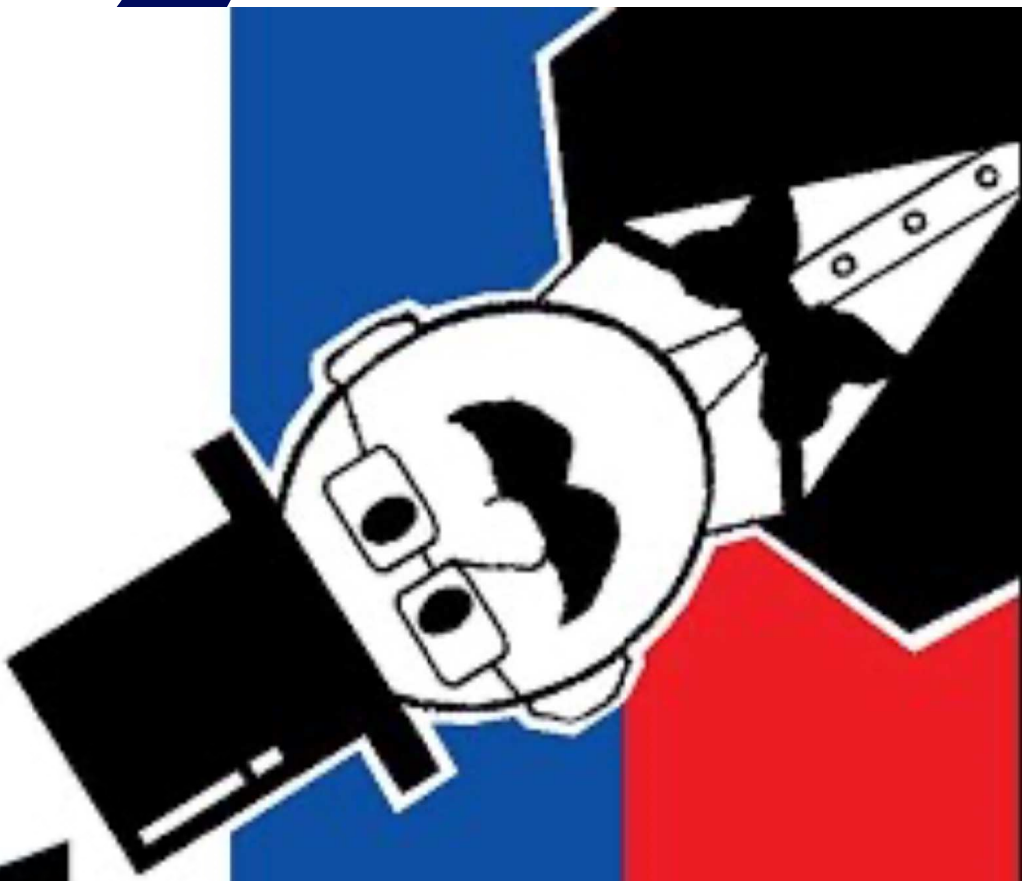


BUILDING MATERIALS IN SLOVAKIA

BY: Igor Lukáč



SLOVAKIA



GENERAL INFORMATION

The largest cities and towns in Slovakia (population)



▶ POPULATION: 5,4 mil. (similar to Denmark, Finland or Singapore)

▶ SUFFRAGE: Universal at 18 years

▶ LITERACY: 99%

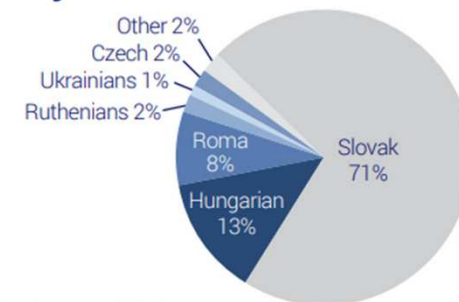
▶ LIFE EXPECTANCY: 78 yrs. females, 71 yrs. males (2021)

