

SLOVAKIA – Integration into global automotive supply chains

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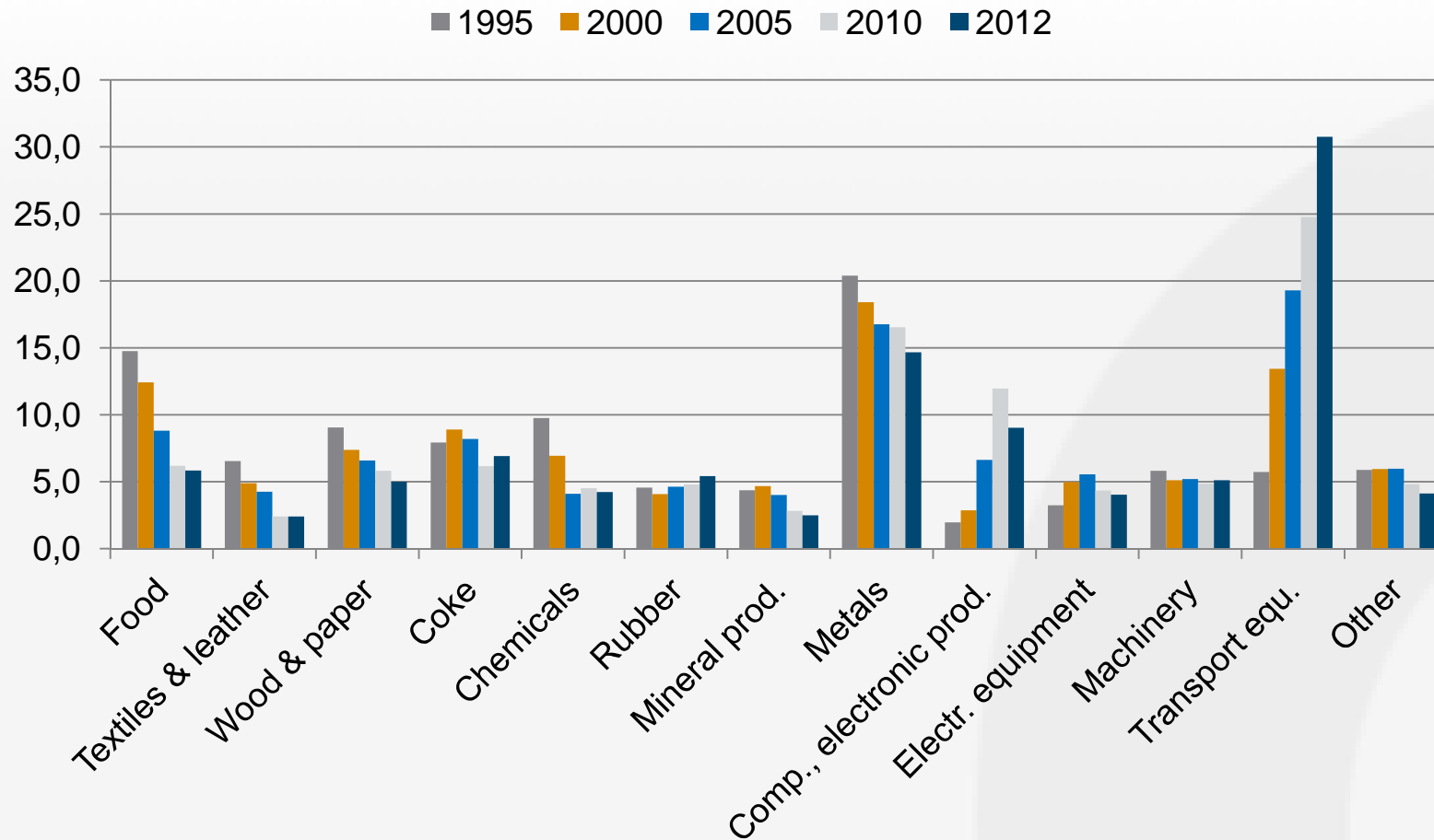
Integration into global automotive supply chains

Main points:

- The role of the automotive industry
- Importance of foreign direct investment
- Automotive supply chains

