

NEW INVESTMENTS

SPECIAL

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The company Oerlikon Balzers plans launching production in the new production plant for surface modification for the automotive industry in Velka Ida nearby Kosice in September this year. The company confirmed that they count with creating more than 100 jobs. They need mainly qualified workers and engineering professions with experience in the automotive industry. • [Plus jeden den \(29.5.\)](#), [pg. 7](#) • [SITA \(31.5.\)](#)

A Korean investor arrived in Krasno nad Kysucou and builds its factory here. The company **Hyunnam SK** will create 250 jobs in the first phase and 500 jobs in the second phase at the investment of 12 million euros. Plastic casts and sound protection material for the companies Kia and Hyundai will be produced here. In addition to the carmakers in Teplicka nad Vahom, Nededz and in the villages nearby Zilina the investor connected with carmakers comes also to Kysuce, where the unemployment rate has oscillated at the level of 12 up 13 percent over the past three years. • [Plus jeden den \(29.5.\)](#), [pg. 7](#)

The company with American participation Alpine Oil and Gas wants to launch test boreholes for black gold's extraction by three months. It wants to acquire oil from three deposits in the north-east of our territory. The company opines that they help us lowering the dependency on Russia and claim to bring tens of jobs. The company looks for oil and natural gas in the north-east Slovakia. "We have three concessions for exploration of the territory," L. Ron Crow from the company Alpine Oil and Gas says. Crow adds that 50 jobs should be created by two years. • [Novy Cas \(27.5.\)](#), [pg. 2](#)

Working rush may come back to the complex of the former sugar factory in Rimavska Sobota. The owner of plots in the industrial zone, the company **RS-Real**, holds talks with **four German investors** and may create from 100 to 500 jobs. Allegedly, talks with one of them are more advanced. It may be producing already in two years. If all of them invest in Rimavska Sobota or only one of them, will depend also on the state's support, claims Pavel Pavlik from the company RS-Real. • [Radio Regina \(25.5.\)](#)

The British carmaker Jaguar Land Rover considers an investment in construction of the new plant in the Central Europe. According to the Financial Times daily, in addition to Slovakia also Poland, the Czech Republic and Hungary are in the game, while the company waits now which company will invest the most advantageous incentives. Slovakia was to offer an industrial park in Nitra to the carmaker, where the required 400-hectare plot is available. According to the statement of Jaguar Land Rover, which is owned by the Indian carmaker **Tata Motors**, the final decision about location of the plant has not been made yet. However, according to

some foreign media, the selection was reduced to two countries. • [Trend \(28.5.\)](#), [pg. 10](#) • [SME \(28.5.\)](#), [pg. 6](#) • [Pravda \(28.5.\)](#), [pg. 5](#) • [HN \(28.5.\)](#), [pg. 3](#)

- The Indian concern **Tata Motors** is allegedly heading to Nitra with its production of Land Rovers. "Billion investment of the decade," strengthening Slovakia's position as a top world producer of cars and "8,000 new jobs" were advertised in two dailies on the title as the news of the day. The problem is that more than about the new carmaker in Nitra it shows evidence of some above-standard relations with the government, which made a title for them within its election campaign. However, it underestimated that Warsaw denies the information publishes that Poland and the Czech Republic are the participants of the barrage for Jaguar. • [SME \(29.5.\)](#), [pg. 11](#)

- Slovak Prime Minister Robert Fico commented on the arrival of the carmaker Land Rover to Slovakia. According to him, the news of Czech and Polish media about our fall-out from the competition needn't be true one. "There is various misinformation. I would not pay attention to what Polish, Czech, Hungarian or Slovak media publish. Important is if Slovakia is or is not in the game. I opine that Slovakia is still in the game," said Fico. • [Novy Cas \(28.5.\)](#), [pg. 6](#)

- The Economy Ministry prepares a special law on strategic industrial parks right for construction of big factories similar to this investment of the carmaker. • [STV \(28.5.\)](#)

The second biggest company in the world of the telecommunications, the Chinese company Huawei, is eyeing Slovak brains and hands. The mayor of Zilina Patrik Groma disclosed this at the HNClub conference. Building a technological center is in the game and later a production plant may be added. Huawei makes decision between Bratislava and Zilina. It plans creating tens of jobs for the beginning. The Chinese technological company has been on the Slovak market already for eight years. Huawei Technologies Slovak deals mainly with the business activities and has more than 60 employees in Bratislava. • [HN \(1.6.\)](#), [pg. 11](#) • [SITA \(30.5.\)](#)