▶ TOTAL AREA: 49,000 sq km / 19,000 sq mi

▶ TOTAL AREA: Slightly larger than Denmark, Netherlands or Switzerland

▶ TOTAL AREA: Slightly smaller than Costa Rica

Ethnicity



Source: Slovak census 2021

REGIONAL DIVISION

8 regions and 79 districts

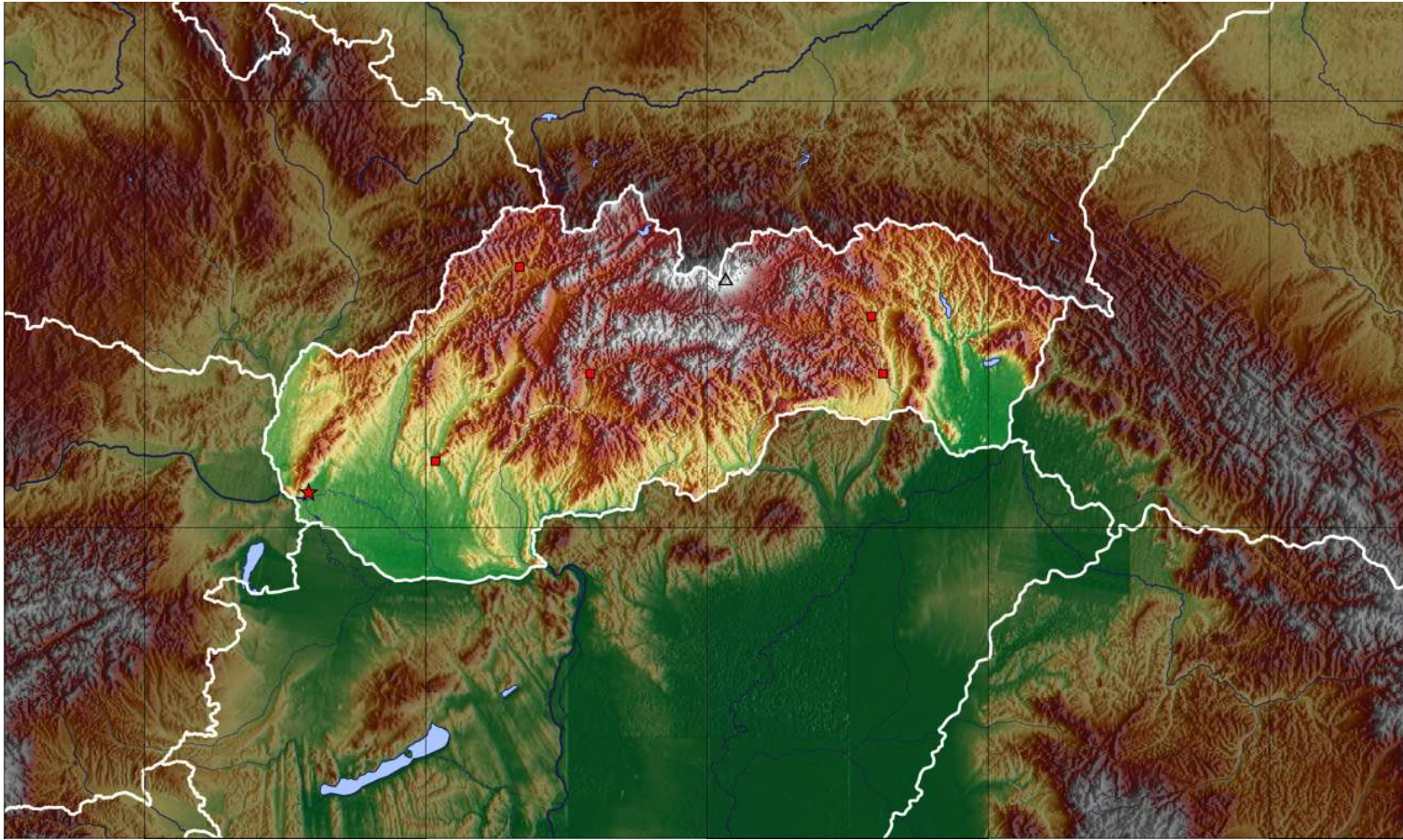


GOVERNMENT

- ▶ TYPE: Parliamentary democracy
- ▶ INDEPENDENCE: since January 1, 1993
(former Czechoslovak Republic established in 1918)
- ▶ BRANCHES: Executive -
 - ▶ President (Head of state),
 - ▶ Prime Minister (Head of government),
 - ▶ Cabinet
 - ▶ National council of the Slovak Republic (150 seats)
- ▶ JUDICIAL:
Supreme Court,
Constitutional Court



GEOGRAPHY



TRANSPORTATION AND LOGISTICS



- ▶ Slovakia is easily accessible and has a good infrastructure including IT and mobile network
- ▶ Easily accessible from Western Europe - Bratislava only 70 km from Vienna, Austria
- ▶ Direct flights to over 260 destinations are available within 1 hour drive from Bratislava city center

FOREIGN RELATIONS

- ▶ European Union and NATO in 2004
- ▶ Eurozone in 2009
- ▶ United Nations since 1993
- ▶ Schengen Area
- ▶ Council of Europe (CoE)
- ▶ Organization for security and Co-operation in Europe
- ▶ World Trade Organization (WTO)
- ▶ Organisation for Economic Co-operation and Development
- ▶ Union for the Mediterranean (UfM)
- ▶ European Organization for Nuclear Research (CERN)
- ▶ Bucharest Nine (B9)
- ▶ Visegrád Group (V4: Slovakia, Hungary, the Czech Republic and Poland)



ECONOMY

INFLATION: 11 % (2023), 3,6 % (2024)

61st (nominal, 2024)

services: 61, 2 %
industry: 35 %
agriculture: 3,8 %

GDP

GDP rank

GDP growth

GDP by sector

GDP per capita

\$141 bilion
(nominal, 2024)

1,2 % (2023),
2,1 % (2024)

\$25,935
(nominal 2024)

TAXATION



CORPORATE INCOME TAX:

- ▶▶▶ 21%
- ▶▶▶ 15% for taxpayers (including individual entrepreneurs) with income (revenues) of less than EUR 49.790



CAPITAL GAINS TAX FOR CORPORATE ENTITIES:

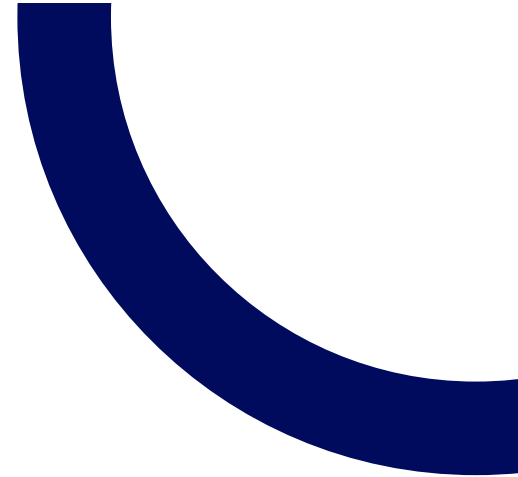
- ▶▶▶ 21% (participation exemption possible if specific conditions are met)



VAT

- ▶▶▶ 20 % on most products and services
- ▶▶▶ 10% print media, healthcare related products, accommodation, restaurant services, basic food items
- ▶▶▶ 5% on renovation, reconstruction and delivery of a building
- ▶▶▶ Registration - revenues > 49,790 €

MAIN INDUSTRY



AUTOMOTIVE SUPERPOWER

- ▶ Slovakia is an automotive superpower
- ▶ Various top-of-the-line models are assembled in Slovakia
- ▶ Slovakia is likely to become the next superpower for batteries for electric vehicles



OTHER INDUSTRIES

- ▶ Metal and metal products
- ▶ Electricity, gas, coke, oil, nuclear fuel
- ▶ Chemicals, synthetic fibers
- ▶ Wood and paper products
- ▶ Machinery

- 
- ▶ Earthenware and ceramics
 - ▶ Textiles
 - ▶ Electrical and optical apparatuses
 - ▶ Rubber products
 - ▶ Food, beverages
 - ▶ Pharmaceutical

IMPORT - EXPORT

IMPORTS

\$117 billion
(2023)



IMPORT GOODS



Machinery and electrical equipment 20 %
Vehicles and related parts 14 %
Nuclear reactors and furnaces 12 %
Fuel and mineral oils 9 %

MAIN IMPORT PARTNERS

Germany 18 % ,
Czechia 18 % , Poland 8 % ,
Hungary 7 % ,



EXPORTS

\$117 billion
(2023)

EXPORTS GOODS

Vehicles and related parts 27 %
Machinery and electrical equipment 20 %
Nuclear reactors and furnaces 12 %
Iron and steel 4 %
Mineral oils and fuels 5 %

