



European
Investment Bank

Slovakia

Overview

EIB INVESTMENT SURVEY

2022

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Slovakia

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EIB Investment Survey Country Overview 2022: Slovakia

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About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment, which has been administered since 2016, is a unique, annual survey of some 13 000 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States and the United States, as well as across four classes of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. The EIBIS was developed by the EIB Economics Department. It is managed by the department with the support of Ipsos MORI.

About this publication

These reports provide an overview of data collected for the 27 EU Member States and the United States. They are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value-added to better reflect the contribution of different firms to economic output. Contact: eibis@eib.org.

Download the findings of the EIB Investment Survey for each EU country or explore the data portal at www.eib.org/eibis.

About the Economics Department of the EIB

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

Main contributors to this publication

Jochen Schanz, Julie Delanote, Francisca de Novais e Silva.

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EIBIS 2022 – Slovakia Overview

KEY RESULTS

Investment Dynamics and Focus

Responses to EIBIS 2022 suggest that on average, at the time of interviews (April-July 2022), Slovakian firms were exiting from COVID-19 in a relatively good shape but expected the investment environment to deteriorate substantially. Nevertheless, a net balance of 8% of firms are expecting to increase rather than decrease investment in 2022.

Investment Needs and Priorities

There is little suggestion of an investment shortfall in Slovakia as 84% of firms believe they invested the right amount over the past three years. Slovakian firms are as likely to prioritise investment in capacity expansion (31%) as capacity replacement (29%) over the next three years. Infrastructure firms expect to prioritise capacity replacement over the next three years (38%). For manufacturers it will be capacity expansion (37%). The proportion of firms looking to prioritise new product/service development has fallen from 31% to 23% since EIBIS 2021.

Covid-19 Impact

The pandemic was a major shock for EU firms, but policy support was sizable and helped them to survive and transform. However, the impact was uneven across firms and sectors. Around 31% of firms suffered a year-on-year sales loss in 2020 and/or 2021 but expected to come back to, at least, their pre-pandemic sales level in 2022. For 19% of firms, sales were still below pre-pandemic levels and not expected to recover in 2022. This proportion is larger than the EU average (13%). About half (46%) of Slovakian firms responded to COVID-19 by shortening their supply chain, developing new products, or becoming more digital. This is less than the EU average (63%).

The proportion of Slovakian firms that received financial support in response to COVID-19 is higher than the EU average (68% versus 60%). However, since then support has been withdrawn from most firms. At the time of the interviews, only 5% of firms still received any support, half the EU average.

Firms' Transformation, Innovation and Digitalisation

Fewer than two in ten Slovakian firms (14%) developed or introduced new products, processes or services as part of their investment activities. This represents a major decline from EIBIS 2021 (39%) and is lower than any other country covered by the study. The proportion of innovating firms is highest in Slovakia's manufacturing sector (18%). In construction it is as low as 3%.

International Trade

82% of Slovakian report that disruptions to international trade were an obstacle to their business, somewhat fewer than on average in the EU. Disruption or reduced access to raw materials, services or other inputs and disruption to global logistics are the main trade-related obstacles for Slovakia's firms. Just over half of Slovakia's firms are taking action to mitigate the impact of international trade disruptions, focusing on increasing or diversifying their trading partners.

Drivers and Constraints

Slovakian firms are far less optimistic about investment conditions than in EIBIS 2021. The largest falls relate to the economic (+22% to -51%) and political climate (+5% to -45%). Having increased by 10 points since EIBIS 2021, energy costs (93%) are considered the biggest long-term barrier to investment. Availability of skilled staff and future uncertainty (both 84%) are also major barriers. The proportion saying each of these factors obstructs investment aligns with the EU average.

EIBIS 2022 – Slovakia Overview

Investment Finance

Slovakian firms finance about two thirds of their investment using internal sources and a quarter using external sources. Those that used external finance are overwhelmingly satisfied with each aspect of the finance received. Three-quarters of Slovakian firms (76%) accessing external finance received funding from a bank. 29% of firms obtained bank finance on concessional terms, similar to the EU average.

Climate Change and Energy Efficiency

Almost half of Slovakian firms report that climate change impacts their business, fewer than on average in the EU (57%). For 11% of firms, weather events had a major impact on their company. Almost three in ten Slovakian firms (27%) have developed or invested in measures to build resilience to the physical risks caused by climate change. This is slightly lower than the EU average (33%).

About 38% of Slovakian firms believe the transition to stricter climate standards and regulations is a risk to their company, considerably more than in the preceding year (22%) and above the EU average (33%). Only 13% of firms view the transition as an opportunity to their business, falling substantially below the EU average (29%). Although over eight in ten Slovakian firms (83%) are taking actions to reduce greenhouse gas emissions, only a third (32%) set and monitor targets for their own emissions.

This experience and outlook may explain Slovakian firms' plans for climate-related investment. They have invested in tackling the impacts of weather events and reducing carbon emissions to a similar degree as other EU firms (54% versus 53%), but fewer have plans to invest over the next three years (43% versus 51%).

