



# SLOVAK REPUBLIC 2004



## i GENERAL INFORMATION

### Slovenská Republika (The Slovak Republic)



<b>Area:</b>	49 035 sq km										
<b>Length Of State Border:</b>	1772 km										
<b>Border Countries:</b>											
	<table border="1"> <tr><td>Austria</td><td>106,0 km</td></tr> <tr><td>Czech Republic</td><td>251,8 km</td></tr> <tr><td>Hungary</td><td>668,6 km</td></tr> <tr><td>Poland</td><td>547,1 km</td></tr> <tr><td>Ukraine</td><td>98,5 km</td></tr> </table>	Austria	106,0 km	Czech Republic	251,8 km	Hungary	668,6 km	Poland	547,1 km	Ukraine	98,5 km
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**Climate:** temperate; cool summers; cold, cloudy, humid winters

<b>Elevation Extremes :</b>			
lowest point:	Bodrog River	94 m	
highest point:	Gerlach peak	2655 m	
longest river:	Váh	378 km	
Biggest waterfall:	Kmeťov	90 m	
Longest cave:	Demánovské caves	30,5 km	

**Terrain:** rugged mountains in the central and northern part and lowlands in the south

**Climate:** The Slovak Republic lies in a mild zone with a continental climate, with distinctive rotation of seasons. The average daily temperature is - 2 °C in winter, 21 °C in summer. The coldest month is January. The warmest months are July and August. In average, snow lasts in the highest locations 130 days a year.

**Time Zone:** GMT +1, summer time GMT + 2

**Official Language:** Slovak

**Official Currency:** Slovak crown (Skk) 1USD = 32,475,  
1 EURO = 40,115 (08/2004, NBS)

**Capital:** Bratislava

**National Anthem:** Nad Tatrou sa blýska (Lightning over the Tatras)

**President:** Ivan Gašparovič (since 15 June 2004)

**Prime Minister:** Mikuláš Dzurinda (since 30 October 1998)

**Membership In Important International Organizations:** CERN, IBRD, EBRD, INTERPOL, OECD, OBSE, UN, UNESCO, WHO...

## POPULATION

Population:	2000	2001	2002	2003
	5 402 547	5 378 951	5 379 161	5 380 053

**Density:** 109,7 person / square kilometer

**Natural Increase per 1000 inhabitants:** -0,1

<b>Population by Age Groups:</b>	(0-14)	18,0
	(15-24)	16,6
	(25-59)	49,5
	(60 +)	15,9



**Economically active population:** 48,6 %

**Live-births per 1000 inhabitants:** 9,5

<b>Marriages</b> (per 1000 inhabitants)	2000	2001	2002	2003
	4,8	4,4	4,7	4,8
<b>Divorces</b>	2000	2001	2002	2003
	1,72	1,82	2,04	1,99

<b>Nationality</b> (in %)	Slovak	Hungarian	Roma	Czech	Other
	85,58	10,48	1,72	1,11	1,11

## REGIONS OF THE SLOVAKIA

**Regions and Districts:** The territory is divided into administrative territorial units - 8 regions and 79 districts.

	km2	population
Region of Banská Bystrica	9 455	662 121
Region of Bratislava	2 053	599 015
Region of Košice	6 753	766 012
Region of Nitra	6 343	713 422
Region of Prešov	8 993	786 078
Region of Trenčín	4 502	605 582
Region of Trnava	4 148	551 003
Region of Žilina	6 788	692 332
<b>Total</b>	<b>49 035</b>	<b>5 379 455</b>

**Major Slovak cities (Population):**

Bratislava (428 672), Košice (343 092), Nitra (163 594), Prešov (161 782), Žilina (156 361), Nové Zámky (149 594), Prievidza (140 444), Trnava (127 125), Levice (120 021)

<b>Protected Territories:</b>	National parks	7
	Protected areas	16
	Natural reserves	600
	Natural monuments	272

**National Parks:** Tatranský národný park, Národný park Nízke Tatry, Poloniny, Národný park Malá Fatra, Muránska planina, Národný park Slovenský raj, Pieninský národný park.