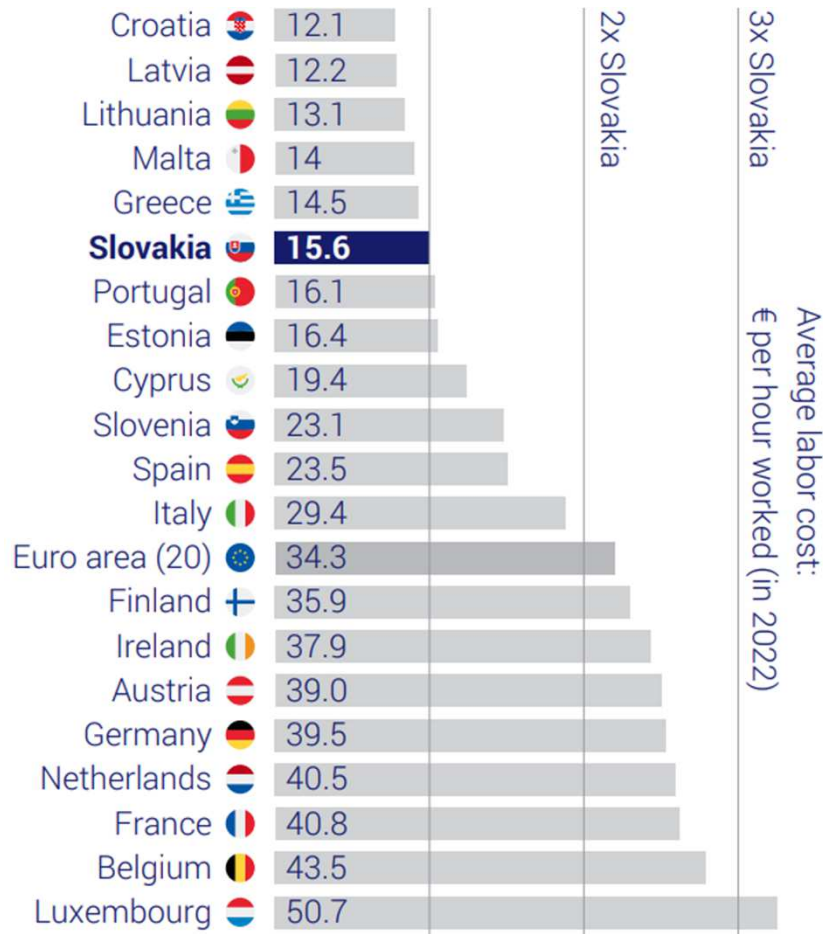


MAIN EXPORT PARTNERS

Germany 22 % ,
Czechia 11 % ,
Poland 7 %
France 7 %

LABOR MARKET

ONE OF THE LOWEST LABOR COST IN EURO AREA



Labor costs are among the lowest in Eurozone

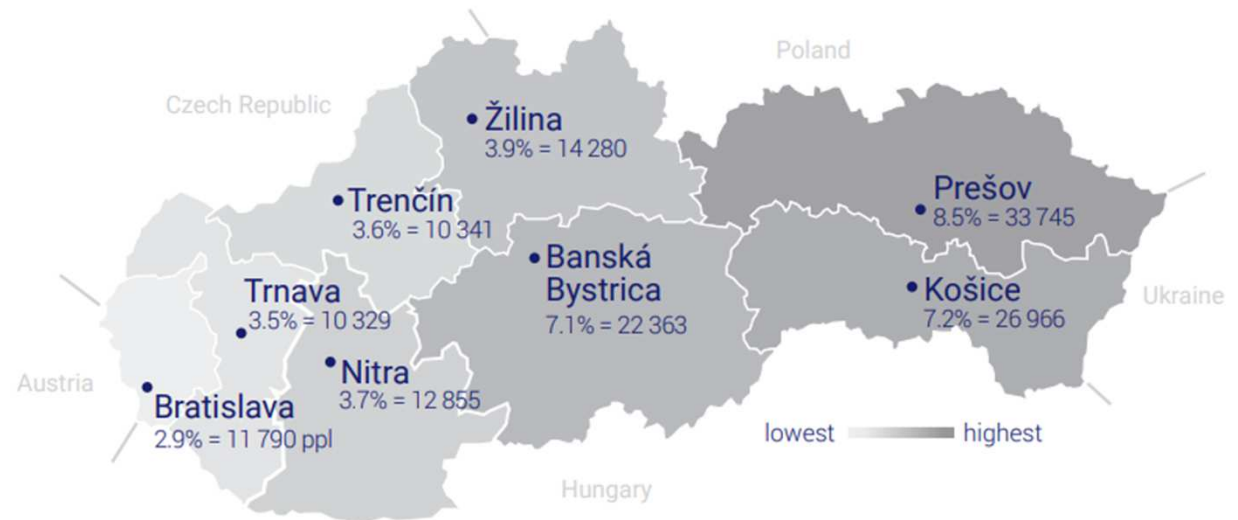


Labor laws allow more flexibility for employers than those in the most other Eurozone countries

UNEMPLOYMENT (FEBRUARY 2024)



Unemployment rate is 5.1 % and the number of unemployed people in regions is 142 669



CULTURE AND SPORT



HABITS



1. Hospitality:

- ▶ **WARM WELCOMES**
 - ▶ guests are often warmly welcomed
- ▶ **SHOES OFF INDOORS**
 - ▶ remove your shoes when entering someone's home



2. Food and dining:

- ▶ **TRADITIONAL CUISINE**
 - ▶ focus on meat, potatoes, dairy, and bread
- ▶ **MAIN MEAL AT LUNCH**
 - ▶ the main meal - eaten around noon, dinner is usually lighter
- ▶ **TOAST WITH 'NA ZDRAVIE'**
 - ▶ "To your health."



3. Social etiquette:

- ▶ **GREETINGS**
 - ▶ with a handshake, accompanied by direct eye contact
- ▶ **USE OF TITLES**
 - ▶ often address others using their academic or professional titles
- ▶ **QUIET NATURE**
 - ▶ people are reserved and value their personal space

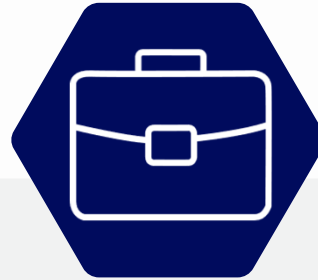


HABITS



4. Festivals and celebrations:

- ▶ **EASTER TRADITIONS**
 - ▶ whipping with willow branches and splashing with water
- ▶ **CHRISTMAS EVE**
 - ▶ most important day of the Christmas season
- ▶ **NAMEDAYS**
 - ▶ each name has a specific day on the calendar




5. Work and business culture:

- ▶ **PUNCTUALITY**
 - ▶ being on time is important (social or business meetings)
- ▶ **DIRECT COMMUNICATION**
 - ▶ communicate directly, value honesty



6. Nature and outdoors:

- ▶ **LOVE FOR NATURE**
 - ▶ strong connection to nature, outdoor activities hiking, skiing, and cycling
 - ▶ **MUSHROOM PICKING**
 - ▶ popular activity, especially in the autumn
- 