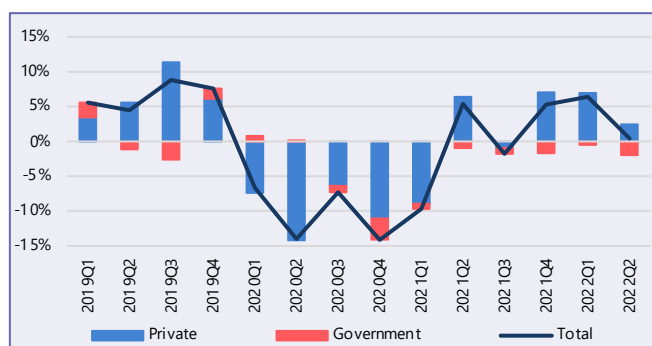
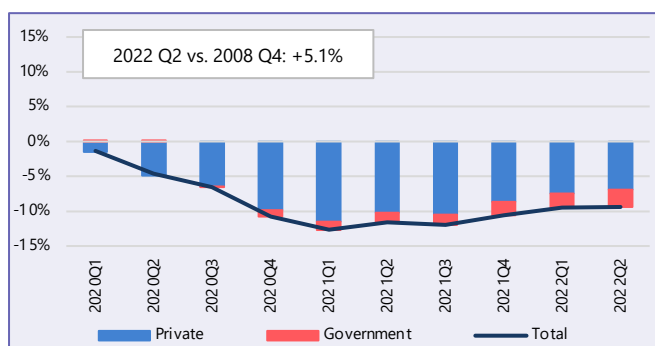
Firm Management, Gender Balance and Employment

Four in ten Slovakian firms use a strategic monitoring system, similar to the US but lower than in the EU. The proportion of Slovakian firms striving for gender balance in their business (35%) is much lower than either the EU average (58%) or the US (62%). Only three other EU countries have a lower proportion of firms working towards gender balance.

Investment dynamics and focus

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

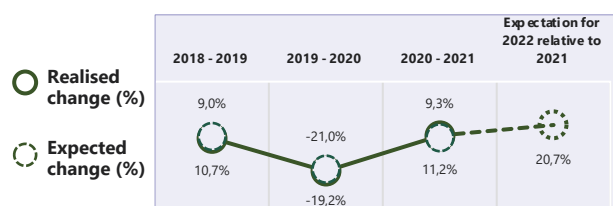
- During the first year of the pandemic, aggregate investment in Slovakia fell sharply (by more than 10% relative to the pre-pandemic level). This decline was mainly driven by the strong contraction in private sector investment.
- While private investment recovered, government investment fell further behind, dragging down aggregate investment.
- During the course of 2021, aggregate investment recovered, reflecting the normalization of private investment activity, but then stabilized at a level well below the pre-pandemic one (around -12% relative to Q4 2019).



The LHS chart shows the evolution of total gross fixed capital formation (GFCF) by institutional sector, in real terms and non seasonally nor calendar adjusted. The nominal GFCF source data was transformed into four-quarter sums and deflated using the implicit deflator for total GFCF (2015=100 euro). The four-quarter sum of total GFCF in 2019Q4 is normalised to 0. The RHS chart shows the y-o-y % change in total real GFCF by institutional sector. The implicit deflator for total GFCF (2015=100 euro) was used for deflating the nominal GFCF source data. Source: Eurostat, authors' own calculations.

INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

- Three-quarters of Slovakian firms (75%) are investing in their business, somewhat less than in 2021. A gap of 6 percentage points has opened to the EU average (81% of firms investing). The net balance of firms expecting to increase rather than decrease investment in 2022 is the same as in the EU (21%).
- Infrastructure firms have the strongest intention to invest (41%), while construction firms on balance intend to decrease their investment (-11%). More large firms than SMEs are currently investing (82% versus 67%).



'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Base: All firms



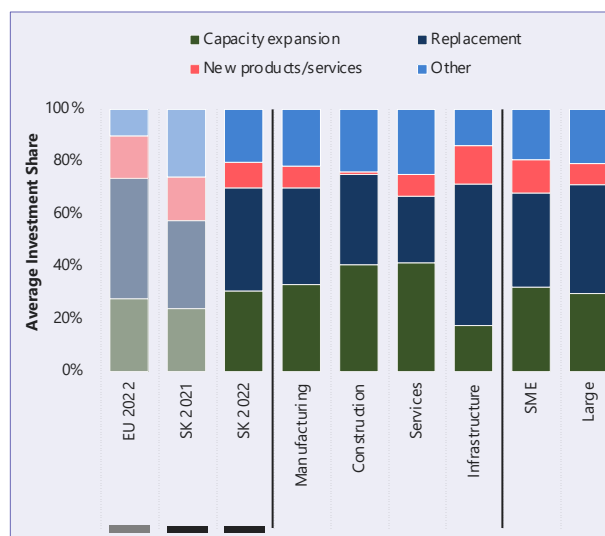
Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500.

Base for share of firms investing: All firms (excluding don't know/refused responses)

Investment dynamics and focus

PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

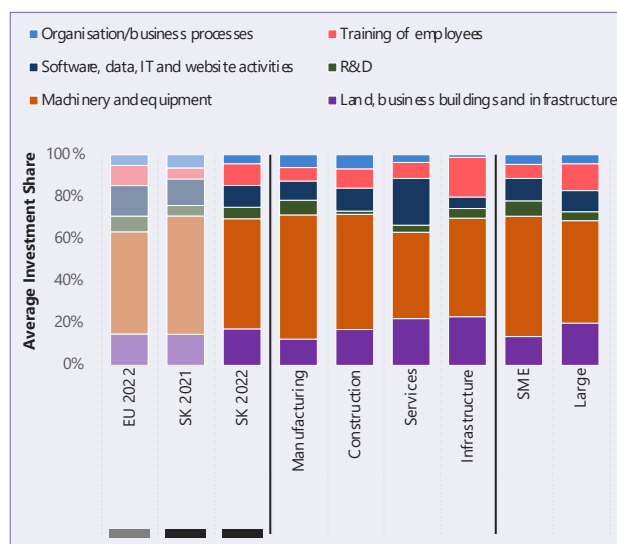
- Slovakian firms' investment was evenly split between capacity replacement (39%) and capacity expansion (31%). A relatively small proportion (10%) was directed towards developing new products or services, less than in the EU (16%), and less than in the preceding financial year in Slovakia (17%).
- Infrastructure firms invested mostly in replacement of capacity (54%), while construction and services firms invested mostly in capacity expansion. The share of investment directed towards innovation was lowest in construction (1%), and highest in infrastructure (14%).
- Slovakia's SMEs and large firms had broadly similar investment priorities.



Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

INVESTMENT AREAS



- As in the rest of the EU, about half of Slovakian firms' investment (52%) was directed towards machinery and equipment. Perhaps unsurprisingly, the concentration on machinery and equipment was strongest within manufacturing (59%) and construction firms (55%).
- Almost a third (30%) of Slovakian firms' investment was in intangible assets (R&D, software, training and business processes). This is less than the EU average (37%).
- Services firms (37%) are directing a larger proportion of their investment towards intangibles than those in other sectors where it accounts for between 28% and 30%.
- Slovakia's SMEs (57%) are directing a larger share of their investment towards machinery and equipment than large firms (49%). Investment in intangibles is broadly the same for both (29% versus 31%).

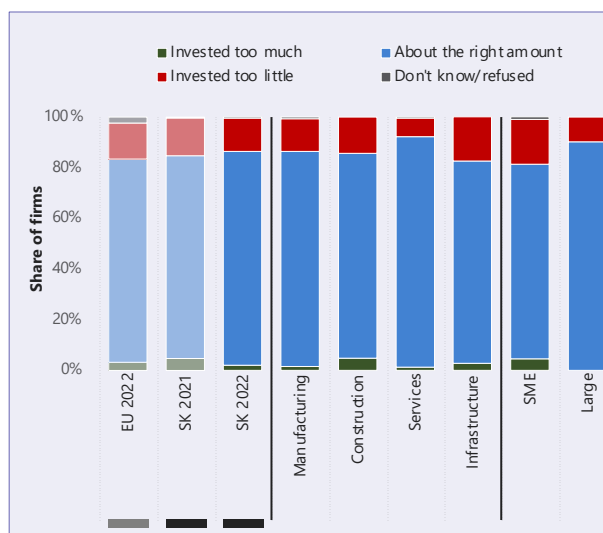
Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Investment needs and priorities

PERCEIVED INVESTMENT GAP

- Over eight in ten Slovakian firms (84%) believe they invested the right amount over the past three years. Just over one in ten (13%) think they invested too little. These shares are similar to those reported for the preceding year in EIBIS 2021, and similar to the EU average.
- The proportion of SMEs thinking they invested too little over the past three years is almost double that of large firms (18% versus 10%).

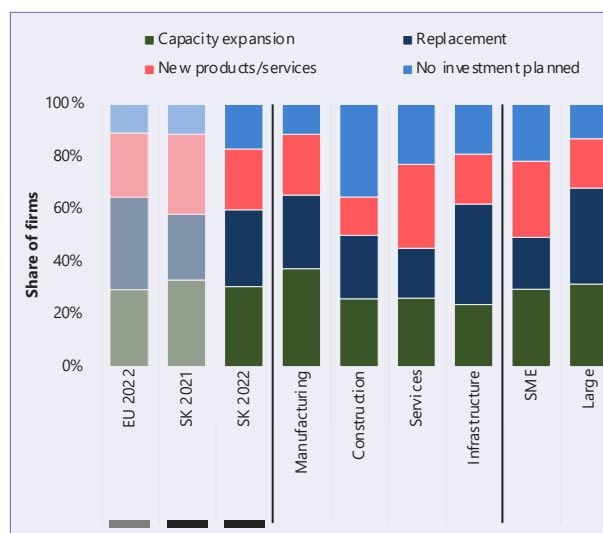


Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

FUTURE INVESTMENT PRIORITIES

- About a third of Slovakian firms will prioritise investment in capacity expansion (31%); another third capacity replacement (29%) over the next three years. A quarter expect to prioritise new product/service development (23%). The proportion looking to prioritise new product/service development has fallen relative to the preceding year (23% versus 31%).
- More than anything else, infrastructure firms expect to prioritise capacity replacement over the next three years (38%). For manufacturers it will be capacity expansion (37%). While almost a third of services firms (32%) intend to prioritise new products/services, innovation is a less important priority for infrastructure (19%) and construction firms (15%).
- Over a third of construction firms (35%) and a fifth in the services sector (23%) say they currently have no plans to invest in their business over the next three years.

