Doing Business in Slovakia: 2014 Country Commercial Guide for U.S. Companies

Chapter 1: Doing Business in Slovakia

Market Overview Return to top

- Slovakia is a country of 5.4 million strategically located at the geographic heart of Europe
- The Slovak market is increasingly dominated by the automotive, electronics, engineering, tourism and service industries
- Slovakia's stable macroeconomic policies have made it a good place for U.S. exporters to do business
- Slovakia is a member of the North Atlantic Treaty Organization (NATO), the Organization for Economic Cooperation and Development (OECD) and the European Union (EU), Organization for Security and Cooperation in Europe (OSCE), United Nations (UN), Council of Europe, Visegrad 4, Central European Free Trade Agreement CEFTA, International Monetary Fund, World Bank, International Finance Cooperation, World Trade Organization, UNESCO, INTERPOL, and other multi-lateral organizations. It is a member of the EU Schengen Agreement, which allows for the free movement of people.
- Slovakia adopted the Euro as its currency on January 1, 2009, and became the 16th member of the European Monetary Union, resulting in the facilitation of trade through lower transaction costs, higher pricing transparency and greater monetary stability
- Slovakia has investment-grade ratings from the three major rating agencies
- Real GDP growth reached 0.9 % in 2013
- GDP growth in 2012 was one of the fastest rates among all EU countries.
- Unemployment nationwide stands at 14.2 % in 2013 but varies widely from region to region
- Inflation in 2013 was 1.5 %
- Continued GDP growth of approximately 2.2 % is anticipated in 2014
- U.S. Exports to Slovakia in 2013 totaled USD 339.5million
- U.S. Imports from Slovakia in 2013 totaled USD 1,546 million
- Foreign Direct Investment (FDI) stands at more than USD 56 billion with U.S. FDI estimated at approximately USD 4.9 billion
- U.S. imports from Slovakia are dominated by Volkswagen, Audi and Porsche Sports Utility Vehicles that are manufactured in Bratislava
- Slovakia's major trading partners are the Czech Republic, Germany, Russian Federation, China, Poland, France, Austria, Hungary, Italy and the United States

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- Corruption: Slovakia ranked 61st on Transparency International's Corruption Perceptions Index in 2013, slightly better than its 62nd in 2012 and 66th in 2011, but worse than its 59th in 2010, 56nd in 2009 and 52th in 2008
- International companies doing business with the Slovak Government or attempting to obtain licenses that are required by the Slovak Government to do business in the country perceive non-transparency in bureaucratic processes to be a problem
- Bribery is widespread in the public courts and the health care system
- While the legal system generally enforces property and contractual rights, decisions may take years, thus limiting the utility of the courts for dispute resolution
- A new center-left government was elected in March 2012.

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Best Prospects for U.S. Exporters include:

- Mineral fuel, briquettes, bituminous coal, petroleum jelly
- Nuclear reactors, boilers, general machinery and other energy technologies
- Optic and medical/surgical equipment and medical/industrial laboratory equipment and analyzers
- Electrical machinery and electronic components
- Automotive parts and components and aftermarket products
- Articles of stone, plaster, asbestos fibers
- Iron and steel and articles of iron and steel
- Glass and glassware
- Chemical products
- Plastics

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- Visit Slovakia first-hand to get a feeling of what the market is like and how your product or service would be received; Bratislava is a 45-minute drive from Vienna airport
- Consider Slovakia as a regional market along with the Czech Republic, Poland and Ukraine
- Slovakia is an EU member and a gateway to the 27-member EU market
- The Euro, adopted by 18 other EU countries, became Slovakia's nationwide currency on January 1, 2009, easing trade transactions
- The most common and simple option for establishing an office in Slovakia is the limited liability company (LLC)
- Make the U.S. Commercial Service Bratislava office your first stop when considering entry to the Slovak market

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European Commission, Economic and Financial Affairs:
http://ec.europa.eu/economy_finance/eu/countries/slovakia_en.htm

European Union, about EU countries: http://europa.eu/about-eu/countries/member-countries/slovakia/index_en.htm

CIA, World Factbook: http://www.ciaworldfactbook.us/europe/slovakia.html

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

http://www.state.gov/r/pa/ei/bgn/3430.htm

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Chapter 3: Selling U.S. Products and Services

Using an Agent or Distributor Return to top

U.S. Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with European Union (EU) and Slovak national laws. The Slovak Commercial Code closely follows EU legislation and recognizes agents, commissioned merchants and brokers not bound by contract.

There are many agents and distributors in Slovakia competing to represent companies in a vibrant business environment. Numerous Slovak agents, distributors and trading companies have excellent business savvy, capital resources, and experienced personnel.

The U.S. Commercial Service offers its Gold Key Matching Service (GKS) and International Partner Search Service (IPS) to U.S. companies seeking potential business partners or representatives in Slovakia. The IPS provides U.S. firms with a short list of pre-screened Slovak contacts that have expressed an interest in representing a U.S. firm after reviewing the American company's product information. The GKS takes this a step further by arranging one-on-one business appointments with Slovak contacts when a representative from the U.S. firm visits Slovakia. Other customized contact-making services and market research are also available through the U.S. Commercial Service.

For more information about how the U.S. Commercial Service can assist you in expanding your sales to the Slovak market, please contact the U.S. Commercial Service's Export Assistance Center closest to you, which can be located through the following website: http://export.gov/usoffices/index.asp, or contact the U.S. Commercial Service in Bratislava directly at http://export.gov/slovakia

European Union (EU) Laws and Regulations

Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and member state national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. The Directive establishes the rights and obligations of the principal and its agents, the agent's remuneration and the conclusion and termination of an agency contract. It also establishes the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that according to the Directive, parties may not derogate from certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

Key Link:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of "vertical agreements." U.S. small- and medium-sized companies (SMEs) are exempt from these regulations because their agreements likely would qualify as "agreements of minor importance," meaning they are considered incapable of impacting competition at the EU level but useful for cooperation between SMEs. Generally speaking, companies with fewer than 250 employees and an annual turnover of less than €50 million are considered small- and medium-sized. The EU has additionally indicated that agreements that affect less than 10% of a particular market are generally exempted (Commission Notice 2001/C 368/07).

Key Link:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2001:368:0013:0015:EN:PDF

The EU also looks to combat payment delays. The new Directive 2011/7/EU, which replaced the current law in March 2013, covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. Directive 2011/7/EU entitles a seller who does not receive payment for goods and/or services within 30 days of the payment deadline to collect interest (at a rate of 8% above the European Central Bank rate) as well as 40 Euro as compensation for recovery of costs. For business-to-business transactions a 60-day period may be negotiated subject to conditions. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

Key Link:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF

Companies' agents and distributors can take advantage of the European Ombudsman when victim of inefficient management by an EU institution or body. Complaints can be made to the European Ombudsman only by businesses and other bodies with registered offices in the EU. The Ombudsman can act upon these complaints by investigating cases in which EU institutions fail to act in accordance with the law, fail to respect the principles of good administration, or violate fundamental rights. In addition, SOLVIT, a network of national centers, offers online assistance to citizens and businesses who encounter problems with transactions within the borders of the single market.

Key Links:
http://www.ombudsman.europa.eu/home/en/default.htm
http://ec.europa.eu/solvit/site/about/index_en.htm

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The Slovak Commercial Code provides for the establishment of branch offices, joint stock companies, limited liability companies (LLCs), limited or unlimited partnerships, cooperatives, silent partnerships, and associations. All companies must register their names with the Slovak Commercial Register.

The following procedures and documents are required for company registration:

- (a) Lease contract for premises, or any approval of the owner of the premises.
- (b) Approval of the office/company's location by local authorities,
- (c) Slovak bank account,
- (d) Trade authorization from the local trade authority,
- (e) Satisfaction of minimum capital requirements is required. (This does not apply to the OECD Member states and EU citizens).

The most common option for foreign companies is the limited liability company (LLC). It is the simplest to establish, permits 100% foreign ownership, and allows full repatriation of after-tax profits.

The following rules apply to Limited Liability Companies in Slovakia:

(a) Between 1 and 50 shareholders may form a limited liability company, and the total basic capital must be at least Euro 5,000 (USD 6,400) with a minimum participant deposit of Euro 750 (USD 960) each
(b) A supervisory board is not required but may be established
(c) An official appraiser must value non-monetary contributions, and for certain contributions, two appraisers are required
(d) At least 30% of each partner's deposit and 50% of monetary and non-monetary contributions must be paid up before the company may be entered in the Slovak Commercial Register
(e) If the company is founded by a single entity, the foundation capital must be paid up in full

The forms for local office registration and all steps involved in establishing a local office are available on the Slovak Ministry of Justice's web site:

The process of registering a company with the Slovak Commercial Register (www.orsr.sk) takes approximately five days.

Data Privacy and Protection **Return to top**

Current Situation

The EU's general data protection Directive (95/46/EC) spells out strict rules concerning the processing of personal data. Businesses must tell consumers that they are collecting data, what they intend to use it for, and to whom it will be disclosed. Data subjects must be given the opportunity to object to the processing of their personal details and to opt-out of having them used for direct marketing purposes. This opt-out should be available at the time of collection and at any point thereafter. While the EU institutions are considering new legislation (GDPR), the 1995 Directive remains in force.

Transferring Customer Data to Countries outside the EU

The EU's current general data protection Directive provides for the free flow of personal data within the EU but also for its protection when it leaves the region's borders. Personal data can only be transferred outside the EU if the third country's legislation provides adequate protection for it or if the unambiguous consent of the data subject is secured. The European Commission has decided that a handful of countries have regulatory frameworks in place that guarantee the adequate protection of data transferred to them – the United States is not one of these.

As a result, in 2000 the Department of Commerce and the European Commission negotiated the U.S-EU Safe Harbor Framework to provide U.S. companies with simple, streamlined means of complying with the adequacy requirement. It allows those U.S. companies that commit to a series of data protection principles (based on the current Directive), and that publicly state that commitment by "self-certifying" on a dedicated website, to continue to receive personal data from the EU. Signing up is voluntary but the rules are binding on those who do. The ultimate means of enforcing Safe Harbor is that failure to fulfill the commitments will be actionable as an unfair and deceptive practice under Section 5 of the FTC Act or under a concurrent Department of Transportation statute for air carriers and ticket agents. While the United States as a whole does not enjoy an adequacy finding, transfers that are covered by the Safe Harbor Framework do. Companies whose activities are not regulated by the FTC or DoT (e.g. banks, credit unions, savings and loan institutions, securities dealers, insurance companies, not-for-profit organizations, meat packing facilities, or telecommunications carriers) are not eligible to sign up for the Safe Harbor.

Key links: U.S.-EU Safe Harbor Overviews

http://export.gov/safeharbor/eu/eg_main_018476.asp
http://export.gov/static/Safe%20Harbor%20and%20Cloud%20Computing%20Clarification_April%2012%202013_Latest_eg_main_060351.pdf

EU-based exporters or U.S.-based importers of personal data can also satisfy the adequacy requirement by using appropriate safeguards, for instance by including data privacy clauses in the contracts they sign with each other. The Data Protection Authority in the EU country from where the data is being exported must approve these contracts. To fast track this procedure the European Commission has approved sets of model clauses for personal data transfers that can be inserted into contracts between data importers and exporters. The most recent were published at the beginning of 2005, and were complemented in 2010 by contractual clauses on "sub-processing" (outsourcing by an EU based exporter of its processing activities to other sub-processors outside the EU). Most transfers using contracts based on these model clauses do not require prior approval. Companies must bear in mind that the transfer of personal data to third countries is a processing operation that is subject to the general data protection Directive regardless of any Safe Harbor, contractual or consent arrangements.

EU countries' Data Protection Authorities (DPAs) and large multinational companies have also developed a third major approach to compliance with EU rules on transfers of personal data to countries outside the EU. This is based on country-by-country DPA approval of "binding corporate rules" (BCRs). A BCR is the international code of practice that a multinational corporation follows for transfers of personal data between the companies belonging to that corporation (worldwide intra-group transfer). BCRs are suitable for closely-knit, highly hierarchically structured multinational companies but not for loose conglomerates. Companies that set up BCRs that satisfy European DPAs are able to use the presumption of conformity that these approvals provide to transfer personal data from the EU to any location in the world – not just the United States. BCRs can be a tool for compliance with privacy rules on a global scale. The process of negotiation and approval of the BCRs is currently lengthy and complex, and has not been attempted by small or medium-sized companies.

Proposed New Regulation

The EU's current data privacy legislation is undergoing review. A new commercial data protection regulation (GDPR) was proposed by DG Justice in January 2012. The European Parliament adopted on March 12, 2014, by a large majority, the position that its LIBE committee had developed on the proposed regulation. The 2012 proposal is in parallel being revised by the EU Council of Ministers. Greece was able to make good progress while holding the rotating Presidency of the EU Council during the first six months of 2014. Italy will take on the Presidency as of July 2014 while both the Parliament and Commission will be transitioning after the May 2014 European elections. If the EP's March 2014 version of the regulation is adopted, it will impose significant requirements on European and U.S. businesses on the way they are able to gather and utilize user data. It will also sunset all adequacy decisions after five years as well as transfers by way of appropriate safeguards after two years. Additionally, it will introduce substantial fines for offending companies (up to 5% of global revenue). For over two years, industry representatives have voiced their concerns to EU Institutions and member state officials. In a Position Paper published in July 2012, the American Chamber of Commerce to the EU identified 10 key concerns with the proposed regulation including:

- data breach notification
- consent
- definition of personal data, a child, and of public interest
- technical feasibility of the "right to be forgotten" provision
- extra-territoriality element that would hamper international data transfers.

The implications of this proposed regulation go well beyond its immediate scope; in particular data privacy is an integral part of other current EU regulatory initiatives in ICT sectors such as cloud computing and cyber-security.

Key Links:
European Commission's Justice Directorate-General:
http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm
http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index_en.htm
http://ec.europa.eu/justice/data-protection/document/international-transfers/binding-corporate-rules/index_en.htm

AmChamEU position paper on the proposed regulation:
http://www.amchameu.eu/DesktopModules/Bring2mind/DMX/Download.aspx?TabId=165&Command=Core_Download&EntryId=7914&PortalId=0&TabId=165

Franchising

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Franchising in Slovakia is growing and includes hotels, fast food operations, gasoline stations and business services. There is no Slovak legislation specific to franchising. Franchising agreements are treated as commercial contracts and are regulated by the Slovak Commercial Code. U.S. franchises in Slovakia are still limited but include, for example, McDonald's, Pizza Hut, Kentucky Fried Chicken, Subway, New Horizons, Curves International, Sbarro, Century 21 and Office 1 Superstore. This is an excellent time to enter the market, but franchisers should be prepared to offer creative financial options, as the financial resources of some of Slovakia's most promising entrepreneurs could be limited.

The Slovak Franchise Association (SFA) http://www.slovak-franchise.sk/ supports the development of franchising in Slovakia for existing members as well as for companies planning to implement franchising in the future. The goal of the SFA is to build optimal franchising conditions for both franchisers and franchisees.

The Slovak web portal http://www.franchiseportal.sk/ promotes franchising in Slovakia.

European Union (EU) Laws and Regulations

U.S. businesses looking to franchise within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. There are a number of laws that govern the operation of franchises within the EU, but these laws are fairly broad and generally, do not constrain the competitive position of U.S. businesses. The potential franchiser should take care to look not only at the EU regulations, but also at the local laws concerning franchising. More information on specific legislation can be found on the website of the European Franchise Federation: http://www.eff-franchise.com/spip.php?rubrique21

Direct Marketing

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Direct sales marketing in Slovakia will increase after local legislation is established to protect consumers from unfair or misleading practices. Current direct marketing firms include Amway, Avon, Herbalife, Oriflame, Lauder, Mary Kay, and Yves Rocher.
European Union (EU) Laws and Regulations

There is a wide-range of EU legislation that impacts the direct marketing sector. Compliance requirements are stiffest for marketing and sales to private consumers. Companies need to focus, in particular, on the clarity and completeness of the information they provide to consumers prior to purchase and on their approaches to collecting and using customer data. The following gives a brief overview of the most important provisions flowing from EU-wide rules on distance-selling and on-line commerce.

Processing Customer Data
The EU has strict laws governing the protection of personal data, including the use of such data in the context of direct marketing activities. For more information on these rules, please see the privacy section above.

Distance Selling Rules
The EU's Directive on Distance Selling to Consumers (97/7/EC and amendments) sets out a number of obligations for companies doing business over a distance with consumers.

It can read like a set of onerous "do's" and "don'ts," but in many ways, it represents nothing more than a customer relations good practice guide with legal effect. Direct marketers must provide clear information on the identity of themselves as well as their supplier, full details on prices including delivery costs, and the period for which an offer remains valid – all of this, of course, before a contract is concluded. Customers generally have the right to return goods without any required explanation within seven days, and retain the right to compensation for faulty goods thereafter. Similar in nature is the Doorstep Selling Directive (85/577/EEC) which is designed to protect consumers from sales occurring outside of a normal business premises (e.g., door-to-door sales) and essentially assure the fairness of resulting contracts.

In 2011, the EU overhauled its consumer protection legislation and merged several existing rules into a single rulebook - "the Consumer Rights Directive". The provisions of this Directive will apply to contracts concluded after June 13, 2014, and will replace current EU rules on distance selling to consumers and doorstep selling along with unfair contract terms and consumer goods and associated guarantees. The Directive contains provisions on core information to be provided by traders prior to the conclusion of consumer contracts. It also regulates the right of withdrawal, includes rules on the costs for the use of means of payment and bans pre-ticked boxes. Companies are advised to consult the relevant sections of EU Member States' Country Commercial Guides and to contact the Commercial Service at the U.S. Mission to the European Union for more specific guidance.
In 2013, the EU adopted rules on Alternative Dispute Resolution which provide consumers the right to turn to quality alternative dispute resolution entities for all types of contractual disputes including purchases made online or offline, domestically or across borders. A specific Online Dispute Resolution Regulation will set up an EU-wide online platform to handle consumer disputes that arise from online transactions. The platform will be operational at the end of 2015.

Key Links:
Consumer Affairs Homepage:
http://ec.europa.eu/consumers/index_en.htm

Consumer Rights:
http://ec.europa.eu/justice/consumer-marketing/rights-contracts/directive/index_en.htm

Distance Selling of Financial Services
Financial services are the subject of a separate directive that came into force in June 2002 (2002/65/EC). This piece of legislation amended three prior existing Directives and is designed to ensure that consumers are appropriately protected with respect to financial transactions taking place where the consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the Directive establishes criteria for the presentation of contract information. Given the special nature of financial markets, specifics are also laid out for contractual withdrawal.

Key Link:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT

Direct Marketing over the Internet
The e-commerce Directive (2000/31/EC) imposes certain specific requirements connected to the direct marketing business. Promotional offers must not mislead customers and the terms that must be met to qualify for them have to be easily accessible and clear. The Directive stipulates that marketing e-mails must be identified as such to the recipient and requires that companies targeting customers on-line must regularly consult national opt-out registers where they exist. When an order is placed, the service provider must acknowledge receipt quickly and by electronic means, although the Directive does not attribute any legal effect to the placing of an order or its acknowledgment. This is a matter for national law. Vendors of electronically supplied services (such as software, which the EU considers a service and not a good) must also collect value added tax (see Electronic Commerce section below).

Key Link: http://ec.europa.eu/internal_market/e-commerce/index_en.htm

Joint Ventures/Licensing

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The Slovak Commercial Code permits joint ventures and licensing. However, licensing is less common in Slovakia than it is in some other European countries.

European Union (EU) Laws and Regulations

Alternatively, search the Commerce Department's Market Research Library, available from: http://www.export.gov/mrktresearch/index.asp under Country and Industry Market Reports.

Selling to the Government

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Slovakia is a founding member of the General Agreement on Tariffs and Trade (GATT) and is an original signatory to the World Trade Organization (WTO). The Slovak Government has joined the WTO Agreement on Government Procurement. Government tenders are published on the Public Procurement Office's website:
http://www.uvo.gov.sk/

European Union (EU) Laws and Regulations

The public procurement market in the EU is currently regulated by three Directives and in 2014, the EU adopted new legislation in this area. New EU Directives were adopted for the general and utilities sectors as well as one on concession contracts:

- Directive 2004/18 on Coordination of Procedures for the Award of Public Works, Services and Supplies Contracts;
- Directive 2004/17 on Coordination of Procedures of Entities Operating in the Utilities Sector, which covers water, energy, transport and postal services; and
- Directive 2009/81 on Coordination of Procedures for the Award of Certain Works, Supply and Service Contracts by contracting authorities in the fields of defense and security.

There is a separate Directive addressing the procurement of defense and sensitive security equipment.

According to some estimates, the size of the EU public procurement market is thought to be between 340 billion euros - 440 billion euros. More details on the size of the EU public procurement market are available in "The Annual Public Procurement Implementation Review":
http://ec.europa.eu/internal_market/publicprocurement/docs/implementation/20121011-staff-working-document_en.pdf

Remedy directives cover legal means for companies who face discriminatory public procurement practices.