HOUSING IN SLOVAKIA

HOUSING



2024 OECD Economic Survey of the Slovak Republic suggests reforms in five broad areas



STREAMLINING HOUSING CONSTRUCTION:

▶ Administrative inefficiencies, digitalisation in building permit



EXPANDING THE PRIVATE FORMAL RENTAL MARKET:

▶ Privatisation of state-owned housing



REFORMING HOUSING TAXATION:

▶ Low taxes on immovable property



INCREASING HOUSING INCLUSIVENESS

▶ Low-income households
▶ Access to basic infrastructure

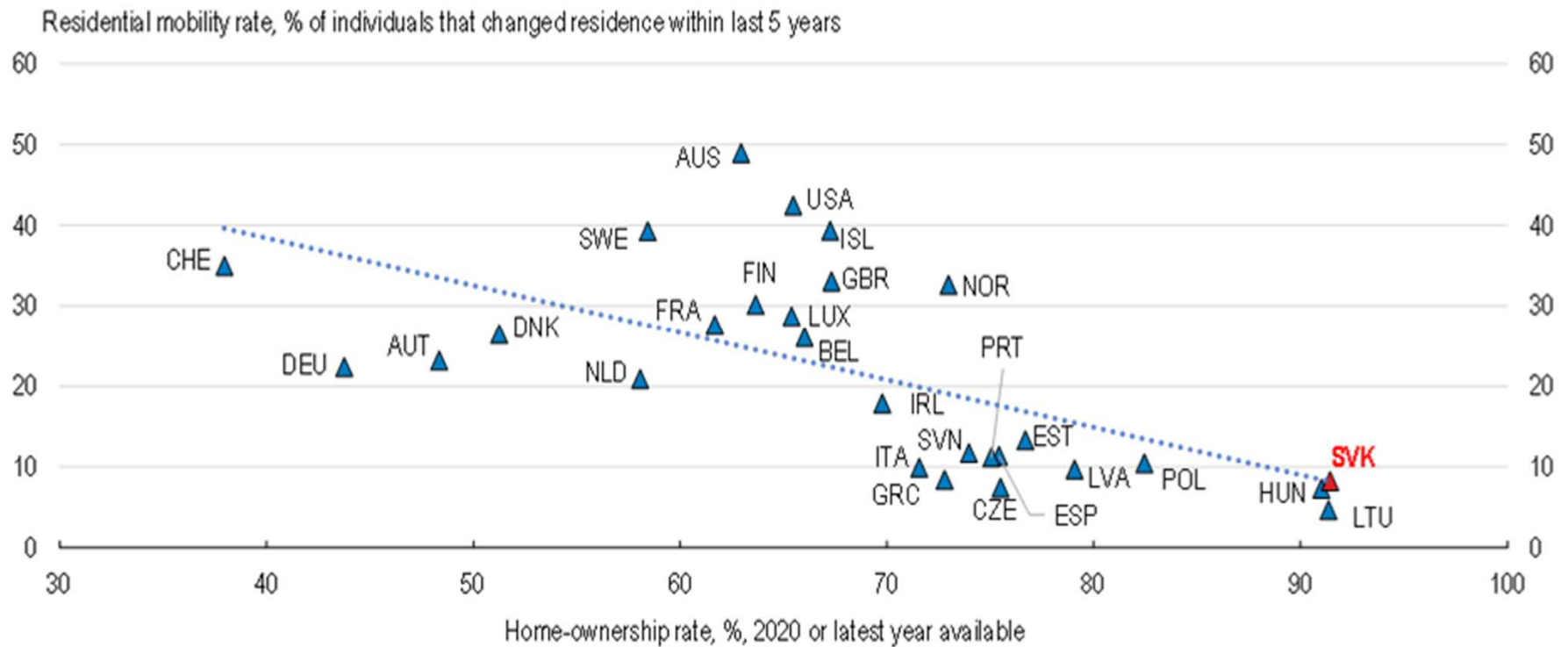


STRENGTHENING INCENTIVES TO ACCELERATE HOUSING RENOVATION:

▶ Higher carbon prices in the building sector from 2027

HOME OWNERSHIP VS LABOR MOBILITY

Developing the private rental market can spur residential and labor mobility.



HOUSING MARKET

01 Housing market overview

- ▶ Demand and prices
- ▶ Property Types

02 Urban vs. rural Housing

03 Affordability and rental market

- ▶ Challenging home ownership
- ▶ Well developed in cities

04 Government policies and housing programs

- ▶ Housing Support
- ▶ Energy Efficiency Initiatives

05 Current trends

- ▶ Sustainability
- ▶ Foreign Investment

06 Challenges

- ▶ Supply Constraints
- ▶ Economic Uncertainty

07 Future outlook

- ▶ Growing Expectations



BUILDING MATERIALS



▶▶▶ BRICK AND BLOCK

- ▶▶ Clay bricks, aerated concrete blocks

▶▶▶ CONCRETE

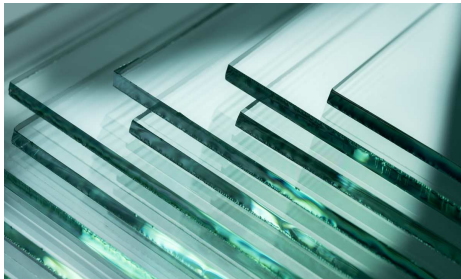
- ▶▶ Reinforced concrete, prefabricated concrete panel

▶▶▶ WOOD

- ▶▶ Timber, cross-laminated timber (CLT)

▶▶▶ STONE

- ▶▶ Natural stone, brickstone



▶▶▶ GLASS

- ▶▶ Insulated glass units, glass blocks

▶▶▶ STEEL

- ▶▶ Structural steel, steel reinforcement



BUILDING MATERIALS

INSULATION MATERIALS

- ▶ Mineral wool, polystyrene, fiberglass

ROOFING MATERIALS

- ▶ Clay and concrete tiles, metal roofing, wooden shingles

PLASTER AND DRYWALL

- ▶ Gypsum plaster, drywall

SUSTAINABLE AND GREEN MATERIALS

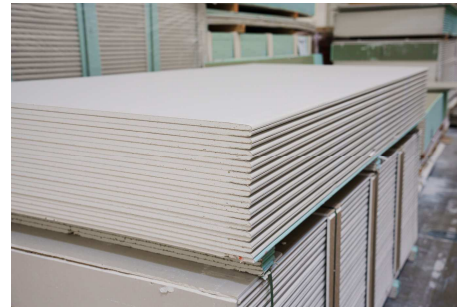
- ▶ Hempcrete, straw bales

CLADDING AND FACADES

- ▶ Wooden cladding, composite panels

TRENDS

- ▶ focus on energy-efficient and sustainable construction (high-performance insulation material)



BUILDING MATERIALS MANUFACTURERS





BUILDING MATERIALS MARKET

Mix of local production, imports, and fluctuating demand influenced by the country's economic conditions and construction activities.

