



UK Trade
& Investment

UKTI DSO MARKET BRIEF: SLOVAKIA



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MILITARY OVERVIEW

Source: IISS and the Military Balance 2012

In late 2010, the Slovak defence ministry commenced a Strategic Defence Review, which is due to be implemented by 2014. This process was partly driven by financial factors likely to lead to decreasing defence resources, but also by the desire to map out a path for Slovak military development. The army has seen reductions in its inventory, notably in tanks, armoured personnel carriers and artillery. Nonetheless, Slovak forces still retain a focus on contributions to international operations, and maintain forces in Afghanistan. With funding difficulties, the NATO Secretary-General on a visit to Bratislava focused on his concept of 'smart defence', which is intended to help countries facing fiscal difficulties to make better use of resources.

DEFENCE & SECURITY OPPORTUNITIES

Priorities and budgets of the Slovak armed and security forces according to the 2012 State Budget:

Ministry of Defence

Total budget: €798.3 million

Equipment Priorities:

- Communication and information systems
- Command and Support
- Ground Defence
- Air Defence
- Training
- Overseas Operations

Ministry of Interior

Total budget: €902.2 million out of which:

Rescue services and fire brigades: €86.2 million

Public order and safety: €752.9 million

Rescue services and fire brigades

Opportunities include:

Fire protection, training of fire-fighters and rescuers, Geographic Information System and mountain rescue.

Public Order and Safety

Priorities include:

Fight against organized crime, anti-corruption drive, fight against human trafficking, protection of state border, development of SITNO radio network (TETRAPOL) for government forces, ICT support, logistical support, integrated rescue system, and public order and safety.

Civil Emergency Planning

Aspirations include further development of population protection against chemical weapons, and critical infrastructure protection.

Ministry of Justice

Total budget: €302.8 million out of which:

Prisons: €146.8 million

Priorities include: security equipment for prisons, refurbishment of existing prisons, and increasing prison capacities.

SIS (Slovak Intelligence Service)

Total budget: €41.6 million

The budget is earmarked for technology and infrastructure development.

ECONOMIC BACKGROUND

Source: IMF World Economic Outlook Database

	2009	2010	2011
GDP (\$BN)	87.816	87.450	97.239
Per Capita GDP (\$)	16,187.48	16,103.985	17,888.675

DEFENCE ECONOMICS

Defence Budget

Source: British Embassy Bratislava

Year	2011	2012
(€million)	762.4	803.4

THE SLOVAK DEFENCE MARKET AND HOW TO DO BUSINESS

Fundamentals Needed to Succeed in the Slovak Defence Market - Routes to Market

Direct sales into the Slovak defence market can be challenging, and for most British companies it is more effective to approach the market through local business partners with the ability to distribute and provide technical support here. Licensing and franchising are also increasingly popular.

It is also possible to set up a fully-owned subsidiary in Slovakia. To find out more about setting up here, please see the following websites:

www.kpmg.com/SK/en/IssuesAndInsights/ArticlesPublications/Pages/Investment-in-Slovakia-2011.aspx

www.doingbusiness.org/data/exploreconomies/slovakia/

www.sario.sk/?why-invest-in-slovakia

HMG Support

For the Slovakian defence market, advice, support and assistance to UK companies is provided by UKTI DSO RD Africa, Europe, Middle East, Central & South Asia in London, the UKTI Commercial Officer in the British Embassy in Bratislava, and the Defence Attaché for the Slovak Republic based at the British Embassy in Vienna.

We encourage the companies interested in opportunities in the country's defence and security sectors to contact the UKTI Trade & Investment Team at the British Embassy in Bratislava for advice and practical support.

Slovak Export Controls

UK defence manufacturers must first obtain a F680 licence, in order to be able to export, but should also ensure that none of the items are controlled, or appear on the Military List. This also applies to UK security companies.

For more information, contact the Export Control Organisation of the Department of Business, Innovation and Skills, at <http://www.bis.gov.uk/exportcontrol>.

Visit Security Clearance

This is obtained from the UK Ministry of Defence's (MoD) International Visits Control Office, which is located at Abbey Wood in Bristol.