# GOVERNMENTAL INFORMATION

**Government Type:** Parliamentary democracy

**Independence:** January 1, 1993  
(from The Czecho-Slovak Federation, previously Czechoslovakia)

**Constitution:** Ratified 1 September 1992, fully effective 1 January 1993; changed in September 1998 to allow direct election of the president

**Elections:** President elected by direct popular vote for a five-year term

**Suffrage:** 18 years

## LEGISLATIVE BRANCH

**National Council:** Národná Rada Slovenskej Republiky  
(150 seats; serve four years)

**Elections:** last held 20-21 September 2002

## JUDICIAL BRANCH

**Supreme Court:** the National Council elects judges; Constitutional Court, judges appointed by president from group of nominees approved by the parliament

### Constitutional Court:

an independent judicial body charged with protecting constitutionality in the Slovak Republic. The Court consist of 10 judges appointed by the President for a period of 7 years.

### Major Political parties:

Slovak Democratic and Christian Union (SDKÚ), Christian Democratic Movement (KDH), Smer, Hungarian Coalition Party (SMK/MK), New Citizen's Alliance (ANO), Movement for a Democratic Slovakia (HZDS), Communist Party of Slovakia (KSS)

# BANKING SECTOR

The National Bank of Slovakia (NBS) is the independent central bank of the Slovak Republic. It was established on 1<sup>st</sup> of January 1993. The National Bank of Slovakia:

- formulates and implements the country's monetary policy,
- issues banknotes and coins,
- controls, co-ordinates and provides for the circulation of money, interbank payments and settlement of payment data,
- supervises sound development of the banking sector and performance of banking activities.

	2001	2002	2003
Central Bank	1	1	1
Banks without foreign capital	6	3	2
Banks with foreign capital	13	15	16
Branch offices of foreign banks	2	2	2
Total	22	21	21

The currency unit in the Slovak Republic is the Slovak crown (slovenská koruna), abbreviation Sk, ISO code SKK. Banknotes in circulation are in the following seven denominations: 5000 Sk, 1000 Sk, 500 Sk, 200 Sk, 100 Sk, 50 Sk, and 20 Sk.

### Current Rating of the Slovak Republic

**Standard&Poor's** = BBB+ positive outlook, March 2, 2004  
**Moody's** = A3 positive outlook, June 18, 2004  
**FITCH** = BBB+ positive outlook, January 22, 2004



Milan Rastislav Štefánik, Slovak scientist and politician



Andrej Hlinka, leader of the Slovak Nationalist Movement in 1920's and 30's



Ludovít Štúr, led 1848 rebellion for Slovak rights in Hungary



Anton Bernolák first codified Slovak Language in 1787



Virgin Mary carved by Master Pavol of Levoča in 16th century



Saints Cyril and Methodius, founder of Slavonic writing



Pribina, first known Slovak ruler in the 9th century

# STATE BUDGET & CONSUMER PRICES

### Structure of Revenues: (mill SKK)

Tax	215 604
Non-tax	12 032
Grants	4 004
Credits, Loans and sale of shares	3 759

### Structure of Expenditures: (mill SKK)

Current Expenditures (Education, Labour, Social Affairs, Family...)	253 472
Capital Expenditures	32 529
Granting credits, loans, property share	5 435

### State Budget (mill SKK)

	2001	2002	2003	2004 (2Q)
Revenues	205 353	220 400	235 400	120 695
Expenditures	249 724	272 000	291 437	137 150
Balance	-44 371	-51 600	-56 037	-12 455

### Money M1 (end of period)

	2001	2002	2003	2004 (2Q)
(in billions SKK)	228,5	246,1	248,7	279,2

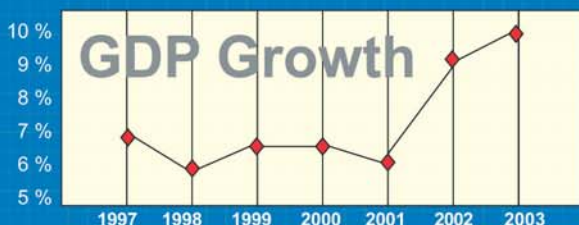
### CONSUMER PRICES (2003)

Food	103,4
Alcoholic Beverages	112,1
Housing, Water, Electricity, Gas	117,4
Health	107,4
Transport	109,3
Clothing and Footwear	102,6
Education	106,0
<b>TOTAL</b>	<b>108,5</b>