MARKET OVERVIEW

Growing - driven by increased construction activities, EU funding for infrastructure projects

Key materials - cement, concrete, bricks, wood, steel, insulation materials, roofing materials, ...

Energy - efficient and sustainable materials are becoming important

Domestic production - number of domestic manufacturers

Imports - high-tech or specialized materials (Austria, Germany, Czechia...)

TRENDS

Sustainability

Digitalization,

Price volatility

CHALLENGES

Labor shortages,

Regulatory environment

OUTLOOK

Growing expectations



BUILDING MATERIALS MERCHANTS



The building materials market is served by a variety of merchants, from large chain stores to smaller, specialized shops:

01 Large retail chains

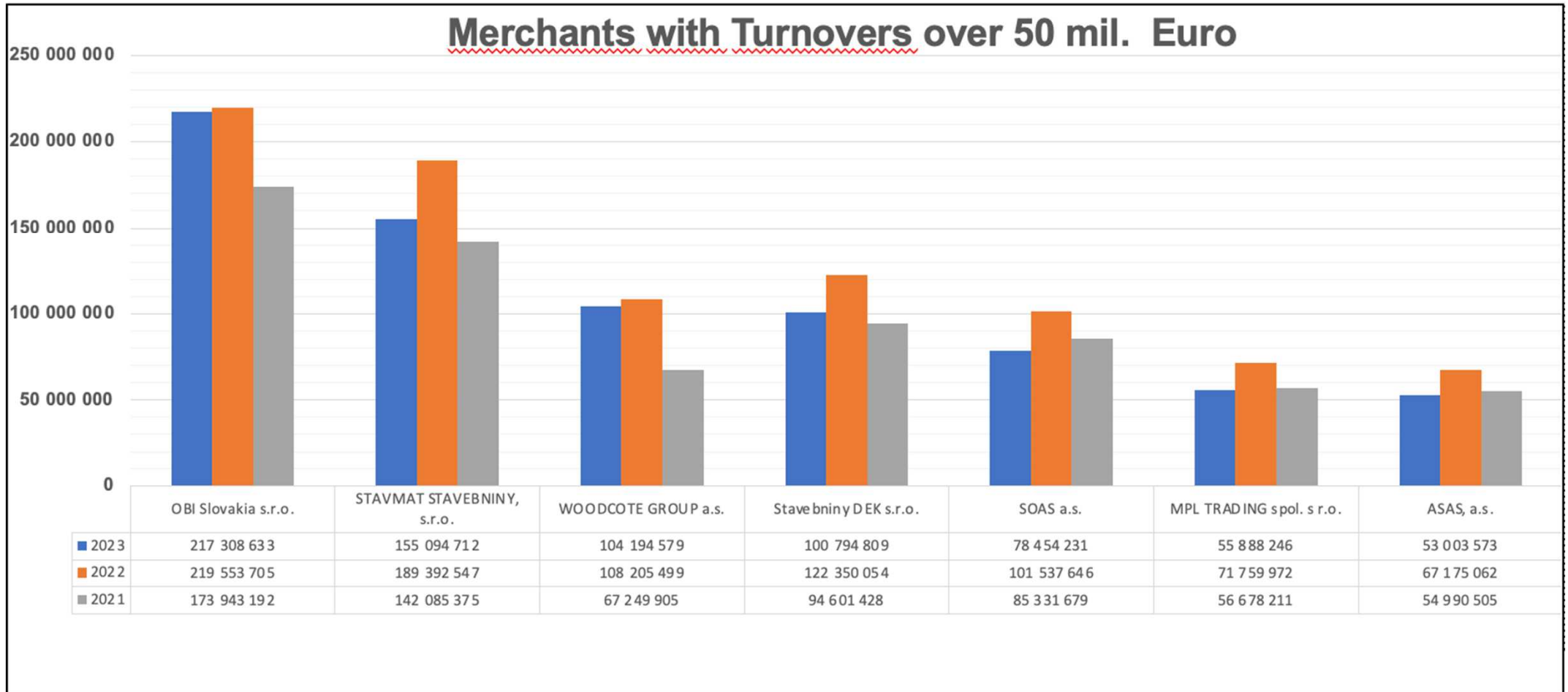
03 Local merchants and independent stores