Automotive sector is the main industry in Slovakia

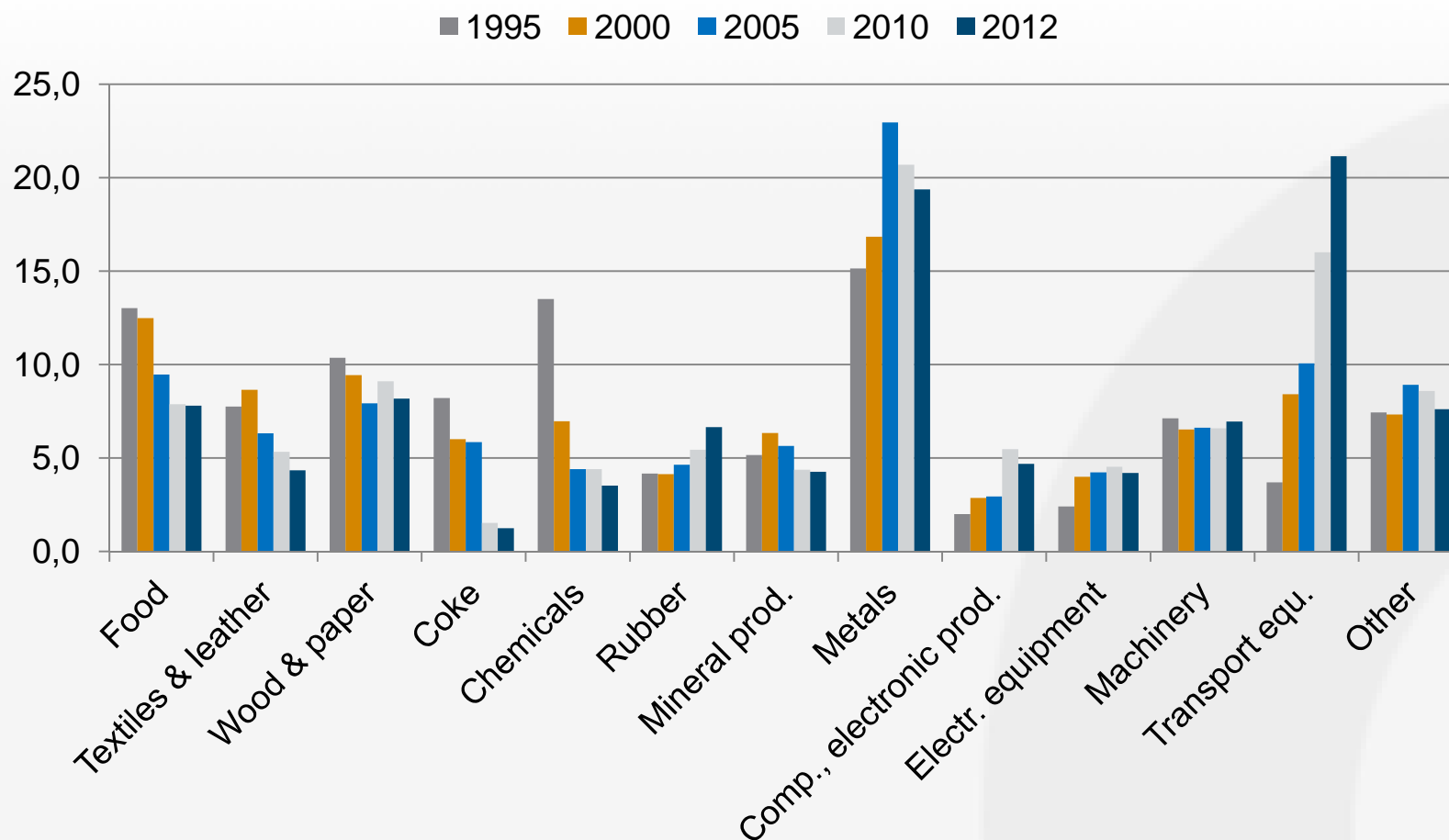
Output, Manufacturing = 100



Source: Eurostat National Accounts.

Catching-up in terms of value added

Value added, Manufacturing = 100



Source: Eurostat National Accounts.

