

CBI MARKET SURVEY

THE CHEMICALS MARKET IN SLOVAKIA

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments on the chemicals market in Slovakia. The information is complementary to the information provided in the CBI market survey covering the EU chemicals market. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from <http://www.cbi.eu/marketinfo>.

1. Market description: consumption and production**Industrial demand**

- Slovakia is a small consumer of chemicals, accounting for 0.6% of total EU consumption.
- In 2005, industrial demand for chemicals in Slovakia amounted to € 3.3 billion, signifying a large annual increase of 13.3% between 2001 and 2005. This is the strongest annual increase in the entire EU25.

Table 1.1 Industrial demand for chemicals in the EU and Slovakia, 2001-2005, in € million

	2001	2003	2005	Average annual growth
EU25	496,581	507,835	564,598	3.3%
Slovakia	1,973	2,323	3,250	13.3%

Source: European Chemical Industry Council (CEFIC) (2006)

Production

- Slovakia has a very small chemical industry, accounting for 0.3% of total EU production.
- In 2005, the Slovak chemical industry turnover amounted to € 1.8 billion, showing a decrease by an annual average rate of 13% (CEFIC, 2006).
- Slovakia has significant capability in performance chemicals, such as rubber chemicals and surfactants, and in pharmaceutical actives. Production of man-made fibres is a large, heavily export-oriented, sub-sector in Slovakia.
- In Slovakia, around 12% of all enterprises manufacturing chemicals and chemical products belonged to the larger category (more than 250 employees) in 2001. In comparison with other EU25 countries, this is the highest share. Germany showed the second highest rate (10%) and in the EU25 the average was 5% (Eurostat, 2004).

Trends

- No specific information on trends regarding the chemical sector in Slovakia is available. The trends that have been described in the CBI market survey covering the EU chemicals market, are also applicable to Slovakia.

Opportunities and threats

- The growing demand for chemicals offers increasing opportunities for producers of chemicals in developing countries. However, Slovakia itself can also be seen as a competitor to developing countries on the EU market, since its production costs are relatively low.

Useful sources

- For more information on the chemical industry in Slovakia, Slovak trade associations mentioned in section 6 of this survey can be a valuable source. The European Federation CEFIC (<http://www.cefic.org>) is also of interest.
- ChemIndustry.com, (<http://chemindustry.com/index.html>) is also of interest, both for chemical information and finding companies in Slovakia.

2. Trade channels for market entry

- In general, the trade channels in Slovakia do not differ from the trade channels which have been mentioned in the CBI market survey covering the EU chemicals market. The traditional approach of contacting traders, intermediate processing companies, agents and wholesalers (either with or without processing capacity, dependent on the chemical) remains the most effective method.
- Slovnaft a.s. is a petrochemicals company. It is the main producer of petrochemicals and polymers and it is integrated with a Bratislava refinery - http://www.slovnaft.sk/en/about_slovnaft
- Duslo a.s. is a producer of fertilisers, glues and additives - <http://www.duslo.sk/index.php?lang=uk>
- Matador a.s. is a group of enterprises active in rubber and the automotive sector - <http://www.matador.sk>
- A comprehensive list of companies active in the chemical sector in Slovakia is presented at <http://www.zchfp.sk/en/english.html>.
- ChemIndustry.com (<http://chemindustry.com/index.html>) is of interest, for finding chemical companies in Slovakia.

3. Trade: imports and exports

Imports

- Slovakia is a small importer of chemicals, accounting for 0.6% of EU imports.
- In 2006, Slovakia imported € 357 million / 507 thousand tonnes of chemicals, representing an average annual increase of 11% during the review period.
- In 2006, developing countries supplied 5% of all imports by Slovakia, which is below the EU average. Imports from developing countries increased by an annual average rate of 13% in the period reviewed, amounting to € 16 million / 14 thousand tonnes in 2006. The main developing country suppliers to Slovakia are Ukraine (2%) and China (2%).
- Slovakia has several leading suppliers of chemicals, which are Czech Republic (18%), Poland (13%), The Netherlands (13%), Italy (13%) and Germany (11%).
- Imports by Slovakia of chemicals consisted of organic chemicals (34%), inorganic chemicals (32%), oleo chemicals (28%) and dyes and pigments (6%).

Exports

- Slovakia is a small exporter of chemicals compared to other EU countries. Its exports increased slightly between 2002 and 2006 by an annual rate of 2%, amounting to € 210 million / 124 thousand tonnes in the latter year.
- Slovakian exports of inorganic chemicals showed a strong increase during the review period, representing an annual average rate of 33%.

Opportunities and threats

- Slovakia is a small trader in chemicals compared to the other EU countries. Although the country is a net importer of chemicals, there do not seem to be many opportunities for developing country suppliers based on the data. Up to this date, Slovakia only sources organic and, to a very small degree, oleo chemicals in developing countries. Moreover, Slovakia only sources chemicals in China and India.

Useful sources

- EU Expanding Exports Helpdesk - <http://export-help.cec.eu.int>
- Eurostat, the official statistical office of the EU - <http://epp.eurostat.cec.eu.int>

4. Price developments

- The CBI market survey covering the EU chemicals market presents general information on prices. These price indications do not differ from those in Slovakia.
- The prices of most commodity chemicals can be found relatively easily. Useful sources are <http://www.cnionline.com> (subscription site with information on companies, markets, products, strategies, mergers, acquisitions, capacity expansions, forecasts and trends in the chemical industry) and <http://www.icisl.or.com> (subscription site for prices on the petrochemical and oil markets).
- However, the prices of fine and specialty chemicals are more difficult to obtain. They are not published and can vary widely from one application area to another. Obtaining reliable price information in these segments often requires asking a distributor, or asking a producer for a quotation.

5. Market access requirements

- Manufacturers in developing countries should be aware of the market access requirements of their trading partners and the country's government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns.
- For more information go to 'Search CBI database' at <http://www.cbi.eu/marketinfo>.

6. Business practices

Information on doing business like approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment, and terms of delivery) and cultural differences can be found in CBI's export manuals 'Export Planner', 'Your image builder' and 'Exporting to the EU'. These can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications. For more information on doing business in Slovakia, visit the following websites:

Trade Associations

- ZCHFP, Association of Chemical and Pharmaceutical Industry of the Slovak Republic / Zväz chemického a farmaceutického priemyslu Slovenskej republiky - <http://www.zchfp.sk>
- SCHS, Slovak Chemical Society - <http://schs.chtf.stuba.sk>

Trade Fairs

- Once a year there is the INCHEBA International Chemical Trade Fair in Bratislava - http://www.eventseye.com/fairs/trade_fair_event_1340.html
- The 11th International Exhibition of Plastics and Chemistry for Engineering CHEMPLAST took place in Nitra, May 22-25, 2007 - http://www.agrokomplex.sk/kalendar_vystav/english_2007.html
- Car Plast, an international Fair for plastics, rubbers and composites for car industry, takes place once a year in Bratislava, most recently May 15-17, 2007 - http://www.eventseye.com/fairs/trade_fair_event_9315.html

This survey was compiled for CBI by ProFound – Advisers in Development in collaboration with Jan Ramakers Fine Chemical Consulting Group.
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