



Slovakia

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

Number of companies

1,776

Turnover

€9,809 million

Direct employees

9,300

R&D investment

€641 million

National contact



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CHEMICAL INDUSTRY SNAPSHOT

Basic macro-data on Slovakia

- Population: 5.4 million
- Area: 49 thousand km²
- GDP: €14,910 per capita in 2016
- 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. The first decade of new millennium represented stabilization, integration to EU market and new investments.

Data for 2016 show the chemical sector with the sales of €9,809 million, translating to an 11.87% share of total Slovak industry sales. The Slovak chemical sector has 11.1% and 13.5% shares of total exports and added value respectively. The chemical sector is ranked third in terms of Slovak industrial production, followed by the automotive and electro-technical sector.

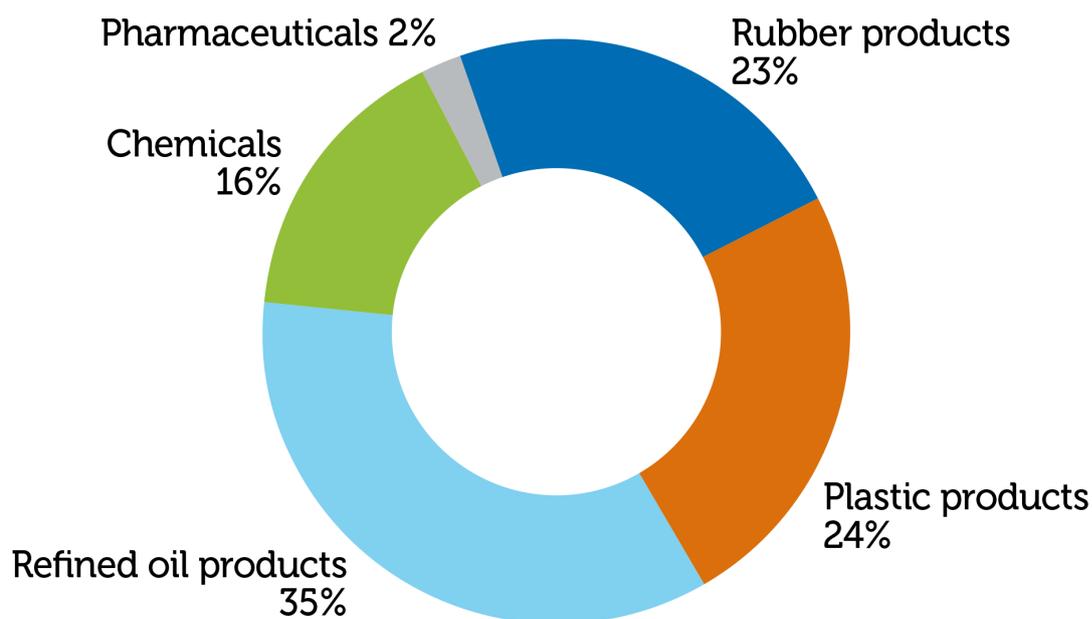
Chemical sector and its share of total industrial manufacture of Slovakia in 2017

Indicator sector	Unit	Chemical	Industrial manufacturing in total	Share of chemical sector
Sales	€ million	9,809	82,647	11.9%
Employees	Persons	45,116	418,297	10.8%
Exports*	€ million	7,802	70,074	11.1%
Imports*	€ million	42,680	404,116	10.6%
Added value	€ million	2,148	15,683	13.7%

* data 2016

Shares of particular sectors on the total sales of chemical products in the Slovak Republic (%).

Total sales in 2017: € 9,809 million


Foreign Trade

Commodity structure of Slovak exports and imports of chemical products by sub-sectors in 2016

Sub-sector	Unit	Exports	Imports	Balance
Refined petroleum products	€ million	1,449	810	639
Chemicals products	€ million	2,284	3,832	-1,548
Pharmaceutical products	€ million	523	1,769	-1,246
Rubber and plastic products	€ million	3,545	2,858	687
Chemical industry in total	€ million	7,802	9,267	-1,465

There were in 2016 (31 Dec 2016) 285 manufacturing companies in Slovakia's chemical and pharmaceutical sector with the number of employees over 20, 44% small companies, 42% of medium size and 14% of them were large with 250 or more staff.

As to the international comparison, total sales of the Slovak chemical industry represent up to 1.8% of the EU's sales and some 0.3% of total world sales (2016).

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 60% share of Slovakia's total GDP (2016). Central Slovakia is formed by Žilina and Banská Bystrica Self-governing Regions, with a share of 20%, and the Eastern part, formed by Prešov and Košice Self-governing Regions, with a 20% share of total GDP. The highway connection between the west and the east of Slovakia is still not finished, which is a big handicap – mainly for Prešov and Košice regions. It is to be finished by about 2020.

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 three big car factories: Volkswagen, Peugeot-Citroen and KIA, located in the western part of Slovakia. A total number of over 1,3 million cars manufactured in 2016, the equivalent of 191 units per 1 000 inhabitants, the most of any country in the world. A new plant of Jaguar Land Rover Company is under construction near the town of Nitra.

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. Lack of state support for applied R&D is a significant issue for the Slovak chemical industry. In 2016 there were €641 million of financial means for the whole R&D in Slovakia, of which €263 million from state and public funds, €296 million from the private sector, which in total represented 0.79% of the Slovak

GDP. At the beginning of 2013 the government prepared the material Strategy of Research, Development and Innovations in the Slovak Republic till the Year 2020. ZCHFP SR and its members very actively participated in the preparation of the material.

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 advantaged position in general.

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. Their cooperation within the Projects Nanoforce, FreeFOAM and INNOCHEM is one of the best examples.

Landscape of the European Chemical Industry Website:

<http://www.chemlandscape.cefic.org/country/slovakia/>