Automotive industry dominates the region

Automotive industry overview (NACE Rev.2 29), 2011

	Production		Employment ¹⁾		Foreign direct investment ²⁾	
	in mn EUR	in % of manuf.	ths. Persons	in % of manuf.	in mn EUR	in % of manuf.
Bulgaria	561.1	2.3	10,087	2.0	n.a.	n.a
Czech Republic	31,647.8	22.4	138,575	13.1	8,091	27.4
Hungary	15,800.8	18.6	65,022	10.3	3,382	19.6 ³⁾
Poland	26,669.1	11.2	146,685	6.7	7,456	15.3
Romania	9,046.0	14.9	116,156	10.4	2,838	16.3
Slovakia	16,435.8	28.5	50,998	13.2	2,425	18.6
Slovenia	2,598.5	11.7	12,837	6.8	201	7.6

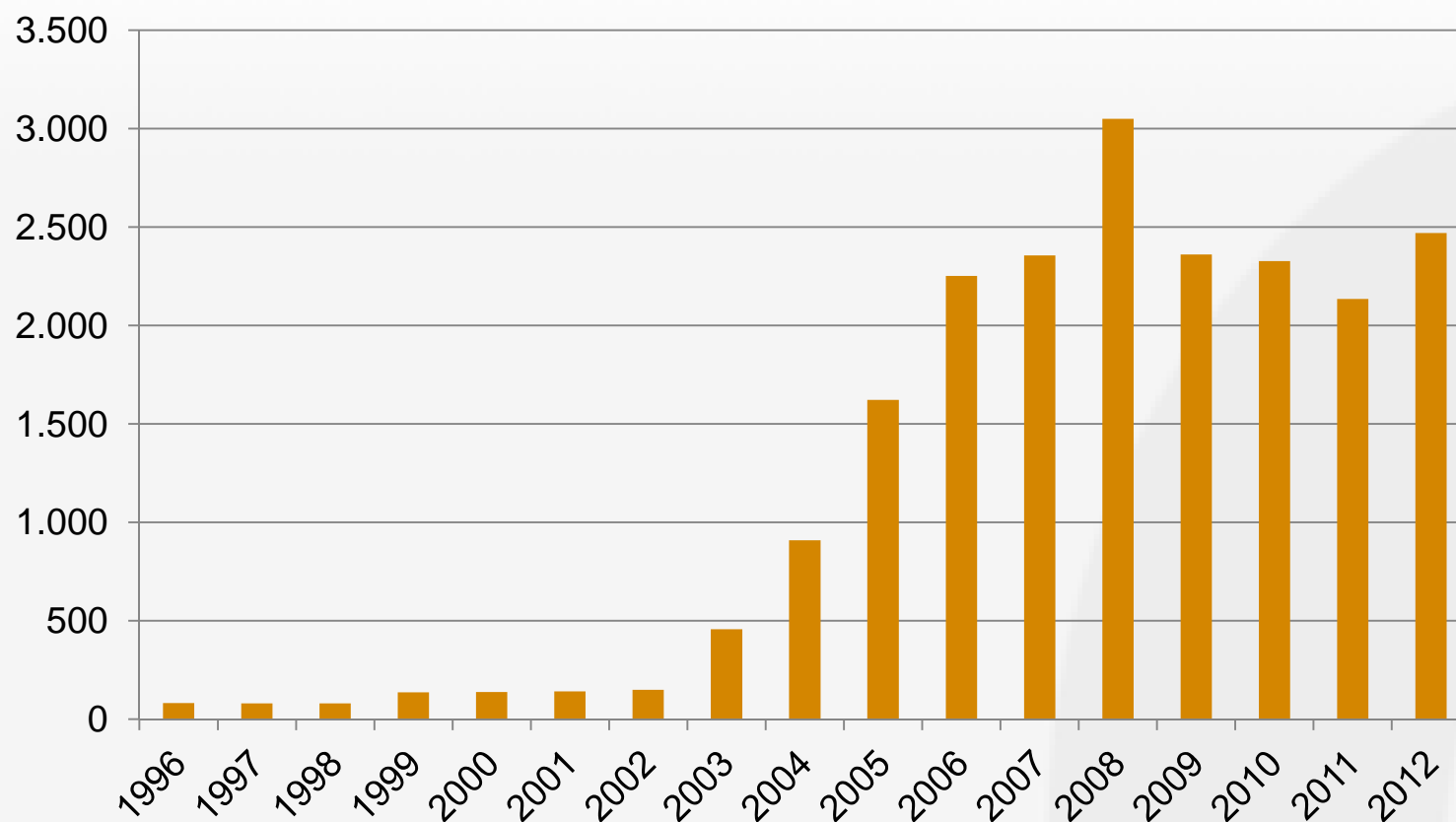
Notes: 1) Employment defined as number of employees, 2010.

