

Slovakia

Country Profile

[Slovakia at a glance](#) | [Geography](#) | [Demography](#) | [Politics](#) | [Economy](#)

SLOVAKIA AT A GLANCE

...AT A GLANCE

THE LAND

THE PEOPLE

THE GOVERNMENT

THE ECONOMY

PWC IN SLOVAKIA

THE DOCUMENT

- **Official name:** Slovenská Republika (Slovak Republic), short name Slovensko (Slovakia), abbr.. SK or SVK
- **Area:** 49,041 square kilometers
- **Population:** 5,398,221 (1999)
- **Population density:** 110 /sq.. km
- **Nationalities:** Slovak (85.6%), Hungarian (10.8%), Romany (1.8%), Czech (1.2%), Ukrainian (0.6%), German (0.1%), Polish (0.1%), other (0.2%)
- **Languages:** Slovak (official), Hungarian
Czech is understood well, Russian and German amongst older population, English is well understood and spoken especially amongst younger population.
- **Religion:** Roman-Catholic (60.3%), Greek-Catholic (3.4%), Protestant (6.2%), Reformist (1.6%), Orthodox (0.6%), without any confession (9.7%), no data (18.2%)
- **Capital:** Bratislava
- **Bordering countries:** Austria, Czech Republic, Hungary, Poland, The Ukraine
- **President:** Rudolf Schuster
- **Prime minister:** Mikuláš Dzurinda
- **Monetary unit:** Slovenská koruna (Sk or SKK) linked solely to the Euro
- **Currency converter:** €100 = SKK 4150
- **Financial year:** 1 January to 31 December
- **Major industries:** brown coal mining, chemicals, petrol, ferrous and non-ferrous metals, consumer appliances, fertilizers, plastics, defence industry
- **GDP per capita (PPP):** USD 7549 (1998)
- **GDP composition by sector:**

Agriculture	6%
Industry	31%
Services	63%
- **Natural resources:** antimony ore, mercury, iron ore, copper, lead, zinc
- **Climate:** temperate cool summers; cold, cloudy, humid winters
- **Terrain and Environment:** Slovakia boasts rugged mountains in its central and northern regions. The High Tatra alpine range houses the Gerlach, the highest peak at 8762 feet (2655 meters). The southern region is made up of fertile lowlands. Air pollution with acid rain are major environmental issues.

GEOGRAPHY

...AT A GLANCE

THE LAND

THE PEOPLE

THE GOVERNMENT

THE ECONOMY

PWC IN SLOVAKIA

THE DOCUMENT

LOCATION & LAND AREA

Slovakia is a landlocked country located in Central Europe and bordered by the Czech Republic, Poland, the Ukraine, Hungary and Austria. Bratislava in the southwestern corner is the capital and largest city