Further guidance and the required forms are at:

<https://www.gov.uk/defence-equipment-and-support-principal-security-advisor#inward-visits>

ARMED FORCES - MILITARY STRENGTH

Source: IISS and the Military Balance 2012

Active: 15,799 (Army 6,230, Air 3,944, Central Staff 2,545, Support and Training 3,080)

SECURITY ISSUES

The Slovak government has identified, as key priorities, the following: combating corruption and organised crime, improved equipment for police and fire brigade, plus training. However, because of budgetary restrictions, various projects are on hold. Flooding is another serious issue.

Information on key security and political risks which UK businesses may face when operating in Slovakia is available at

http://www.ukti.gov.uk/pt_pt/export/countries/europe/centraleurope/slovakia/overseasbusinessrisk.html.

DOMESTIC DEFENCE INDUSTRIAL CAPABILITY

Most of the Slovak defence manufacturers and suppliers are members of the Security and Defence Industry Association (ZBOP).

A list of products and services supplied (both manufactured and imported) by the ZBOP members is available in English at <http://www.zbop.sk/files/ZBOP-catalogue-katalog.pdf>.

DEFENCE IMPORTS & EXPORTS 2007-2011

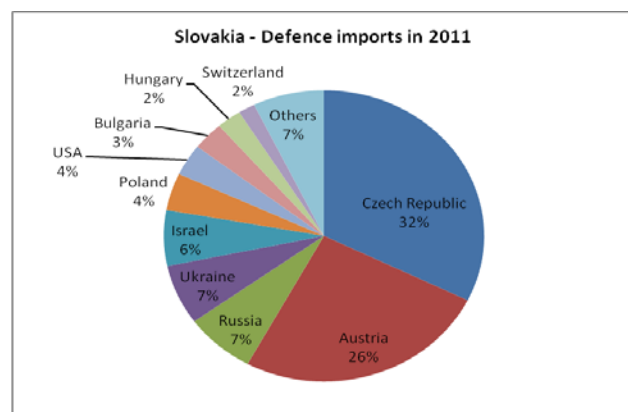
Sources: Slovak Ministry of Economy – Annual Reports on Military Material Trade - <http://www.mhsr.sk/vyrocnne-spravy-o-obchode-s-vojenskym-materialom-mcj/126539s> and various open sources

Identified Slovak Defence Import Procurement:

Defence Imports		
Year	Approved Value of Licences (EUR)	Actual Amount Spent (EUR)
2011	42,799,046	13,535,819
2010	60,767,778	20,438,538
2009	63,494,056	40,379,767
2008	87,826,761	55,998,692
2007	238,391,739	71,373,727
Total	493,279,380	201,726,543

Identified Country Suppliers/Market Share:

Country	Defence imports in 2011 (EUR)	Market share
Czech Republic	4,368,167	32.3%
Austria	3,473,473	25.7%
Russia	961,917	7.1%
Ukraine	899,203	6.6%
Israel	834,114	6.2%
Poland	558,700	4.1%
USA	473,669	3.5%
Bulgaria	426,720	3.2%
Hungary	336,111	2.5%
Switzerland	228,678	1.7%
Others	975,067	7.2%
Total	13,535,819	100.0%



Identified Slovak Defence Exports:

Defence Exports		
Year	Approved Value of Licences (EUR)	Actual Amount Spent (EUR)
2011	64,066,800	18,404,491
2010	57,749,072	15,348,170
2009	107,224,289	43,822,941
2008	71,306,910	34,745,292
2007	76,778,998	38,448,416
Total	377,126,069	150,769,310

Defence Re-Exports		
Year	Approved Value of Licences (EUR)	Actual Amount Spent (EUR)
2011	11,434,780	612,559
2010	7,697,026	2,507,134
2009	12,905,461	2,244,102
2008	3,351,627	864,420
2007	7,252,105	2,688,023
Total	42,640,999	8,916,238

COMPETITORS

In 2011, the main defence imports came from the following countries: Czech Republic, Austria, Russia, Ukraine, Israel, Poland and the USA.

PROCUREMENT ORGANISATIONS

In Slovakia, all major public projects select their suppliers of products and services through public tenders, published in www.e-vestnik.sk and <http://ted.europa.eu> (European Tenders).

The main body responsible for administration of public procurement is the Office for Public Procurement.