The U.S. and the EC are signatories to the World Trade Organization's (WTO) Government Procurement Agreement (GPA), which grants access to most public supplies and services and some work contracts published by national procurement authorities of the countries that are parties to the Agreement. In practice, this means that U.S.-based companies are eligible to bid on supplies and services contracts from European public contracting authorities above the agreed thresholds:
http://ec.europa.eu/internal_market/publicprocurement/rules/gpa-wto/index_en.htm

However, there are restrictions for U.S. suppliers in the EU utilities sector both in the EU Utilities Directive and in EU coverage of the GPA. The Utilities Directive allows EU contracting authorities to either: 1) reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50% of the total value of the goods constituting the tender; or 2) apply a 3% price difference to non-EU bids in order to give preference to the EU bid. These restrictions are applied when no reciprocal access for EU companies in the U.S. market is offered. Those restrictions, however, are waived for the electricity sector.

While authorities of EU member states have to apply EU Public Procurement Directive when procuring goods and services, the EU institutions follow different procurement rules, as explained in our reports on “Selling goods and services to the EU institutions – Update 2014” and “Tenders for Government Contracts in the EU”: http://export.gov/europeanunion/marketresearch/index.asp

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Bratislava is located in the southwestern corner of Slovakia and has the largest metropolitan population in the country, making it the most important retail market with the best-developed distribution networks. The cities of Kosice, Trnava, Trencin, Zilina, Poprad, and Nitra are the major manufacturing areas in Slovakia and are also important retail markets.

The Slovak retail sector is composed of private networks of retail and wholesale businesses. The trend in western-style retailing, which offers a wide variety of products, has been greatly influenced by the operations of foreign companies such as Tesco. Currently, Tesco operates 150 outlets in Slovakia and employs about 10,000 people. The breakdown includes six Tesco department stores, 72 hypermarkets and 32 supermarkets, two upscale “galleries,” and a number of small-size retail stores called Tesco Express. Tesco also operates 18 gasoline stations and provides mobile phone and financial services. Tesco’s sales in Slovakia have grown continuously since 1996 and reached Euro 1.58 billion (USD 2.19 billion) in 2013.

Kaufland, the second largest retail chain in 2013, operates 50 stores and employs 4,000 people in Slovakia. It plans to expand over the next four years by opening 9 new stores. In 2013 Kaufland’s sales reached Euro 860 million (USD 1.19 billion).

The third largest retailer in 2013 was Lidl, which belongs to the Schwarz Group along with Kaufland. Lidl had sales of Euro 815 million (USD 1.13 billion) in 2013.

The sales of the fourth largest retailer, Billa, which is part of the German retail chain Rewe, declined from 2012’s Euro 623 million (USD 809 million) to Euro 550 million (USD 760 million) in 2013. With 121 stores and more than 4,000 employees, Billa is an important employer in Slovakia. Billa operates smaller supermarkets and hypermarkets in shopping centers and downtown areas.

Metro Cash & Carry is Slovakia’s fifth largest retailer. Metro’s six large hypermarkets sell products and operate on a similar business model as Costco and Sam’s Club chains in the U.S. In 2013 the company had sales of Euro 458 million (USD 633 million).

Other international retail chains in Slovakia include Ahold, Baumax, Hornbach, Drogerie Markt (DM), IKEA, KIKA. Major Slovak retailers include COOP Jednota and Terno. The expansion of large retail chains has caused smaller businesses to consolidate or liquidate, laying the groundwork for franchising opportunities.

European Union (EU) Laws and Regulations

Alternatively, search the Commerce Department's Market Research Library, available from: http://www.export.gov/mrktresearch/index.asp under Country and Industry Market Reports.

Selling Factors/Techniques

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Slovak law permits 24-hour and Sunday shopping, but many smaller retail shops keep their hours to 9:00 a.m. to 6:00 p.m. weekdays, 9:00 a.m. to noon on Saturdays, and are closed on Sundays.

Slovakia's disposable income is one of the lowest among EU countries, making price a key competitive factor. Slovaks prefer to buy domestic products, especially in grocery stores, if there is a price advantage. The importance of quality is gradually catching on with Slovak consumers as more foreign brand names begin to appear and more new products are launched.

Slovak retailers, especially those in cities, understand the benefits of promotion techniques used by U.S. and international retailers. Consumer campaigns with special offers and discounts are becoming more common in chain stores, and the use of some promotion techniques, such as coupons and small gifts, is not regulated by law.

The Ministry of Finance does, however, regulate consumer lotteries (sweepstakes) conducted by Slovak and foreign firms alike. The following requirements apply to lotteries held by companies:

- The company must be registered with the Slovak Commercial Register
- Taxes cannot be charged to consumer participants
- All labeling and product documentation must be in the local language

European Union (EU) Laws and Regulations

Alternatively, search the Commerce Department's Market Research Library, available from: http://www.export.gov/mrktresearch/index.asp under Country and Industry Market Reports.

Electronic Commerce

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Electronic commerce has been fast growing segment over the past several years. There are many Internet portals through which individual consumers and companies purchase products and services. The most commonly purchased products are consumer goods, electronics, software, voice, data and TV services, household appliances, furniture, hobby, music, video on demand, cosmetics, toys, airline tickets, holiday trips, tickets for cultural events and clothes. U.S. providers of online services, such as video on demand, software, games, and music, should make an effort to penetrate the Slovak market for those products and offer fee-based services to consumers who already have fiber optic and broadband Internet connections at home. Many younger Slovaks speak English, and the general population is highly interested in American entertainment products. Many consumers who have already purchased fiber optic connections belong to a market segment that is receptive to cutting-edge technology.

European Union (EU) Laws and Regulations

The Electronic Commerce Directive (2000/31/EC) mentioned in the direct marketing section above provides rules for online services in the EU. It requires providers to abide by rules in the country where they are established (country of origin). Online providers must respect consumer protection rules such as indicating contact details on their website, clearly identifying advertising and protecting against spam. The Directive also grants exemptions to liability for intermediaries that transmit illegal content by third parties and for unknowingly hosting content. The European Commission released a work plan in 2012 in order to facilitate cross-border online services and reduce barriers and released a report on implementation of the action plan in 2013.

Key Link: http://ec.europa.eu/internal_market/e-commerce/directive_en.htm

The EU applies Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU-based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. European Council Directive 2002/38/EC further developed the EU rules for charging Value Added Tax. These rules were indefinitely extended following adoption of Directive 2008/8/EC.

Businesses affected by EU Directive 2002/38 are either U.S.-based and selling ESS to non-business EU customers, or are EU-based businesses selling ESS to customers outside the EU. There are a number of compliance options for businesses.
The Directive creates a special scheme that simplifies registering with each member state. The Directive allows companies to register with a single VAT authority of their choice. Companies have to charge different rates of VAT according to where their customers are located, but VAT reports and returns are submitted to just one authority. The VAT authority responsible for providing the single point of registration service is then responsible for reallocating the collected revenue among the other EU VAT authorities.

For more, go to the EC website:
http://ec.europa.eu/taxation_customs/taxation/vat/traders/e-commerce/index_en.htm

European Parliament adopted new alternative dispute resolution (ADR) and online dispute resolution (ODR) rules in March 2013. The rules on ADR will ensure that consumers can turn to quality alternative dispute resolution entities for all kinds of contractual disputes that they have with traders; no matter what they purchased and whether they purchased it online or offline, domestically or across borders. According to the ODR Regulation, an EU-wide online platform will be set up for handling consumer disputes that arise from online transactions as of mid-2015. The platform will link all the national alternative dispute resolution entities and operate in all official EU languages. This single entry point is designed to be a user-friendly and interactive website, available in all EU official languages and free of charge. Online traders will also provide an electronic link to the ODR platform on their websites to inform consumers. The obligation to be included within the ODR platform shall apply to all e-shops selling to the customers located within the EU.

Key Link: http://europa.eu/rapid/press-release_MEMO-13-193_en.htm

Trade Promotion and Advertising

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Many companies, both Slovak and foreign, specialize in advertising, and they vary considerably in quality. Internet, newspaper, radio and television are the most common means of advertising. Private radio stations offer advertising in all metropolitan areas, and billboards are used in cities and along main highways.

Major Slovak-language newspapers and business journals include:

Pravda	Tel: +421 2 4959 6979, fax: +421 2 4959 6602 E-mail: pravda@pravda.sk Web site: http://www.pravda.sk
SME	Tel: +421 2 5923 3500, fax: +421 2 5923 3679 E-mail: redakcia@sme.sk Web site: http://www.sme.sk
Hospodarske Noviny	Tel: +421 2 4823 8111, fax: +421 2 4823 8140 E-mail: redakcia@ecopress.sk Web site: http://www.hnonline.sk
Profit/ Trend	Tel: +421 2 2082 2222, fax: +421 2 2082 2223 E-mail: redakcia@trend.sk, etrend@trend.sk Web site: http://profit.etrend.sk, http://www.trend.sk
Novy Cas	Tel: +421 2 5822 7212, fax: +421 2 5822 7320 E-mail: cas@cas.sk Web site: http://cas.sk

The only English-language newspaper in Slovakia is:

The Slovak Spectator	Tel.: +421 2 5923 3300, fax: +421 2 5923 3319 E-mail: spectator@spectator.sk Web site: http://www.spectator.sk

There is one state-owned television station broadcasting on two channels and three privately owned television stations broadcasting on six channels.

Posters and billboards are commonly used to advertise in Slovakia and are found in post offices, on telephone booths, public transportation, outdoor kiosks, and along public walking and driving routes. Again, there is minimal formal consumer protection, and local companies are advised to use ethical principles and advertising strategies or run the risk of a backlash from Slovak consumers who tend to be well-informed about unethical advertising.

European Union (EU) Laws and Regulations

General Legislation

Laws against misleading advertisements differ widely from member state to member state within the EU. To respond to this imperfection in the internal market, the Commission adopted a directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive was amended in October 1997 to include comparative advertising. Under the Directive, misleading advertising is defined as any "advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor." Member states can authorize even more extensive protection under their national laws.

Comparative advertising, subject to certain conditions, is defined as "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor." Member States can, and in some cases have, restricted misleading or comparative advertising.

The EU's Audiovisual Media Services Directive lays down legislation on broadcasting activities allowed within the EU. Since 2009, the rules allowing for U.S.-style product placement on television and the three-hour/day maximum of advertising have been lifted. However, a 12-minute/hour maximum remains. Child programming is subject to a code of conduct that includes a limit of junk food advertising to children. Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are considered as legally binding on the seller. For additional information on Council Directive 1999/44/EC on the Sale of Consumer Goods and Associated Guarantees, see the legal warranties and after-sales service section below. This Directive, however, will be incorporated into the Consumer Rights Directive mentioned above by June 2014.

The EU adopted Directive 2005/29/EC concerning fair business practices in a further attempt to tighten up consumer protection rules. These rules outlaw several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing down, and artificially high prices as the basis for discounts in addition to other potentially misleading advertising practices. Certain rules on advertising to children are also set out.

Key Link:
http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm
http://ec.europa.eu/avpolicy/reg/avms/index_en.htm

Medicines

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC as amended by Directive 2004/27/EC. Generally speaking, the advertising of medicinal products is forbidden if market authorization has not yet been granted or if the product in question is a prescription drug. Mentioning therapeutic indications where self-medication is not suitable is not permitted, nor is the distribution of free samples to the general public. The text of the advertisement should be compatible with the characteristics listed on the product label, and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its classification. Inducements to prescribe or supply a particular medicinal product are prohibited and the supply of free samples is restricted.

The Commission presented a new proposal for a framework for information to patients on medicines in 2008 which would allow industry to produce non-promotional information about its medicines while complying with strictly defined rules and would be subject to an effective system of control and quality assurance. The debate on the framework however is currently blocked in the member states and therefore, current varying systems at national level are in force.

Key Link:
http://ec.europa.eu/health/human-use/information-to-patient/index_en.htm

Nutrition & Health Claims

On July 1, 2007, a regulation on nutrition and health claims entered into force. Regulation 1924/2006 sets EU-wide conditions for the use of nutrition claims such as "low fat" or "high in vitamin C" and health claims such as "helps lower cholesterol." The regulation applies to any food or drink product produced for human consumption that is marketed in the EU. Only foods that fit a certain nutrient profile (below certain salt, sugar and/or fat levels) are allowed to carry claims. Nutrition and health claims are only allowed on food labels if they are included in one of the EU's positive lists. Food products carrying claims must comply with the provisions of nutritional labeling Directive 90/496/EC and its amended version Directive 1169/2011.

In December 2012, a list of approved functional health claims went into effect. The list includes generic claims for substances other than botanicals which will be evaluated at a later date. Disease risk reduction claims and claims referring to the health and development of children require an authorization on a case-by-case basis, following the submission of a scientific dossier to the European Food Safety Authority (EFSA). Health claims based on new scientific data will have to be submitted to EFSA for evaluation but a simplified authorization procedure has been established.

The development of nutrient profiles, originally scheduled for January 2009, has been delayed. Nutrition claims can fail one criterion, i.e. if only one nutrient (salt, sugar or fat) exceeds the limit of the profile, a claim can still be made provided the high level of that particular nutrient is clearly marked on the label. For example, a yogurt can make a low-fat claim even if it has high sugar content but only if the label clearly states "high sugar content." A European Union Register of nutrition claims has been established and is updated regularly. Health claims cannot fail any criteria.

Detailed information on the EU's Nutrition and Health Claims policy can be found on the USEU/FAS website at http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/nutrition-health-claims/ and in the EU-28 "Food and Agricultural Import Regulations and Standards (FAIRS) Report.

Key Link: http://ec.europa.eu/nuhclaims/

Food Information to Consumers

In 2011, the EU adopted a new regulation on the provision of food information to consumers (1169/2011). The new EU labeling requirements will apply from December 13, 2014 except for the mandatory nutrition declaration which will apply from December 13, 2016.

Detailed information on the EU's new food labeling rules can be found on the USEU/FAS website at http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/eu-labeling-requirements/ and in the EU-28 "Food and Agricultural Import Regulations and Standards (FAIRS) Report.

Key link: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:304:0018:0063:EN:PDF

Food Supplements

Directive 2002/46/EC harmonizes the rules on labeling of food supplements and introduces specific rules on vitamins and minerals in food supplements. Ingredients other than vitamins and minerals are still regulated by member states.

Regulation 1925/2006, applicable as of July 1, 2007, harmonizes rules on the addition of vitamins and minerals to foods. The regulation lists the vitamins and minerals that may be added to foods. This list was most recently revised in November 2009. A positive list of substances other than vitamins and minerals has not been established yet, although it is being developed. Until then, member state laws will govern the use of these substances.

Key Link: http://ec.europa.eu/food/food/labellingnutrition/supplements/index_en.htm

Tobacco

The EU Tobacco Advertising Directive bans tobacco advertising in printed media, radio, and internet as well as the sponsorship of cross-border events or activities. Advertising in cinemas and on billboards or merchandising is allowed, though these are banned in many member states. Tobacco advertising on television has been banned in the EU since the early 1990s and is governed by the Audiovisual Media Services Directive. A revised Tobacco Products Directive has been adopted and must now be transposed into national legislation by member states by 2016. The new legislation will include bigger, double-sided health pictorial warnings on cigarette packages and possibility for plain packaging along with health warnings, tracking systems.

Key link: http://ec.europa.eu/health/tobacco/products/

Pricing

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The minimum monthly salary for 2014 in Slovakia is Euro 352 (USD 478) per month and the average salary is about Euro 803 (USD 1,090) per month. Thus, price remains a key and sensitive factor for consumers. There is, however, a sizeable segment of the population with significantly higher earning power. There is a gap between prices in urban areas and those in rural areas. Most food prices remain below EU levels.

Sales Service/Customer Support

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All entities, Slovak and foreign, must provide two-year warranties and after-sales service, especially for technical products. There is currently no law requiring a company registered in Slovakia to provide this service itself, but it must be able to arrange service for customers either within Slovakia or abroad.

European Union (EU) Laws and Regulations

Conscious of the discrepancies among member states in product labeling, language use, legal guarantee and liability, the redress of which inevitably frustrates consumers in cross-border shopping, the EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service and customer support.

Product Liability

Under the 1985 Directive on Liability of Defective Products, amended in 1999, the producer is liable for damage caused by a defect in his product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). A reduction of liability of the manufacturer is granted in cases of negligence on the part of the victim.

Key link:
http://ec.europa.eu/enterprise/policies/single-market-goods/product-liability/

Product Safety

The 1992 General Product Safety Directive introduces a general safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation on the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, and a ban on exports of products to third countries that are not deemed safe in the EU. The legislation is still undergoing review.

Key link: http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-sales Service

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are:

- Repair of the good(s);
- Replacement of the good(s);
- A price reduction; or
- Rescission of the sales contract.

Key link: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:01999L0044-20111212&qid=1395670475658&from=EN

Other issues pertaining to consumers' rights and protection, such as the New Approach Directives, CE marking, quality control and data protection are dealt with in Chapter 5 of this report.

Protecting Your Intellectual Property

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Introduction

Several general principles are important for effective management of intellectual property ("IP") rights in the EU. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in the EU than in the United States. Third, rights must be registered and enforced in the EU under local laws. Your U.S. trademark and patent registrations will not protect you in the EU. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the EU market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally, cannot enforce rights for private individuals in EU. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in EU law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in the EU require constant attention. Work with legal counsel familiar with EU laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both EU or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at **www.StopFakes.gov**.

- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.

- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.

- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Angola, Argentina, Brazil, China, Colombia, Egypt, Ghana, India, Indonesia, Kenya, Mexico, Mozambique, Nigeria, Russia, Saudi Arabia, Senegal, South Africa, Thailand, Turkey and Vietnam. For details and to register, visit: http://www.stopfakes.gov/business-tools/international-ip-advisory-program

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: **www.StopFakes.gov** This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

- The U.S. Commerce Department has positioned IP attachés in key markets around the world. For contact information, please see: http://www.uspto.gov/ip/global/attache/Attache_Contacts_2012-08.doc

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The Bratislava office of the U.S. Commercial Service can assist U.S. companies in evaluating potential business partners. The International Company Profile Service (ICP) helps U.S. companies evaluate potential business partners by providing a detailed report on Slovak companies which have been personally visited by a Commercial Specialist or Commercial Officer of the U.S. Commercial Service. Through the ICP, clients can request answers to detailed questions about Slovak companies on a variety of issues and receive expert advice from our commercial staff about the relative strength of the firm in its market and its reliability, among other things. For more information please contact office.bratislava@trade.gov.

European Union (EU) Laws and Regulations

Product safety testing and certification is mandatory for the EU market. U.S. manufacturers and sellers of goods have to perform due diligence in accordance with mandatory EU legislation prior to exporting.

Local Professional Services Return to top

A number of law firms in Slovakia conduct business in English and are familiar with U.S. laws. A few U.S. firms have offices in Slovakia. U.S. companies seeking a list of English-speaking attorneys may contact the U.S. Commercial Service office in Bratislava at office.bratislava@trade.gov. More information on individual law firms can be obtained from the Slovak Chamber of Attorneys.

European Union (EU) Laws and Regulations

Local service providers focusing on EU law, consulting, and business development can be viewed on the website maintained by the Commercial Service at the U.S. Mission to the European Union at:
http://export.gov/europeanunion/businessserviceproviders/index.asp.

For information on professional services located within each of the EU member states, please see EU Member State Country Commercial Guides which can be found at the following website EU Member States' Country Commercial Guides.