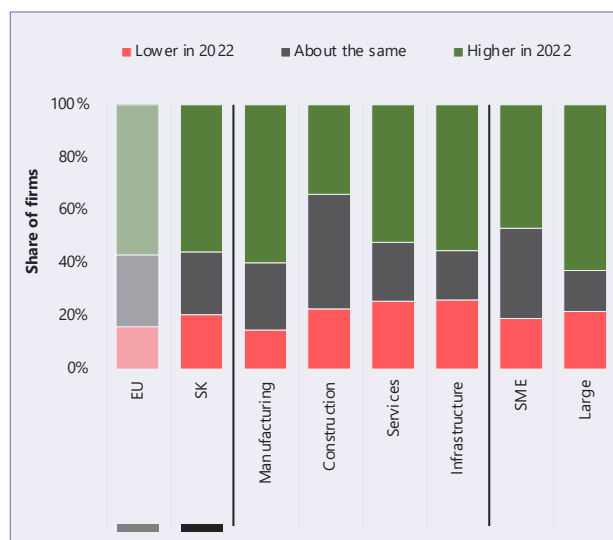


Q. Looking ahead to the next three years, which is your investment priority (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms (excluding don't know/refused responses)

Impact of COVID-19

IMPACT OF COVID-19 ON SALES OR TURNOVER BY END OF 2022 COMPARED TO 2019



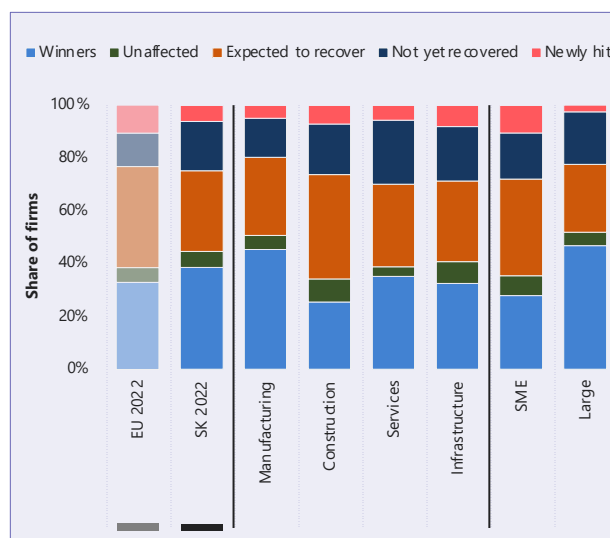
- The majority of Slovakian firms (56%) expected their 2022 sales to be higher than those achieved in 2019. One in five (21%) thought they would be lower. This is similar to the average responses given by EU.
- Construction firms are less optimistic than firms in other sectors: only 34% believed their 2022 sales would be above those in 2019.
- Large firms were more likely to believe that their sales would be larger in 2022 (63%) than SMEs (47%).

Q. Compared to 2019, do you expect your sales or turnover in 2022 to be higher, lower or about the same?

Base: All firms (excluding don't know/refused responses)

IMPACT ON FIRMS' SALES OR TURNOVER AND EXPECTED RECOVERY

- Sales declined for nearly half of Slovakian firms since 2019 over the period 2020-2021. However, 31% expected their sales level to reach at least their pre-pandemic level in 2022.
- For 19% of firms, on top of having faced sales' losses in the period 2020-2021, sales were still not expected to recover back to at least their pre-pandemic level in 2022. This proportion is larger than the EU average (13%). It is larger for firms in the services sector (24%) than in manufacturing (15%).
- 39% of firms saw no sales decrease in 2020 and 2021 and expected sales to remain above the pre-pandemic level in 2022. This share exceeds the EU average (33%) and is particularly high among manufacturing firms (45%).



Q. Compared to 2019, before the pandemic started, did your company's sales and turnover in 2020 decline, increase or stay the same?

Q. Compared to 2020, did your company's sales and turnover in 2021 decline, increase or stay the same?

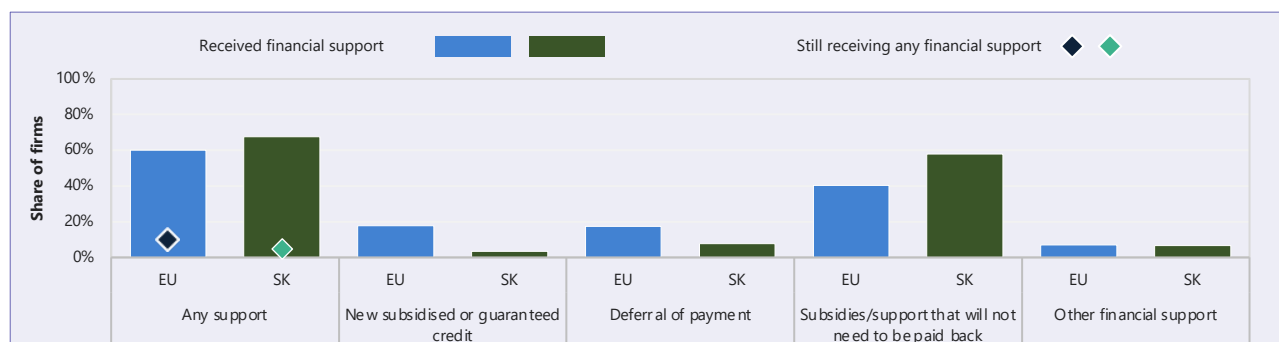
Q. Compared to 2019, do you expect your sales or turnover in 2022 to be higher, lower or about the same?

Base: All firms (excluding don't know/refused responses)

Impact of COVID-19

FINANCIAL SUPPORT RECEIVED IN RESPONSE TO COVID-19

- The proportion of Slovakian firms that received financial support in response to COVID-19 is higher than the EU average (68% versus 60%). However, since then support has been withdrawn from most firms. At the time of the interviews, only 5% of firms still received any support, half the EU average (10%).
- Among instruments of support, subsidies were used more often in Slovakia than in the rest of the EU. 58% of Slovakian firms were supported by subsidies but only 40% on average in the EU. Deferred payments (8% versus 17%) and subsidised or guaranteed credit (3% versus 18%) played less of a role in Slovakia than in the EU.