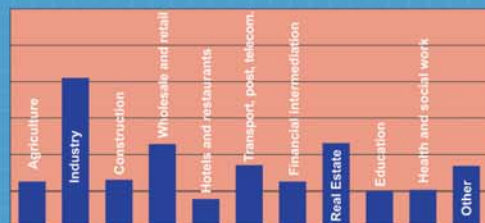
# GROSS DOMESTIC PRODUCT & INFLATION

**Gross domestic product** (in bill. SKK, at current prices)

	2001	2002	2003	2004 (2Q)
	989,2	1096,3	1195,8	328,4



### Gross domestic products by economic activities in 2003



### INFLATION

	2001	2002	2003
Yearly Inflation rate (%)	7,3	3,3	8,5

# TAX SYSTEM

## INDIRECT TAXES

The Slovak VAT law valid as of 1 May 2004 is harmonised with the EU Sixth Directive, which is the basic directive for VAT in the EU. The standard rate of value added tax (VAT) in Slovakia is 19%. There is no reduced VAT rate.

### The following is subject to Slovak VAT:

- the supply of goods and services for consideration in Slovakia;
- the acquisition of goods for consideration in Slovakia from other EU-states;
- the import of goods from non-EU countries to Slovakia.

The Slovak VAT law obliges recipients (taxable persons) of certain taxable supplies from other EU-member states to self-tax (reverse charge) Slovak VAT on the received taxable supplies. Special VAT rules apply to the acquisition of new means of transport from other EU-member states.

### Besides VAT returns, a Slovak VAT payer must submit the following reports:

quarterly EC Sales Lists, if he is supplying goods to other EU countries; and Intrastat reports each month, if his acquisitions of goods from other EU countries or supplies of goods to other EU countries exceed certain thresholds.

### Excise taxes

The new Excise Taxes Acts are effective from 1 May 2004 and are fully harmonized with EU legislation. Excise taxes are imposed on the following categories of goods produced in, delivered to, or imported to the Slovakia.

- Tobacco products • Spirits • Wine • Beer • Mineral oil

The tax rate, tax period, and payment of excise tax depend on the exact nature and quantity of the goods. Excise tax is included in the tax base for calculating VAT.

## DIRECT TAXES

### Income taxes

The Slovak income tax law valid as of 1 January 2004 is partially harmonised with the EU legislation and should be fully harmonised from 1 January 2005.

### Personal income tax

The Slovak personal income tax rate is 19%. The following incomes are subject to personal income tax:

- employment income;
- income from business activities, other self employment, and rent;
- income from capital property;
- other income.

Slovak tax residents are taxed in Slovakia on their worldwide income. Slovak tax residents include individuals with permanent Slovak residence, as well as those who stay in Slovakia for 183 days or more in a calendar year. Non-residents are subject to Slovak personal tax on their Slovak-source income only.

### Corporate income tax

The corporate tax rate in Slovakia is 19%. The following entities are subject to Slovak corporate income tax:

- A company that is treated as a Slovak tax resident (if it is incorporated, or has its place of management, in Slovakia).
- Resident companies are subject to Slovak tax on their worldwide income, subject to double taxation treaty relief. The provisions of double taxation treaties may take precedence over the Income Taxes Act.
- Slovak tax-non residents are generally taxed on Slovak-source income only, subject to Double Taxation Treaty relief.

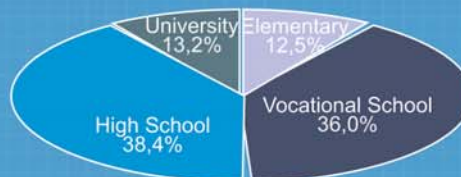
Georgina Galova,  
PricewaterhouseCoopers

# EDUCATION

There are 21 state civil universities with more than 96 faculties, 2 state civil universities without subdividing into faculties in Slovakia. Universities in Slovakia conduct wide multilateral and bilateral cooperation in science and technique area with partners in USA, England, Italy, Hungary, Spain, Czech Republic, Germany, Denmark, Slovenia, Portugal, Sweden, Netherlands, Norway, Finland, France, Austria, Israel and Turkey.