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Slovak websites:

Slovak Commercial Register
www.orsr.sk

Database of Slovak Companies
http://www.zlatestranky.sk/

American Chamber of Commerce in the Slovak Republic
http://www.amcham.sk

Slovak Chamber of Attorneys
www.sak.sk

Slovak Investment and Trade Development Agency
www.sario.sk

Slovak Franchise Association
www.slovak-franchise.sk

Public Procurement Office of the Slovakia
www.uvo.gov.sk

Industrial Property Office
www.upv.sk

Media and Copyright Division, Ministry of Culture
www.culture.gov.sk/media-audiovizia

EU websites:
Coordination of the laws of the member states relating to self-employed commercial agents (Council Directive 86/653/EEC):
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML

Agreements of Minor importance which do not appreciably restrict Competition under Article 81(1) of the Treaty establishing the European Community:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2001:368:0013:0015:EN:PDF

Directive on Late Payment:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF

European Ombudsman:
http://www.ombudsman.europa.eu/home/en/default.htm

EU's General Data Protection Directive (95/46/EC):
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1995:281:0031:0050:EN:PDF

Safe Harbor:
http://export.gov/safeharbor/eu/eg_main_018476.asp
Information on contracts for transferring data outside the EU:
http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index_en.htm

EU Data Protection Homepage:
http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm
Distance Selling Rules:
http://ec.europa.eu/consumers/cons_int/safe_shop/dist_sell/index_en.htm

Distance Selling of Financial Services:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:271:0016:0024:EN:PDF

E-commerce Directive (2000/31/EC):
http://ec.europa.eu/internal_market/e-commerce/index_en.htm

VAT on Electronic Service:
http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

The Unfair Commercial Practices Directive:
http://ec.europa.eu/consumers/rights /

Information to Patients - Major developments:
http://ec.europa.eu/health/human-use/information-to-patient/legislative-developments_en.htm

Nutrition and health claims made on foods - Regulation 1924/2006
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:012:0003:0018:EN:PDF

Regulation on Food Information to Consumers:
Regulation 1169/2011

EU-27 FAIRS EU Country Report on Food and Labeling requirements:
http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/fairs-reports/

Guidance document on how companies can apply for health claim authorizations:

Summary document from EFSA
http://www.efsa.europa.eu/cs/BlobServer/Scientific_Opinion/nda_op_ej530_guidance_summary_en.pdf?ssbinary=true

Health & Nutrition Claims
http://ec.europa.eu/food/food/labellingnutrition/claims/index_en.htm

Tobacco
http://ec.europa.eu/health/tobacco/policy/index_en.htm

Product Liability:
http://europa.eu/legislation_summaries/consumers/consumer_safety/l32012_en.htm

Product Safety
http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-Sales Service:
http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:01999L0044-20111212&qid=1395670475658&from=EN

Copyright:
http://ec.europa.eu/internal_market/copyright/documents/documents_en.htm

Harmonization of certain aspects of Copyright and related rights in the Information Society - Copyright Directive (2001/29/EC):
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32001L0029:EN:HTML

Industrial Property
http://ec.europa.eu/internal_market/indprop/index_en.htm

Trademark
http://ec.europa.eu/internal_market/indprop/tm/index_en.htm

European Patent Office (EPO)
http://www.european-patent-office.org/

Office for Harmonization in the Internal Market (OHIM)
http:/oami.europa.eu/

World Intellectual Property Organization (WIPO) Madrid
http://www.wipo.int/madrid/en

U.S. websites:

IPR Toolkit:
http://www.stopfakes.gov/sites/default/files/europeanunion_toolkit.pdf

EU Public Procurement:
http://export.gov/europeanunion/marketresearch/eufundingandgovernmentprocurementsectors/index.asp

Local Professional Services:
http://export.gov/europeanunion/businessserviceproviders/index.asp

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Chapter 4: Leading Sectors for U.S. Export and Investment Commercial Sectors

Mineral Fuel, Oil, Bitumin Substances, HS Code 27

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Unit: USD thousands

	2011	2012	2013	2014 (estimated)
Total Market Size	14,474,722	13,926,054	10,869,868	10,500,000
Total Local Production	8,180,326	8,550,683	5,600,008	5,000,000
Total Exports	5,051,281	4,786,662	4,892,173	4,500,000
Total Imports	11,345,677	10,162,033	10,162,033	10,000,000
Imports from the U.S.	102,354	102,728	55,601	100,000
Exchange Rate: 1 USD	0.75	0.75	0.75	0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:

Total Local Production: Statistical Office of the Slovak Republic
Total Exports: Global Trade Atlas
Total Imports: Global Trade Atlas
Imports from U.S.: Global Trade Atlas
Exchange Rate: European Central Bank

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The following specific items were the leading exports from the U.S. to Slovakia covered by this Leading Sector, ranked in USD from 2012 to 2013:

	ITEM	2012	2013
2701	Coal; Briquettes, Ovoids Etc. Mfr From Coal	101081497	104906603
2710	Oil (Not Crude) From Petrol & Bitum Mineral Etc.	1557884	826913
2712	Petroleum Jelly; Mineral Waxes & Similar Products	75754	96743

Opportunities
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Black coal and briquettes made from black coal are used primarily for production of iron and steel. There are two main producers of iron and steel in Slovakia - U.S. Steel in Kosice and Zeleziarne Podbrezova in Podbrezova. There is also growing trend for import of bituminous coal and petroleum jelly that is used by chemical and other industries for further reprocessing and production of final goods.

Web Resources
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Statistical Office of the Slovak Republic

Slovak Ministry of Economy

Slovak Customs Office

Reactors, Boilers, Equipment, Machinery HS Code 84

Overview
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Unit: USD thousands

	2011	2012	2013	2014 (estimated)
Total Market Size	7,145,424	7,391,651	5,873,298	7,000,000
Total Local Production	7,298,720	7,697,067	7,029,010	7,000,000
Total Exports	8,932,985	9,127,728	10,135,970	9,000,000
Total Imports	8,779,689	8,822,312	8,980,258	9,000,000
Imports from the U.S.	64,671	76,533	82,280	80,000
Exchange Rate: 1 USD	0.75	0.75	0.75	0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:

Total Local Production: Statistical Office of the Slovak Republic
Total Exports: Global Trade Atlas
Total Imports: Global Trade Atlas
Imports from U.S.: Global Trade Atlas
Exchange Rate: European Central Bank

Sub-Sector Best Prospects
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The following specific items were the primary exports from the U.S. to Slovakia covered by this Leading Sector, ranked in USD from 2012 to 2013:

	ITEM	2012	2013

8407	Spark-Ignition Recip Or Rotary Int Comb Piston Eng	16,713,553	26,702,779
8413	Pumps For Liquids; Liquid Elevators; Parts Thereof	5,799,635	7,945,139
8481	Taps, Cocks, Valves Etc For Pipes, Tanks Etc, Pts	5,143,100	7,891,073
8471	Automatic Data Process Machines; Magn Reader Etc	13,526,013	5,882,684
8414	Air Or Vac Pumps, Compr & Fans; Hoods & Fans; Pts	3,888,708	2,993,418
8467	Tools For Working In The Hand, Pneum Hyd Etc, Pts	1,511,341	2,731,513
8462	Machine Tools For Forging, Bending, Stamping Etc	1,544,609	2,601,647
8412	Engines And Motors Nesoi, And Parts Thereof	106,991	2,239,730
8417	Industrial Or Lab Furnaces & Ovens, Nonelect, Pts	2,294,383	2,111,172
8433	Harvest Etc Machines, Cleaning Eggs Etc Nesoi, Pts	1,743,264	1,513,043
8479	Machines Etc Having Individual Functions Nesoi, Pt	2,491,320	1,451,778
8483	Transmission Shafts, Bearings, Gears Etc; Parts	2,157,549	1,303,417
8466	Parts Etc For Machine Tools Of Head 8456 To 8465	2,376,052	1,302,069
8473	Parts Etc For Typewriters & Other Office Machines	944,914	1,273,435
8419	Machinery Etc For Temp Chang Treat Mat; W Heat, Pt	383,340	1,226,740
8421	Centrifuges; Filter Etc Mach For Liq Or Gases; Pts	777,740	1,206,351
8438	Mach Nesoi, Ind Prep Of Food Or Drink Etc, Parts	839,354	1,108,733
8443	Print Mach Incl Ink-Jet Mach Ancil T Prnt Pt Nesoi	604,881	1,035,403

Opportunities Return to top

Excellent opportunities exist in the energy sector, which is mostly covered by HS 84. Slovakia had a shortage of electricity production capacity after closing two 440MW nuclear reactors at Nuclear Power Plant Jaslovske Bohunice in 2006 and 2008. The Slovak and U.S. government signed the Joint Declaration Agreement concerning industrial and commercial cooperation in the nuclear energy sector in March 2012.

The most important planned energy project is the construction of a new 1000MW to 1200MW “third+ generation” nuclear power plant by approximately 2025. This project will most likely be situated in Jaslovske Bohunice in order to use the existing infrastructure network from the two reactors that are already closed at the site. The Feasibility Study for the new plant was completed in 2012. Construction costs are estimated to be between Euro 4 to 6 billion Euro. The Slovak Government decided that the new nuclear power plant will be constructed by a joint venture company created by the state-owned Slovak company JAVYS a.s. (the Slovak Nuclear Decommissioning Company) and the Czech company CEZ a.s. As a result, JAVYS a.s. and CEZ a.s. signed a joint venture agreement in May 2009. The new company, JESS a.s., was established on December 31, 2009. JAVYS a.s. owns 51% of JESS a.s. and CEZ owns 49%. In late 2012 CEZ decided to sell their shares to Russian ROSATOM.   In September 2013, JESS signed a contract with AMEC, the winner of the tender for the Environmental Impact Assessment (EIA). AMEC should complete and deliver the EIA to JESS by August 2016. According to several energy experts, there are three major potential suppliers of "third generation" reactors for the new plant, Atomstroyexport from Russia, Areva from France and Westinghouse from the U.S.

The Slovak Government plans to create a new facility to be used as a final storage disposal site for used nuclear fuel and other nuclear waste. The total planned investment is approximately USD 4.7 billion. The government is considering five potential locations for this facility.

There is promising U.S. export potential in the renewable energy sector, specifically for thermo solar, biomass, biogas, geothermal, hydro, biofuel and alternative fuel technologies. Despite Slovakia's extensive use of forestry waste for energy production, it is estimated that only 17 % of this resource is currently being utilized. A significant amount of biomass could potentially be used to generate electricity on a large scale, or perhaps be utilized to supply heat for residential and industrial needs. Slovakia has significant geothermal resources, and some of them have high thermodynamic potential. For example, the Kosice basin has areas suitable for development of geothermal projects. Slovakia also has over 211 small hydropower plants currently in operation. In addition, there are about 250 locations on Slovak rivers (the Danube, Váh, Hron, Bodrog and Hornád) that have nearly 130 MW of generation potential. Slovakia downsized the maximum allowed by law for installed capacity for photovoltaic power plants to 100 kW. In total, 1,663 photovoltaic power plant projects with a total installed capacity of 453 MW were approved by the end of 2013 and they might represent good export opportunities for U.S. suppliers of photovoltaic technologies. All applications for wind projects are currently on hold, so there is limited potential at this time for U.S. exporters of wind energy technologies.

In addition, opportunities for the sale of machine, tools, and production technologies to a number of industries including construction industry, food industry and automotive industry. A number of new automotive subcontractors that have opened production facilities near the three OEM (original equipment manufacturer) automobile manufacturing plants in Slovakia, Volkswagen in Bratislava, Kia in Zilina and PSA/Peugeot in Trnava.

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Statistical Office of the Slovak Republic

Slovak Ministry of Economy

Slovenske Elektrarne a.s.

Energy Centre

Slovak Energy Agency

Slovak Electricity and Dispatch Company - SEPS

JAVYS a.s.

JESS a.s.

Public Procurement Office

Slovak Customs Office

Optical, Photo, Medical/Surgical Instruments, HS Code 90

Overview

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Unit: USD thousands

	2011	2	2013	2014 (estimated)
Total Market Size	9,193,480	10,159,658	9,990,479	9,800,000
Total Local Production	7,404,800	7,520,000	7,445,333	7,000,000
Total Exports	872,692	885,347	825,216	800,000
Total Imports	2,661,372	3,525,005	3,370,362	3,600,000
Imports from the U.S.	38,143	36,339	37,364	35,000
Exchange Rate: 1 USD	0.75	0.75	0.75	0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:

Total Local Production: Statistical Office of the Slovak Republic
Total Exports: Global Trade Atlas
Total Imports: Global Trade Atlas
Imports from U.S.: Global Trade Atlas
Exchange Rate: European Central Bank

Sub-Sector Best Prospects

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The following specific items were the leading exports from the U.S. to Slovakia covered by this Leading Sector, ranked in USD from 2012 to 2013:

9031	Machines, Nesoi In Chapter 90; Profile Project, Pt	14,702,775	9,849,654
9018	Medical, Surgical, Dental Or Vet Inst, No	7,620,199	7,629,818

	Elec, Pt		
9026	Inst Etc Measure Or Check Flow, Level Etc, Pts Etc	2,259,585	6,869,277
9027	Inst Etc For Physical Etc Anal Etc; Microtome; Pts	3,192,693	4,382,113
9032	Automatic Regulating Or Control Instruments; Parts	3,770,615	2,198,815
9029	Revolution & Production Count, Taximeters Etc, Pts	523,155	941,662
9030	Oscilloscopes, Spectrum Analyzers Etc, Parts Etc	723,263	888,400
9022	X-Ray Etc Apparatus; Tubes, Panels, Screen Etc, Pt	1,100,094	804,677
9021	Orthopedic Appl; Artif Body Pts; Hear Aid; Pts Etc	1,060,162	517,602
9001	Opt Fibers & Bund Etc; Pol Sheets; Unmoun Opt Elem	703,826	508,232
9013	Liquid Crystal Devices Nesoi; Lasers; Opt Appl; Pt	164,890	494,543
9015	Survey, Hydrogr, Meteoro Etc Inst; Rangef Etc, Pts	210,017	471,955
9024	Machines Etc For Testing Mech Prop Of Material, Pt	784,662	401,035
9019	Mech-Ther, Massage, Psych Test, Ozone App Etc, Pts	226,910	220,969
9014	Direction Finding Compasses & Navig Inst Etc, Pts	68,145	197,328
9028	Gas, Liquid Or Electric Supply Etc Meters, Parts	180,834	195,595
9025	Hydrometers, Thermometers, Pyrometers Etc; Pts Etc	80,588	154,442
9005	Optical Telescopes & Mount; Astro Inst & Mount, Pt	108,067	132,038
9031	Machines, Nesoi In Chapter 90; Profile Project, Pt	14,702,775	9,849,654

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Optical, photo and measuring equipment consumption has increased in Slovakia. The market has become increasingly focused on "high tech" products. Most equipment is still imported. New entrants face competition from the same international competitors they encounter elsewhere in the world. Most opportunities are in industrial production, especially automotive, and in the medical and dental sectors.

Automobile and automotive parts and components production dominate industrial applications for products in this leading sector. Three major OEM manufacturers and many automotive parts and components suppliers are located in Slovakia. Due to the introduction of new small car models produced in Slovakia as of 2011 as well as plug-in hybrid car models as of 2013, demand for quality measuring and testing equipment increased.

Private health care services have been introduced in Slovakia and consequently most private health care centers are investing considerable amounts of money in new health care equipment. Moreover, there are about 3,000 dentists in Slovakia and most are private practitioners who receive full payment for their services directly from patients. Private dental clinics are interested in keeping up-to-date on the latest technological advances and procuring new equipment to satisfy the demands of their customers. Especially promising segments for U.S. suppliers of dental equipment are laser dentistry, implants and cosmetic/aesthetic dentistry.

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Automotive Industry Association of the Slovak Republic

Statistical Office of the Slovak Republic

Slovak Dental Chamber

Automotive Parts and Components, HS Code 87

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Unit: USD thousands

	2011	2012	2013	2014 (estimated)
Total Market Size	9,737,052	8,646,235	9,499,023	7,800,000
Total Local Production	17,596,800	18,419,473	20,894,933	20,000,000
Total Exports	16,803,987	18,969,152	21,140,997	22,000,000
Total Imports	8,944,239	9,195,914	9,745,087	9,800,000
Imports from the U.S.	16,766	18,713	15,207	20,000
Exchange Rate: 1 USD	0.75	0.75	0.75	0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:

Total Local Production: Statistical Office of the Slovak Republic
Total Exports: Global Trade Atlas
Total Imports: Global Trade Atlas
Imports from U.S.: Global Trade Atlas
Exchange Rate: European Central Bank

Sub-Sector Best Prospects Return to top

The following specific items were the leading exports from the U.S. to Slovakia covered by this Leading Sector, ranked by USD from 2012 to 2013:

	ITEM	2012	2013
8701	Tractors (Other Than Works Trucks Of Heading 8709)	8,473,053	7,788,145
8708	Parts & Access For Motor Vehicles (Head 8701-8705)	7,350,927	4,911,091
8703	Motor Cars & Vehicles For Transporting Persons	1,841,462	1,066,391
8705	Special Purpose Motor Vehicles Nesoi	0	697,782
8714	Parts & Access For Cycles & Invalid Carriages	372,328	424,864
8711	Motorcycles (Incl Mopeds) & Cycles With Aux Motor	286,526	176,802
8704	Motor Vehicles For Transport Of Goods	59,337	65,252
8716	Trailers Etc; Other Vehicles, Not Mech Propeld, Pt	195,123	28,522
8707	Bodies (Including Cabs), For Specif Motor Vehicles	45,094	23,845
8712	Bicycles & Oth Cycles (Inc Del Tricycle) No Motor	29,082	20,671
8709	Works Trucks, Self-Prop, No Lift; Stat Tractrs; Pt	32,028	3,054
8713	Carriages For Disabled Persons,Motorized Or Not	4,550	829
8715	Baby Carriages (Inc Strollers) And Parts Thereof	1,176	143

Opportunities

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Automobile and Tier 1 Supplier Production

With only three car manufacturers Slovakia is the largest producer of automobiles per capita in the world (181). Altogether 980,000 cars were produced in Slovakia in 2013 which is a 5.8% increase compared to FY 2012. Automotive production represents about 30% of Slovakia's GDP and 26% of Slovakia's exports. In 2012 there were over 250 Tier 1 and Tier 2 (employing over 70,000 people) auto suppliers in Slovakia, providing parts and subassemblies to clients throughout Europe and beyond.

The benefits of Slovakia's geographic location include its proximity to automobile plants in other countries. There are approximately 12 automobile manufacturing plants within the Slovak and Czech Republics, Poland and Hungary.

The allocation by manufacturer is:

VW Slovakia in Bratislava in 2013 used its production capacity 105% (*418,595 units - not FY 2013 data). (Models: VW Touareg, Audi Q7, VW up!, Škoda Citigo and SEAT Mii)

PSA Slovakia in Trnava used 72% of its production capacity (248,405 units) in 2013. (Models: Citroën C3 Picasso and Peugeot 208)

KIA Motors Slovakia in Zilina used 97% of its production capacity (313,000 units) in 2013. (Models: cee'd, cee'd_cw, pro_ cee'd GT, pro_ cee'd, Sportage, Venga)

All three car manufacturers are expanding their production since 2011 and are currently exporting primarily to the EU markets (mainly Germany, Italy, France, the Netherlands, Great Britain), USA, Russia and China. The exotic export markets include Taiwan and Uruguay.

Automobile Parts and Aftermarket Products

Slovakia is an EU member country and thus the market for automobile parts and equipment is largely saturated by products from countries such as Germany, Austria and France. Competitive pricing and just-in-time delivery are essential for U.S. suppliers to be successful in selling to the three OEM automobile manufacturers in Slovakia and to their Tier 1 suppliers.

The recent data provided by Slovak Automotive Industry Association show that the most purchased car brands in Slovakia in 2013 were:

	M1 – Passenger Cars		N1 – SUV	
Rank	**Brand**	**Market Share 2013**	**Brand**	**Market Share 2013**
1.	ŠKODA	19,93 %	FIAT	24,57 %
2.	VW	9,71 %	PEUGEOT	14,86 %
3.	HYUNDAI	8,09 %	CITROEN	14,29 %
4.	KIA	7,54 %	RENAULT	10,36 %
5.	PEUGEOT	6,46 %	VW	9,16 %

In the category of luxury cars, Slovaks prefer BMW, Mercedes-Benz and Audi. In general, the most demanded models are: Skoda Citigo, Skoda Fabia 2 Combi, Skoda Octavia 3, VW Passat Variant, BMW R5, BMW R7, BMW R6, Skoda Yeti and Skoda Roomster.

N2 market (trucks up to 12 tons) is dominated by IVECO, MAN and RENAULT Trucks. Compared to FY 2012 N2 category recorded a 16% sales decrease in 2013, while N3 category sales (trucks over 12 tons) represented mainly by VOLVO, MERCEDES-BENZ and MAN grew in 2013 by 14%.

Excellent opportunities exist for U.S. automotive suppliers interested in selling parts to local auto plants, the automotive aftermarket, as well as to companies experienced in education /training and R&D/test production activities. U.S. automobile aftermarket products such as in-car entertainment, automobile security equipment and "car care" items are all good prospects for the Slovak market.

Slovakia has difficulty in finding experienced electronic and technical engineers, technologists, designers, quality controllers, logisticians, purchasers and maintenance people who speak at least one foreign language. Specialists for IT and managerial positions are in high demand. Thus, U.S. suppliers of training programs that focus on technical skills and foreign language ability will find opportunities in Slovakia.

In Slovakia there is excellent potential for penetration into the R&D activities of the large automobile corporations in specific segments. The development of applied R&D (innovative materials, components, complex solutions and adjacent processing and recycling of waste) is essential and integration of Slovak research workstations into R&D of cars, development of components, aggregates, technologies for car production and car assembly must be consistent.

The Slovak government and Slovak Automotive Industry Association's goals are to support and streamline professional education, create R&D base, improve cooperation of OEM automobile manufacturers with sub-suppliers, support sub-suppliers and finalize the law on waste and recycling of old automobiles.