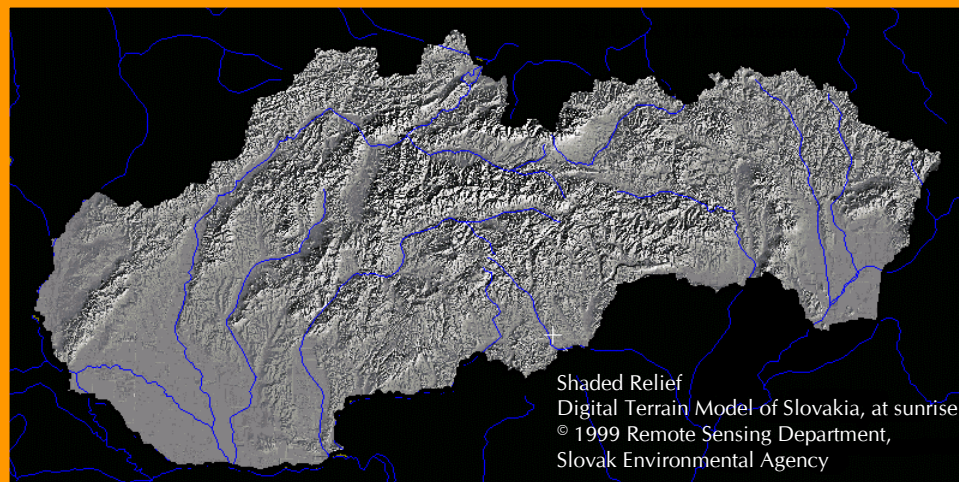
Land area: 49,041 sq. km

CLIMATE

Continental (warm and dry summers and cold humid winters), average temperatures in January is -3°C (27°F) and in July 26°C (79°F). Average annual rainfall 650 mm (26")

LANDCOVER

Forest and woodland 41%; arable land 31%. Irrigated land: 800 sq. km (1.63%). Lowest depression is 91 m above the sea level, the highest elevation (Gerlach) is 2655 m above the sea level



DEMOGRAPHICS

...AT A GLANCE

THE LAND

THE PEOPLE

THE GOVERNMENT

THE ECONOMY

PWC IN SLOVAKIA

THE DOCUMENT

ETHNIC

- The Slovaks are descendants of a Slavic people who settled near the Danube between 400 and 500 AD. Slovaks comprise about 86 percent of the country's inhabitants.

POPULATION

5.4 million (1999)

Urban population: 60%

Population density: 110 per km²

Age structure: 0-14 years: 20%, 15-64 years: 69%, 65 years and over: 11%

Population growth rate: 0.04% (1999 est.)

Birth rate: 9.52 births/1,000 population (1999 est.)

Death rate: 9.43 deaths/1,000 population (1999 est.)

Sex ratio: total population: 0.95 male(s)/female (1999 est.)

Infant mortality rate: 9.48 deaths/1,000 live births (1999 est.)

Life expectancy at birth: total population: 73.46 years; male: 69.71 years - female: 77.4 years (1999 est.)

REGIONS & MINORITIES

- The country is divided informally into Western Slovakia, Central Slovakia, and Eastern Slovakia. Most of Slovakia's 600,000 Hungarians live in the southern parts of Western and Central Slovakia. The Ukrainian minority is concentrated in the northern regions of Eastern Slovakia

PRINCIPAL CITIES

- Bratislava, Slovakia's capital and largest city has approximately 500,000 inhabitants. The second largest city Košice is located in the east with a population of 300,000. Further four cities - Banská Bystrica, Nitra, Prešov and Žilina have populations near 100,000 each.

POLITICS

...AT A GLANCE

Constitution: 1 September 1992, effective from 1 January 1993

Legal system: civil law system based on Austro-Hungarian codes; has not accepted compulsory ICJ jurisdiction; legal code modified to comply with the obligations of Organization on Security and Cooperation in Europe (OSCE).

Suffrage: 18 years of age; universal

STATE POWER

Executive branch:

Chief of state: President Rudolf SCHUSTER (since 15 May 1999) elected by direct popular vote for a five-year term;

Head of government: Prime Minister Mikuláš DZURINDA (since 30 October 1998)

Cabinet: Cabinet appointed by the president upon recommendation of the prime minister.

Legislative branch:

unicameral National Council of the Slovak Republic or Národná rada Slovenskej republiky (150 seats; members are elected by popular vote to serve four-year terms)

elections: last held 25-26 September 1998 (next to be held in September 2002)

Election results: percent of vote by party—HZDS 27%, SDK 16.3%, SDL 14.7%, SMK 9.1%, SNS 9.1%, SOP 8%; seats by party—governing coalition 93 (SDK 42, SDL 23, SMK 15, SOP 13), opposition 57 (HZDS 43, SNS 14)

Judicial branch:

Supreme Court, 55 first instance district courts, eight regional courts of appeal; judges are elected by the National Council; Constitutional Court;