02 Specialized building material suppliers

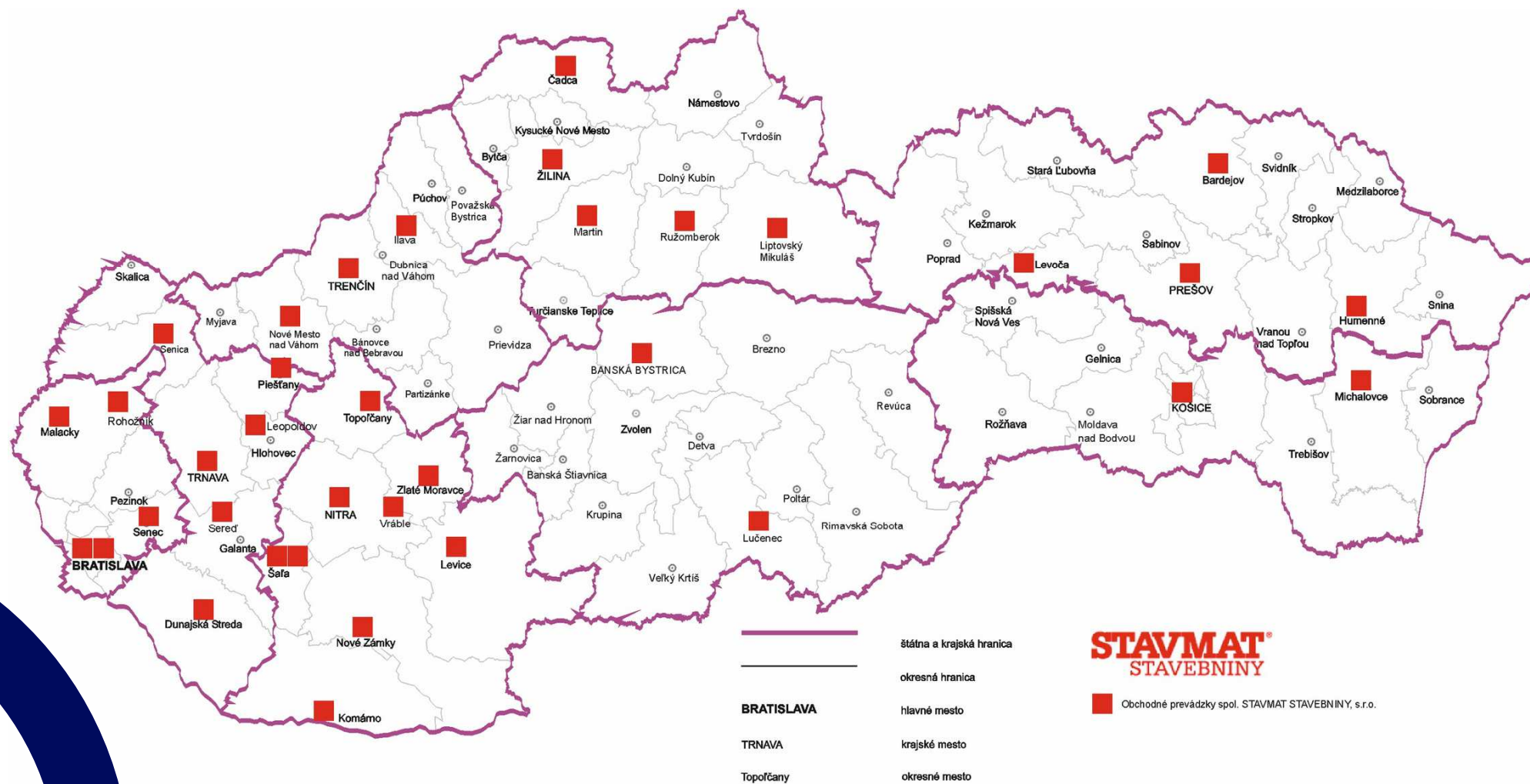
04 Alliances

TOP PLAYERS ON THE MARKET

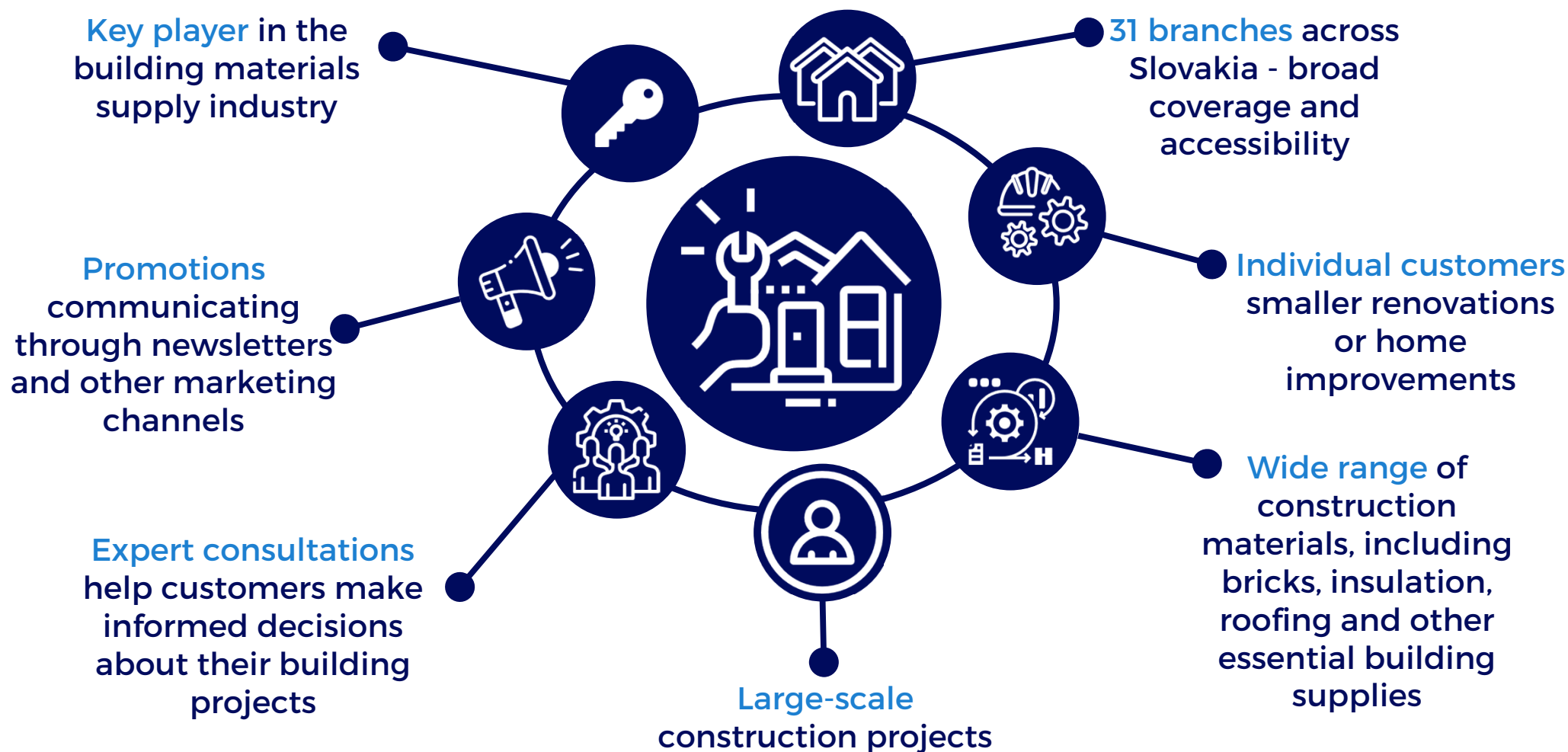
Merchants with Turnovers over 50 mil. Euro