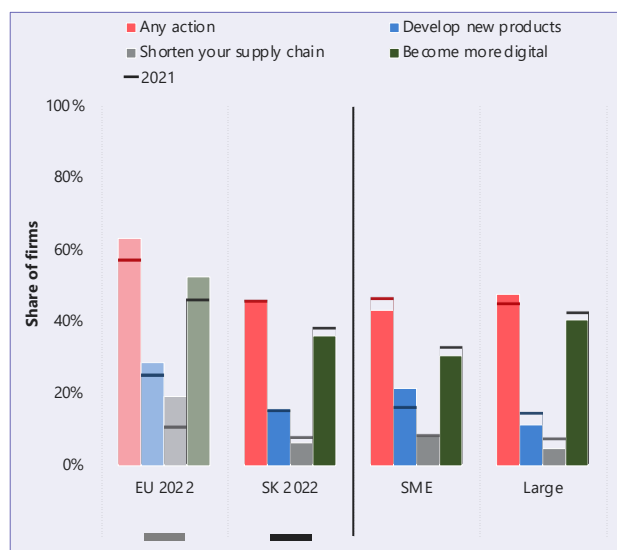


Q. Since the start of the pandemic, have you received any financial support in response to COVID-19? This can include finance from a bank or other finance provider, or government-backed finance?

Q. Are you still receiving (any of) this financial support?

Base: All firms (excluding don't know/refused responses)

ACTIONS AS A RESULT OF COVID-19



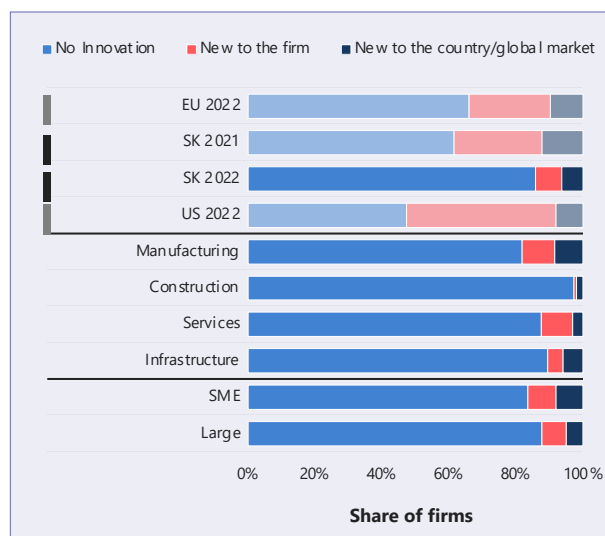
Q. As a response to the COVID-19 pandemic, have you taken any actions or made investments to...?

Base: All firms (excluding don't know/refused responses)

Innovation activities

INNOVATION ACTIVITY

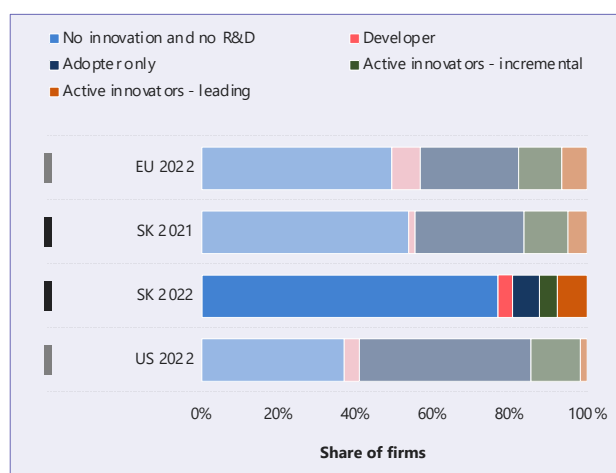
- Fewer than two in ten Slovakian firms (14%) developed or introduced new products, processes or services as part of their investment activities. This represents a major decline from EIBIS 2021 (39%) and is lower than any other country covered by the study.
- The proportion of innovating firms is highest in Slovakia's manufacturing sector (18%). In construction it is as low as 3%. A similar proportion of SMEs and large firms are investing in developing or introducing new products, processes or services (17% versus 12%).
- Fewer Slovakian firms (6%) than the EU average (10%) have developed or introduced products, processes or services that were new to either the country or global market. Only among manufacturers (8%) and infrastructure firms (6%) is the figure higher than 5%.



- Q. What proportion of total investment was for developing or introducing new products, processes, services?
- Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Base: All firms (excluding don't know/refused responses)

INNOVATION PROFILE



- Q. What proportion of total investment was for developing or introducing new products, processes, services?
- Q. Were the products, processes or services new to the company, new to the country, new to the global market?
- Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

Base: All firms (excluding don't know/refused responses)

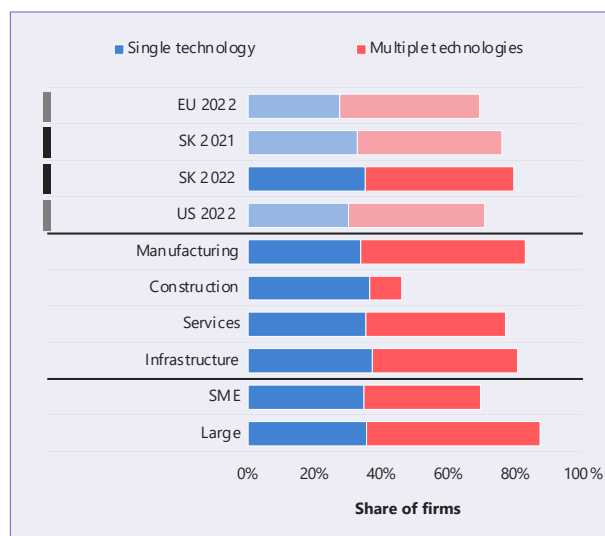
- Just over one in ten Slovakian firms (12%) can be classified as active innovators — firms that invested significantly in research and development and introduced a new product, process or service. The proportion is lower than both EIBIS 2021 (16%) and the current EU average (18%).
- The proportion of Slovakian firms that did not innovate or invest in R&D in the last financial year (77%) is far higher than EIBIS 2021 (54%), the current EU average (49%) and the US (37%).