POLITICAL PARTIES & LEADERS

Movement for a Democratic Slovakia or HZDS [Vladimír MEČIAR, chairman]; Slovak Democratic Coalition or SDK (includes KDĤ, DS, DU, SSDS, SZS) [Mikuláš DZURINDA]; Party of the Democratic Left or SDL [Jozef MIGAŠ, chairman]; Party of the Hungarian Coalition or SMK (includes MKDH, MOS, and Coexistence) [Béla BUGÁR]; Slovak National Party or SNS [Anna MALÍKOVÁ, chairman]; Party of Civic Understanding or SOP [Pavol HAMŽÍK, chairman];

POLITICAL PRESSURE GROUPS

Party of Entrepreneurs and Businessmen of Slovakia; Christian Social Union; Confederation of Trade Unions or KOZ; Metal Workers Unions or KOVO and METALURG; Association of Employers of Slovakia; Association of Towns and Villages or ZMOS

INTERNATIONAL ORGANISATIONS

Australia Group, BIS, BSEC (observer), CCC, CE, CEI, CERN, EAPC, EBRD, ECE, EU (applicant), FAO, IAEA, IBRD, ICAO, ICFTU, ICRM, IDA, IFC, IFRCS, ILO, IMF, IMO, Inmarsat, Intelsat (non-signatory user), Interpol, IOC, IOM, ISO, ITU, MONUA, NSG, OPCW, OSCE, PCA, PFP, UN, UNCTAD, UNESCO, UNIDO, UPU, WEU (associate partner), WFTU, WHO, WIPO, WMO, WToO, WTrO, ZC; Slovakia is striving for a full membership in OECD, NATO and European Union.

THE LAND

THE PEOPLE

THE GOVERNMENT

THE ECONOMY

PWC IN SLOVAKIA

THE DOCUMENT

ECONOMY

...AT A GLANCE

THE LAND

THE PEOPLE

THE GOVERNMENT

THE ECONOMY

PWC IN SLOVAKIA

THE DOCUMENT

Since the establishment of the Slovak Republic on 1 January 1993, Slovakia has continued the difficult transformation from a centrally controlled economy to a modern market-oriented economy. Macroeconomic performance improved steadily in 1994-96, but privatization progressed only in fits and starts. Strong export performance boosted GDP growth to 4.9% in 1994 after a four-year decline. GDP then rose by 6.8% in 1995, 7% in 1996, and 5.9% in 1997, rates among the highest in Central and Eastern Europe. Inflation dropped from 26% in 1993 to 6% annually in 1996-97, the lowest rate in the region. Private activity now makes up more than two-thirds of GDP. Although Slovak economic performance continues to be impressive, many warning signs of possible danger ahead have been raised. Aggregate demand has surged in the form of increased personal and government consumption. At the same time that the budget deficit is growing, the money supply has been rapidly increasing, which could apply upward pressure on inflation. The trade and current account deficits both are mounting as imports soar and exports sag. Perhaps most troubling, Slovakia continues to have difficulty attracting foreign investment because of perceived political problems and halting progress on restructuring and privatization. Continuing economic recovery in western Europe should boost exports and production, but Slovakia's position with foreign creditors and investors could suffer setbacks in 1998 if progress on privatization and restructuring stalls and if domestic political problems continue to tarnish its international image.

KEY PERFORMANCE INDICATORS

Gross domestic product

GDP per capita nominal:.....\$3,950 (1998)

GDP per capita PPP:.....\$7,540 (1998)

GDP real growth rate: 5.0% (1998)
 2.2% (1999E)
 0.0% (2000F)

GDP composition by sector:

agriculture:.....4.8% (1998)

industry:.....33.4% (1998)

services:.....61.8% (1998)

Consumer price inflation:

1998.....8.2%

1999E.....10.9%

2000F.....11.2%

2001F.....12.4%

Unemployment rate:

1998.....16.4%

1999E.....18.8%

2000F.....20.0%

2001F.....18.2%

ECONOMY

...AT A GLANCE

THE LAND

THE PEOPLE

THE GOVERNMENT

THE ECONOMY

PWC IN SLOVAKIA

THE DOCUMENT

INDUSTRIES

Industries: metal and metal products; food and beverages; electricity, gas, coke, oil, and nuclear fuel; chemicals and manmade fibers; machinery; paper and printing; earthenware and ceramics; transport vehicles; textiles; electrical and optical apparatus; rubber products

EXPORTS

Exports: \$10.7 billion (f.o.b., 1998)

Exports—commodities: machinery and transport equipment 37%; intermediate manufactured goods 30%, miscellaneous manufactured goods 13%; chemicals 9%; raw materials 4% (1998)

Exports—partners: EU 56% (Germany 29%), Czech Republic 20%, Austria 7%, Poland 7% (1998)

IMPORTS

\$12.9 billion (f.o.b., 1998)

Imports—commodities: machinery and transport equipment 40%; intermediate manufactured goods 18%; fuels 11%; chemicals 11%; miscellaneous manufactured goods 10% (1998)

Imports—partners: EU 50% (Germany 26%), Czech Republic 18%, Russia 10%, Italy 6% (1998)

PricewaterhouseCoopers in Slovakia

...AT A GLANCE

Price Waterhouse and Coopers & Lybrand had established their presence in Slovakia in 1991. On 1 July 1998, these two organisations merged worldwide, and, drawing upon the heritage of its predecessors, a new organisation PricewaterhouseCoopers was formed.

THE LAND

The PricewaterhouseCoopers team in Bratislava currently comprises 3 partners and total staff of more than 120. Our blend of international and Slovak expertise is fundamental to high quality of advice and assistance that we are pleased to be able to offer. As elsewhere in the region, PricewaterhouseCoopers in Slovakia uses the benefit of its hand-on experience to provide a strong level of local understanding and support, in accordance with the international professional standards of the PricewaterhouseCoopers worldwide organisation.

THE PEOPLE

PricewaterhouseCoopers Slovensko provides a wide range of consulting and advisory services within four main lines of service:

THE GOVERNMENT

- Assurance and business advisory services
- Tax and legal services
- Financial advisory services
- Global Human Resource Solutions

THE ECONOMY

PWC IN SLOVAKIA

THE DOCUMENT

Assurance and Business Advisory Services

Mária Frühwaldová - partner
Malcolm Best - partner
Ivan Kupkovič - senior manager
Günter Westphal - senior manager
Brad Quayle - senior manager

Contacts:
Territory Senior Partner
Malcolm Best

Tax and Legal Services

Paul Barnes - partner
Alena Zábojová - manager
Viera Kučerová - manager
Zdeno Plačko - manager

Global Human Resource Solutions

Daniela Hanová - senior consultant

Office details:

PricewaterhouseCoopers Slovensko, s.r.o.
Hviezdoslavovo nám. 20
815 32 Bratislava
Slovakia
Tel.: +421 (0)7 5441 4101
Fax: +421 (0)7 5441 4102
e-mail: office.general@sk.pwcglobal.com

The information contained in this overview originates from sources outside PricewaterhouseCoopers and it is provided for general information purposes only and does not contain a comprehensive analysis of each item described. Before taking (or not taking) any action, readers should seek professional advice specific to their circumstances. No liability is accepted for acts or omissions taken in reliance upon the contents of this overview.

PricewaterhouseCoopers (www.pwcglobal.com), the world's largest professional services organization, helps its clients build value, manage risk and improve their performance.

Drawing on the talents of more than 150,000 people in 150 countries, PricewaterhouseCoopers provides a full range of business advisory services to leading global, national and local companies and to public institutions. These services include audit, accounting and tax advice; management, information technology and human resource consulting; financial advisory services including mergers & acquisitions, business recovery, project finance and litigation support; business process outsourcing services; and legal advice through a global network of affiliated law firms.

PricewaterhouseCoopers refers to the member firms of the worldwide PricewaterhouseCoopers organisation.