Chinese did not rush to the investments in Slovakia much so far. At the end of the last year they signed a contract on cooperation with the financial equity J&T Finance. However, nowadays it looks that the inflow of the investments from China to Slovakia may speed up and develop. China is interested in our energy sector, engineering industry, transport and logistics most. The company **Flameshoe** decided to build a new factory in Bardejov. In the forthcoming two years the company wants to invest almost 14 million euros in our country and to employ 150 new people. • [HN \(27.5.\)](#), [pg. 4](#)

The problems of the construction company Vahostav will not endanger completion of the industrial park in Bardejov. According to the project manager Jan Novotny, the works which they plan completing in the summer move ahead in line with the plan. During five years 250 jobs should be cre-

ated. According to the municipal management, there has been recorded big interest of the investors. • [Radio Regina \(29.5.\)](#)

Regarding volume the Slovak industrial market ranks among the smallest ones in comparison with Poland, the Czech Republic, Hungary and Romania. The number of modern warehouse premises increased in several localities of Slovakia in 2014. CBRE estimates the Slovak industrial market to 1.46 million square meters. The new construction in Slovakia recorded 113,850 square meters last year. Now the developers launch particularly speculative construction. Partially because they have certain advanced booking of the premises, thus the hall will not be completely empty after it is built. For instance, **Prologis**, the leader in the area of the industrial real-estates in Slovakia, announced the beginning of construction of two buildings with the total area of 22,300 square meters in Prologis Park in Bratislava at the beginning of May. They are planned to be completed in the third quarter. The growth of so-called packages as a reaction to the boost growth in internet shopping also continues. Construction of the developer and administrator of the industrial real estates **P3** for the parcel operator **DHL** may also be an example. P3 built a building in the premises of the Bratislava airport for this company two years ago. Recently P3 delivered the DHL a new hall in the P3 park in Zilina. • [SME \(26.5.\), pg. 19](#)

A foreign investor who wants to start running business in the Central Europe will take also the comparison of the competitiveness of particular countries when selecting a country for his future business. In the recent chart of the countries' competitiveness Slovakia ranked in the last quarter, behind the Czech Republic or Poland, but in front of Hungary. Slovakia ranks the 46th, which is down one place. Although this is not a dramatic decline, the placement means confirmation of the stagnation. We also lag behind the results which we posted in 2007 up 2009, when we ranked the 30th. • [HN \(28.5.\), pg. 12](#) • [STV \(30.5.\)](#)

PRODUCTION EXPANSION AND CRISIS



New opulent Lamborghini SUV will be produced in Italy. Lamborghini Chief Executive Officer Stephan Winkelmann and Rupert Stadler, the CEO of its parent company Audi are scheduled to attend a news conference on Wednesday with Italian Prime Minister Matteo Renzi to announce the agreement, Bloomberg has informed. A year ago the information appeared in the media that the new Lamborghini model will be reportedly made in the Bratislava plant of **Volkswagen** that owns the carmaker Audi, which is the parent company of the Italian Lamborghini. According to people familiar with the matter the generousness of the Italian government was crucial for making the decision on leaving the production in Italy. It reportedly approved tax breaks for the carmaker totaling 80 million euros and further benefits. Bratislava, however,

should not be left empty-handed by this decision. To cut costs, the chassis and other key components are set to be produced at other factories of the concern. Bloomberg's sources mention just the factory in Bratislava, which among others also produces the well-known SUV Porsche Cayenne. • [SITA \(26.5.\)](#)

Production in the Krompachy-based factory Panasonic ended completely. The Japanese producer of electronics cancelled the operation and technologies after 15 years and moved to the sister factories in the neighboring Czech Republic. Up 600 jobs were cancelled. • [Plus jeden den \(28.5.\), pg. 6](#)