2) Inward FDI stock for CL " Manufacture of transport equipment". 3) 2010.

Source: Eurostat SBS; wiiw FDI Database.

EU accession is the main driver for FDI-inflows

FDI inward stock, transport equipment, in million EUR

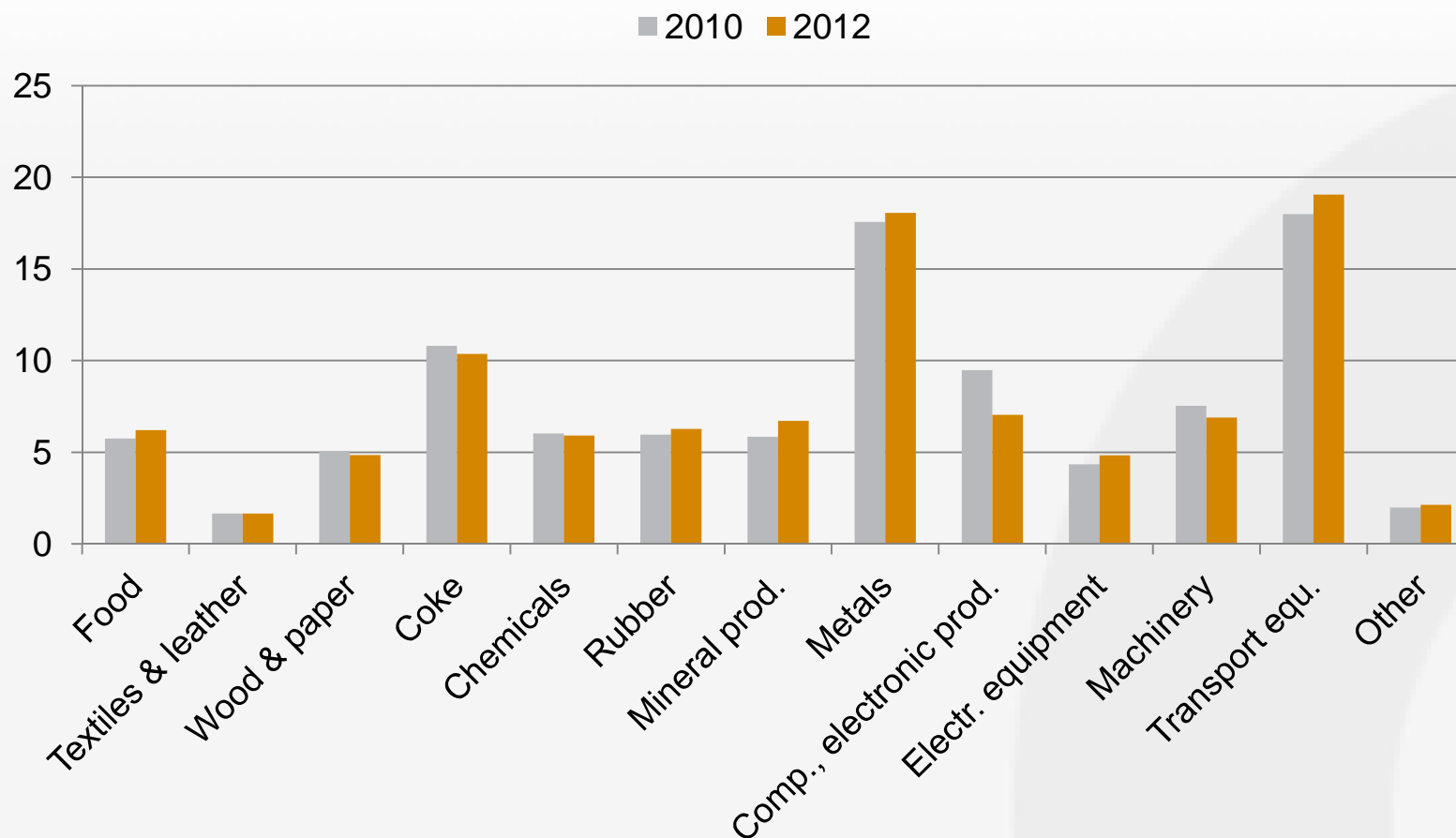


Notes: NACE rev. 1 classification until 2008, since 2009 NACE rev. 2 classification system.

