Slovakia
ZCHFP - Association of Chemical and Pharmaceutical Industry of the Slovak Republic

<table>
<thead>
<tr>
<th>Number of companies</th>
<th>Turnover</th>
<th>National contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>307 (with the number of employees over 20)</td>
<td>€10,347 million</td>
<td>Silvia Surova</td>
</tr>
<tr>
<td>Direct employees</td>
<td>46,143</td>
<td><a href="mailto:silvia.surova@zchfp.sk">silvia.surova@zchfp.sk</a></td>
</tr>
<tr>
<td>R&amp;D investment</td>
<td>€641 million</td>
<td></td>
</tr>
</tbody>
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CHEMICAL INDUSTRY SNAPSHOT

Basic macro-data on Slovakia

- Population: 5.45 million
- Area: 49 thousand km2
- GDP: USD 20,670 per capita in 2018
- Currency: euro (€) as of January 1, 2009

In the 1990s, the Slovak chemical industry was influenced by three significant factors: partition of Czechoslovakia, orientation from eastern markets to western ones and privatisation. Some chemical companies successfully transformed and survived this period, some were bought by foreign investors, and others did not take roots in the new market environment and exited the market. New millennium represented stabilisation, integration to EU market and new investments.

Data for 2018 show the chemical sector with the sales of € 10,347 million, translating to an 11.75% share of total Slovak industry sales. The Slovak chemical sector has 10.78% and 12.39% shares of total exports and added value respectively. The chemical sector is ranked third in terms of Slovak industrial production, followed be the engineering
industry (including automotive) and electro-technical sector.

Chemical sector and its share of total industrial manufacture of Slovakia in 2018

<table>
<thead>
<tr>
<th>Indicator sector</th>
<th>Unit</th>
<th>Chemical</th>
<th>Industrial manufacturing in total</th>
<th>Share of chemical sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>€ million</td>
<td>10,347</td>
<td>88,064</td>
<td>11.75%</td>
</tr>
<tr>
<td>Imports - dovoz</td>
<td>€ million</td>
<td>10,411</td>
<td>77,030</td>
<td>13.52%</td>
</tr>
<tr>
<td>Exports - vývoz</td>
<td>€ million</td>
<td>8,569</td>
<td>79,490</td>
<td>10.78%</td>
</tr>
<tr>
<td>Employees</td>
<td>Persons</td>
<td>46,143</td>
<td>429,541</td>
<td>10.74%</td>
</tr>
<tr>
<td>Added value (mil. €)</td>
<td>€ million</td>
<td>2,013</td>
<td>16,245</td>
<td>12.39%</td>
</tr>
</tbody>
</table>

Shares of particular sectors on the total sales of chemical products in the Slovak Republic (%).  
Total sales in 2018: € 10,347 million

- Pharmaceuticals: 2%
- Rubber products: 22%
- Chemicals: 16%
- Plastic products: 23%
- Refined oil products: 37%

Foreign Trade
In 2018 (31 Dec 2018), there were 307 companies in Slovakia’s chemical and pharmaceutical sector with more than 20 employees, 42.0% small companies, 44.6% of medium size and 13.4% of them were larger with 250 or more staff.

Regarding international comparison, total sales of the Slovak chemical industry represent up to 1.5% of the EU’s sales and some 0.28% of total world sales (2017).

**SITUATIONAL ANALYSIS OF THE CHEMICAL INDUSTRY**

Industrial production is located mainly in the west part of Slovakia which is formed by Bratislava, Trnava, Trenčín and Nitra self-governing regions. These western regions have a 59% share of Slovakia’s total GDP (2018). Central Slovakia is formed by self-governing regions Žilina and Banská Bystrica, with a share of 20%, and the Eastern part, formed by self-governing regions Prešov and Košice, with a 21% share of total GDP. The highway connection between the west and the east of Slovakia is still not finished, which is a big drawback mainly for Prešov and Košice regions.

The chemical industry is also concentrated mainly in the western part of Slovakia where oil refinery, production of primary plastics, rubber products (tyres), fertilizers, coatings, pharmaceuticals, plastic products are located. Production mainly focuses on of man-made fibres, plastic foils and other chemical products in central and eastern Slovakia. Many small- and medium-sized companies are geared to the production of rubber, plastic and other products for the automotive industry. There are four big car factories: Volkswagen, Peugeot-Citroen, Jaguar Land Rover and KIA, located in the western part of Slovakia. A total number of over 1,08 million cars manufactured in 2018, the equivalent of 198 units per 1,000 inhabitants, the most compared to any country in the world. A new Porsche plant is under construction near the town of Piešťany.

As far as the accessibility of universities and research technology organisations is concerned, there are three universities important for the industry: Comenius University and Slovak University of Technology both located in Bratislava, and the University of Technology in Košice in eastern Slovakia. There are four private R&D Institutes geared mainly to the chemical sector: R&D of chemical technology, petrochemicals, plastics, and man-made fibres. There is good co-operation between specialised faculties of the universities, R&D institutes and the Slovak Academy of Science, a state institution.

Slovakia spends only about 0.7 – 0.8 % of its GDP on R&D per year. Slovakia relies on EU funding for research and
development, as private sector investment is insufficient. 39% of national R&D investment is based on foreign sources of funding, in particular EU funds, which account for 89% of all funding in this area.

**New Investment in chemical industries**

**Duslo, a.s.**

- *Investment:* €310 million
- *New Ammonia operation*

**Fortischem, a.s**

- *Investment:* €50 million
- *New salt electrolyzes and modernization of manufacture*

**Continental Matador Rubber, s.r.o.**

- *Investment:* €9.5 million
- *Original equipment and new laboratory for final products*

**HOW ARE WE DOING**

**Strengths**

- Central location, possibility to act as a connecting territory between the north and the south, the west and the east of Europe (Ukraine, Russia)
- Availability of oil (Družba pipeline) and gas (Bratstvo pipeline) from Russia
- Relatively low labour costs
- Euro-zone membership
- Sound and stabilised banking sector
- Well-educated and skilled people
- Tradition of chemical production in all regions
- Research and development capacities ready to join new projects

**Weaknesses**

- Slovakia is short of most raw materials that are important for chemical production
- Uncompleted highway infrastructure
- Relatively high prices of electricity
- High dependence on Russia (and Ukraine) for gas deliveries

The combination of the above-mentioned strengths gives Slovakia a good advantage.

**OUR CONTRIBUTION TO A COMPETITIVE EUROPE**

In particular, the Slovak chemical sector can build its future progress on good cooperation between universities, the Slovak Academy of Science, the private R&D institutes and R&D departments of advanced manufacturing companies.
The Slovak association of chemical & pharmaceutical industry (ZCHFP SR) has cooperated within the Projects Nanoforce, FreeFOAM, INNOCHEM, ChemPharmVET, ChemMultimodal and ChemTube with partners from all of the Europe.

Landscape of the European Chemical Industry Website:
http://www.chemlandscape.cefic.org/country/slovakia/