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Automotive Industry Association of the Slovak Republic

Statistical Office of the Slovak Republic

Slovak Ministry of Economy

Electrical Machinery, Sound Equipment, HS Code 85

Overview

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Unit: USD thousands

	2011	2012	2013	2014 (estimated)
Total Market Size	6,185,207	5,594,467	5,340,467	6,000,000
Total Local Production	8,247,466	8,342,398	8,001,065	7,000,000
Total Exports	16,626,990	16,652,713	18,116,349	16,000,000
Total Imports	14,564,731	13,904,782	15,455,751	15,000,000
Imports from the U.S.	47,746	31,180	33,267	45,000
Exchange Rate: 1 USD	0.75	0.75	0.75	0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:

Total Local Production: Statistical Office of the Slovak Republic
Total Exports: Global Trade Atlas
Total Imports: Global Trade Atlas
Imports from U.S.: Global Trade Atlas
Exchange Rate: European Central Bank

Sub-Sector Best Prospects

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The following specific items were the leading exports from the U.S. to Slovakia covered by this Leading Sector, ranked in USD from 2012 to 2013:

	ITEM	2012	2013
8517	Electric Apparatus For Line Telephony Etc, Parts	1,787,204	8,903,957
8504	Elec Trans, Static Conv & Induct, Adp Pwr Supp, Pt	5,105,595	4,238,861
8542	Electronic Integrated Circuits & Microassembl, Pts	7,821,618	4,233,657
8536	Electrical Apparatus For Switching Etc, Nov 1000 V	2,216,501	2,613,393
8544	Insulated Wire, Cable Etc; Opt Sheath Fib Cables	1,735,504	1,805,896
8543	Electrical Mach Etc, With Ind Functions Nesoi, Pts	752,530	1,692,012
8523	Prepared Unrecorded Media (No Film) For Sound Etc.	1,170,935	1,500,324
8537	Boards, Panels Etc Elec Switch And N/C Appar Etc.	488,742	1,484,282
8501	Electric Motors And Generators (No Sets)	909,564	906,978
8541	Semiconductor Devices; Light-Emit Diodes Etc, Pts	851,490	723,285
8525	Trans Appar For Radiotele Etc; Tv Camera & Rec	1,089,701	719,764
8518	Microphones; Loudspeakers; Sound Amplifier Etc, Pt	437,519	659,248
8534	Printed Circuits	378,582	647,434
8529	Parts For Television, Radio And Radar Apparatus	1,734,922	506,839
8538	Parts For Elec Appar Etc Of Head 8535, 8536 & 8537	345,400	430,051
8531	Electric Sound Or Visual Signaling Apparatus, Pts	192,723	376,070
8547	Insulating Fittings For Assembly Nesoi	365,445	283,998
8515	Electric, Laser Or Oth Light Or Photon Beam Etc	442,893	259,588

Opportunities

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The development of Slovakia’s ICT market reflects spending from banks, private companies, financial service institutions and the public sector. Growth from the implementation of new networks plus maintenance of hardware and software continues, with the main end users of hardware equipment coming from the financial sector, insurance companies, government ministries, the parliament and state administrative offices. Local industries, such as automobile manufacturers, engineering companies, and energy production and distribution companies, are also contributing to the growth of ICT sector.

The high demand for ICT services also explains the growing complexity of ICT solutions and the popularity of packaged applications, increased user investments in networking and communications, and the increasing importance of the Internet, e-commerce and rising FDI inflows.

The best prospects in the area of Business Process Technology are system and application software, customized software, client-oriented multi-currency banking information systems, software for electronic distribution channels providing all basic retail functions, complex information systems for card services, decision-support information systems, information systems for management staff, and complex information systems for insurance companies.

The best prospects in Communication Technology are: smart phones, tablets, cloud technology, Wireless Application Protocol (WAP) services, 4G equipment and solutions. There are also opportunities for alternate hard-line operators and other new services such as call centers, home-work services, and tele-education or distance learning services.

The best prospects in Digital Equipment & Systems are server systems, work stations & personal computers, servers, data communications equipment, packet switching & routing equipment, PBX, key systems & circuit switching equipment, data com and network equipment, system & application software, switched data & leased line services, cable & digital TV services, set-top boxes, and presentation technology.

Analog television is no longer broadcast in Slovakia since January 1, 2012. End-users had already replaced traditional CRTs or analog plasma with digital flat panel displays. Advances in digital technology for the AV/IT/Telecommunications/Consumer Electronics markets are stimulating demand for the latest innovations in both the residential and business sectors. Technological developments gradually being adopted in the market include “triple play” internet services offered by companies such as Slovanet (www.slovanet.sk), T-Com (www.tcom.sk) and Orange (www.orange.sk), interactive cable TV offered by companies such as UPC (www.upc.sk), 3D TV, video on demand, wireless AV applications, streaming media and HDTV.

The consumer electronics entertainment segment of the AV market is the largest and fastest growing segment in this best prospect sector. Among television sets, there is a trend towards medium-size or large digital LED or LCD units with DVBT, DVBS and DVBC receivers. Popular products include 3D LED and LCD TVs, DVD players/recorders, Digital Portable Audio Players (mp3), “set top boxes,” HiFi audio equipment and digital satellite receivers. For the business segment, popular AV products include electronic display systems and signage, projectors and control systems. Demand for wireless/mobile/portable products is growing.
Good opportunities also exist in the telecommunications sector for innovative peripheral products and services. The largest customers in telecommunications are the three mobile operators in Slovakia, Orange, T mobile, O2 and the fixed-line land operator Telecom.

Consulting, education and training services in area of ICT and audiovisual equipment might be good added value service best prospect as many SMEs and large enterprises implement or will implement the newest ICT solutions as for example data storage on clouds, thin office models, home working, web conferences and others.

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Statistical Office of the Slovak Republic

Slovak Ministry of Economy

Orange

T mobile

O2

T-Com

Plastics and articles thereof, HS Code 39

Overview Return to top

Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	5,277,939	6,063,410	6,416,826	6,000,000
Total Local Production	4,763,200	5,168,000	5,616,000	5,100,000
Total Exports	2,588,898	2,249,113	2,389,366	2,300,000
Total Imports	3,103,637	3,144,523	3,190,192	3,200,000
Imports from the U.S.	4,846	21,291	8,395	20,000
Exchange Rate: 1 USD	0.75	0.75	0.75	0.75

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:
Total Local Production: Statistical Office of the Slovak Republic
Total Exports: Global Trade Atlas
Total Imports: Global Trade Atlas
Imports from U.S.: Global Trade Atlas
Exchange Rate: European Central Bank

Sub-Sector Best Prospects Return to top

The following specific items were the leading exports from the U.S. to Slovakia covered by this Leading Sector, ranked in USD from 2012 to 2013:

	ITEM	2012	2013
3919	Self-Adhesive Plates, Sheets, Film Etc Of Plastics	12,125,122	1,866,089
3917	Tubes, Pipes & Hoses & Their Fittings, Of Plastics	1,033,338	1,784,883
3926	Articles Of Plastics (Inc Polymers & Resins) Nesoi	928,564	1,281,699
3923	Containers (Boxes, Bags Etc), Closurers Etc, Plast	863,513	965,958
3908	Polyamides In Primary Forms	5,143,585	774,765
3920	Plates, Sheets, Film Etc No Ad, Non-Cel Etc, Plast	323,169	467,885
3921	Plates, Sheets, Film, Foil & Strip Nesoi, Plastics	119,936	262,142
3916	Monofil, Cr-Sect Ovimm, Rods, Sticks Etc, Plastics	19,444	252,593
3902	Polymers Of Propylene Or Other Olefins, Prim Forms	71,421	180,108
3909	Amino-Resins, Phenolics & Polyurethanes, Prim Form	349,063	177,028
3901	Polymers Of Ethylene, In Primary Forms	2,340	151,117
3907	Polyethers, Expoxides & Polyesters, Primary Forms	80,723	94,318
3904	Polymers Of Vinyl Chloride Etc., In Primary Forms	11,378	40,370
3910	Silicones, In Primary Forms	27,572	25,758
3924	Tableware & Other Household Articles Etc, Plastics	149,915	18,621
3925	Builders' Ware Of Plastics, Nesoi	4,477	16,388
3918	Floor Cover (Rolls & Tiles) & Wall Cover, Plastics	8,775	11,422
3905	Polymers Of Vinyl Acetate & Oth Vinyl Polym, Pr Fm	22,384	8,784

Opportunities

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Plastics are used in a wide range of industrial sectors. Given the competitive qualities of plastics, including durability and low maintenance requirements, plastics products are being used more and more in the automotive, household, industrial and agricultural sectors. There has also been a significant increase in use of plastics by information technology, healthcare product and electronics producers in Slovakia. Plastics continue to replace traditional materials such as metal, wood and leather.

Polypropylene (PP) and polyethylene (PE) films are used in the packaging industry. Mineral water and soft drink consumption is growing steadily. PET, HDPE and LDPE are processed into plastic bottles, food containers and bags used in the food and cosmetics industries. The trend is to package more food items individually, which in turn requires more packaging materials. The major raw material, PVC, is necessary for cable and wire manufacturing, as well as pipe manufacturing. Plastic materials also are important components in the production of apparel and sporting goods.

Several Slovak companies manufacture plastics to meet demand on the Slovak market. Since larger plants are able to produce in greater quantities, their presence in the marketplace often makes it difficult for smaller firms to compete on price. In Slovakia, the plastic industry consists of two segments, plastic raw materials production and plastic processing. Producers are responsible for making the plastic raw materials, while processors use plastic raw materials to manufacture end-products such as tubes, pipes, hoses, floor covers, plates, sheets, films, boxes, bags, and household articles.

The key Slovak industrial market players that import large quantities of plastics include Slovnaft, Plastika, QUINN PLASTICS SLOVAKIA, BAUMIT, ICOPAL and Chemosvit. . There are about 320 small and medium sized plastic product producers in Slovakia, e.g. INERGY Automotive Systems, Nexis Fibers or ENL. In most cases they use extrusion or injection molding technologies for the production of plastic products. There are good opportunities for U.S. companies to supply extrusion or injection molding technologies, color concentrates, additives, granules and other materials needed in plastic production.

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Plastic Portal

Plastics Europe

Slovak Ministry of Economy

Emerging Subsectors

Water Purification and Sewage Treatment

There are 17 municipal water companies that drive this sector’s growth. Fifteen companies are operated directly by municipalities and two water companies, located in Poprad and Banska Bystrica, rent their pipeline networks to the French utility company Veolia. Servicing water and sewage networks in Slovakia presents long-term business opportunities for U.S. companies. Another opportunity is the sale of water treatment plants, water and sewage equipment and technology for pipeline networks, as the construction and reconstruction of wastewater treatment facilities and pipeline networks is a high priority in Slovakia. In addition, there are a number of small and medium-size construction projects that have water treatment needs. These include, for example, water treatment plants or water purification technologies for new factories, and recreational or urban areas not connected to the public water network. These smaller projects are usually covered by local companies that are potential U.S. buyers.

There are three main conditions that have contributed to transactions in water treatment over the last seven years. First, the Slovak Government eliminated distorted prices and cross subsidies through the implementation of legislation overseen by the Regulatory Office for Network Utilities. Also, the national government transferred existing water and sewage pipe systems and treatment plants to municipalities. Lastly, EU funds for infrastructure development provided additional financial sources.

Renewable Energy

There is a window of opportunity for renewable energy sources in the Slovakia, including biomass, biogas, hydro, and geothermal, to ensure Slovak energy security and sustainability. Economic efficiency and the return on investment are the two key factors that will decide which renewable energy sources will be adopted.

Biomass is considered to be a promising renewable source that will replace the use of some fossil fuels in electricity and heat production. Slovakia's total annual capacity in the production of forest biomass suitable for energy production will reach about 1,200 tons by 2015. It is realistic to increase the amount of forest biomass available after 2015 through more intensive tree cutting and planting new trees that will eventually be used for biomass purposes. Other sources of biomass production include agricultural biomass such as cereals, corn, sunflower straw and winter rape, plus orchard and vineyard wood waste.

Geothermal energy is currently used in approximately 42 locations in Slovakia with heat production capacity amounting to 260 MW. The aggregate geothermal energy potential of geothermal waters in all prospective areas of Slovakia is 5,538 MW. The current situation in the use of geothermal energy is unsatisfactory considering the potential this renewable energy source has to offer. The largest geothermal deposit, with a potential capacity of as much as 300 MW, is located in the Kosice basin.

Sustainable Development of Transportation

The use of renewable and unconventional fuels in transport is the strategy for sustainable development of transportation. Slovakia will aim to reduce its dependency on crude oil by using alternative types of motor fuel and increasing the energy efficiency of individual modes of transport. For the time being, electric vehicles, liquefied gas motor fuels, including liquefied petroleum gas (LPG) and compressed natural gas (CNG) are a short-to-medium-term alternative to petroleum or diesel fuels as cheaper and more environmentally-friendly fuels.

Franchising

Franchising in Slovakia is not as developed as the country's relatively high GDP and other positive economic and market indicators would dictate for this market. As of January 2013, the U.S. Commercial Service in Slovakia identified only 28 Slovak franchises and 82 foreign franchises.

The total Slovak franchise market is valued at approximately USD 520 million. Currently, potential franchise growth is in hotel accommodation services, fast food and self-service restaurants, car repair, real estate, beauty/hair salons and luxury fashion shops.

Foreign franchise chains maintain a significant position in the Slovak market with approximately 75% of all chain networks. These foreign-owned networks are mainly in retail sales. Slovak companies do not use franchising as a fast growth or sales expansion tool. Even well-known franchisers are unfamiliar to local businesses. Several quality service providers and franchisers have penetrated the market only within main urban areas. Privately held franchise chains are ideal tools for market expansion within Slovakia. One of the most important steps for local franchise expansion is that business advisors educate local managers on how they could benefit from their own franchise chain. The best way to achieve this is through local advertisements and meetings with potential license purchasers.

Security Equipment

The demand for security equipment and services continues to be significant and remains a primary area of focus for the Slovak Government and large companies. The total 2014 budget of the Ministry of Interior is USD 2.017 billion, from which USD 10 million is allocated for security-related expenditures, including funding to upgrade the equipment, infrastructure and technology used by police forces.

Local and regional police forces are continually upgrading traffic controls and street surveillance systems in Slovak cities that have more than 40,000 inhabitants.

The construction industry, in both in the commercial residential sectors, is another significant market opportunity. It is becoming standard procedure to equip all new buildings with fire and smoke detectors, fire-fighting systems, surveillance systems, and automatic entry control systems. Owners of older business facilities are upgrading their buildings with smoke alarms, security detectors, and fire-fighting systems. Insurance companies provide significant discounts if a property is equipped with smoke detectors, fire-fighting systems, and surveillance equipment.

Official statistical information is not available for annual nationwide sales of security equipment. Therefore, the U.S. Commercial Service in Bratislava has contacted several companies to determine current market data. Security equipment installation companies declared to us that the annual growth rate in security equipment expenditures is approximately 12%. Virtually all of the companies contacted said that their clients request advanced security solutions and equipment that is fully automatic and resistant to sophisticated detection-avoidance methods. The strongest demand is for video surveillance systems and GPS tracking systems for vehicles.

Companies that provide security services, personal protection services and technical services stated that that the annual growth in their field is at least 8%.

Agricultural Sectors

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Name of Sector: **Agriculture and Food Industry**
ITA Industry Code: AGC

The agriculture and food industry sector in Slovakia generates approximately 3 % of the country's gross domestic product. Slovakia's main trading partner in the agricultural food sector is the Czech Republic.

Demand for high quality U.S. food products has grown as a result of an improved Slovak economy and an increasing number of hypermarkets and food-chain stores where U.S. products are introduced. Most U.S. high-value food products are imported through European intermediaries rather than directly. Since Slovakia joined the EU, the share of transshipments, mainly via Germany and the Netherlands, has increased and a sizable amount of imports from the United States is not shown in official import statistics. Actual U.S. market share is significantly higher than direct trade data implies due to transshipments through other EU countries. U.S. agricultural products holding the best prospects on the Slovak market include dried fruits and nuts (such as raisins, almonds, and pistachios), various food preparations and extracts (teas, herbal mixes, condiments), and fish products. U.S. wood panel products, including plywood, are emerging as a niche market.

Niche markets for high-value agriculture inputs, such as seeds (sunflower and corn seeds), and livestock genetic material (e.g., bovine semen) have strengthened along with the economy. U.S. wines are just now beginning to make inroads into the market, and Slovaks are expected to continue to adopt more western European styles and levels of consumption, imports, and quality preferences in the coming years. Most retail sales remain motivated by price, though private market sales (less price-sensitive) are on the rise.

Best Sub-sector Prospects for Agricultural Products

Note: All figures are in Thousands of U.S. Dollars, unless otherwise stated.
Data Source: Global Agricultural Trade System (GATS). The GATS does not track intra-EU transshipments only direct trade. Other best prospects are based on trade information and product presently on the market.

Dried Fruits and Nuts (Consumer Oriented Product)
Food Preparations (Intermediate Product)
Vegetable Saps and Extracts (Intermediate Product)
Soybean Meal (Intermediate Product)
Fish Fillets & Meat (Fish Products)
Bovine Genetics (Intermediate Product)
Panel Products (Forest Product)

Commodity Group: **Processed Fruits & Vegetables**
Harmonized Schedule Code(s): Dried Grapes and Nuts (0802 + 0806)
Value in USD 1,000

Year	2011	2012	2013	2014 (f)
Total Imports	63,694	65,806	80,314	85,000
Total Imports from U.S.	574	3,266	4,722	5,500

Commodity Group: Intermediate Products
Harmonized Schedule Code(s): Food Preparations (2106)

Value in USD 1,000

Year	2011	2012	2013	2014 (f)
Total Imports	177,872	183,683	183,377	190,000
Total Imports from U.S.	3,813	2,518	2,219	2,100

Commodity Group: Intermediate Products
Harmonized Schedule Code(s): Vegetable Saps and Extracts (1302)
Value in USD 1,000

Year	2011	2012	2013	2014 (f)
Total Imports	8,625	11,084	12,644	13,000
Total Imports from U.S.	444	1,032	1,195	1,250

Commodity Group: Fish Products
Harmonized Schedule Code(s): Fish Fillets & Meat, Fresh, Chilled or Frozen (0304)
Value in USD 1,000

Year	2011	2012	2013	2014 (f)
Total Imports	29,896	25,239	26,588	27,000
Total Imports from U.S.	492	964	2,067	3,000

Commodity Group: Soybean Meal
Harmonized Schedule Code(s): Soybean meal (2304)
Value in USD 1,000

Year	2011	2012	2013	2014 (f)
Total Imports	50,609	47,949	44,824	42,000
Total Imports from U.S.	0	0	43	550

Commodity Group: Animal Genetics
Harmonized Schedule Code(s): Bovine Genetics (0511)
Value in USD 1,000

Year	2011	2012	2013	2014 (f)
Total Imports	3,126	5,422	4,244	4,000
Total Imports from U.S.	134	226	213	200

Commodity Group: Panel Products (including Plywood)
Harmonized Schedule Code(s): Veneer Sheets and Sheets for Plywood (4408)
Value in USD 1,000

Year	2011	2012	2013	2014 (f)
Total Imports	44,368	38,003	34,673	
Total Imports from U.S.	2,804	1,462	240	500

Source:
Global Trade Atlas - Country Customs Reported Import Data. Note: All foreign trade figures do not include transshipments.

Attaché Reports

Attaché reports provide information on market opportunities, crop conditions, new policy developments and information on the local food industry. Some standard reports include: Retail Market Report, Exporter Guide, Food Service Report, and market briefs on select products. U.S. Foreign Agricultural Service Attaché reports can be found at http://www.fas.usda.gov/scriptsw/attacherep/default.asp. In recent years, many of the reports have been consolidated and are submitted as EU reports. We recommend that companies interested in the market covered by our Post also review the EU-27 reports.

Trade Data

Please refer to the USDA Foreign Agricultural Service's Global Agricultural Trade System (GATS). GATS includes international agricultural, fish, forest and textile products trade statistics dating from the inception of the Harmonized coding system in 1989 to present.

Available at:

http://www.fas.usda.gov/gats/default.aspx

USDA's Foreign Agricultural Service (regional office in Warsaw):
http://poland.usembassy.gov/poland/agric.html
http://prague.usembassy.gov/agr.html

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Chapter 5: Trade Regulations, Customs and Standards

Import Tariffs Return to top

The Integrated Tariff of the Community, referred to as TARIC (Tarif Intégré de la Communauté), is designed to show the various rules which apply to specific products being imported into the customs territory of the EU or, in some cases, exported from it. To determine if a license is required for a particular product, check the TARIC.
The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The online TARIC is updated daily.

Key Link:
http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

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The licensing system is Slovakia's primary non-tariff barrier. The Ministry of Economy is authorized to issue import and export permits or licenses for sensitive goods with the objective of protecting the domestic market. The licensing procedure is governed by Regulation No. 15/1998 and amended Regulation No. 163/1999, which describe the conditions for issuing official authorization for the import/export of goods and services. These regulations also include individual lists of products subject to licensing procedures. There are four specific licensing regimes:

1) Extremely dangerous poisons, hazardous chemical substances, pesticides and additive chemical substances are subject to non-automatic licenses that may be issued upon written application of the Slovak importer/exporter of the goods. The licenses are not transferable. The licensing procedure for certain hazardous chemical substances and pesticides is governed by Regulation No. 67/2010.

2) Narcotics, psychotropic substances, precursors and additive chemical substances are also subject to non-automatic licenses that may be issued upon written application of the Slovak importer/exporter of these goods. The licenses are not transferable. The licensing procedure for drug precursors is governed by Regulation No. 331/2005.

3) Dual-use goods and technologies that can be used in military as well as civilian applications (Wassenaar system). The licensing procedure is governed by Regulation No. 21/2007.