Source: wiiw Database on Foreign Direct Investment in Central, East and Southeast Europe.

Automotive and metals sector major recipients of FDI

FDI inward stock, Manufacturing = 100



Source: wiiw Database on Foreign Direct Investment in Central, East and Southeast Europe.

Automotive companies in Slovakia top

Main automotive companies, 2012

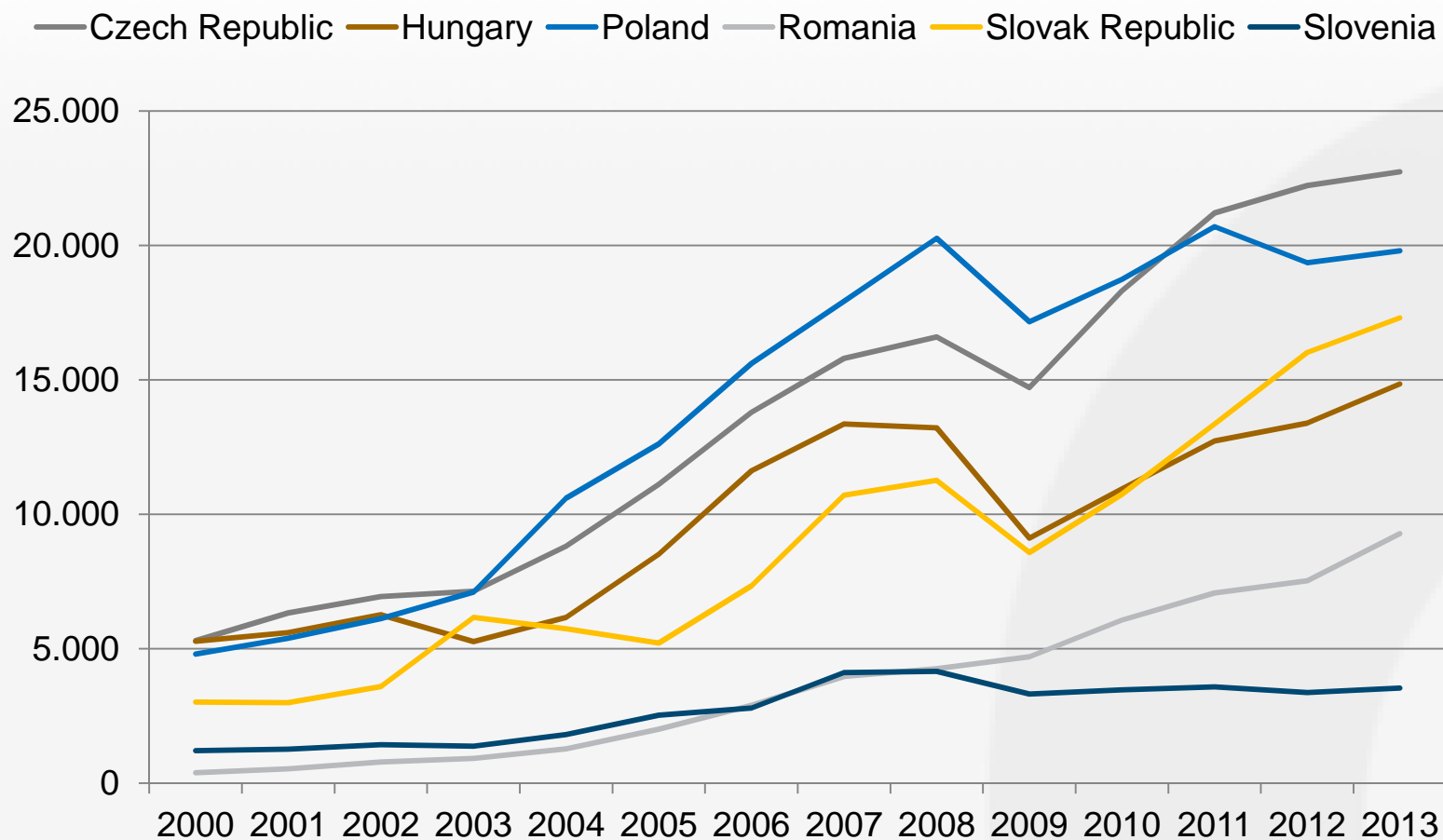
		2012- Revenue in EUR mn	Place 2012	Place 2011	Employees 2011
(1) ŠKODA AUTO	Czech Republic	10,448	3	3	26,265
(2) Volkswagen Slovakia	Slovakia	6,587	14	17	8,400
(3) AUDI Hungary	Hungary	5,536	19	13	7,322
(4) Kia Motors Slovakia	Slovakia	3,919	31	36	3,158
(5) Fiat	Poland	3,373	37	27	5,841
(6) AUTOMOBILE-DACIA	Romania	2,863	45	41	13,652
(9) PCA Slovakia	Slovakia	1,936	83	106	2,953

Note: Place means relative position among all companies in Central Europe.

