Slovakia
-
 a Country in Central Europe

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Contents

• Where we are
• History of Slovakia
• Political System of the Slovak Republic
• Socio-economic Transformation
• Slovakia in International Relations
• Slovak Economy
• Slovak-Taiwanese Relations
Where we are:

- Member of the EU
- In the heart of Europe
- Bordering to:
  - Poland
  - Czech Republic
  - Austria
  - Hungary
  - Ukraine
Bratislava - Vienna: 60 km
Bratislava - Budapest: 200 km
Bratislava - Prague: 350 km
History: On a Cross-road of Trade Routes

- Cross-road of prehistoric trade routes - Amber Road and Danube Road
- Limes Romanus - Roman frontier system at the Danube river
- Celtic and Germanic tribes
- emperor Marcus Aurelius conquered considerable parts of Slovakia
Early Political Formations and Christianity

- 5th century - Slavs move in
- 623-658 Empire of King Samo - 1st political formation of Slavs
- 8th century - Principalities of Moravia and Nitra
- 9th century - Christianity (828 first church consecrated in Nitra)
- Great Moravia (833-907)
Legacy of Great Moravia

- Spread of Christianity among Slavs
- Cyrilic alphabet (developed from St. Cyril’s Glagolitic script) used in many countries until today
Great Moravia (833-907)

- 907- **Breakup of Great Moravia** due to Hungarian military victories near Bratislava
  - Territory gradually incorporated into the Hungarian state
Slovakia within the Hungarian Kingdom

- Kingdom of Hungary integrated elements of Great Moravian state organization
- Rich in raw materials, Slovakia developed as a **mining center** of the Kingdom (13th century - German colonization - development of mining towns)
  - 1465 Academia Istropolitana
  - 1846 Academy of Mining and Forestry in B. Stiavnica - the 1st technical university in the world

SLOVAK ECONOMIC AND CULTURAL OFFICE IN TAIPEI

14. 5. 2012
Bratislava (Pressburg/Poszony) - Capital of the Hungarian Kingdom

- 1536 – 1783 – due to Ottoman occupation - Bratislava became capital and coronation city of the Hungarian kingdom
- Center of political life
- 1783 – Central government authorities moved to back to Buda(pest)
Slovak National Movement

- 1787 - first codification of a Slovak literary language by Anton Bernolák
- 1843 – definite codification by Ľudovít Štúr
- 1848 – revolutionary period in Europe
- Slovak struggle for self-determination
  ➔ Slovak National Council
- 1863 – Matica slovenská
- Cultural and linguistic identity as a core for future statehood
Common State of Czechs and Slovaks

• October 28th, 1918 - proclamation of Czechoslovakia
• The only democracy in CEE region
• One of most developed industrialized countries of the world
• M.R.Štefánik, T.G.Masaryk
Czechoslovakia 1918-1938

- So-called 'Sudetenland' ceded to Germany 1938, recovered 1945
- So-called 'Zaolzia' ceded to Poland 1938, recovered 1945
- Ceded to Hungary 1938, recovered 1945
- Annexed by Hungary 1939, and by the USSR 1945
- Slovakia independent 1939–45 and from 1992
- Protectorate of Bohemia and Moravia, 1939–45. The Czech Republic, from 1992

Legend:
- Czechoslovak frontier 1918–38
- 0 kilometres 100
- 0 miles 50

Map showing regions such as Bohemia, Moravia, Slovakia, and their historical changes.

Key locations:
- Dresden
- Karlovy Vary (Carlsbad)
- Prague
- Tešín (Cieszyn)
- Jihlava
- Brno
- Vienna
- Bratislava
- Kosice
- Sub-Carpathian Ruthenia
- Jasina

Countries and regions:
- Germany
- Poland
- Austria
- Hungary
- Romania
- Ukraine

Dates and events:
- 1918: Creation of Czechoslovakia
- 1938: Anschluss of Sudetenland
- 1939: Annexation of Slovakia
- 1945: Recovery of ceded territories
- 1992: Independence of Czech Republic
Slovakia in WWII (1938-1945)

• 1938 - **Czechoslovakia split**, with territorial losses, into:
  – Protectorate of Bohemia and Moravia
  – Slovak Republic
  both under control of Nazi Germany

• 1944 - Slovak National Uprising
Czechoslovakia after 1945

- Restored as a unitary state, but not to original borders
- 1945 – part of the Soviet bloc
- 1948 – Communist victory in elections
- 1960s – efforts for national equalisation between Czechs and Slovaks
- 1968 – attempt to reform the communist system suppressed by invasion of Warsaw Pact armies
- 1990 – Czech and Slovak Federative Republic
Independent Slovakia

- September 1st, 1992 - Slovak Constitution
- January 1st, 1993 - establishment of the Slovak Republic as an independent state
The Slovak Republic

- Capital: Bratislava
- Area: 49,035 km²
- Population: 5.4 million
- Official language: Slovak
- Member of the EU, NATO, OECD, WTO
- Free-market open economy
- Natural beauty conserved in protected territories stretching over 1/5 of the size of the country (9 natural parks), several areas incl. in the UNESCO Natural Phenomena List
- Rich cultural heritage includes 15 localities inscribed in the UNESCO List of Cultural Monuments
- Košice - 2013 European Capital of Cultural
Political System of the Slovak Republic