- Plans of the eastern Slovak town of Krompachy to quickly get jobs from a new investor that will fill the vacant place after last week's departure of Japanese Panasonic are falling apart. More than 650 people were given the sack after the production of electronics was wound up, many of whom relied on the pledge of the Japanese giant to sell its plants to such an investor that will plug the record employment fall in the region. "Panasonic is selling its plants to a company that will establish there warehouses and employ just 10 to 20 people. I consider it a disaster for the entire region," Mayor of Krompachy Iveta Rusinova said for the HN business daily. The modern site will reportedly be sold to the company **Umakov Fricovce**. "Given the ongoing talks with the company Panasonic Krompachy with no deal sign yet, we will not comment on this issue," authorized representative of the company Pavol Petruska stated. • [HN \(27.5.\), pg. 1+9](#)

Producer of the industrial insulations and thermo-insulation components Arnold Izolacie with its seat in Sisov in the district of Banovce nad Bebravou plans expanding its production. The plan of the investor counts with creating 40 new jobs. It stems from the aim, which the company submitted for reviewing the environmental influences. • [Radio Regina \(25.5.\)](#)

If the financial director watched only cost items, he would be endangering the perspective of his company. He has to change to a strategist who manages to recognize new trends and respond to them early. Robert Verbich from **Osram Slovensko**, the winner of the inquiry the Financial Manager of the Year 2014, claims this in the interview for the Trend weekly. Verbich talked about the German concerns, their production management, their research or heading of Osram in Slovakia. He said that the factory in Nove Zamky is one of the most complex ones in Europe, it covers several production segments. But he mentioned that they have to respond to new trends and to 200 people who they employ in Nove Zamky nowadays, other roughly 200-400 people in Nitra will be added by three years. • [Trend \(28.5.\), pg. 76](#)

The Martin-based factory of Volkswagen Slovakia produces components for gearboxes and chassis for 61 models of five brands of the Volkswagen group worldwide already for 15 years. In 2014, the Martin factory reached a historic record when it put out 34.9 million components with annual turnover of 150 million euros. "Today, already with more than 800 employees we belong among the most important employers

in the region," Chairman of BoD Volkswagen Slovakia Albrecht Reimold said, adding the company plans to develop the Martin factory also in the future. In the Martin-based factory a new logistical hall for 2.7 million euros was open in February last year. • [SITA \(29.5.\)](#)

The paper processing firm, the Skalica-based Grafobal, posted revenues from the sale of its products and services of more than 53.5 million euros last year. The company informed that for the reported period the share of revenues from exports increased to almost 70 percent from 65 percent in 2013. This year the company will continue to introduce new technologies, while it plans to invest over 7 million euros. • [SITA \(28.5.\)](#)

The Slovak holding Tatry mountain resorts (TMR) in the Tatras or Poland does not have many options for further expansion. Nowadays Slovaks aim to the Alps. "We have already managed. Nowadays they come from the Austrian centers to learn here," the co-owner of TMR Igor Rattaj announced. The holding tries to buy two Austrian centers. The holding invested the sum of EUR 200 million in the development of the centers as of the end of the last year. • [HN \(26.5.\), pg. 9](#)

MERGERS AND ACQUISITIONS



Investment group Penta Investments will become the only, 100-percent shareholder of the health insurance company Doversa through its Dutch company HICEE. As the company informed on Monday at stake is boosting the shareholder position of Penta Investments, which will acquire 50 percent of Doversa shares from the company **Prefto Holding Limited**. • [SITA \(25.5.\)](#) • [SME \(26.5.\), pg. 1+5, \(29.5.\), pg. 11](#) • [Dennik N \(26.5.\), pg. 2, \(27.5.\), pg. 9](#) • [HN \(26.5.\), pg. 4, \(27.5.\), pg. 3+6](#) • [STV \(25.5.\)](#) • [Radio Slovensko \(25.5., 26.5.\)](#) • [Radio Fun \(26.5.\)](#)

Russian lender Sberbank could say within a few weeks whether it will collect its things its Slovakia and sell its local arm to someone else. Two sources from the banking sector told daily SE that three investors are interested in Sberbank's 44 subsidiaries which had almost 100,000 clients in 2013. One of them is **Ceskoslovenska Obchodna Banka (CSOB)** of the Belgian bank group KBC. The second potential bidder is the private equity group Penta, which already owns Prima Banka and Privatbanka. The third bidder reportedly comes from Slovakia too but its identity has not been revealed yet. • [SME \(29.5.\), pg. 6](#)