4) Weapons, ammunition, explosives and related items.

European Union (EU) Laws and Regulations

For information on existing trade barriers, please see the National Trade Estimate Report on Foreign Trade Barriers, published by USTR and available through the following website:
http://www.ustr.gov/sites/default/files/2013%20NTE%20European%20Union%20Final.pdf

Information on agricultural trade barriers can be found at the following website:
http://www.usda-eu.org/

To report existing or new trade barriers and get assistance in removing them, contact either the Trade Compliance Center at http://www.trade.gov/tcc or the U.S. Mission to the European Union at http://export.gov/europeanunion/

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European Union (EU) Laws and Regulations (includes Slovakia)

The TARIC (Tarif Intégré de la Communauté), described above, is available to help determine if a license is required for a particular product.

Many EU member states maintain their own list of goods subject to import licensing. For example, Germany's "Import List" (Einfuhrliste) includes goods for which licenses are required, their code numbers, any applicable restrictions, and the agency that will issue the relevant license. The Import List also indicates whether the license is required under German or EU law.

For information relevant to member state import licenses, please consult the relevant member state Country Commercial Guide: EU Member States' Country Commercial Guides or conduct a search on the Commerce Department's Market Research Library, available from: http://www.export.gov/mrktresearch/index.asp.

Import Documentation

The Single Administrative Document

The official model for written declarations to customs is the Single Administrative Document (SAD). Goods brought into the EU customs territory are, from the time of their entry, subject to customs supervision until customs formalities are completed. Goods are covered by a Summary Declaration which is filed once the items have been presented to customs officials. The customs authorities may, however, allow a period for filing the Declaration which cannot be extended beyond the first working day following the day on which the goods are presented to customs.

The Summary Declaration is filed by:

- the person who brought the goods into the customs territory of the Community or by any person who assumes responsibility for carriage of the goods following such entry; or
- the person in whose name the person referred to above acted.

The Summary Declaration can be made on a form provided by the customs authorities. However, customs authorities may also allow the use of any commercial or official document that contains the specific information required to identify the goods. The SAD serves as the EU importer's declaration. It encompasses both customs duties and VAT and is valid in all EU member states. The declaration is made by whoever is clearing the goods, normally the importer of record or his/her agent.

European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. Information on import/export forms is contained in Council Regulation (EEC) No. 2454/93, which lays down provisions for the implementation of the Community Customs Code (Articles 205 through 221). Articles 222 through 224 provide for computerized customs declarations and Articles 225 through 229 provide for oral declarations.

More information on the SAD can be found at:
http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/sad/index_en.htm
Regulation (EC) No 450/2008 laying down the Community Customs Code (so-called the "Modernized Customs Code") aimed at the adaptation of customs legislation and at introducing the electronic environment for customs and trade. This Regulation entered into force on June 24, 2008 and was due to be applicable once its implementing provisions were in force by June 2013. However, the Modernized Customs Code was recast as a Union Customs Code (UCC) before it became applicable. The Union Customs Code (UCC) Regulation entered into force in October 2013 and repealed the MCC Regulation; its substantive provisions will apply only on May 1st 2016. Until this time, the Community Customs Code and its implementing provisions continue to apply.

http://ec.europa.eu/taxation_customs/customs/customs_code/union_customs_code/index_en.htm

EORI

Since July 1, 2009, all companies established outside of the EU are required to have an Economic Operator Registration and Identification (EORI) number if they wish to lodge a customs declaration or an Entry/Exit Summary declaration. All U.S. companies should use this number for their customs clearances. If a U.S. company wishes to apply for AEO status or apply for simplifications in customs procedures within the EU, it must first obtain an EORI number. Companies should request an EORI number from the authorities of the first EU member state to which they export. Once a company has received an EORI number, it can use it for exports to any of the 28 EU member states. There is no single format for the EORI number.

More information about the EORI number can be found at http://ec.europa.eu/taxation_customs/dds2/eos/eori_home.jsp?Lang=en

U.S. - EU Mutual Recognition Arrangement (MRA)

Since 1997, the U.S. and the EU have had an agreement on customs cooperation and mutual assistance in customs matters. For additional information, please see http://ec.europa.eu/taxation_customs/customs/policy_issues/international_customs_agreements/usa/index_en.htm

In 2012, the U.S. and the EU signed a new Mutual Recognition Arrangement (MRA) aimed at matching procedures to associate one another's customs identification numbers. The MCC introduced the Authorized Economic Operator (AEO) program (known as the "security amendment"). This is similar to the U.S.' voluntary Customs-Trade Partnership Against Terrorism (C-TPAT) program in which participants receive certification as a "trusted" trader. AEO certification issued by a national customs authority is recognized by all member state's customs agencies. An AEO is entitled to two different types of authorization: "customs simplification" or "security and safety." The former allows for an AEO to benefit from simplifications related to customs legislation, while the latter allows for facilitation through security and safety procedures. Shipping to a trader with AEO status could facilitate an exporter's trade as its benefits include expedited processing of shipments, reduced theft/losses, reduced data requirements, lower inspection costs, and enhanced loyalty and recognition.

The U.S. and the EU recognize each other's security certified operators and will take the respective membership status of certified trusted traders favorably into account to the extent possible. The favorable treatment provided by mutual recognition will result in lower costs, simplified procedures and greater predictability for transatlantic business activities. The newly signed arrangement officially recognizes the compatibility of AEO and C-TPAT programs, thereby facilitating faster and more secure trade between U.S. and EU operators. The agreement is being implemented in two phases. The first commenced in July 2012 with the U.S. customs authorities placing shipments coming from EU AEO members into a lower risk category. The second phase took place in early 2013, with the EU re-classifying shipments coming from C-TPAT members into a lower risk category. The U.S. customs identification numbers (MID) are therefore recognized by customs authorities in the EU, as per Implementing Regulation 58/2013 (which amends EU Regulation 2454/93 cited above): http://ec.europa.eu/taxation_customs/resources/documents/customs/procedural_aspects/general/implementing_regulation_58_2013_en.pdf

Additional information on the MRA can be found at: *http://www.cbp.gov/newsroom/national-media-release/2013-02-08-050000/eu-us-fully-implement-mutual-recognition-decision*

Batteries

EU battery rules changed in September 2006 following the publication of the Directive on batteries and accumulators and waste batteries and accumulators (Directive 2006/66). This Directive replaces the original Battery Directive of 1991 (Directive 91/157). The

2006 Directive applies to all batteries and accumulators placed on the EU market including automotive, industrial and portable batteries. It aims to protect the environment by restricting the sale of batteries and accumulators that contain mercury or cadmium (with an exemption for emergency and alarm systems, medical equipment and cordless power tools) and by promoting a high level of collection and recycling. It places the responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions on the labeling of batteries and their removability from equipment. In 2012, the European Commission published a FAQ document to assist interested parties in interpreting its provisions. For more information, see our market research report: http://www.buyusainfo.net/docs/x_4062262.pdf

REACH

REACH, "Registration, Evaluation and Authorization and Restriction of Chemicals", is the system for controlling chemicals in the EU and it came into force in 2007 (Regulation 1907/2006). Virtually every industrial sector, from automobiles to textiles, is affected by this policy. REACH requires chemicals produced or imported into the EU in volumes above 1 metric ton per year to be registered with a central database handled by the European Chemicals Agency (ECHA). Information on a chemical's properties, its uses and safe ways of handling are part of the registration process. The next registration deadline is **May 31, 2018**. U.S. companies without a presence in Europe cannot register directly and must have their chemicals registered through their importer or EU-based 'Only Representative of non-EU manufacturer'. A list of Only Representatives (ORs) can be found on the website of the U.S. Mission to the EU:
http://export.gov/europeanunion/reachclp/index.asp

U.S. companies exporting chemical products to the European Union must update their Material Safety Data Sheets (MSDS) to be REACH compliant. For more information, see the guidance on the compilation of safety data sheets:
http://echa.europa.eu/documents/10162/17235/sds_en.pdf

U.S. exporters to the EU should carefully consider the REACH 'Candidate List' of Substances of Very High Concern (SVHCs) and the 'Authorization List'. Substances on the Candidate List are subject to communication requirements prior to their export to the EU. Companies seeking to export products containing substances on the 'Authorization List' will require an authorization. The Candidate List can be found at:
http://echa.europa.eu/web/guest/candidate-list-table. The Authorization List is available at http://echa.europa.eu/addressing-chemicals-of-concern/authorisation/recommendation-for-inclusion-in-the-authorisation-list/authorisation-list

WEEE Directive

EU rules on Waste Electrical and Electronic Equipment (WEEE), while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. The Directive requires U.S. exporters to register relevant products with a national WEEE authority or arrange for this to be done by a local partner. The WEEE Directive was revised on July 4, 2012 and the scope of products covered was expanded to include all electrical and electronic equipment. This revised scope will apply from August 14, 2018 with a phase-in period that has already begun. U.S. exporters seeking more information on the WEEE Directive should visit:
http://export.gov/europeanunion/weeerohs/index.asp

RoHS
The ROHS Directive imposes restrictions on the use of certain chemicals in electrical and electronic equipment. It does not require specific customs or import paperwork however, manufacturers must self-certify that their products are compliant. The Directive was revised in 2011 and entered into force on January 2, 2013. One important change with immediate effect is that RoHS is now a CE Marking Directive. The revised Directive expands the scope of products covered during a transition period which ends on July 22, 2019. Once this transition period ends, the Directive will apply to medical devices, monitoring and control equipment in addition to all other electrical and electronic equipment. U.S. exporters seeking more information on the RoHS Directive should visit: http://export.gov/europeanunion/weeerohs/index.asp

Cosmetics Regulation
On November 30, 2009, the EU adopted a new regulation on cosmetic products which has applied since July 11, 2013. The law introduces an EU-wide system for the notification of cosmetic products and a requirement that companies without a physical presence in the EU appoint an EU-based responsible person.

In addition, on March 11, 2013, the EU imposed a ban on the placement on the market of cosmetics products that contain ingredients that have been subject to animal testing. This ban does not apply retroactively but does capture new ingredients. Of note, in March 2013, the Commission published a Communication stating that this ban would not apply to ingredients where safety data was obtained from testing required under other EU legislation that did not have a cosmetic purpose. For more information on animal testing, see: http://ec.europa.eu/consumers/sectors/cosmetics/animal-testing

For more general information, see:
http://export.gov/europeanunion/accessingeumarketsinkeyindustrysectors/eg_eu_044318.asp

Agricultural Documentation

Phytosanitary Certificates: Phytosanitary certificates are required for most fresh fruits, vegetables, and other plant materials.

Sanitary Certificates: For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). The vast majority of these certificates are uniform throughout the EU, but the harmonization process is not complete. During this transition period, certain member state import requirements continue to apply. In addition to the legally required EU health certificates, a number of other certificates are used in international trade. These certificates, which may also be harmonized in EU legislation, certify origin for customs purposes and certain quality attributes. Up-to-date information on harmonized import requirements can be found at the following website: http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/.

Sanitary Certificates (Fisheries)

In April 2006, the European Union declared the U.S. seafood inspection system as equivalent to the European one. Consequently, a specific public health certificate must accompany U.S. seafood shipments. The U.S. fishery product sanitary certificate is a combination of Commission Decision 2006/199/EC for the public health attestation and of Regulation 1012/2012 for the general template and animal health attestation. Unlike for fishery products, the U.S. shellfish sanitation system is not equivalent to that of the EU's. The EU and the U.S. are currently negotiating a veterinary equivalency agreement on shellfish. In the meantime, the EU still has a ban in place (since July 1, 2010), that prohibits the import of U.S. bivalve mollusks, in whatever form, into EU territory. This ban does not apply to wild roe-off scallops.

Since June 2009, the only U.S. competent authority for issuing sanitary certificates for fishery and aquaculture products is the U.S. Department of Commerce, National Marine Fisheries Service (NOAA-NMFS).

In addition to sanitary certificates, all third countries wishing to export fishery products to the EU are requested to provide a catch certificate. This catch certificate certifies that the products in question have been caught legally.

For detailed information on import documentation for seafood, please contact the NOAA Fisheries office at the U.S. Mission to the EU (stephane.vrignaud@trade.gov) or visit the following NOAA dedicated web site: http://www.seafood.nmfs.noaa.gov/EU_Export.html

U.S. Export Controls

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The U.S. Department of Commerce's Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of some commercial items, including "production" and "development" technology.

The items that BIS regulates are often referred to as "dual use" since they have both commercial and military applications. Further information on export controls is available at: http://www.bis.doc.gov/licensing/exportingbasics.htm

BIS has developed a list of "red flags," or warning signs, intended to discover possible violations of the EAR. These are posted at:
http://www.bis.doc.gov/enforcement/redflags.htm

Also, BIS has "Know Your Customer" guidance at:
http://www.bis.doc.gov/Enforcement/knowcust.htm

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at 1(800) 424-2980, or via the confidential lead page at: https://www.bis.doc.gov/forms/eeleadsntips.html

The EAR does not control all goods, services, and technologies. Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and services. A list of other agencies involved in export control can be found on the BIS web.

It is important to note that in August 2009, the President directed a broad-based interagency review of the U.S. export control system, with the goal of strengthening national security and the competitiveness of key U.S. manufacturing and technology sectors by focusing on current threats, as well as adapting to the changing economic and technological landscape. As a result, the Administration launched the Export Control Reform Initiative (ECR Initiative) which is designed to enhance U.S. national security and strengthen the United States' ability to counter threats such as the proliferation of weapons of mass destruction.

The Administration is implementing the reform in three phases. Phases I and II reconcile various definitions, regulations, and policies for export controls, all the while building toward Phase III, which will create a single control list, single licensing agency, unified information technology system, and enforcement coordination center.

For additional information on ECR see: http://export.gov/ecr/index.asp

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two day seminars and focus on the basics of exporting as well as more advanced topics. A list of upcoming seminars can be found at: https://www.bis.doc.gov/seminarsandtraining/index.htm

For further details about the Bureau of Industry and Security and its programs, please visit the BIS website at: http://www.bis.doc.gov/

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Slovakia's Commercial Code allows temporary imports a full or partial exemption from import duties, depending on the product. The temporary import regime allows for the commercial use of foreign goods, which will remain the property of the importing foreign entity. For example, a person or company that imports goods temporarily must pay only part of the import charges, proportional to the time period of use in Slovakia. The customs duty is 3% of the normal import charge for each month the goods are present in Slovakia instead of being officially cleared by Slovak Customs for free and permanent circulation and use in the country. The period allowed for temporary importation is 24 months and can be extended, upon a customs broker's request, to a maximum of 36 months.

Slovakia is a signatory of international customs agreements on ATA and TIR carnets, which allow for temporary import or transit of goods without the obligation to secure the partial exemption described above and without import duties or charges in the country of transit or destination. The Slovak Chamber of Commerce and Industry http://web.sopk.sk is the national guarantee organization and executive body for ATA carnets. Cesmad Slovakia (Czech and Slovak Association for International Automobile Transportation) http://www.cesmad.sk holds the same responsibilities for TIR carnets.

European Union (EU) Laws and Regulations (includes Slovakia)

For information on this topic please consult the Commerce Department's Country Commercial Guides on EU member states: EU Member States' Country Commercial Guides

Alternatively, search the Commerce Department's Market Research Library, available from: http://www.export.gov/mrktresearch/index.asp under Country and Industry Market Reports.

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European Union (EU) Laws and Regulations (includes Slovakia)
An overview of EU mandatory and voluntary labeling and marking requirements has been compiled in a market research report that is available at:
http://buyusainfo.net/docs/x_366090.pdf

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European Union (EU) Laws and Regulations (includes Slovakia)

The TARIC is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a product is prohibited or subject to restriction, check the TARIC for the following codes:

CITES Convention on International Trade of Endangered Species
PROHI Import Suspension
RSTR Import Restriction

For information on how to access the TARIC, see the Import Requirements and Documentation Section above.

Key Link:
http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

Customs Regulations and Contact Information Return to top

Information about Slovak Customs procedures and contact Information for Slovak Customs authorities can be found in English by clicking on the British flag at the top of the following webpage: http://www.colnasprava.sk

European Union (EU) Laws and Regulations

The following provides information on the major regulatory efforts of the EC Taxation and Customs Union Directorate:

Electronic Customs Initiative – This initiative deals with EU Customs modernization developments to improve and facilitate trade in the EU member states. The electronic customs initiative is based on the following three pieces of legislation:

- The Security and Safety Amendment to the Customs Code, which provides for full computerization of all procedures related to security and safety;

- The Decision on the paperless environment for customs and trade (Electronic Customs Decision) which sets the basic framework and major deadlines for the electronic customs projects;

- The Modernized Community Customs Code (recast as Union Customs Code) which provides for the completion of the computerization of customs.

Key Link:
http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm

Homepage of Customs and Taxation Union Directorate (TAXUD) Website
Key Link: http://ec.europa.eu/taxation_customs/customs/index_en.htm

Customs Valuation – Most customs duties and value added tax (VAT) are expressed as a percentage of the value of goods being declared for importation. Thus, it is necessary to dispose of a standard set of rules for establishing the goods' value, which will then serve for calculating the customs duty.

Given the magnitude of EU imports every year, it is important that the value of such commerce is accurately measured for the purposes of:

- economic and commercial policy analysis;
- application of commercial policy measures;
- proper collection of import duties and taxes; and
- import and export statistics.

These objectives are met using a single instrument - the rules on customs value.
The EU applies an internationally accepted concept of ‘customs value’.

The value of imported goods is one of the three 'elements of taxation' that provides the basis for assessment of the customs debt, which is the technical term for the amount of duty that has to be paid, the other ones being the origin of the goods and the customs tariff.

Key Link:
http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/index_en.htm

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European Union (EU) Laws and Regulations (includes Slovakia)

Products tested and certified in the United States to American standards are likely to have to be retested and re-certified to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

European Union legislation and standards created under the New Approach are harmonized across the member states and European Economic Area countries to allow for the free flow of goods. A feature of the New Approach is CE marking. For a list of new approach legislation, go to http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main.

The concept of new approach legislation is likely to disappear as the New Legislative Framework (NLF), which entered into force in January 2010, was put in place to serve as a blueprint for existing and future CE marking legislation. Since 2010/2011 existing legislation has been reviewed to bring them in line with the NLF concepts.

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also function as barriers to trade if U.S. standards are different from those of the European Union.

Agricultural Standards
The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002 for the publication of a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the Foreign Agricultural Service's website at: http://www.usda-eu.org

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website: http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/

Standards Organizations Return to top

European Union (EU) Laws and Regulations (includes Slovakia)

EU standards setting is a process based on consensus initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:

1. CENELEC, European Committee for Electrotechnical Standardization (http://www.cenelec.eu/)

2. ETSI, European Telecommunications Standards Institute (http://www.etsi.org/)

3. CEN, European Committee for Standardization, handling all other standards (http://www.cen.eu/cen/pages/default.aspx)

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the member states, which have "mirror committees" that monitor and participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual member states standards bodies. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and gives away some of its individual standards at no charge on its website. In addition to the three standards developing organizations, the European Commission plays an important role in standardization through its funding of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental and consumer groups. The Commission also provides money to the standards bodies when it mandates standards development to the European Standards Organization for harmonized standards that will be linked to EU technical legislation. Mandates – or requests for standards - can be checked on line at: http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm

Given the EU's vigorous promotion of its regulatory and standards system as well as its generous funding for its development, the EU's standards regime is wide and deep - extending well beyond the EU's political borders to include affiliate members (countries which are hopeful of becoming full members in the future) such as Albania, Belarus, Israel, and Morocco among others. Another category, called "partner standardization body" includes the standards organization of Mongolia, Kyrgyzstan and Australia, which are not likely to become a CEN member or affiliate for political and geographical reasons.

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. Other than their respective annual work plans, CEN's "what we do" page provides an overview of standards activities by subject. Both CEN and CENELEC offer the possibility to search their respective database. ETSI's portal (http://portal.etsi.org/Portal_Common/home.asp) leads to ongoing activities.

The European Standardization system and strategy was reviewed in 2011 and 2012. The new standards regulation 1025, adopted in November 2012, clarifies the relationship between regulations and standards and confirms the role of the three European standards bodies in developing EN harmonized standards. The emphasis is also on referencing international standards where possible. For information, communication and technology (ICT) products, the importance of interoperability standards has been recognized. Through a newly established mechanism, a “Platform Committee” reporting to the European Commission will decide which deliverables from fora and consortia might be acceptable for public procurement specifications. The European standards bodies have been encouraged to improve efficiency in terms of delivery and to look for ways to include more societal stakeholders in European standardization.

Key Link: http://ec.europa.eu/enterprise/policies/european-standards/standardisation-policy/index_en.htm

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The Slovak Institute for Technical Standardization (STS) is the central state body that governs technical standardization and conformity assessment. The STS formulates, approves and publishes Slovak technical standards. The STS is the Slovak national standardization agency.

Slovakia has 26 authorized national testing organizations. Contact addresses of all authorized national testing organizations and a list of their main fields of activities are available at http://www.unms.sk/?authorization

European Union (EU) Laws and Regulations

Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages, from design to production, to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice regarding conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. Conformity assessment bodies in individual member states are listed in NANDO, the European Commission’s website.