- Parliamentary representative democratic republic
- National Council of the SR - unicameral body, 150 MPs elected for 4-year terms
- Head of the State - President elected directly for 5-year terms
- Executive power is exercised by the government led by the Prime Minister
- Suffrage: 18 years of age, universal, equal and direct by secret ballot
Slovak Politics - Party System

- Multi-party system
- Parliamentary Parties (after 2012 elections):
  - Smer-SD – Social Democracy (83 seats)
  - KDH – Conservative Christian Democracy (16)
  - Ordinary People and Independent Personalities (16)
  - Most-Híd – Minorities party/Hungarian minority (13)
  - SDKU – Liberal Christian Democracy (11)
  - Freedom and Solidarity – Liberal party (11)
Process of Economic Transformation

- 1989 - Velvet Revolution
- 1990 - Start up of reforms
- Transition to market economy
  - Re-direction of foreign trade
  - Stabilization
  - Liberalization
  - Institutions building
  - Privatization
Economic Transformation

- Restructuring and privatization of banks
- Catch up in European integration process
- Improving international ratings
- Economic reforms - flat tax, flexible labor market policy, pension system
- Growing interest by foreign investors
- Accession to the Euro-Atlantic structures
Slovakia and Euro-Atlantic Structures

- Independence of Slovakia: 1993
- European Union: 2004
- Eurozone: 2009
- OECD: 2000
- NATO: 2004
- Schengen area: 2007

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Slovak Economy is a...

- **small economy** (GDP 2011 - 120 bil. USD PPP)
- **developed economy** (GDP/c PPP in 2011 - 22,000 USD i.e. 75% of the EU27 average GDP/c)
- **very open economy** (the combined export and import made up 177% of the GDP)
- **free market economy** (around 90% of the GDP is created in the private sector)
- **stronghold of automotive industry**
### Macroeconomic Overview

#### Real GDP growth

<table>
<thead>
<tr>
<th>Year</th>
<th>European Union</th>
<th>Slovak Republic</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>1.3%</td>
<td>2.4%</td>
</tr>
<tr>
<td>2003</td>
<td>0.9%</td>
<td>2.1%</td>
</tr>
<tr>
<td>2004</td>
<td>1.4%</td>
<td>3.2%</td>
</tr>
<tr>
<td>2005</td>
<td>2.2%</td>
<td>3.6%</td>
</tr>
<tr>
<td>2006</td>
<td>1.9%</td>
<td>2.9%</td>
</tr>
<tr>
<td>2007</td>
<td>2.7%</td>
<td>3.5%</td>
</tr>
<tr>
<td>2008</td>
<td>2.2%</td>
<td>2.8%</td>
</tr>
<tr>
<td>2009</td>
<td>2.1%</td>
<td>1.4%</td>
</tr>
<tr>
<td>2010</td>
<td>1.4%</td>
<td>1.1%</td>
</tr>
<tr>
<td>2011</td>
<td>1.9%</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

#### GDP Prediction for 2012

- OECD: 1.8%
- MF SR: 1.1%
- WB: 3%

#### Key Indicators

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP growth</td>
<td>6.4%</td>
<td>-4.7%</td>
<td>4%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Labour productivity growth</td>
<td>3.8%</td>
<td>2.7%</td>
<td>2.2%</td>
<td>-</td>
</tr>
<tr>
<td>HICP Inflation</td>
<td>4.6%</td>
<td>1.6%</td>
<td>0.7%</td>
<td>3.16%</td>
</tr>
<tr>
<td>Unemployment</td>
<td>7.7%</td>
<td>11.4%</td>
<td>14.4%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Average monthly gross salary (€)</td>
<td>723</td>
<td>744.5</td>
<td>769</td>
<td>786</td>
</tr>
</tbody>
</table>
Slovakia - Fastest Growth in Eurozone (EC, February 2012 Forecast)
Debt Crisis?

Euro-Area Government Gross Debt as % of GDP 2011

- Over 125
- 100-125
- 75-100
- 50-75
- 25-50
- 0-25
Major Industries: Automotive and Electronics

Car Production in Slovakia

1st Place in the World in 2011
119 cars per 1000 inhabitants

SLOVAK ECONOMIC
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IN TAIPEI
Slovakia as Investment Destination

- Open Economy, EU MS, Euro currency
- Highest labor productivity in CEE
- Competitive business environment (incl. 19 % Corporate Income Tax)
- Interesting investment incentives

**Gross monthly salary**

<table>
<thead>
<tr>
<th>Country</th>
<th>Salary</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovak Republic</td>
<td>976 €</td>
<td>23 951 CZK</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>806 €</td>
<td>3 224,98 PLN</td>
</tr>
<tr>
<td>Slovakia</td>
<td>786 €</td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td>760 €</td>
<td>202 576 HUF</td>
</tr>
</tbody>
</table>

- Singapore: 1
- Taiwan: 25
- Slovakia: 48
- Hungary: 51
- Poland: 62
- Czech Republic: 64
Slovak-Taiwanese Relations

- Mutual relations developed in the area of economic and cultural cooperation
- Representative office since 2003
- Visa waiver program from January 2011
- Growing number of bilateral agreements (e.g. double-taxation prevention, customs cooperation, eGovernment, diplomatic academies)
Taiwanese Investments in Slovakia

- More than 450 mil. EUR of Taiwanese investments
- Creating up to 6200 working places
- Predominantly in electronics

14. 5. 2012
Slovak-Taiwanese Trade Relations

SLOVAK ECONOMIC AND CULTURAL OFFICE IN TAIPEI

(in mil. EUR)
Thank you for your attention!

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