DEVELOPMENT PROJECTS



Members of local government council in Bratislava district of Dubravka passed regulation of construction in the district in two locations at today's session. "Bratislava land-use plan has wide range, we had to regulate it," said Dubravka Mayor Martin Zatovic. He further said that there are two cases so far. "The location Pod Zahradami was exchanged for a plot in

the Old Town two years ago. Dubravka district council voted on this exchanged seven times in the past. We know that it is a building site but we want to regulate it to make sure construction that is supposed to take place there will be secured. But there are experts for that who know to what height the building should rise," said the Dubravka Mayor. • [SITA \(26.5\)](#)

Many cranes and unfinished buildings in biggest Slovak cities indicates the start of the real estate contest or even recurrence of real estate boom. Although construction companies have not yet recover from the previous slump and still aggravate open wounds from the time of the biggest crisis in form of bankruptcies and restructuring, developers will not hesitate. Available cheap money thanks to low interest rates together with strong demand for new housing motivate them to build. And so big modern shopping centers, retail parks and big box zones supplemented with office zones and mainly pervasive residential buildings can be found among the projects under construction. Not just a few most significant names of past years such as HB Reavis, JT Real Estate, Cresco, Penta or YIT are active. New strong players accompanied by smaller investors which seized the current opportunity join them. • [Trend \(28.5\) p. 22](#)

Owners of current unrecognized, illegal constructions, will have three years to apply for additional permit. This means that since the new construction law takes effect, which is suggested as of July 1, 2016, they will have to apply for construction permit until June 30, 2019. Constructions without permit will otherwise be pulled down. Construction offices will decide on additional permit for constructions in five following years, which is until June 30, 2024, based on their own initiative. "Construction will be issued additional building permit only in case it will meet all terms, in compliance with the new law. If such decision is not issued, the construction will have to be pulled down," state secretary at the Ministry of Transport, Construction and Regional Development Frantisek Palko informed on Wednesday. The government passed the draft of the new construction law and its more than thirty revisions on Wednesday. • [SITA \(27.5\)](#) • [SME \(28.5\) pg. 05](#) • [Hospodarske noviny \(28.5\) pg. 04](#) • [Plus jeden den \(28.5\) pg. 02](#) • [PRAVDA \(28.5\) pg. 10](#) • [TV Markíza \(27.5\) pg. 05](#)

The new law on land-use planning (construction law) and its implementing regulations aim to create conditions for higher quality, acceleration and increased effectiveness of construction. The legislation also aspires to solve the existing problem of lower discipline in this area. The government passed the proposed construction law with reservations on Wednesday. It will replace the currently effective law from 1976 including its later revisions with the exception of expropriation which will be regulated by a special law. Suggested construction law replaces the concept of the land-use planning with the horizontal level of master plans of individual territorial units. It extends the obligation to have a master plan for all municipalities. "Every municipality should have expertly processed strategic document of land-use development which will contribute to improvement of life of citizens

also by exclusion of the territory,” Reasoned the Ministry of Transport, Construction and regional development as a proposer. • [SITA \(27.5\)](#) • [TA3 \(27.5\) p. 03](#) • [STV \(27.5\) p. 14](#)

Companies extend their space and rent more areas in the industrial park P3 Bratislava. There companies operate in the area of e-commerce and logistics for automotive. The developer, the company P3, thus rented to its long-term renters Schnellecke Logistics and Muziker additional 3,840 square meters of storage and office space. Director of P3 for Slovakia Peter Janosi says that both companies thus confirmed the fact that e-commerce and retail sector as well as suppliers for automotive industry are growing in Slovakia. • [magazin.reality.sme.sk \(27.5\)](#)

Miroslav Ivan Freedom and Solidarity (SaS) political party claims that the draft of the new construction law legalizes existing illegal constructions. Liberals pointed out the statement of Transport Minister Jan Pociatek saying that the new law would put an end to illegal constructions. Freedom and Solidarity supports the plan of Transport Minister Jan Pociatek to put an end to unrestrained construction of arrogant constructors which do not respect law and abuse benevolence of the current law in Slovakia for once and for all. However, we believe that the ruling party SMER wants to legalize existing illegal constructions with this law,” said team leader of SaS for transport and construction Miroslav Ivan. . • [SITA \(28.5\)](#)