Website: http://www.uvo.gov.sk/english/statut1_e.htm

Defence procurement is carried out by the Office for Investments and Acquisitions at the Slovak MoD.

Website: www.mosr.sk/82/ministerstvo-obrany/

Procurement for the Slovak Police is carried out by the Financial Section at the Slovak Ministry of Interior.

Website: <http://www.minv.sk/?ministerstvo-vnutra-kontakty>

KEY PERSONALITIES

<u>Defence Minister</u>	Martin Glváč
<u>Secretary of State for Defence</u>	Miloš Koterec
<u>Armed Forces</u>	Chief of General Staff – Gen. Peter Vojtek
<u>Land Forces</u>	Commander – Maj-Gen. Ján Salaganič
<u>Air Force</u>	Commander – Gen. Martin Babiak
<u>Minister of Interior</u>	Róbert Kaliňák

Further Information:

If you require further information/clarification on anything in this Fact Sheet, please contact:

UKTI Defence & Security Organisation
BD Market Analysis
1st Floor
1 Victoria Street
London SW1H 0ET
Telephone: 020 7215 8209

E-mail: dso.businessservices@ukti.gsi.gov.uk

Next steps - How UKTI can help

British companies wishing to develop their business in the Slovak market are advised to undertake as much market research and planning as possible in the UK. UKTI's team in Slovakia, with its wide local knowledge and experience, can provide a range of services to British-based companies wishing to grow their business in global markets.

This can include:

- Provision of market information
- Validated lists of agents/distributors
- Key market players or potential customers in the Slovak market
- Establishment of interest of such contacts in working with you
- Presentation of companies' products/services hosted either at the Embassy or at HM Ambassador's residence
- Business lunches, dinners or receptions with targeted top management from Government and/or private entities

This work is available via our [Overseas Market Introduction Service \(OMIS\)](#) a chargeable service which assists British-based companies wishing to enter or expand their business in overseas markets.

To find out more about commissioning this work, or accessing other UKTI services and specialist advice, please visit the UKTI website to find [contact details for your local UKTI office.](#)

Other Useful Contacts:

Slovak Desk, UKTI Defence & Security Organisation

RD, Desk Officer for Central & Eastern Europe
UK Trade & Investment Defence & Security Organisation
1 Victoria Street
London SW1H 0ET
T: +44 (0)20 7215 8234

Slovak Embassy London

Embassy of the Slovak Republic
25 Kensington Palace Gardens
London W8 4QY
Tel: 020 7313 6470
Fax: 020 7313 6481

E-mail: emb.london@mzv.sk
Internet: <http://www.mzv.sk/londyn>

British Embassy in Slovakia

British Embassy Bratislava
Panska 16
811 01 Bratislava

Tel: 00421 2 5998 2000
Fax: 00421 2 5998 2240
peter.kratky@fco.gov.uk

Internet: <http://ukinslovakia.fco.gov.uk/en/>

Other Useful Websites:

Government of the Slovak Republic: <http://www.government.gov.sk>

Ministry of Defence: <http://www.mosr.sk>

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

Customs procedures: <http://www.finance.gov.sk/en/Default.aspx?CatID=52>

Slovak Police (Slovak language only): <http://www.minv.sk/?policia>

Slovak Border Police (Slovak language only): <http://www.minv.sk/?uhcp>

Slovakia Travel Advice

Travel information and general Embassy contact details can be found at:
<http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/europe/slovakia>

<http://ukinslovakia.fco.gov.uk/en/>

Foreign Consular Offices in Slovakia

Media, travel, careers, business and state links/information can be found at:

TASR (national news agency) (in English):

<http://www.tasr.sk/30.axd?lang=1033>

Slovak Radio:

<http://www.slovakradio.sk/radio-international-en>

The Slovak Spectator:

www.slovakspectator.sk

Slovakia Today (in English): <http://www.sktoday.com>

The Daily (in English): <http://www.thedaily.sk>

Tourism: <http://www.slovakia.travel/intropage.aspx?l=2>

Visa Services and Links

<http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/europe/slovakia>

British citizens travelling on a British EU passport do not require a visa. Passports should ideally have a minimum of six months' validity at the time of any visit to the Slovak Republic.

BBC Country Profiles

http://news.bbc.co.uk/2/hi/europe/country_profiles/1108491.stm

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