The 'No innovation and no R&D' group comprises firms that did not introduce any new products, processes or services in the last financial year. The 'Adopter only' introduced new products, processes or services but without undertaking any of their own research and development effort. 'Developers' are firms that did not introduce new products, processes or services but allocated a significant part of their investment activities to research and development. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators these are new to the country/world'.

Innovation activities

USE OF ADVANCED DIGITAL TECHNOLOGIES

- Eight in ten Slovakian firms (79%) are using at least one advanced digital technology. This is higher than the EU average (69%).
- Apart from construction (46%), a minimum of 77% of firms in each sector is employing at least one digital technology. It reaches 83% among Slovakia's manufacturers.
- A bigger proportion of Slovakia's large firms than its SMEs are utilising digital technologies (87% versus 69%). Large firms are also more likely to be embracing multiple digital technologies (52% versus 35%).
- Compared to the EU average, a higher proportion of Slovakian firms are using automation via robotics (62% versus 51%), digital platform technologies (60% versus 49%) and the Internet of Things (54% versus 41%).



EIBIS 2022

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business?

EIBIS 2021

Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

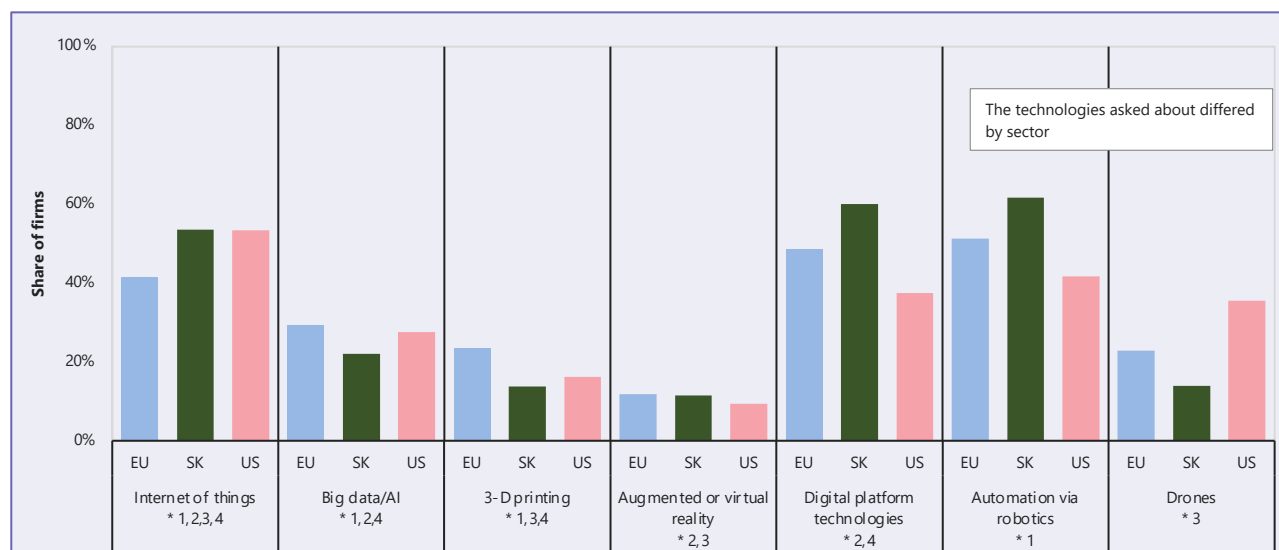
Base: All firms (excluding don't know/refused responses)

Please note: question wording and definitions changed between 2021 and 2022, comparisons between the two waves should not be made.

Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

Single technology is where firms have used one of the technologies asked about. Multiple technologies is where firms have used more than one of the technologies asked about

ADVANCED DIGITAL TECHNOLOGIES



* Sector: 1 = Asked of Manufacturing firms, 2 = Asked of Services firms, 3 = Asked of Construction firms, 4 = Asked of Infrastructure firms

Reported shares combine used the technology 'in parts of business' and 'entire business organised around it'

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business?

Base: All firms (excluding don't know/refused responses);

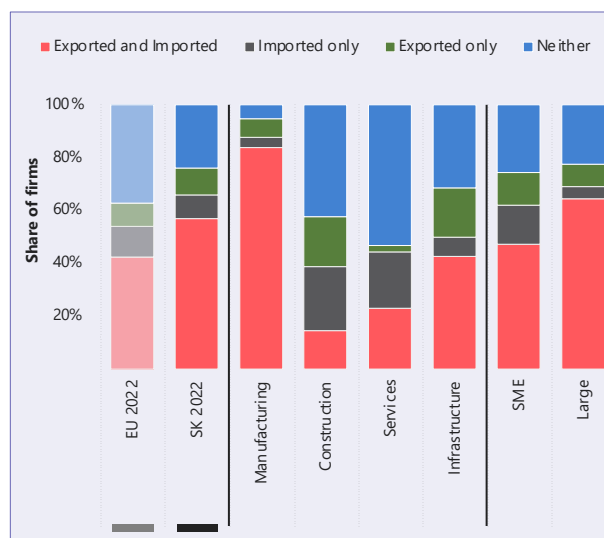
Sample size SK: Manufacturing (126); Construction (70); Services (97); Infrastructure (104)

Please note: question wording changed between 2021 and 2022, comparisons between the two waves should not be made.