Almost three years after the plinth of the multifunctional project 3nity in Bratislava district of Ruzinov collapsed, its new shape is known. The current owner, construction and development company Metrostav, will pull down major part of planned retail space and replace them with greenery. The name of the new project is CityPark Ruzinov and the first presentation will be at the TREND Conference Real Estate and Development. “The shopping and office space center will become residential center focused on increasing the quality of life of the local citizens,” says Vladimir Paulicka, head of the division Real Estate in Metrostav. The developer plans to pull down the already standing part besides the collapsed part of the multifunctional plinth. Shopping and wellness center projected in the originally presented will be replaced with the green area covering 7,782 square meters. There should be together 432 apartments, 120 suites, lofts and studios in three towers with the unchanged height – the tallest one will have 26 floors. • [eTrend.sk \(29.5\)](#)

Five Investors that would like to produce substitute rental apartments for people from the reconstructed and privatized houses together with the municipality responded to the call of Bratislava as of beginning of May. The capital city is obliged to secure about 580 such apartments by 2016 in compliance with laws from 2011 (terms have been gradually revised). The state gives a subsidy for the procurement of such housing, it is earmarked only for this purpose and it can be obtained only in a certain amount for prescribed types of apartments. The number of rooms of individual replacements

and the standard of facilities which will secure immediate usability of apartments after conclusion of rental contracts is specified. Tenants of restructured and privatized houses did not receive the chance to purchase their apartments for lower than market prices as other tenants by law. • [magazin.reality.sme.sk \(25.5\)](#)

Almost 1,500 new apartments within 19 projects were added to the offer of residential real estate on the market in Bratislava in the period from October 2014 to April this year.

This is according to a survey conducted by consultancy company JLL. In the monitored period the demand for apartments went up 32 percent. It is an in-crease of 61 percent versus the five-year average. According to JLL data Bratislava currently offers 3,711 apartments in 147 projects. The consultancy company expects increase in the supply in the future but the development of demand remains uncertain. Nove Mesto (New Town) has been the most dynamic city district in the past six months, according to JLL. “Massive construction starts here, we register several new projects which are planned. Nove Mesto is catching up with the Old Town, Petralka and Ruzinov, concluded Bosacky. • [SITA \(26.5\)](#)

Development company VI Group launched the sale of the first half of over 120 apartments in the new project Muchovo Square. Two nine-floor apartment buildings interconnected with a parterre and underground garage will be built on the square of the same name at the beginning of Petralka district near Old Bridge. “We expect the construction to start on the turn of August and September,” says Richard Duska, Chairman of the Board of Directors of VI Group. Before that, apartments in the block more distant from the bridge will be offered for sale. The offer comprises together 112 apartments and 13 suites. Smaller two-room apartments supplemented with several three-room apartments prevail. There are also penthouses with three or four room on two top floors. All apartments have a balcony or terrace and are sold with standard facilities. And apartment with the area of about 42 square meters and a six-meter balcony thus costs 89,000 including VAT. A tree-room apartment with 67.5 square meters and almost 9 meter balcony costs just below 130,000 euro. The basic price list price is thus about 2,000 – 2,200 euros. • [eTrend.sk \(29.5\)](#)

The town of Zvolen obtained the premises of former military barracks Hronske Kasarne in the housing estate Balkan and decided to turn it to a new, mainly residential zone. Since them five of all eighteen objects have been reconstructed to rental housing. Further development of the zone depends on financial sources of the town and access to other sources. Private investors have not expressed interest in the construction. “Immediately after taking over the premises, a land-use study was processed with the aim to change the military character of the area to construction of apartment houses and civic amenities,” said spokesman of the town Martin Svatuska and added that conclusions of the document are still effective and the previous construction observed them. There

are four reconstructed houses of standard category with together 112 apartments and one reconstructed apartment house of lower standard class with 23 apartments so far. • [eTrend.sk \(29.5\)](#)

Before a residential complex Jegeho Alej was built in Bratislava district of Ruzinov, Residence Tower was planned between Salesians Church and the historical building of the defunct former thread factory Cvernovka. The tower with 32

floors and the height of 107 meters was supposed to be the highest residential building in Bratislava at that time. There is only an abandoned crane on the site standing above the dug hole there for years. The multifunctional building with 252 apartments, office space, shops, services and a hotel obtained a building permit in 2006. Project's investor, joint stock company Residence, formally applied for extension of a building permit again last year. • [eTrend.sk \(29.5\)](#)