Key Link: http://ec.europa.eu/enterprise/newapproach/nando/

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN’s certification system is known as the Keymark. Neither CENELEC nor ETSI offer conformity assessment services.

Product Certification Return to top

European Union (EU) Laws and Regulations (includes Slovakia)

To sell products in the EU market of 28 member states as well as in Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this section provides some background and clarification.

Products manufactured to standards adopted by CEN, CENELEC and ETSI, and referenced in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the member states, and its use simplifies the task of essential market surveillance of regulated products. As market surveillance was found lacking, the EU adopted the New Legislative Framework, which went into force in 2010. As mentioned before, this framework is like a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation and market surveillance.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the local contact established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

Accreditation Return to top

The Slovak National Accreditation Service (SNAS) is the body for executing accreditation in Slovakia. SNAS is responsible for providing accreditation to national testing centers as well as certifying, inspecting and calibrating laboratory testing equipment. SNAS accredits these bodies in compliance with Slovak laws and standards, international standards such as ISO/IEC, EU standards within the EN 45000 series and standards set forth by international and regional organizations (for instance EA, ILAC, IAF, and OECD regulations on good laboratory practice). SNAS provides accreditation for labs according to STN EN 45 000, ISO/IEC, and OECD (ENV/MC/CHEM (98) 17, No. 1) regulations.

European Union (EU) Laws and Regulations

Independent test and certification laboratories, known as notified bodies, have been officially accredited by competent national authorities to test and certify to EU requirements.

"European Accreditation" (http://www.european-accreditation.org) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible to appropriate EN and ISO/IEC standards.

Publication of Technical Regulations Return to top

European Union (EU) Laws and Regulations (includes Slovakia)

The Official Journal is the official publication of the European Union. It is published daily on the internet and consists of two series covering adopted legislation as well as case law, studies by committees, and more (http://eur-lex.europa.eu/JOIndex.do?ihmlang=en). It lists the standards reference numbers linked to legislation (http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm).

National technical Regulations are published on the Commission's website http://ec.europa.eu/enterprise/tris/index_en.htm to allow other countries and interested parties to comment.

NIST Notify U.S. Service
Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: http://www.nist.gov/notifyus/

Labeling and Marking Return to top

Products made in Slovakia or imported into Slovakia must be labeled with the CE mark. All electrical equipment should have, in addition to the CE mark, an "Energy Efficiency" label. Under the 1995 State Language Law, companies are required to mark contents of domestically produced or imported goods, product manuals, product guarantees, and other consumer-related information in the Slovak language.

European Union (EU) Laws and Regulations

Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary schemes, national voluntary labeling schemes might still apply. These schemes may be highly appreciated by consumers, and thus, become unavoidable for marketing purposes.

Manufacturers are advised to take note that all labels require metric units although dual labeling is also acceptable. The use of language on labels has been the subject of a

Commission Communication, which encourages multilingual information, while preserving the right of member states to require the use of the language of the country of consumption.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 2007/45/EC harmonizes packaging of wine and spirits throughout the EU. Existing national sizes will be abolished with a few exceptions for domestic producers. Key Link: http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/prepacked-products/index_en.htm

The Eco-label
The EU eco-label is a voluntary label which U.S. exporters can display on products that meet high standards of environmental awareness. The eco-label is intended to be a marketing tool to encourage consumers to purchase environmentally-friendly products. The criteria for displaying the eco-label are strict, covering the entire lifespan of the product from its manufacture, use, and disposal. These criteria are reviewed every three to five years to take into account advances in manufacturing procedures. There are currently 13 different product groups, and more than 17000 licenses have been awarded.

Applications to display the eco-label should be directed to the competent body of the member state in which the product is sold. The application fee will be somewhere between €275 and €1600 depending on the tests required to verify if the product is eligible, and an annual fee for the use of the logo (typically between $480 to $2000), with a 20% reduction for companies registered under the EU Eco-Management and Audit Scheme (EMAS) or certified under the international standard ISO 14001. Discounts are available for small and medium sized enterprises (SMEs).

Key Links:
Eco-label Home Page

Contacts Return to top

Slovak Office of Standards, Metrology and Testing:
http://www.unms.sk/?home

Customs Administration of the Slovak Republic:
http://www.colnasprava.sk/wps/portal/!ut/p/_s.7_0_A/7_0_28O

U.S. Mission to the EU
Sylvia Mohr, Commercial Specialist
Tel: 32.2.811.5001
Sylvia.Mohr@trade.gov

National Institute of Standards & Technology
Mr. George W. Arnold
Director
Standards Coordination Office
100 Bureau Dr.
Mail Stop 2100

Gaithersburg, Maryland 20899
Tel: (301) 975-5627
Website: http://ts.nist.gov/Standards/Global/about.cfm

CEN – European Committee for Standardization
Avenue Marnix 17
B – 1000 Brussels, Belgium
Tel: 32.2.550.08.11
Fax: 32.2.550.08.19
Website: http://www.cen.eu

CENELEC – European Committee for Electrotechnical Standardization
Avenue Marnix 17
B – 1000 Brussels, Belgium
Tel: 32.2.519.68.71
Fax: 32.2.519.69.19
Website: http://www.cenelec.eu

ETSI - European Telecommunications Standards Institute
Route des Lucioles 650
F – 06921 Sophia Antipolis Cedex, France
Tel: 33.4.92.94.42.00
Fax: 33.4.93.65.47.16
Website: http://www.etsi.org

SBS – Small Business Standards

4, Rue Jacques de Lalaing
B-1040 Brussels
Tel: +32.2.285.07.27
Website: under development (http://www.ueapme.com/spip.php?rubrique220)

ANEC - European Association for the Co-ordination of Consumer Representation in Standardization
Avenue de Tervuren 32, Box 27
B – 1040 Brussels, Belgium
Tel: 32.2.743.24.70
Fax: 32.2.706.54.30
Website: http:/www.anec.org

ECOS – European Environmental Citizens Organization for Standardization
Rue d'Edimbourg 26
B – 1050 Brussels, Belgium
Tel: 32.2.894.46.55
Fax: 32.2.894.46.10
Website: http://www.ecostandard.org

EOTA – European Organization for Technical Assessment (for construction products)
Avenue des Arts 40

B – 1040 Brussels, Belgium
Tel: 32.2.502.69.00
Fax: 32.2.502.38.14
Website: http://www.eota.be/

Trade Agreements Return to top

For a list of trade agreements with the EU and its member states, as well as concise explanations, please see:http://tcc.export.gov/Trade_Agreements/index.asp

Web Resources Return to top

Slovak websites:

Slovak Customs Office:
http://www.colnasprava.sk

Slovak Office of Standards, Metrology and Testing (OSMT):
http://www.unms.sk

Slovak Institute for Technical Standardization (STS):
http://www.sutn.sk

EU websites:
Online customs tariff database (TARIC):
http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

The Modernized Community Customs Code MCCC):
http://europa.eu/legislation_summaries/customs/do0001_en.htm

ECHA: http://echa.europa.eu

Taxation and Customs Union:
http://ec.europa.eu/taxation_customs/customs/index_en.htm

Security and Safety Amendment to the Customs Code - Regulation (EC) 648/2005:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF

Electronic Customs Initiative: Decision N° 70/2008/EC
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:023:0021:0026:EN:PDF

Modernized Community Customs Code Regulation (EC) 450/2008):
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:145:0001:0064:EN:PDF

Legislation related to the Electronic Customs Initiative:

http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm

Export Help Desk
http://exporthelp.europa.eu/thdapp/index_en.html

International Level:

What is Customs Valuation?:
http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/european/index_en.htm

Customs and Security: Two communications and a proposal for amending the Community Customs Code:
http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm

Establishing the Community Customs Code: Regulation (EC) n° 648/2005 of 13 April 2005
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF

Pre Arrival/Pre Departure Declarations:
http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/prearrival_predeparture/index_en.htm

AEO: Authorized Economic Operator:
http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/aeo/index_en.htm

Contact Information at National Customs Authorities:
http://ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/index_en.htm

New Approach Legislation:
http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main

Cenelec, European Committee for Electrotechnical Standardization:
http://www.cenelec.eu/

ETSI, European Telecommunications Standards Institute:
http://www.etsi.org/

CEN, European Committee for Standardization, handling all other standards:
http://www.cen.eu/cen/Pages/default.aspx

Standardisation – Mandates:
http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm

ETSI – Portal – E-Standardisation :

http://portal.etsi.org/Portal_Common/home.asp

CEN – Fields of Work:
http://www.cen.eu/work/areas/pages/default.aspx

CEN - Standard Search:
http://esearch.cen.eu/esearch/

Nando (New Approach Notified and Designated Organizations) Information System:
http://ec.europa.eu/enterprise/newapproach/nando/

Mutual Recognition Agreements (MRAs):
http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=mra.main

European Co-operation for Accreditation:
http://www.european-accreditation.org/home

Eur-Lex – Access to European Union Law:
http://eur-lex.europa.eu/en/index.htm

Standards Reference Numbers linked to Legislation:
http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm

What's New:
http://ec.europa.eu/enterprise/news/index_en.htm

National technical Regulations:
http://ec.europa.eu/enterprise/tris/index_en.htm

NIST - Notify U.S.:
http://www.nist.gov/notifyus/

Metrology, Pre-Packaging – Pack Size:
http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/prepacked-products/index_en.htm

European Union Eco-label Homepage:
http://ec.europa.eu/environment/ecolabel

U.S. websites:
National Trade Estimate Report on Foreign Trade Barriers:
http://www.ustr.gov/about-us/press-office/reports-and-publications/2012-1

Agricultural Trade Barriers:
http://www.fas.usda.gov/topics/trade-policy/trade-agreements

Trade Compliance Center:
http://tcc.export.gov/

U.S. Mission to the European Union:

http://useu.usmission.gov/

The New EU Battery Directive:
http://www.buyusainfo.net/docs/x_8086174.pdf

The Latest on REACH:
http://export.gov/europeanunion/reachclp/index.asp

WEEE and RoHS in the EU:
http://export.gov/europeanunion/weeerohs/index.asp

Overview of EU Certificates:
www.fas.usda.gov/gainfiles/200605/146187632.doc

Center for Food Safety and Applied Nutrition:
http://www.fda.gov/Food/default.htm

EU Marking, Labeling and Packaging – An Overview
http://buyusainfo.net/docs/x_366090.pdf

The European Union Eco-Label:
http://buyusainfo.net/docs/x_4284752.pdf

Trade Agreements:
http://tcc.export.gov/Trade_Agreements/index.asp

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Chapter 6: Investment Climate

Openness to Foreign Investment

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The flow of FDI into Slovakia has declined since 2007 due to changes in the government's investment policies and a less attractive business environment in general. The inward flow of FDI to Slovakia was only 60.3 million USD in 2012 and cumulative FDI inflow stands at about 50 billion USD (National Bank of Slovakia estimates). An informal survey by the U.S. Embassy showed U.S. investments in Slovakia at about 4.5 billion USD for current and future commitments, making the U.S. the third largest source of FDI in Slovakia. Official Government of Slovakia (GOS) statistics differ, as many U.S. investments are credited to third countries based on investors' corporate structures. For example, U.S. Steel Kosice, and the Slovak-based operations of Cisco Systems, Dell, and IBM are registered as a Dutch entities. According to the National Bank of Slovakia, 2012 data, the largest foreign investors in Slovakia in order of size were: the Netherlands, Austria, Germany, Italy, the Czech Republic and Hungary.

Conversion and Transfer Policies

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The Foreign Exchange Act (312/2004) governs foreign exchange operations and allows for easy conversion or transfer of funds associated with an investment. As a member of the OECD, Slovakia meets all international standards for conversion and transfer policy. In 2003, an amendment to the Foreign Exchange Act liberalized operations with financial derivatives and abolished the limit on the export and import of banknotes and coins (domestic and foreign currency). Since January 2004, an amendment to the Foreign Exchange Act authorized Slovak residents to open accounts abroad and eliminated the obligation to transfer financial assets acquired abroad into Slovakia. Non-residents may hold foreign exchange accounts. No permission is needed to issue foreign securities in Slovakia, and Slovaks are free to trade, buy, and sell foreign securities. There are very few controls on capital transactions, except for rules governing commercial banking and credit institutions, which must abide by existing banking and anti-money laundering laws.

Expropriation and Compensation

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The constitution of Slovakia and the commercial and civil codes permit expropriation only in cases of public interest, with a requirement to provide compensation. The law also provides for an appeal process. Nevertheless, the current Smer government has openly discussed the possibility of expropriating the two private health insurance companies operating in Slovakia as a part of its plan to move toward a single-payer healthcare system. The process has been delayed according to its original time schedule and no final decision has been approved. In December 2007, the Government of Slovakia approved a new expropriation (or eminent domain) law that allows the state to construct highways on private property without prior consent of the landowner, if the construction parcel is considered "strategic" for Slovak interests. Owners would be compensated by the state after the fact. The legislation was aimed at speeding up highway construction projects to finish the connection between Bratislava and Slovakia's second city, Kosice. It was challenged by several civil society groups and MPs in the Constitutional Court in 2008. On January 26, 2011, the Constitutional Court ruled that the provisions of the Law on Extraordinary One-Off Measures in Preparation of Road and Highway Construction are in contradiction with the Constitution of the Slovak Republic and international agreements.

Dispute Settlement

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The Slovak judicial system is comprised of general courts, Supreme Court, and the Constitutional Court. General courts decide civil and criminal matters and also review the legality of decisions by administrative bodies. The 54 District courts are the courts of first instance. The eight regional courts hear appeals. The Supreme Court of the Slovak Republic is the court of final review in selected cases. A special court focused on cases involving corruption, organized crime, and crimes committed by senior public officials was created in 2005. It was subsequently abolished by a judgment of the Constitutional Court in 2009, but was soon replaced with a similar court with changed jurisdiction in such a manner that crimes committed by senior public officials were excluded and most serious crimes like premeditated murders were included into the jurisdiction of the court. The Judicial Council nominates General Court Judges. These judges receive lifetime appointments from the President of the Slovak Republic and may only be removed for cause. The Constitutional Court of the Slovak Republic is an independent judicial body that decides on the conformity of legal norms, adjudicates conflicts of authority between government agencies, hears complaints -- including individuals' and legal entities' complaints of constitutional rights violations including human rights violations -- and interprets the Constitution or constitutional statutes. The President appoints Constitutional Court Judges from a list of candidates provided by Parliament. Judges are appointed to 12-year terms.

Performance Requirements and Incentives Return to top

In 2011, the center-right government approved a new Act on Investment Incentives - number 231/2011. The legislation regulates the conditions under which investment incentives are made available to foreign and domestic investors and specifies a preference for tax breaks and tax holidays over direct cash support to investors. The period for potential tax benefits increased from five to 10 years, and investments in specifics regions with high unemployment or in higher value-added industries received priority. While many of these provisions remain in effect, the SMER government amended the investment incentives procedures in 2013 – Act 70-2013. The new law has expanded the number of applicants, which might be eligible for such an incentive by decreasing the value of obligatory investments. The law also focuses on investment support with high added value. On the other hand, it provides stricter rules when it comes to the creation and sustainability of new jobs and education requirements towards employees.

Slovakia has no formal performance requirements for establishing, maintaining, or expanding foreign investments. However, such requirements may be included as conditions of specific negotiations for property involved in large-scale privatization by direct sale or public auction. (See the "Openness to Foreign Investment" section for details on incentives). Foreign entities have no obstacles in participating in GOS-financed and/or subsidized research and development programs and receive equal treatment to that of domestic entities. There are no domestic ownership requirements for telecommunications and broadcast licenses.

The law on defense offsets came into effect on January 1, 2008. The law outlines the basic principles and responsibilities of the supplier and the relevant state institutions (Ministry of Defense, Ministry of Economy, interdepartmental offset committee) for offset programs in Slovakia, based on similar legislation in other EU and NATO countries. The law requires offsets of 20% direct or 30% for a combination of indirect and direct offsets of the value for defense contracts worth over EUR 6 million ($8.2 million). The offsets can be reduced by a set formula if applied in specific areas such as technology transfer, R&D, education, IT, and direct investments.

Right to Private Ownership and Establishment Return to top

Foreign and domestic private entities have the right to establish and own business enterprises and engage in all forms of remunerative activity in Slovakia. In theory, competitive equality is the standard by which private enterprises compete with public entities. In addition, businesses are able to contract directly with foreign entities. Private enterprises are free to establish, acquire, and dispose of business interests, but all Slovak obligations of liquidated companies must be paid before any remaining funds are transferred out of Slovakia. Non-residents from EU and OECD member countries can acquire real estate for business premises. Since January 2004, there are no restrictions for Slovak residents on the purchase, exchange, and sale of real estate abroad.

Protection of Property Rights
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Secured interests in property and contractual rights are recognized and enforced. The mortgage market in Slovakia is growing, and a reliable system of recording such interests exists. However, titles to real property are often unclear and can take significant amounts of time to determine. Legal decisions may take years, thus limiting the utility of the court system for dispute resolution.

Slovak courts recognize and enforce foreign judgments, subject to the aforementioned delays, and the commercial code is applied consistently. Amendments to the bankruptcy law in 2011 by Act No. 348/2011 (entered into force in January 2011), have improved creditors' rights and simplified the procedure for lodging creditors' receivables in bankruptcy cases. Legislation passed in 2009 that provided for easy expropriation of private land for public projects was later overturned by the Constitutional Court. The business community considers corruption a significant factor in the court system and, therefore, sometimes goes to extraordinary lengths to avoid litigation in Slovak courts.

Protection of intellectual property rights (IPR) falls under the jurisdiction of two agencies. The Industrial Property Office is responsible for most areas, including patents, and the Ministry of Culture is responsible for copyrights (including software). Potential changes in the Copyright Law are currently under the discussion with the relevant stakeholders in the country. Slovakia is a member of the World Trade Organization (WTO), the European Patent Organization, and the World Intellectual Property Organization (WIPO). The WTO TRIPS agreement is legally in force in Slovakia, though no cases have occurred to test actual enforcement. Slovakia also adheres to other major intellectual property agreements including the Bern Convention for Protection of Literary and Artistic Works, the Paris Convention for Protection of Industrial Property, and numerous other international agreements on design classification, registration of goods, appellations of origin, patents, etc. In general, patents, copyrights, trademarks and service marks, trade secrets, and semiconductor chip design appear adequately protected under Slovak law and practice. In December 2012, the government announced plans to establish a new unit in the Ministry of Finance to deal with issues of digitalization and related IPR issues. The unit would be only advisory in nature.

In 2006, Slovakia was taken off the Watch List of the U.S. Trade Representative's annual interagency "Special 301" review, in recognition of the significant progress that the GOS had made in addressing concerns related to the protection of pharmaceutical patents in Slovakia. Slovak authorities adopted legal and administrative measures to ensure that patent-infringing drugs are not given market authorization; some of those measures have since been weakened to accord with current EU norms. The government also built a new secure facility to house confidential pharmaceutical test data.

Transparency of Regulatory System
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Investors have expressed frustration with a general lack of transparency and predictability in Slovakia. Many have criticized the process for obtaining residency permits for expatriates to work in Slovakia as difficult and time-consuming, stressing in particular that authorities are not always consistent in their knowledge or application of regulations. These procedures, however, do not differ significantly from those of other

EU countries. Over time, the government has eased some restrictions; notably, Slovak authorities no longer require an apostil on FBI criminal background results. An updated law governing the stay of foreigners, effective from January 2012, introduced some improvements while changing other requirements; for instance, applicants must now submit all documents at once, which may prevent applicants who have not prepared in advance from starting the process within a 90-day visit to the Schengen area. Investors have long complained that purchasing land and obtaining building permits are time-consuming and unpredictable processes. However, improvements, including the web portal **www.katasterportal.sk**, which enables interested parties to verify information about land ownership online, have started to ease the process.

The Commercial Code and the 1991 Economic Competition Act govern competition policy in Slovakia. The Anti-Monopoly Office is responsible for preventing noncompetitive situations. The Competition Act was amended at the end of 2013, and will provide more flexible rules for mergers clearance and sets new rules for leniency programs. Another new measure implemented in 2013 is a financial benefit for private individuals who report cartel agreements of up to 1% of the fine imposed upon the cartel. The Law on Public Procurement was changed substantially in 2013. The new Public Procurement law harmonized all provisions with relevant EU directives on the subject and introduced a more centralized approach towards general government purchases which are now governed by the Ministry of Interior. Although government officials believe the new Public Procurement law will result in substantial savings in government purchases, business stakeholders and NGO activists claim that the new law brings less transparency and could facilitate potential bid rigging agreements. An electronic tendering system, operated by the Public Procurement Office and the Ministry of Finance that was adopted in 2007 to support the tendering cycle remains in place. Nevertheless, the transparency and integrity of public tenders remain concerns which have led to the dismissal of government ministers and to inquiries on the part of the European Commission. Lack of transparency in public tenders ranks among the areas of most concern to foreign investors in Slovakia.