Source: Deloitte CE Top 500 ranking, Coface CEE Top 500.

Slovak automotive exports surge after the crisis

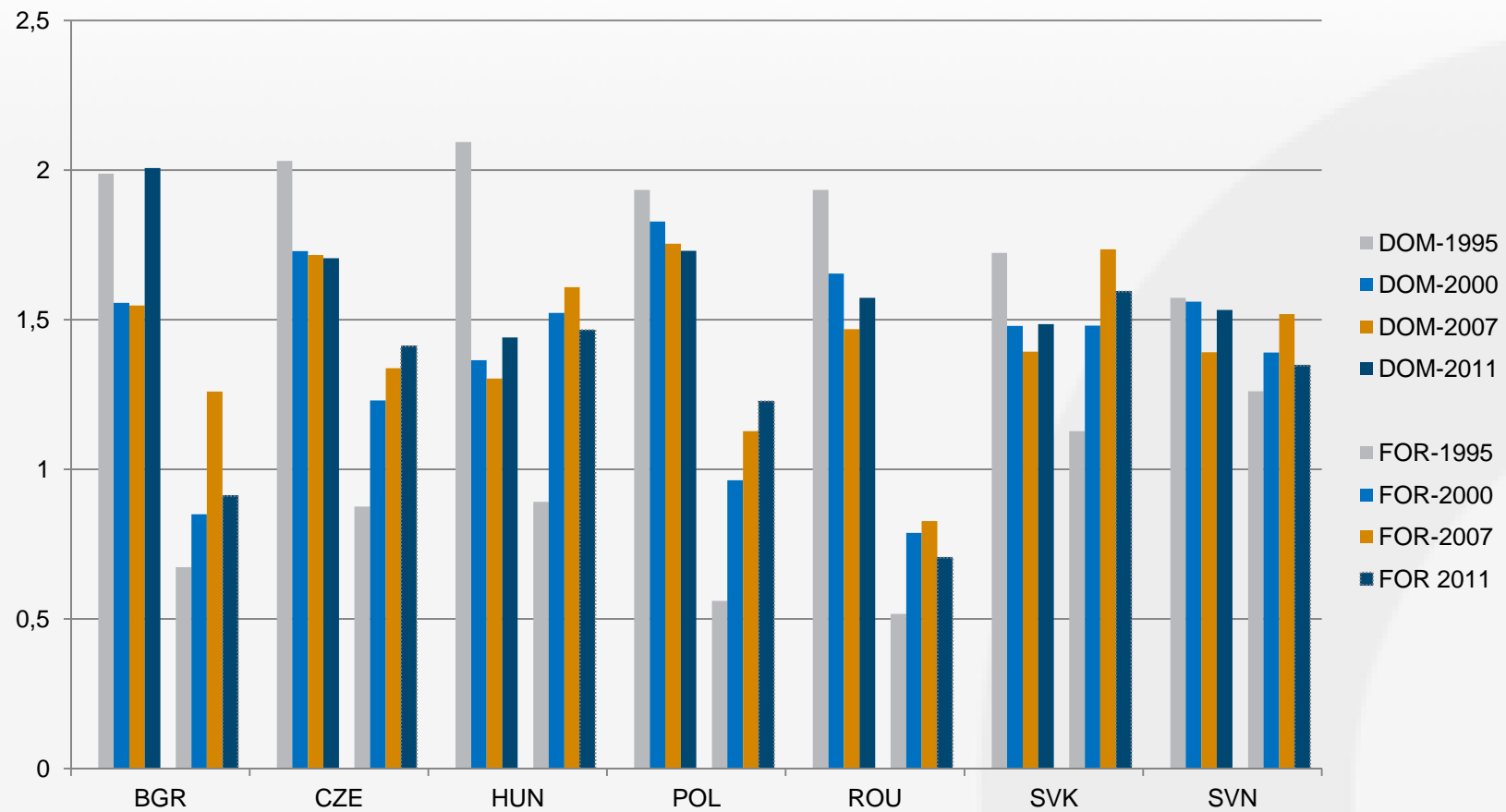
Automotive exports (NACE Rev. 2, division 29), in mn of EUR



Source: Eurostat COMEXT.