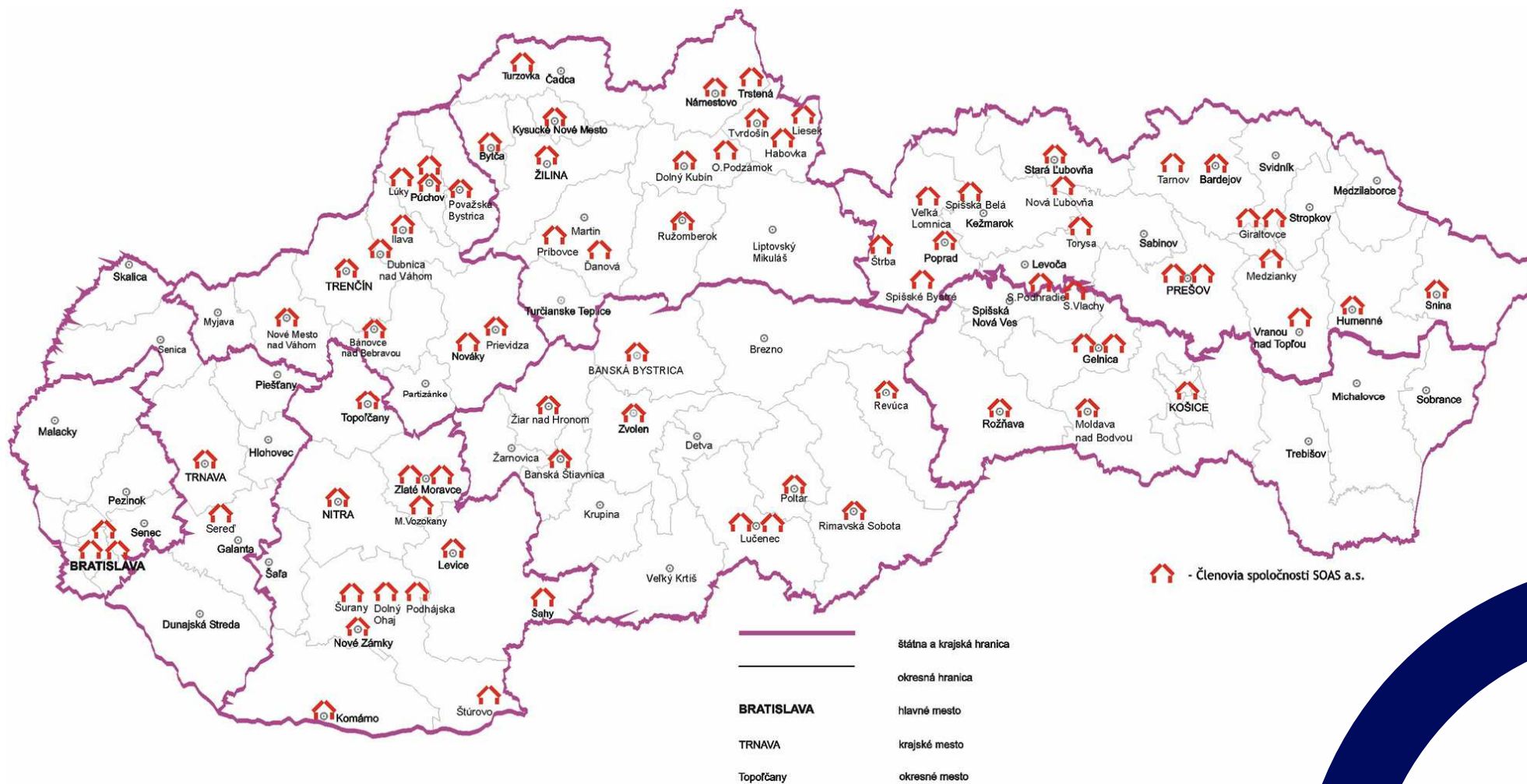
STAVMAT STAVEBNINY, S.R.O.



STAVMAT STAVEBNINY, S.R.O.



SOAS a.s.



SOAS a.s.

Established in 2003

66 manufacturers,
suppliers

29 private label
products

Largest distributor
in terms of the
number of sales
points

Long-term goal - to cover
all regions of Slovakia

82 branches
(sales points)

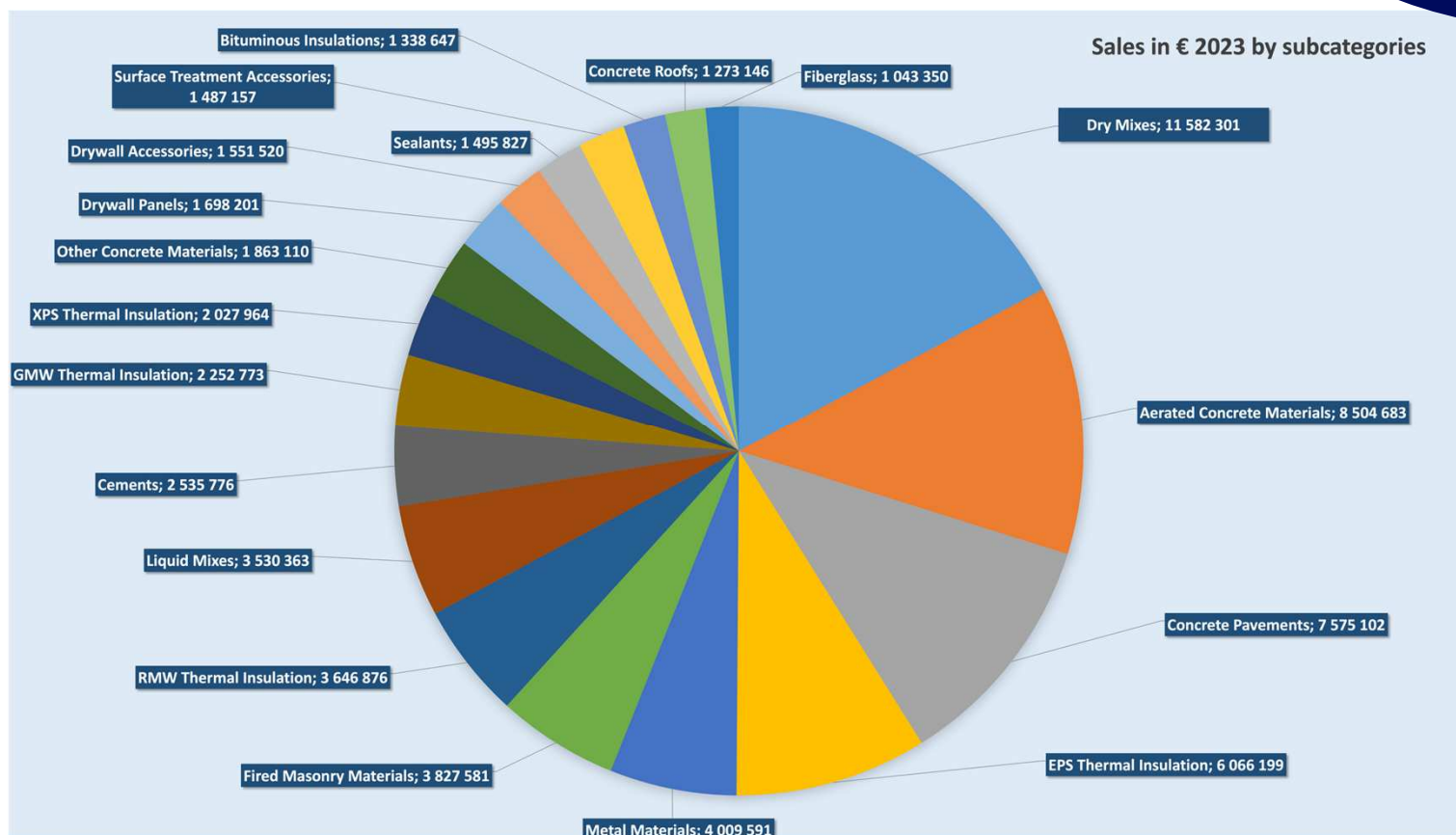
More efficient
purchase of building
materials - common
purchase, common
marketing, protection
of common interests



SOAS a.s.