Foreign investors and foreign companies doing business in Slovakia have complained about poor law enforcement and a lack of transparency in regulatory processes in several industries. A number of regulatory bodies are considered by the business community as less than fully independent (including the Telecommunication Office and the Authority for Regulation of Network Industries). Political pressure on regulators in several offices has at times resulted in changes of leadership to influence the outcome in specific regulatory adjudications.

In 2011, the Telecommunications Regulatory Authority of the Slovak Republic awarded 10-year license fees to the two major Slovak telecommunication operators – French Orange and German T-Com – that should reach 63 million USD (T-Com) and 53.7 million USD (Orange). The Supreme Court is reviewing this decision, due to allegedly inaccurate calculations on the number of potential customers. The Authority for Regulation of Network Industries, an independent regulatory body within the Ministry of Economy responsible for approving prices of electricity, natural gas, and heat for households, has often come under scrutiny for seemingly politically-biased decisions. The government has occasionally used emergency legislative procedures in cases affecting businesses. This practice drastically shortened the public comment period for some proposed laws and regulations to practically nothing, a measure that various business groups vigorously protested. One law passed under this shortened legislative procedure was the controversial "strategic companies" law introduced in 2009. The law brought about a major change in bankruptcy and restructuring procedures, allowing the state the right of first refusal in acquiring distressed companies in certain sectors. The law was drafted, introduced, and passed in roughly a week, with no formal period for public comment. The "strategic companies" law expired at the end of 2010 and was not renewed by the current government. Another example, from 2008, changed corporate governance rules for companies in regulated network industries to allow the state to determine utility prices. Again, this highly controversial legislation was brought to a vote in Parliament and signed into law with virtually no public comment period.

Another recent example, from 2013, involves an additional amendment to the Public Procurement Law, when a small amendment to the law was introduced and adopted in just 11 days even though the larger amendment was still under the discussion with relevant stakeholders.

Efficient Capital Markets and Portfolio Investment Return to top

Financial market supervision was integrated under the National Bank of Slovakia in 2006. Under this reform, the Financial Market Authority was dissolved, and all its powers and responsibilities, including coverage of banking, capital markets, insurance, and pension supervision, were transferred to the National Bank of Slovakia. Financial Market Supervision Act No. 747/2004 and the Act on the National Bank of Slovakia No. 566/1992 govern financial market supervision.

Slovakia's financial sector felt the pinch of the Eurozone debt crisis during 2011; however, effects began to ameliorate during the first six months of 2012. No Slovak bank reported any significant, direct, adverse effects on its profitability, capital, or liquidity position as a result of the crisis. The banking sector in Slovakia enjoys robust liquidity. While most banks operating in Slovakia are subsidiaries of foreign-owned institutions, they report minimal dependence on their mother companies for financing. As of 2013, the National Bank of Slovakia estimated banking assets over EUR 60 billion. Credit demand was increasing, especially in the segment of retail banking – increasing by 9.5 percent, which also positively influenced the profitability of banking sector. Another positive trend recorded in the Slovak banking sector was the continuous increase of minimum capital requirements to 17.5 percent. Thanks to the increased lending activity, increased minimum capital requirements, and the ability of banks to generate net interest income, the Slovak banking sector was resistant to the negative external developments in financial markets and the slowdown in the Slovak economy.
The Bratislava Stock Exchange (BSSE) is a joint-stock company whose activities are governed primarily by the Stock Exchange Act No 429/2002. Only Stock Exchange members and the National Bank of Slovakia are authorized to conclude stock exchange transactions directly. The BSSE was admitted as an associate member of the Federation of European Securities Exchanges (FESE) in 2002. BSSE became a full member of FESE on June 1, 2004.

At the end of 2013, BSSE recorded 254 issues of various financial instruments. That includes 25 issues placed on main listed market, 43 issues on the parallel listed market and 186 issues on the regulated free market. 247 of the issues were denominated in euros; seven of them were in Czech crowns. In 2013, BSSE launched 51 new emissions of securities for a total value of EUR 6.87bn and CZK 1.25 bn. All emissions issued in 2013 were bonds.

The Slovak government continued to refinance its debt through 6 issuances of Treasury bonds with a short-term maturity in total value of EUR 2.55bn. BSSE reported EUR 9.42 billion in new capital traded in 2013. In January 2014, Slovak government issued its Treasury bonds with 15 years maturity on the historically lowest level of 3.6 percent yield in total volume of EUR 1.5 bn.

Background documents:
Financial market overview by National Bank of Slovakia:
http://www.nbs.sk/_img/Documents/_Dohlad/ORM/Analyzy/ASFS_1h2013.pdf
http://www.nbs.sk/_img/Documents/_Dohlad/ORM/Analyzy/ASFS_1h2012.pdf
http://www.nbs.sk/_img/Documents/_Dohlad/ORM/Analyzy/ASFS_2011.pdf

Data on the banking sector:
http://www.rokovania.sk/File.aspx/ViewDocumentHtml/Mater-Dokum-148580?prefixFile=m_

Annual Report of the Bratislava Stock Exchange:
http://www.bsse.sk/Portals/2/Resources/statistics/year/Factbook-2013-BSSE-final.pdf

Competition from State Owned Enterprises Return to top

In general, state-owned enterprises and private companies compete on a level playing field. There are, however, several instances in which this has not been the case. In 2008, the government imposed strict return guarantee requirements and fee limits on private pension funds. Many industry analysts believe the government instituted these requirements to eliminate competition against the state-run "pay-as-you-go" pension system and to encourage investors to move their savings back into the deficit-plagued state. The SMER government decreased the contribution to the 2nd pillar from original 9 percent to 4 percent during 2012, claiming it as a consolidation measure, necessary due to public finance problems. The Achmea health insurance company arbitration case, mentioned in the Dispute Settlement section above, is also seen as an attempt by the government to push private companies out of the insurance business to consolidate the government's role. In particular, the government's attempt to restrict Achmea's payment of dividends to its policyholders was widely seen as an effort to limit competition with the state-owned insurance company, which has a 70% market share. During 2013, SMER government introduced a plan of single insurer company, which would expropriate both private health insurers Achmea and Dovera. The plan is far behind its original schedule, however SMER government hasn't ruled out this idea.

Corporate Social Responsibility
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Under a government program, corporations can direct 2% of their corporate income tax to non-governmental organizations (NGOs). Many corporations take advantage of this opportunity, making this program a key funding sources for NGOs. Some in the government have proposed limiting or eliminating this donation to increase revenue collection efforts. Most major foreign investors operating in Slovakia have Corporate Social Responsibility (CSR) programs, ranging from employment and education programs for underprivileged minorities to fundraising for charities and NGOs. For example, Whirlpool has a Habitat for Humanity program; U.S. Steel Kosice has a Roma employment program; and Johnson Controls has a community volunteer program. U.S. companies have been recognized by government and civil society for the excellence of their community service efforts.

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There have been no reports of politically motivated damage to property, and civil disturbances are extremely rare. There has been no violence directed toward foreign-owned companies.

Corruption
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In the past year, Slovakia received poor ratings in several international measures of transparency.

Several of the indices cite problems with the judiciary as the biggest single issue. The Transparency International Index, for example, calls the judiciary "one of the weakest institutions in the country." Slovak law provides for an independent judiciary; however, in practice, problems with corruption, intimidation of judges, inefficiency, and a lack of integrity and accountability have continued to undermine judicial independence. In the World Economic Forum's latest Competitiveness Index, Slovakia achieved its worst ranking since 1997. On dimensions related specifically to corruption, such as diversion of public funds, public trust in politicians, wastefulness of government spending, and efficiency of the country's legal framework, Slovakia ranked 112th or worse. In the World Bank "Doing Business 2013" report, Slovakia actually received much worse ratings than most of its European counterparts on key factors like protecting investors (where Slovakia ranked 117th) or enforcing contracts. Similarly, in Forbes' 2012 "Best Countries for Business" List, Slovakia received particularly poor ratings for investor protection (99th out of 100), red tape, and corruption. The latest iteration of the European Quality of Life Survey, published in December 2012, shows that the Slovak public's overall trust in public institutions is sixth worst among the EU27 countries.

Slovakia is a party to international treaties on corruption, among them the OECD Convention on Combating Bribery of Foreign Public Officials, UN Anti-Organized Crime Convention, UN Anti-Corruption Convention, and Criminal Law Convention on Corruption and Civil Law Convention on Corruption. Slovakia is a member of the Group of States against Corruption (GRECO)

The press has taken an active role in reporting on corruption, and public awareness of the issue has steadily increased over the past several years. The Slovak chapter of Transparency International (TI) is active and, along with other civil society groups, monitors public tenders. As Slovakia is a signatory to the OECD Convention on Combating Bribery of Foreign Public Officials, to give or accept bribes is a criminal act. Despite having legislation in place, however, Slovakia is ranked very low in the quality of its implementation of the Convention, according to a TI report. Slovakia ranked 62nd on TI's 2012 Corruption Perception Index (CPI), down (i.e. more corrupt) from 59th in 2010 and 57th in 2009.

After it came to power in June 2010, the center-right government led by Prime Minister Iveta Radicova began publishing all government contracts on the web from January 2011 onward in order to increase transparency. These procedures continue today under the Smer government. The Justice Ministry introduced compulsory disclosure of contracts by public administration and state-owned companies in the Central Registry of Contracts in 2011. The registry contains now about 110,000 documents, and local municipalities have published additional contracts as well. The only exceptions are some state-owned companies, which were established as joint stock companies and, according to the law, represent private business. These large enterprises, which have a significant stake in government contracts, criticized the disclosure law, as they fear they will be disadvantaged in comparison to private companies who do not have to disclose their contracts. Analysts and journalists agree that contract disclosure has helped reduce corruption. However, non-governmental organizations have continued to make corruption allegations, including several allegedly involving senior members of the Slovak government. Shortly before the end of 2011, an anonymous leak of alleged secret-service tapings was published on the internet, disclosing potentially corrupt activities of current and previous high-level politicians – across political parties – and Slovak oligarchs during privatizations in the years 2005-2006.

The European Commission has sought explanations or investigated corruption complaints in connection with several tenders and regulatory decisions involving EU funds. The most notable cases involved the Ministry of Environment; the Ministry of Construction and Regional Development; the Ministry of Labor, Social Affairs, and Family; and the Ministry of Transportation.

Bilateral Investment Agreements

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Slovakia has bilateral investment treaties with the following countries: Austria, Belgium, Bulgaria, Belarus, Bosnia and Herzegovina, Canada, China, Croatia, Cuba, Denmark, Egypt, Finland, France, Germany, Greece, Hungary, Indonesia, Ireland, Israel, Italy, Lithuania, Luxembourg, Malta, Montenegro, the Netherlands, North Korea, Norway, Poland, Portugal, Romania, Russia, Serbia, Singapore, Slovenia, South Korea, Spain, Sweden, Switzerland, Syrian Arabic Republic, Tajikistan, Turkey, Turkmenistan, Ukraine, the United Kingdom, the United States, the Socialist Republic of Vietnam, and Uzbekistan. Like other newer EU members, Slovakia had to negotiate an amendment to its bilateral investment treaty with the United States, because it was considered inconsistent with EU legislation. The amended treaty entered into force on May 14, 2004. In November 2007, Slovakia signed a bilateral Science and Technology Agreement with the United States.

OPIC and Other Investment Insurance Programs Return to top

The Overseas Private Investment Corporation (OPIC) offers U.S. investors in Slovakia insurance against political risk, expropriation of assets, damages due to political violence, and currency inconvertibility. OPIC can provide specialized insurance coverage for certain contracting, exporting, licensing, and leasing transactions undertaken by U.S. investors in Slovakia. Slovakia is a Member of the Multilateral Investment Guarantee Agency (MIGA).

The U.S. Embassy purchases local currency at a rate generated by the Department of State; the current rate (May 6, 2014) is EUR 0.718 / $1.00. The Embassy expects to convert roughly $10.8 million during fiscal year 2013.

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A new amended Labor Code came into force in Slovakia on January 1, 2013. It reverses some of the employer flexibility that existed under the Labor Code revised by the previous center-right coalition government in September 2011. The 2011 changes had moved Slovakia to among the top 10 OECD countries in terms of the least strict rules regarding employment protection, but the latest changes will move the country to a position in the middle of the pack with regard to labor flexibility. Slovakia has a standard workweek of 40 hours, and the new Labor Code fixes the maximum overtime work to no more than 400 hours annually. As of January 2014, the minimum wage is 352 euros per month. The minimum living standard is established at 198.09 euros per month. Wages have risen steadily since 2004, following the country's accession to the EU and because of increasing demand for labor brought on by growing levels of FDI. A new law on the minimum wage, which took effect at the beginning of 2009, introduced indexing of the minimum wage to overall wage growth in the economy. Slovak social insurance is compulsory and includes a health allowance, unemployment insurance, and pension insurance. Legislation passed in 2007 increased the ceiling on social insurance payments, affecting both employers and employees.

A new Amendment of the Act on Collective Agreement came into force as of January 1st, 2014. Its implementation was widely criticized. The President of Slovakia refused to sign the new amendment and the opposition filed a motion in the Constitutional Court claiming that this amendment is unconstitutional. The Government of Slovakia has launched a new round of negotiations with its social partners to potentially come up with a new proposal on the law. The January 2010 version of the Act had guaranteed that a collective agreement negotiated between a company and the government was automatically extended to all other companies in the same sector. Based on the December 2010 amendment to paragraph 7 of the same Act, the Ministry of Labor must approach each company in the negotiations about extending collective agreements.

Total nominal hourly labor costs in Slovakia increased slightly in 2013 (+1.9%), reflecting recent changes in the Labor Code amendment effective since January 1st, 2013 and higher compulsory compensation payments associated with high unemployment. The unemployment rate, which hovered around 20% as recently as six years ago, and which had declined to as low as 8% in 2008 due to strong economic growth, entry to the EU, and stricter policies on qualifying for unemployment benefits, finished 2013 at 14.2%. There are significant regional variations in unemployment rates across the country, with a pre-recession rate of less than 6% in Bratislava but up to 31% in some parts of eastern and southern Slovakia (Rimavska Sobota)

Union membership has been on the decline in recent years. The latest statistics available regarding the number of workers in the labor unions is from 2010, when 365,541 workers (or approximately 17% of the total Slovak workforce) belonged to trade unions. Not wishing to highlight their declining membership, the organizations that have maintained the statistics has ceased to publish the numbers. In 2007 the government re-instituted the so-called "tripartite arrangement," a discussion platform consisting of state representatives, labor unions, and the employers' association. The unions generally have been tolerant of the costs imposed on labor by economic transformation, but union leadership has remained politically engaged and is active among its membership. Slovakia is a member of the International Labor Organization and adheres to its Convention Protecting Worker Rights

Foreign-Trade Zones/Free Ports

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Foreign trade zones and free ports were eliminated in Slovakia in 2006.

Foreign Direct Investment Statistics

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Slovakia imports more than 90% of its oil and gas from Russia, and its export markets are primarily OECD and EU countries, although both Russia and China are growing in importance. More than 80% of Slovakia's trade is with EU members. Germany is Slovakia's largest trading partner, purchasing 21% of Slovakia's exports in 2013. Other major markets include the Czech Republic (13.6%), Poland (8.3%), Hungary (6.2%), Austria (6.1%), France (5.0%), and Great Britain (4.6%). Russia is the 9th largest trading partner (4.5%), followed by China with 4%. Slovakia's primary import partners are Germany (15.5%), Czech Republic (10.4%), Russia (10.2%), China (7.2%), Poland (4.7%), Hungary (4.4%), and Italy (3.1.%). Slovakia's exports to the United States made up 1.8% of its overall exports in 2013 ($1.2 billion), while imports from the U.S. accounted for 0.9% of its total purchases abroad ($531 million), according to the Ministry of Economy (September 2013 data).

There are over 130 U.S. companies in Slovakia. In 2013, AT&T Slovakia and IBM Slovakia expanded their existing business in Slovakia via opening regional centers in Kosice City. IBM Slovakia created 150 new jobs and the Government of Slovakia approved EUR 1.58m of investment stimuli. In December 2011, the U.S. company Honeywell announced a 50.2 million USD investment in Slovakia, creating 446 new jobs in Eastern Slovakia. The Government of Slovakia approved 25 million USD in state aid for the new Honeywell investment, including 15.2 million USD in direct financial subsidies, 600,000 USD in tax breaks and 9.2 million USD in contributions for jobs created. In 2011, Amazon and Google opened offices in Slovakia. In 2000, U.S. Steel

Kosice (USSK) acquired East Slovakian Steelworks to become the largest U.S. investor in Slovakia, with an investment of 1.2 billion USD and over 11,000 employees directly. Johnson Controls has over 6,000 employees in Slovakia; IBM has roughly 4,600 employees in Bratislava, followed by HP with approximately 2000 employees. Whirlpool has over 900 employees and produces two million washing machines annually, making its local unit the largest appliance producer in Europe. Several other American companies have substantial investments in Slovakia, including Emerson Electric, Tower Automotive, Crown Bevcan, Citibank, TRW, Visteon, AT&T, HP, Microsoft, CISCO, Johnson Controls, and Dell. Other major foreign corporations in Slovakia include Volkswagen, Hyundai Motors, Peugeot-Citroen, Samsung, Getrag Ford, Deutsche Telecom, EON Ruhrgas, Intesa BCI, UniCredito, Raiffeisen Group, Enel and Siemens. Other significant foreign investments included 171.6 million USD expansion plans of German-Slovak Continental Matador Rubber, and a 27.7 million USD investment of German Secop (former Danfoss Compressors).

Web Resources

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National Bank of Slovakia:
www.nbs.sk

Center for Economic and Social Analyses:
www.mesa10.sk

Slovak Ministry of Economy:
www.economy.gov.sk

Ing Slovakia:
www.ingfn.sk

The Slovak Republic Government Office:
www.government.gov.sk

Ministry of Finance of Slovak Republic:
www.finance.gov.sk

OECD:
www.oecd.org

International Monetary Fund:
www.imf.org

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Chapter 7: Trade and Project Financing

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Since January 1, 2009 interest rates for commercial financing have been derived from interest rates of the European Central Bank (ECB) http://www.ecb.int/ecb/html/index.en.html.
There are special credit programs available for small and medium enterprises. The availability of credit for SMEs (small and medium size enterprises) is based on their credit rating.

Large-scale project financing may be obtained from the multilateral lending institutions such as the European Bank for Reconstruction and Development (EBRD) www.ebrd.com, International Finance Corporation (IFC) www.ifc.org, or the European Investment Bank (EIB) www.eib.org.

Methods of payment are similar to those in the United States and other countries and include payments in advance via Swift, letters of credit, bank guarantees, and open terms.

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The Slovak banking system is based upon a European model rather than a U.S. model and is governed by the Slovak Banking Act. Under Slovak law, commercial banks may engage in investment banking and brokerage activities, as well as traditional commercial transactions and lending. These activities are subject to licensing and supervision by the National Bank of Slovakia www.nbs.sk, which controls minimum capital, reserve requirements, and bank supervision. Recent adoption of the Council Regulation (EU) No 1024/2013 will confer the authorization and supervision over three quarters of the banks located in Slovakia on ECB.

Foreign banks can establish representative offices or full-fledged branches. Representative offices are limited to offering advice and informing clients of the services of the parent bank. Branches may handle any transactions authorized by the parent bank. Foreign banks must agree to take over the assets and liabilities, effectively guaranteeing the financial health of the branch. Thus far, foreign banks in Slovakia have concentrated on providing international payment services and loans to foreign clients or Slovak companies with extensive export business.

The Inter-Bank Payment System (SIPS) is operated through the National Bank of Slovakia. By law, all banks are obliged to carry out their domestic payment transactions through this center. Security of the Inter-Bank Payment System in Slovakia is based on a high level of data protection during all stages of processing and settlement at National Bank of Slovakia. All participants in the Inter-Bank Payment System Slovakia must have a backup facility for both data transfer and processing.

Since February 1 2014 a new European Parliament and Council Regulation (EU) No. 260/2012 has become effective. This regulation unifies the rules and standards in the payment systems. Single Euro Payments Area (SEPA) removes the boundaries for the execution of cashless payments in Euro. Within SEPA consumers, businesses and other economic operators, therefore, will be able to send and receive payments in Euro, whether within a country or between countries, under the same basic conditions, rights and obligations, and no matter in which country they have held a payment account. A direct result of the implementation of the SEPA payment instruments will be the replacement of the currently used domestic payment instruments, in particular for credit transfers and direct debits with common SEPA payment instruments. SEPA payments will be carried out according to the same rules, the same procedures and in accordance with the same standards in all SEPA countries (Iceland, Norway, the European Union countries plus Switzerland, Liechtenstein, Monaco). IBAN and SWIFT Codes will be used uniformly for payments within and across the SEPA countries.