Foreign linkages equal to domestic ones

Domestic and foreign sourcing in the transport equipment sector (34&35)

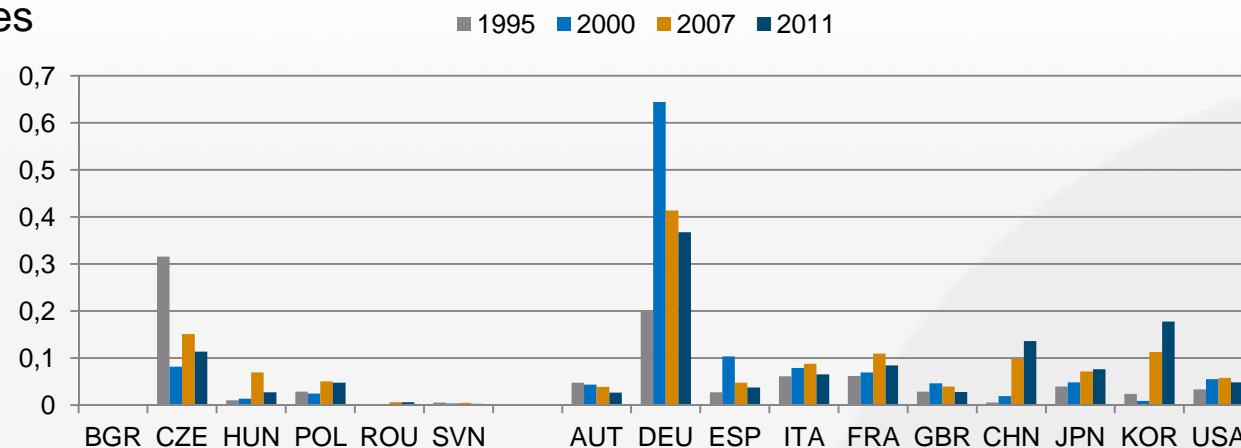


Source: WIOD.

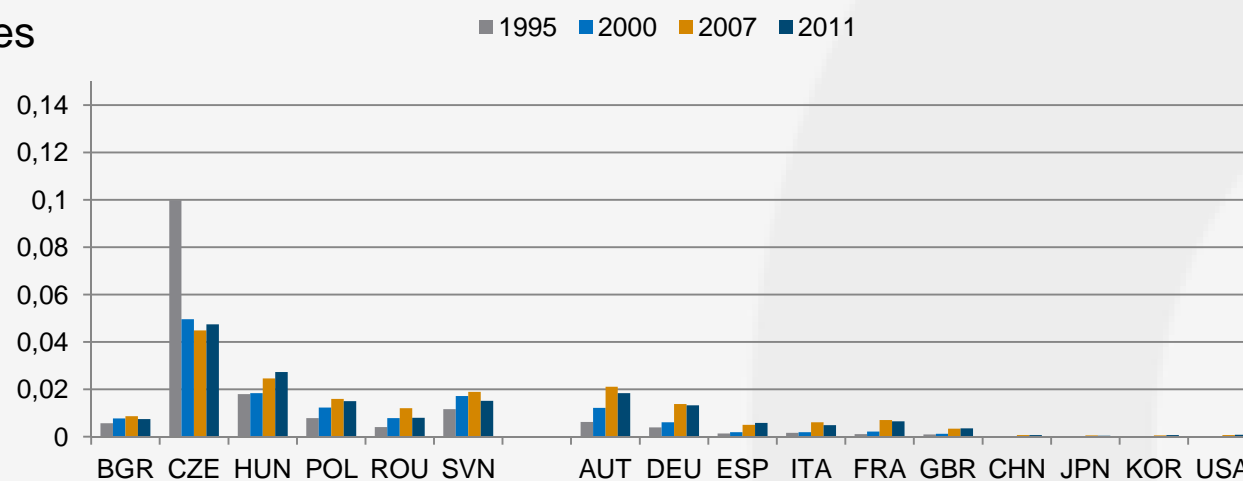
Backward linkages more significant than forward linkages