International trade

ENGAGEMENT IN INTERNATIONAL TRADE

- A higher proportion of Slovakian firms than the EU average trade internationally (76% versus 63%). Manufacturing (95%) and construction (58%) are the only sectors where a majority of firms trade outside their home market.
- Slovakia's SMEs are equally as likely as its large firms to trade internationally (74% versus 77%) but less likely to be exporters (60% versus 73%).

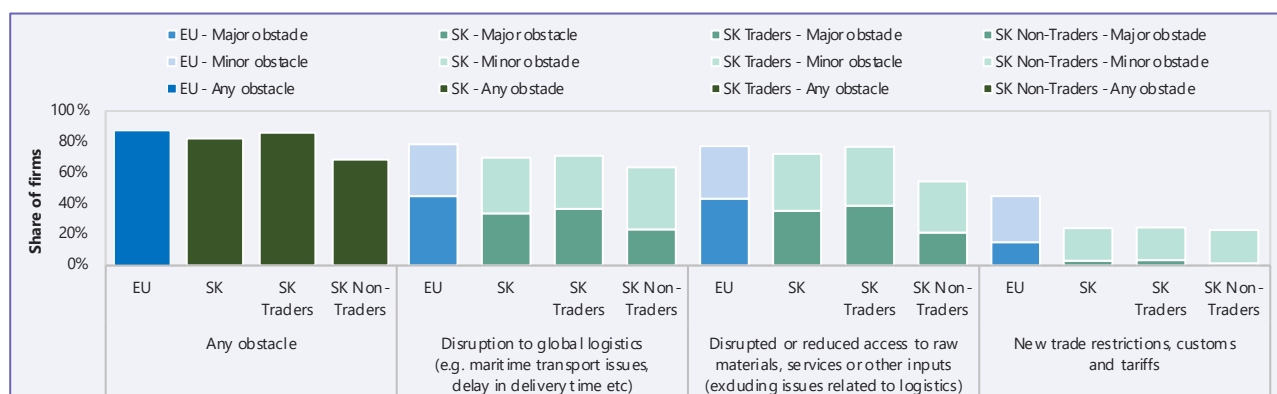


Q. In 2021, did your company export or import goods and/or services?

Base: All firms (excluding don't know/refused responses)

DISRUPTIONS RELATED TO INTERNATIONAL TRADE

- 82% of Slovakian report that disruptions to international trade were an obstacle to their business, somewhat fewer than on average in the EU.
- Disruption or reduced access to raw materials, services or other inputs (72%) and disruption to global logistics (70%) are the main trade-related obstacles for Slovakia's firms.
- A much smaller share of firms lists trade restrictions as an obstacle to their business activities (24% versus 45%).



Q. Since 2021, did any of the following present an obstacle to your business's activities?

Any obstacle combines 'minor' and 'major' obstacles into one category

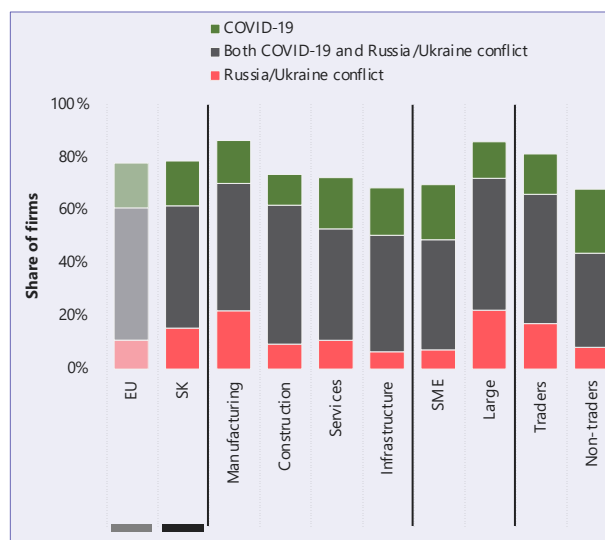
Base: "Any obstacle" - All firms (excluding those who said don't know/refused/not applicable responses to all three international trade obstacles)

Base: Individual obstacles - All firms (excluding those who said don't know/refused/not applicable)

International trade

EXTERNAL FACTORS IMPACTING INTERNATIONAL TRADE

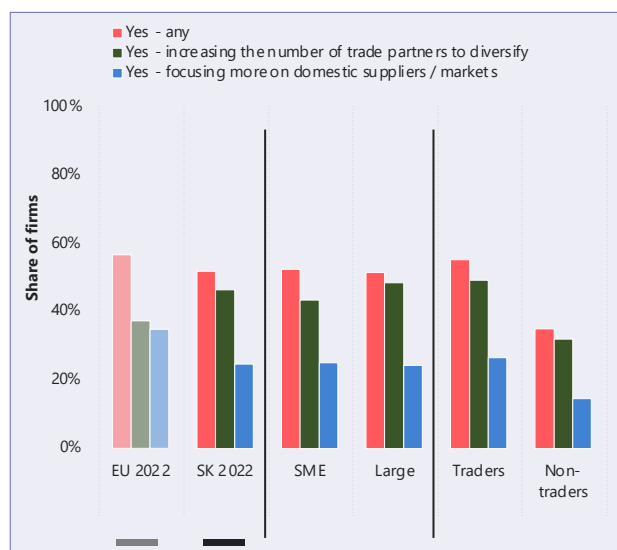
- The proportion of Slovakian firms that have been impacted by external factors disrupting international trade is similar to the EU average (79% versus 78%).
- The Russia/Ukraine conflict and COVID-19 were key sources of trade disruption. At least seven in ten firms in every sector have been effected by these external factors. The figure reaches 86% among manufacturers.
- Among services and infrastructure firms, COVID-19 has had more impact than the Russia-Ukraine conflict. Among manufacturers the opposite is true.