	Number of Schools	Number of Students
Kindergardens	3210	150 718
Elementary schools	2387	580 791
High schools	367	146 306
Apprentice schools	267	80 153
Universities	21	98 409

### Slovak Population according to education:



# TRANSPORTATION & COMMUNICATIONS

Length of:	Railways	Roads and Motorways	Waterways
km	3655	17 488	172

Ports and harbors: Bratislava, Komárno

Airports: 36

Number of Aircraft landings: 427 637  
Number of Passengers total: 694 376

Type of territorial communication:	Motorways	312 km
	Class III. Roads	10 336,408 km
	Class II. Roads	3 671,479 km
	Class I. Roads	3 167,635 km

Selected motorways, motor vehicle roads and class I. roads you can use only with special sticker. Payment for the sticker is 750,-Sk (up to 3,5 tons inclusive), 5000,-Sk (from 3,5 tons to 12 tons, inclusive) and 10 000,-Sk (over 12 tons) for calendar year.

Speed limits: highway: 130 km/h (80 mph)  
open roads: 90 km/h (55 mph)  
build-up areas: 60 km/h (30 mph)

### Length of routes in km by Regions:

Bratislava	511,677
Trnava	1 589,778
Trenčín	1 488,825
Nitra	2 041,138
Žilina	1 427,500
Banská Bystrica	2 570,288
Prešov	2 436,606
Košice	1 942,175
Total	14 007,887

	2001	2002	2003
Main Telephone Lines	1 556 254	1 402 725	1 337 733
Internet Users	674 039	862 833	1 138 882

### Mobile Phone Stations in 2003

Eurotel	1 613 476
Orange	2 065 298

Source: Eurotel, Orange

By the end of 2003, 44% of all schools, therefore 1445 institutions, had Internet access.

Number of inhabitants per 1 post office: 3 302

# EMPLOYMENT

The key law governing employment is the Labour Code. Under this code, all employers in the Slovak Republic are obliged to conclude written employment contracts with their employees. The employment contract usually covers matters such as the name of positions salary and the length of the trial period (up to three months). Employment contracts can be for limited or unlimited periods.

The maximum working time in one week is 40 hours. Employees may not work more than 8 hours overtime per week, with maximum of 150 hours per annum. Remuneration for overtime may consist of granting additional time off or the payment of additional wages.

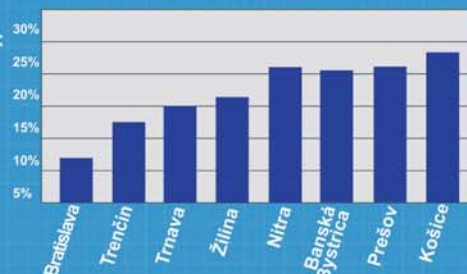
The minimum annual holiday is four weeks. Any employee who has worked for 15 years or more is entitled to five-weeks annual holiday. The labour code also specifies the time of maternity leave, which is 28 weeks.

Average Monthly Wages in Economy	2001	2002	2003	2004 (2Q)
	12 365	12 287	14 365	15 472

### Number of Unemployees:

	2001	2002	2003	2004 (2Q)
Number of unemployees (in thousand)	519	508,9	459,2	489,4
Unemployment rate (in %)	19,2	19,4	17,4	18,5

### Unemployment Rate By Regions:



### Average Monthly Wages by Branches:

Agriculture	10 940,-
Industry	15 400,-
Construction	12 001,-
Hotels and Restaurants	11 053,-
Financial Intermediation	29 088,-
Education	11 984,-
Health and social work	12 430,-
Administration	17 508,-

# FOREIGN TRADE

## Structure of Foreign Trade:

in mill SKK at current prices

	2001	2002	2003	2004 (2Q)
Import total	713,8	747,9	826,7	691,1
Export total	610,6	652,0	803,2	686,3
Balance	-103,2	-95,9	-23,4	-4,8

## Foreign Trade by Commodity Groups:

2003

	Import	Export
Machinery and transportation equipment	196 157	137 242
Vehicles, aircraft...	112 620	217 855
Mineral products	98 625	44 104
Chemical products	58 608	25 107
Plastics, articles thereof	52 171	38 271
Textiles	39 049	37 961
Prepared foodstuffs, beverages, tobacco	21 237	10 283
Pulp of wood, cellulose, paper	20 570	14 636
Miscellaneous manufactured articles	16 410	34 475

## Structure of EXPORT by the most important countries in 2003:



## Structure of IMPORT by the most important countries in 2003:



# FOREIGN DIRECT INVESTMENTS

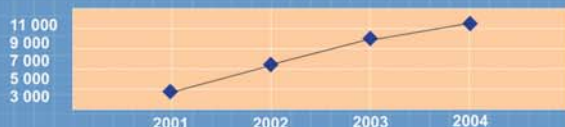
## FDI by Country in 2003:

Germany	22,8 %
The Netherlands	20,9 %
Austria	17,5 %
U.S.A.	6,0 %
Czech Republic	5,0 %
Hungary	3,9 %
United Kingdom	3,9 %
France	2,1 %
Italy	10,7 %
Belgium	2,3 %
Other	4,9 %

## FDI by Target Industry 2003:

Manufacturing in total	34,577 %
Finance, insurance, pension funds	22,229 %
Electricity, gas and water supply	11,866 %
Transport	10,287 %
Wholesale and retail trade	10,121 %
Real Estate and other business activities	2,831 %
Construction	0,572 %
Hotels and restaurants	0,493 %
Other	7,024 %

FDI (in mill USD)	2001	2002	2003	2004 (2Q)
	4836,2	7831,1	10 542,0	11 208,6



## FDI by regions:

Region of Bratislava	63,2 %
Region of Trnava	4,3 %
Region of Trenčín	4,1 %
Region of Nitra	2,9 %
Region of Zilina	4,4 %
Region of Banská Bystrica	3,3 %
Region of Prešov	4,4 %
Region of Košice	16,4 %

# USEFUL INFORMATION

## National Holidays:

January 1	- New Year's Day, The Day of the Establishment of SR
January 6	- The Three Kings
March 29	- Good Friday
April 1	- Easter Monday
May 1	- Labour Day
May 8	- Victory Day
July 5	- Saint Cyril and Methodius Heralds of Christian Faith
August 29	- Anniversary of Slovak National Uprising
September 1	- Slovak Constitution Day
September 15	- Our Lady of Seven Sorrows
November 1	- All Saints Day
December 24	- Christmas Eve
December 25	- 1 <sup>st</sup> Christmas Day
December 26	- 2 <sup>nd</sup> Christmas Day

## Business hours:

Government and offices:	Monday to Friday 8:00 16:30
Banks:	Monday to Friday 8:00 17:30
Shops:	Monday to Friday 8:00 18:00, on Saturdays 8:00 12:00
Major shopping centers:	all weekdays 9:00 20:00

## Passport Information:

**PASSPORT:** It is needed to have a valid passport for duration of stay in Slovakia or for 2 months from date of expiration, if visa is required. Citizens of the Czech Republic, Germany and Switzerland can enter Slovakia with a valid national ID card.

## VISAS: Required by all nationals except the following:

- nationals of EU countries for stays of up to 90 days
- nationals of Canada, Estonia, Iceland, Israel, Korea, Latvia, Liechtenstein, Lithuania, Malaysia, Malta, Monaco, Norway, Switzerland, New Zealand, Andorra, Aruba from Chile for stays up to 90 days;
- nationals of Bulgaria, Croatia, Cuba, Cyprus, Romania, San Marino, South Africa, USA and Vatican City for up to 30 days;
- nationals of Singapore and Hong Kong for up to 14 days;

## Useful Telephone Numbers:

Police	158	Road emergency	123
Medical emergency	155	Fire emergency	150
Telephone information service	1181		

## Useful Addresses:

**Ministry of Economy**  
Mierová 19  
827 15 Bratislava  
Tel: (4212) 4854 1111

**Ministry of Finance**  
Štefanovičova 5  
817 82 Bratislava  
Tel: (4212) 5958 1111

**Ministry of Foreign Affairs**  
Hlboka 2  
833 36 Bratislava  
Tel: (4212) 5978 3001

**Government Office**  
Námestie slobody 1  
813 70 Bratislava  
Tel: (4212) 5729 5111

Slovak Statistical Office	www.statistics.sk
Ministry of Finance	www.finance.gov.sk
National Bank of Slovakia	www.nbs.sk
Ministry of Economy	www.economy.gov.sk
Government Office	www.government.gov.sk
Embassy of the Slovak Republic in U.S.A.	www.slovakembassy-us.org
Embassy of the U.S.A. in the Slovak Republic	www.usembassy.sk
SARIO	www.sario.sk

## SOURCES

Slovak Statistical Office, National Bank of Slovakia  
Ministry of Finance, Ministry of Foreign Affairs  
Ministry of Transport, Post and Telecommunication  
SARIO, Embassy of the Slovak Republic in U.S.A.

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