Transport equipment (34&35): Slovakia's linkages with selected countries

Backward linkages



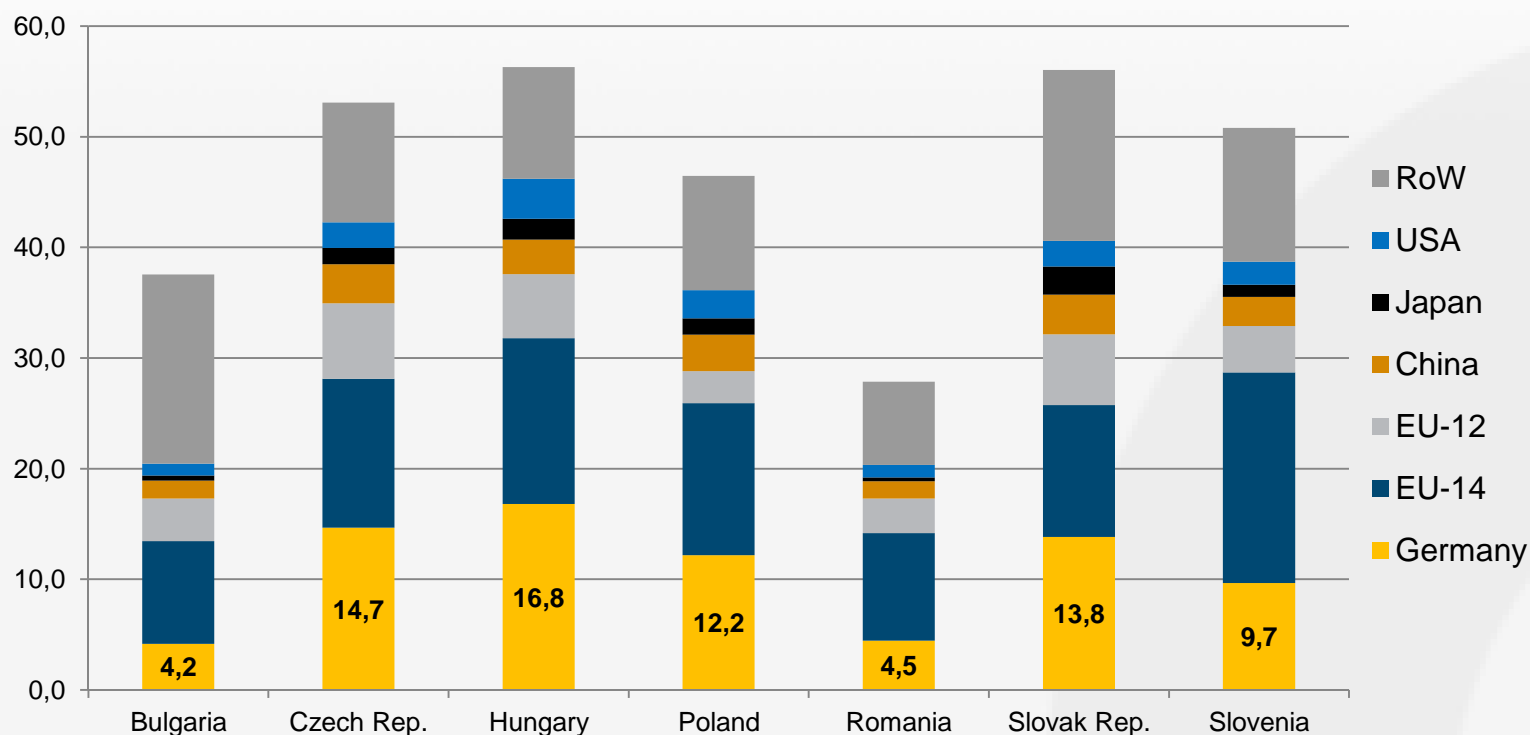
Forward linkages



Source: WIOD.

German supply chains dominate in the region

Foreign value added content of transport equipment exports, 2011,
in % of gross exports



Notes: EU-14 is EU-15 without Germany; EU-12 means EU-12 without the respective country.

Source: WIOD.

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Conclusions & challenges:

- Automotive industry is the key sector in manufacturing
- Potential for increasing domestic linkages and value added
- Import and export linkages quite different

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Thank you for your attention!