Foreign-Exchange Controls Return to top

There are generally no foreign-exchange controls. Slovakia adopted the Euro as its national currency beginning January 1, 2009. For more information please visit http://www.nbs.sk/en/euro

U.S. Banks and Local Correspondent Banks Return to top

There is one subsidiary of a U.S. bank with a physical presence in Slovakia:

Citibank Europe plc
Mlynské nivy 43
825 01 Bratislava 26
Slovakia
Tel: +421 2 5823 0111
Web site: www.citibank.sk

Other banks in Slovakia that have correspondent relationships with U.S. banks include:

Sberbank Slovensko:
- Citibank, NY
- Chase Bank, NY
- Bank of New York, NY
- Bank of America, International, NY

Allianz:

-- American Express Bank, NY
-- Bankers Trust, NY
-- Bank of America, NY
-- Citibank, NY
-- First Union National Bank
-- Bank of New York
-- Philadelphia National Bank
-- Chase Bank, NY

Tatra Banka (through Tatra Raiffeisen, Austria):
-- American Express Bank, NY
-- Bankers Trust, NY

Vseobecna Uverova Banka (VUB):
-- Citibank, NY
-- Chase Manhattan Bank, NY
-- Bank of America, NY
-- American Express Bank, NY
-- Bankers Trust Company, NY

UniCredit Banka:
-- American Express Bank, NY
-- Citibank, NY
-- Bankers Trust Company, NY
-- First Union National Bank, NY

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EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and projects in a number of key sectors (e.g., environmental, transportation, energy, telecommunications, tourism, public health). A number of centralized financing programs are also generating procurement and other opportunities directly with EU institutions.

The EU supports economic development projects within its member states, as well as EU-wide "economic integration" projects that cross both internal and external EU borders. In addition, the EU provides assistance to candidate and neighbor countries. The EU provides project financing through grants from the EU budget and loans from the European Investment Bank. Grants from the EU Structural and Investment Funds program are distributed through the member states' national and regional authorities. Projects in non-EU countries are managed through the Directorate-Generals Enlargement, Development and Cooperation (EuropeAid), Humanitarian Aid and Civil Protection (ECHO).

EU Structural and Investment Funds (ESIF)

EU Structural Funds, including the European Regional Development Fund, were created in 1975 to assist economically depressed regions of the European Union that required industrial restructuring. For the period of 2014 – 2020, the EU has earmarked 352 billion euros for projects under the EU's cohesion policy. In addition to funding economic development projects proposed by member states or local authorities, EU Structural and Investment Funds (ESIF) also support specialized projects promoting EU environmental and socioeconomic objectives. Member states negotiate regional and "sectoral" programs with EC officials. For information on approved programs that will result in future project proposals, please visit: http://ec.europa.eu/regional_policy/index_en.cfm

For projects financed through ESIF, member state regional authorities are the key decision-makers. They assess the needs of their country, investigate projects, evaluate bids, and award contracts. To become familiar with available financial support programs in the member states, it is advisable for would-be contractors to develop a sound understanding of the country's cohesion policy indicators.

Tenders issued by member states' public contracting authorities for projects supported by EU grants are subject to EU public procurement legislation. All ESIF projects are co-financed by national authorities and many may also qualify for a loan from the European Investment Bank and EU research funds under Horizon 2020, in addition to private sector contribution. For more information on these programs, please see the market research section on the website of the U.S. Mission to the EU:
http://export.gov/europeanunion/marketresearch/index.asp

The Cohesion Fund
The Cohesion Fund is another instrument of the EU's cohesion policy. Its 63 billion euro (2014-2020) budget will fund projects in two areas: Trans-European Network projects in transport infrastructure and environmental projects, including areas related to sustainable development and energy for projects with environmental benefits.

The fund will support projects in Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.

These projects are, in principle, co-financed by national authorities, the European Investment Bank, and the private sector:
Key Link: http://ec.europa.eu/regional_policy/thefunds/cohesion/index_en.cfm

Other EU Grants for Member States
Another set of sector-specific grants offer assistance to EU member states in the fields of science, technology, communications, energy, security, environmental protection, education, training and research. Tenders related to these grants are posted on the various websites of the directorates-generals of the European Commission. Conditions for participation are strict and participation is usually restricted to EU firms or tied to EU content. Information pertaining to each of these programs can be found at:
http://ec.europa.eu/grants/index_en.htm

External Assistance Grants
"Development and Cooperation – EuropeAid" is the Directorate–General (DG) responsible for implementing EU development policies through programs and projects across the world. Its website offers extensive information on the range of grant programs, the kind of projects that are eligible, as well as manuals to help interested parties understand the relevant contract law. However, participation in these calls for tender is reserved for enterprises located in the EU member states or in the beneficiary

countries and requires that the products used to respond to these projects are manufactured in the EU or in the aid recipient country. Consultants of U.S. nationality employed by a European firm are allowed to participate. European subsidiaries of U.S. firms are eligible to participate in these calls for tender.
For more information: http://ec.europa.eu/europeaid/index_en.htm

The EU also provides specific Pre-Accession financial assistance to the accession candidate countries that seek to join the EU through the "Instrument for Pre-accession Assistance" (IPA). Also, the European Neighborhood Instrument (ENI) will provide assistance to countries that are the Southern Mediterranean and Eastern neighbors of the EU.

IPA II is the second EU program of support for political and economic reforms, preparing the beneficiaries for the rights and obligations that come with EU membership that are linked to the adoption of the *acquis communautaire* (the body of European Union law that must be adopted by candidate countries as a precondition to accession). These programs are intended to help build up the administrative and institutional capacities of these countries and to finance investments designed to aid them in complying with EU law. IPA II finances projects in: Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Iceland, Kosovo, Montenegro, Serbia, and Turkey. The budget of IPA II for 2014-20 is 11.7 billion euros. For more information, see: http://ec.europa.eu/enlargement/instruments/overview/index_en.htm#ipa2

The European Neighborhood Policy program (ENPI) covers the EU's neighbors to the east and along the southern and eastern shores of the Mediterranean (i.e. Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the occupied Palestinian territory, Syria, Tunisia and Ukraine). The ENI budget is 15.4 billion euros for 2014-2020. Additional information can be found at: http://ec.europa.eu/world/enp/index_en.htm

Loans from the European Investment Bank
Headquartered in Luxembourg, the European Investment Bank (EIB) is the financing arm of the European Union. Since its creation in 1958, the EIB has been a key player in building Europe. As a non-profit banking institution, the EIB assesses reviews and monitors projects, and offers cost-competitive, long-term lending. Best known for its project financial and economic analysis, the EIB makes loans to both private and public borrowers for projects supporting four key areas: innovation and skills, access to finance for smaller businesses, climate action, and strategic infrastructure.

While the EIB mostly funds projects within the EU, it lends outside the EU as well (e.g., in Southeastern Europe, Africa, Latin America, and Pacific and Caribbean states). In 2013, the EIB loaned 75 billion euros for projects, an increase of 37% over 2012. The EIB also plays a key role in supporting EU enlargement with loans used to finance improvements in infrastructure, research and industrial manufacturing to help those countries prepare for eventual EU membership.

The EIB presents attractive financing options for projects that contribute to the European objectives cited above, as EIB lending rates are lower than most other commercial rates. Projects financed by the EIB must contribute to the socioeconomic objectives set out by the EU, such as fostering the development of less favored regions, improving European transport and environment infrastructure, supporting the activities of SMEs, assisting

urban renewal and the development of a low-carbon economy, and generally promoting growth and competitiveness in the EU. The EIB website displays lists of projects to be considered for approval. As such, the EIB website is a source of intelligence on upcoming tenders related to EIB-financed projects:
http://www.eib.org/projects/pipeline/index.htm

For more information, see our report on the EIB:
http://export.gov/europeanunion/marketresearch/index.asp

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National Bank of Slovakia: http://www.nbs.sk

Citibank (Slovakia): http://www.citibank.sk

EU websites:

The EU regional policies, the EU Structural and Cohesion Funds:
http://ec.europa.eu/regional_policy/index_en.htm

EU Grants and Loans index: http://ec.europa.eu/grants/index_en.htm

EuropeAid Co-operation Office: http://ec.europa.eu/europeaid/index_en.htm

EU tenders Database: http://ted.europa.eu/TED/main/HomePage.do

The European Investment Bank: http://www.eib.org

EIB-financed projects: http://www.eib.org/projects/index.htm?lang=-en.

U.S. websites:

Market research section on the website of the U.S. Mission to the EU:
http://export.gov/mrktresearch/index.asp

Export-Import Bank of the United States: http://www.exim.gov

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: http://www.opic.gov

Trade and Development Agency: http://www.ustda.gov/

SBA's Office of International Trade
http://www.sba.gov/about-offices-content/1/2889

U.S. Agency for International Development: http://www.usaid.gov

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Chapter 8: Business Travel

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Business practices and etiquette in the Slovakia represent a mixture of those used in Western Europe and the United States and those used in Eastern Europe. Decision-making in a company is often restricted to a small number of people, if not just one person. Even relatively minor decisions may require the approval of a high level official. Appointments should be made well in advance, with re-confirmations made one or two days prior to actual meetings. Business dress is similar to that in Western Europe.

Titles and positions are highly respected and are generally used on business cards. U.S. business people occasionally have difficulty in receiving replies to inquiries and are encouraged to follow-up to ensure contact with the intended recipients. E-mail is the most common way of communicating.

Doing business successfully in Slovakia generally requires the establishment of good personal relationships and a feeling of mutual trust. General social conversation prior to getting down to business is the norm, and launching directly into business topics may impede the development of a good personal relationship with the Slovak business partner. After initial meetings, written summaries of goals, objectives, and points of agreement or disagreement should be used to minimize misunderstandings among business parties.

Offers to host business dinners and/or lunches are welcomed as compensation for gifts. If invited to a person’s home, you are expected to bring flowers for the hosts. Small gifts are also appreciated, but not expected. It is common to give small presents such as a bottle of wine, cookies or chocolates in the weeks leading up to Christmas.

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Please check the following U.S. Department of State website for updated travel advisories:
http://travel.state.gov/travel/cis_pa_tw/cis/cis_1019.html

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Slovak Entry Requirement for U.S. Citizens

Slovakia is a party to the Schengen Agreement. As such, U.S. citizens may enter Slovakia for up to 90 days for tourist or business purposes without a visa issued prior to departure from the United States. U.S. passports should be valid for at least six months beyond the period of stay.

In accordance with the Law of the National Council of Slovakia No. 48/2002 Coll. on the stay of foreigners in Slovakia as amended later by law 558/2005 (effective December 15, 2005), persons intending to stay in Slovakia longer than a total of 90 days during any 6-month period must submit an application for a Temporary Term Residence Permit either at a diplomatic or Consular Mission of the Slovakia in the country of their residence (Embassy of the Slovakia, 3523 International Court, NW, Washington D.C. 20008, telephone: 202-237-1054, web page http://www.mzv.sk/washington) or at the alien's police department in the district of their residency in Slovakia. A permit can be granted for a period of not more than two years with a possibility of repeated extension provided that the application for a renewal of the permit is submitted no later than 60 days before the expiration of its validity. Please check the documents needed to accompany an application for a permit, which is to be completed in Slovak, on the following website: http://slovakia.usembassy.gov/residency-permit.html

Meeting the requirements of Slovak law to obtain a long-term stay permit can be a long and difficult process, with health and police checks, among other things, needed to complete the process. Slovak authorities have been criticized for the length of this process.

U.S. companies seeking long-stay residency permits for their employees should contact the Slovak Embassy in Washington, D.C., for further information and detailed instructions on making appropriate applications. Most U.S. companies engage the services of an attorney with extensive knowledge and experience with Slovak immigration law to guide them through the application process.

U.S. Entry Requirements for Slovak Citizens

Slovaks may travel to the United States under the Visa Waiver Program (VWP). To travel under the VWP, Slovak citizens must have a biometric passport issued by the Slovak Government after January 1, 2008, an electronic travel authorization obtained in advance of the trip through the Electronic System for Travel Authorization (ESTA), and stay in the U.S. for 90 days or less for tourism or non-paid business purposes. To apply for authorization to travel to the U.S. through ESTA, please visit https://esta.cbp.dhs.gov/esta/ . Visitors seeking to travel to the United States under the VWP can apply directly for travel authorization via this web site. The ESTA application Web site is available in many different languages and includes a "help section" that provides additional information for VWP travelers to guide them through the application process. There is no benefit to utilizing private web sites that charge for information about ESTA, or to apply for an ESTA on behalf of VWP travelers.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: http://travel.state.gov/content/visas/english.html

Embassy of the United States of America Consular section:
http://slovakia.usembassy.gov/visas.html

Telecommunications

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The Slovak telecommunications system is very much comparable with other EU countries.

The level of internet access in Slovakia is developed. According to the Slovak Ministry of Telecommunications, there are about 1,104,000 customers connected to the Internet with fixed access and approximately 1,915,000 customers connected to the Internet with mobile access. Approximately 1,075,000 customers have broadband Internet access. Internet access is easily available in all cities and towns. Wi-Fi spots are widely available in the number of public places, including restaurants and coffee houses in several major cities.

Mobile telecommunication and Internet services are provided in the GPRS/EDGE, UMTS/HSDPA, F-OFDM and UMTS/FDD standards. There are three mobile service providers in Slovakia: Orange, T mobile and O2. More than 97 % of the country is covered by mobile telephone access, with the exception of very remote rural areas. Fixed line services are very reliable. There is one primary fixed-line operator, T-Com and 38 alternative fixed-line operators. The country code for Slovakia is +421. Direct-dial, VoIP and cellular telephone calls can be made easily throughout the country.

Transportation

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Slovakia's transportation system is well organized but some modes of transport are aging.

In 2013, commercial air transport was available from Bratislava, Košice, Žilina, Piešťany and Poprad - Tatry international airports. Most international commercial service was provided by Travel Service, Ryanair, Norweigan Air Shuttle, UT Air and EL Al, CSA / Air France/ Delta Airlines / Alitalia / Aeroflot / KLM, Lufthansa / Austrian Airlines and Eurolot. The primary international destinations were Alicante, Alghero, Barcelona, Bari, Bologna, Birmingham, Bristol, Brussels, Burgas, Dublin, Edinburgh, Gerona, Gdansk, Copenhagen, Las Palmas, Liverpool, London, Malaga, Manchester, Milan-Bergamo, Moscow, Palma de Mallorca, Paris, Pisa, Prague, Rome, Stockholm, Tel Aviv, Trapanji, Vienna (Košice), and Warsaw. Lately, Czech Airlines opened new connections twice daily from Bratislava to Košice and Prague. Due to proximity, many travelers to Bratislava use the Vienna International Airport, which is only 45 minutes away by car, taxi, or scheduled bus service. Travelers should check destinations and timetables carefully, as they change frequently. Travel by train within Slovakia is reliable, although coaches are not generally up to the standards of those in Western Europe.

Even though the rail transport has declined in recent years mainly due to a more flexible and geographically more accessible bus transport, as of December 2014 Czech private company RegioJet will service the route Bratislava-Zilina-Kosice. Trains equipped with stewardesses, WIFI, free refreshments, entertainment portal, two bars, food and children's wagon will represent a major quality competition to the State's InterCity trains.

Automobile travel is also possible, although, due to many narrow two-lane roads, travelers often find that travel by car can take longer than expected.

Slovakia imposes a "road user fee" for intercity highways and certain other roads, and the fee applies to Slovaks and foreigners alike. Fees vary by length of validity and vehicle type and weight. Stickers can be purchased at border crossings, gas stations and post offices. If use of a rental car is planned, try to rent a vehicle that already has a valid sticker showing that the applicable fee has been paid. Information on highways and stickers is found at: http://www.ndsas.sk/?lang=en. Vehicles exceeding 3.5 tons (trucks, buses, etc.) are obliged to pay special, additional, tolls on certain highways and motorways. Please check the following website for fees and a list of roads that require the purchase of a special highway sticker: http://www.emyto.sk. Taxi service is readily available, reliable, safe and generally inexpensive. Many drivers do not speak English, but some taxi companies have English-speaking dispatchers. Potential difficulties may arise from the confusing system of multiple rates (based on distance, location, use of a highway or a regular road when getting to the destination and how the taxi was called, whether by telephone or at a taxi stand), but taxis are metered. It is advisable to call for a taxi rather than hail one on the street, as taxis summoned by order though radio services are generally less expensive and more reliable. All major cities have public bus and tram services that are convenient and inexpensive.

Language

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Slovak is the official language. Slovaks are usually friendly and open to Americans, and English is increasingly used as a business language, especially in Bratislava. German is also widely spoken as a second language, especially outside of Bratislava. Czech and Russian are widely understood by older Slovaks. Hungarian is spoken by about 10% of the population, mainly in southern Slovakia, but is not widely understood in Bratislava or other parts of the country. Many Slovak companies have English speakers among their top managers, but U.S. business representatives should be prepared to sometimes do business through interpreters in order to avoid possible misunderstandings.

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There have been no major health risks encountered in Slovakia. Updates may be found at: www.health.gov.sk

There are several private medical clinics in Bratislava where English-speaking doctors are on staff. Many private dentists use the most recent technologies and equipment. Medicines are easily available at pharmacies that are located at convenient locations throughout larger towns and cities. Some provide 24-hour service. Pharmacies in smaller cities and towns might be closed during the weekend. Prescriptions are always needed. If a U.S. traveler's private health insurance does not cover medical services in Slovakia, it is highly recommended that he or she obtain temporary coverage from a well-known international insurance company.

Hygienic standards are comparable to those in Western Europe.

Local Time, Business Hours, and Holidays

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Slovakia is on CET (Central European Time). As in many European countries, the workweek is Monday through Friday (40 working hours), and Saturday and Sunday are days off for most employees.

The following holidays will be observed in the Slovakia from January 1, 2014 through December 31, 2014:

January 1	(Wednesday) Slovakia Day; New Year's Day
January 6	(Monday) Epiphany
April 18	(Friday) Good Friday
April 21	(Monday) Easter Monday
May 1	(Thursday) Labor Day
May 8	(Thursday) End of World War II
July 5	(Saturday) St. Cyril & St. Methodius Day
August 29	(Friday) Slovak National Uprising Day
September 1	(Monday) Slovak Constitution Day
September 15	(Monday) Day of the Virgin Mary of the Seven Sorrows
November 1	(Saturday) All Saints Day
November 17	(Monday) Day of the Fight for Freedom & Democracy
December 24	(Wednesday) Christmas Eve
December 25	(Thursday) Christmas Day
December 26	(Friday) St. Stephen's Day

Temporary Entry of Materials and Personal Belongings

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There are no difficulties or special requirements for bringing personal items such as software, laptops and other belongings into Slovakia on a temporary basis.

See “Temporary Entry” in Chapter 5 above for information on obtaining temporary import approval for commercial goods.

Web Resources

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U.S. Department of State Travel Information and Resources: http://travel.state.gov

Embassy of Slovakia in the United States: www.mzv.sk/washington

U.S. Embassy in Slovakia: http://slovakia.usembassy.gov

Bratislava Stefanik International Airport: www.airportbratislava.sk

Vienna International Airport:
http://www.viennaairport.com/jart/prj3/va/main.jart?rel=en&reserve-mode=active&content-id=1249344074214

Slovak Toll Road Network Information: https://www.emyto.sk/web/guest/home

Slovak National Tourism Portal: http://www.slovakia.travel/

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Chapter 9: Contacts, Market Research and Trade Events

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Embassy of the United States of America
Hviezdoslavovo namestie 4
P.O. Box 309
814 99 Bratislava
Tel.: +421 2 5443 0861, 5443 3222
Fax: +421 2 5443 0096
http://slovakia.usembassy.gov

U.S. Commercial Service
Embassy of the United States of America
Hviezdoslavovo namestie 5. 811 02 Bratislava
Tel.: +421 2 5922 3222
Fax: +421 2 5922 3345
http://www.export.gov/slovakia

American Chamber of Commerce in the Slovak Republic: www.amcham.sk

Slovak Chamber of Commerce and Industry: www.scci.sk

Slovak Ministry of Foreign Affairs: www.foreign.gov.sk/en/home

Slovak Ministry of Finance: http://www.finance.gov.sk/En/Default.aspx

Slovak Ministry of Economy and Construction: www.economy.gov.sk

Slovak Ministry of Agriculture and Rural Development:
http://www.mpsr.sk/en/index.php?start&language=en&language=en

Slovak Ministry of Defense: www.mosr.sk

Slovak Ministry of Environment: http://www.minzp.sk/en/

Slovak Ministry of Interior: http://www.minv.sk/?ministry-of-interior

Slovak Ministry of Justice: www.justice.gov.sk

Slovak Ministry of Education, Science, Research and Sport:
http://www.minedu.sk/index.php?lang=en

Slovak Ministry of Health Care: www.health.gov.sk

Slovak Ministry of Transportation, Posts and Telecommunications:
http://www.telecom.gov.sk/index/index.php?lang=en

Slovak Ministry of Labor, Social Affairs and Family:
http://www.employment.gov.sk/index.php?SMC=1&lg=en

Slovak Ministry of Culture and Tourism: http://www.culture.gov.sk

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To view market research reports produced by the U.S. Commercial Service, please proceed to the following website:

http://www.export.gov/mrktresearch/index.asp

and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

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Please click on the link below for information on upcoming trade events:
http://www.export.gov/tradeevents/index.asp

Please click on the links below for information on Slovak trade shows:
http://www.incheba.sk/event-calendar/137#CUREVENT
http://www.agrokomplex.sk/kalendar/

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully**, **connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E).**

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