for 2018 (last available).

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Investment Incentives

The primary role of the investment incentives is to motivate investors to place their new projects in regions with higher unemployment and to attract projects with higher added value.

MAXIMUM REGIONAL INTENSITIES OF INVESTMENT AID IN SLOVAKIA for SMEs additional 10 to 20 %



Bratislava region excluded

INDUSTRY

Minimum investment amount, number of newly created jobs and share of new technology are subject to the unemployment rate in the selected district and forms of aid required.

If applying for income tax relief, the following criteria have to be met in regards to particular districts category:

- 3 mil. EUR and 60% share of new technology
- 1.5 mil. EUR and 50% share of new technology
- 0.75 mil. EUR and 40% share of new technology
- 0.1 mil. EUR and 30% share of new technology
- Expansion includes minimum increase in the production volume or turnover by at least 5%

Other forms of aid are subject to different requirements.

TECHNOLOGY CENTERS

- Minimum investment of 100 ths. EUR on fixed assets in all regions
- Minimum of 10 newly created jobs
- Minimum 1.7 fold of average salary in the district paid to new employees**

SHARED SERVICES CENTERS

- Minimum of 25 newly created jobs
- Min 1.5 fold of average salary in the district paid to new employees**

*Conditions differ for projects from 'Priority areas'. Please contact us at invest@sario.sk for more information.

**Condition is considered automatically fulfilled for years 2021 and 2022.



ELIGIBLE PROJECTS

The Act on Investment Aid divides the projects which may be supported into four categories:

- Industry
- Technology Centers
- Combined Projects of Industrial Production and Technology Center
- Shared Services Centers

ELIGIBLE COSTS

- Costs of land acquisition
- Costs of buildings acquisition & construction
- Costs of new technological equipment and machinery acquisition
- Intangible long-term assets — licences, patents, etc.
- Rent of new land/building

OR

- Wage costs of new employees for the period of 2 years

FORMS OF INVESTMENT INCENTIVES

- Tax relief
- Cash grant
- Contributions for the newly created jobs
- Rent/Sale of real estate for a discounted price



AIM INVESTMENT AWARDS DUBAI 2017

CEE & TURKEY REGION
Best Investment Promotion Agency in 2016



SARIO Profile

Slovak Investment & 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 Slovak Ministry of Economy.

01 INVESTMENT 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 & suitable real estate consultancy

FOR ESTABLISHED INVESTORS

- identification of local suppliers, service providers
- assistance with expansion preparation and execution
- relocation assistance, work/stay permits
- business networking

02 FOREIGN TRADE SERVICES

IF YOU ARE LOOKING FOR

- Slovak supplier or sub-contractor
- 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

03 INNOVATION SERVICES

- supporting business development of Slovak innovative technology companies by connecting them to SARIO's major clients — large investors established in Slovakia in order to innovate their technological processes
- the service is not limited to the borders of Slovakia, it focuses mainly on — industry, product development, service sector
- the service also aims to direct venture funds to Slovak technology companies open to capital investments

04 DIVERSIFICATION SERVICES

- supporting diversification of Slovak companies towards high-tech areas with significant growth potential
- focus on, but not limited to: space industry, aviation industry, and innovative mobility
- include consultancy for companies regarding the potential and possibilities of entering the new sectors as well as creation of new business and R&D cooperation opportunities on the national and international level

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

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