Sales in € 2023 by subcategories:

Type "Subcategory"	2023	%
Dry Mixes	11 582 301	14,76%
Aerated Concrete Materials	8 504 683	10,84%
Concrete Pavements	7 575 102	9,66%
EPS Thermal Insulation	6 066 199	7,73%
Metal Materials	4 009 591	5,11%
Fired Masonry Materials	3 827 581	4,88%
RMW Thermal Insulation	3 646 876	4,65%
Liquid Mixes	3 530 363	4,50%
Cements	2 535 776	3,23%
GMW Thermal Insulation	2 252 773	2,87%
XPS Thermal Insulation	2 027 964	2,58%
Other Concrete Materials	1 863 110	2,37%
Drywall Panels	1 698 201	2,16%
Drywall Accessories	1 551 520	1,98%
Sealants	1 495 827	1,91%
Surface Treatment Accessories	1 487 157	1,90%
Bituminous Insulations	1 338 647	1,71%
Concrete Roofs	1 273 146	1,62%
Fiberglass	1 043 350	1,33%
Total (without packaging):	78 454 231	100,00%



WHAT COULD PORTUGUESE COMPANIES OFFER



HIGH-QUALITY CERAMIC AND TILE PRODUCTS:

Innovative and aesthetically appealing ceramic tiles, which could meet the demand in Slovakia for both residential and commercial construction projects.



SUSTAINABLE AND ECO-FRIENDLY MATERIALS:

Sustainable building materials (products like cork) - eco-friendly insulation materials.

Environmentally friendly alternatives (EU regulations), demand for green building practices.

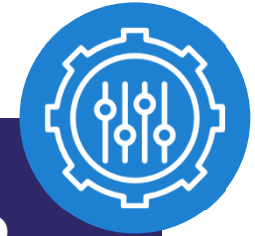
WHAT COULD PORTUGUESE COMPANIES OFFER



INNOVATIVE CONSTRUCTION SOLUTIONS:

For innovation in construction technology, including prefabricated systems and energy-efficient solutions.

Advanced construction methods and materials that improve efficiency, reduce costs, modern construction trends.



CUSTOMIZED PRODUCTS AND SERVICES:

Customized solutions tailored to specific market needs that cater to the particular architectural and construction demands

WHAT COULD PORTUGUESE COMPANIES OFFER



COMPETITIVE PRICING:

High-quality building materials at competitive prices.

Cost-conscious contractors and developers- do not want to compromise on quality.



OVERALL:

Portuguese companies could enhance the Slovak building materials market by introducing a blend of quality, innovation, and sustainability, coupled with competitive pricing and customization options.

BUREAUCRATIC DIFFICULTIES



Complex regulatory environment

Language barrier

Import and export procedures

Taxation and compliance

Local certification requirements

Environmental regulations

Administrative delays

Public procurement procedures

HOW TO BE ON THE MARKET



1. MARKET RESEARCH AND UNDERSTANDING LOCAL DEMAND:

- ▶ Understand market needs
- ▶ Competitor analysis



2. COMPLIANCE WITH REGULATIONS:

- ▶ Meet local standards
- ▶ Legal and tax compliance



3. ESTABLISH A LOCAL PRESENCE:

- ▶ Local partnerships
- ▶ Opening branches or warehouses



4. DISTRIBUTION AND SUPPLY CHAIN MANAGEMENT:

- ▶ Efficient logistics
- ▶ Stocking and inventory



HOW TO BE ON THE MARKET



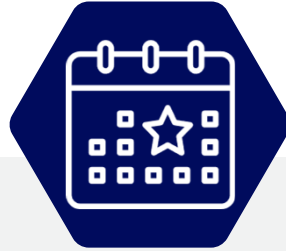
5. MARKETING AND SALES STRATEGY:

- ▶ Tailored marketing campaigns
- ▶ Online presence
- ▶ Promotions and loyalty programs



6. CUSTOMER SUPPORT AND AFTER-SALES SERVICE:

- ▶ After-sales support
- ▶ Expert advice



7. PARTICIPATION IN TRADE SHOWS AND INDUSTRY EVENTS:

- ▶ Networking opportunities
- ▶ Building relationships



8. SUSTAINABILITY AND INNOVATION

- ▶ Eco-friendly products
- ▶ Innovative solutions



9. ADAPTING TO LOCAL CULTURE

- ▶ Cultural sensitivity

THE ADVANTAGES OF BEING ON THE MARKET



1. GROWING CONSTRUCTION INDUSTRY

High demand

EU funding

2. STRATEGIC LOCATION IN CENTRAL EUROPE

Access to neighboring markets

Logistical advantages

3. STABLE ECONOMIC ENVIRONMENT

EU membership

Favorable business conditions

4. INCREASING FOCUS ON SUSTAINABILITY

Green Building Initiatives

Government Incentives

5. SKILLED WORKFORCE

Available Talent

6. PARTNERSHIP OPPORTUNITIES

Local Collaboration

7. RISING REAL ESTATE MARKET

Residential and Commercial Demand

8. COMPETITIVE ADVANTAGE

Product Differentiation

THE KEY TO SUCCESSFUL BUSINESS - RECAP



UNDERSTANDING LOCAL MARKET DYNAMICS

- Market Research:
- Competitive Landscape

BUILDING STRONG RELATIONSHIPS

- Local Partnerships
- Customer Relationships

COMPLIANCE AND CERTIFICATION

- Regulatory Compliance
- Continuous Monitoring

EFFECTIVE SUPPLY CHAIN MANAGEMENT

- Logistics and Distribution
- Inventory Management

INNOVATION AND ADAPTABILITY

- Product Innovation
- Adaptation to Trends

STRONG MARKETING AND BRANDING

- Targeted Marketing
- Brand Reputation

COMPETITIVE PRICING

- Cost Management
- Value Proposition

LEVERAGING TECHNOLOGY

- Digital Presence
- Use of Analytics

SUSTAINABILITY FOCUS

- Green Building
- Compliance with Environmental Regulations

Thank You

For Your Attention