Q. You have just said that you experienced (an obstacle/obstacles) to your business activities since 2021. Did Covid-19 and/or the Russia-Ukraine conflict, including the sanctions imposed by the International community, contribute to this in anyway?

Base: All firms (excluding don't know/refused/not applicable responses)

ACTIONS TO MITIGITATE INTERNATIONAL TRADE DISRUPTIONS



- Over half of Slovakia's firms (52%) are taking action to mitigate the impact of international trade disruptions. This is similar to the EU average (57%).
- A much higher share of Slovakian firms are focussing on increasing or diversifying trading partners (46%) than on average in the EU (35%).
- A similar proportion of SMEs and large firms have taken steps to mitigate the impact of international trade disruptions (52% versus 51% respectively). Traders (55%) have generally been more active than non-traders (35%), with traders far more focussed on increasing or diversifying trading partners than non-traders have been (49% versus 32%).

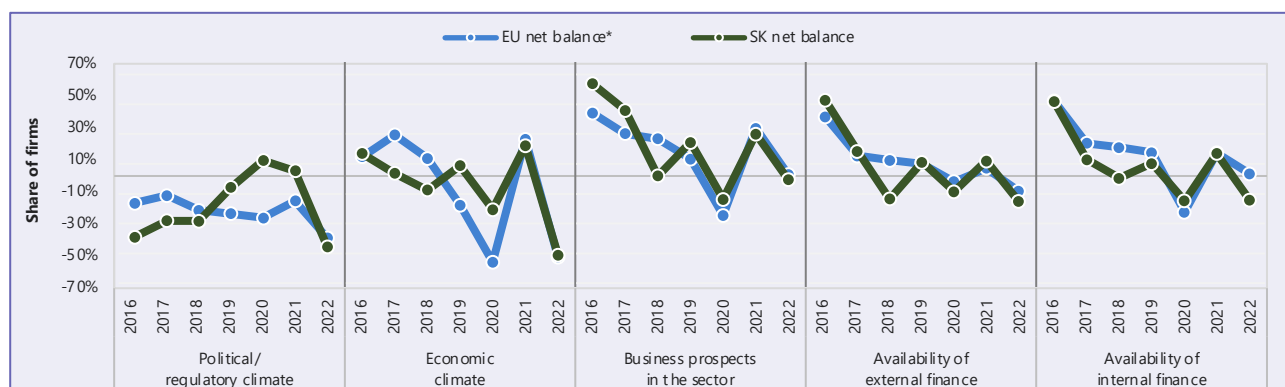
Q. Is your company taking any actions to mitigate the impact of these disruptions?

Base: All firms facing trade disruptions (excluding don't know/refused responses)

Drivers and constraints

SHORT-TERM FIRM OUTLOOK

- Slovakian firms are far less optimistic about investment conditions than in EIBIS 2021.
- The aspects that declined by most are the economic climate (+22% to -51%) and the political climate (+5% to -45%).
- Sentiment declined about as much as in the EU average. That said, Slovakian firms are somewhat more pessimistic about the availability of internal finance than are other EU firms (-14 versus +3%).

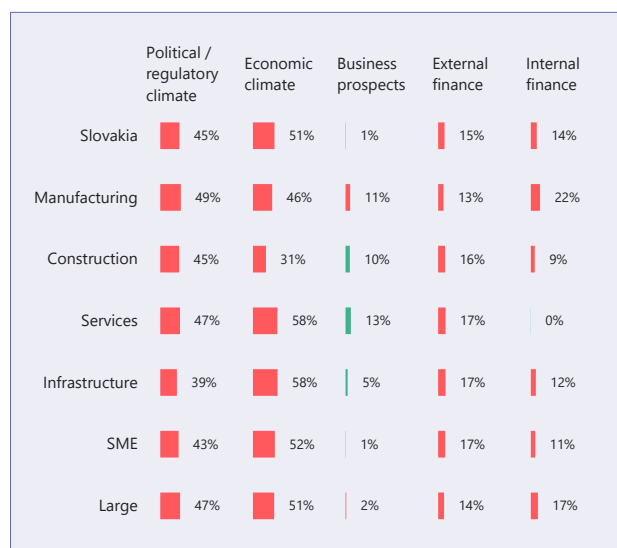


*Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration

Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?

Base: All firms

SHORT-TERM FIRM OUTLOOK BY SECTOR AND SIZE (net balance %)



Please note: green figures are positive, red figures are negative

- In every sector and for SMEs and large firms alike, firms are substantially more negative than positive about Slovakia's political and economic climate. Services and infrastructure firms (both -58%) are especially pessimistic about the economic climate.
- Only for business prospects among services (+13%) and construction firms (+10%) is there a positive balance of opinion of 10 points or more. Among manufacturers the business prospects score is -11%.
- Expectations for the availability of external finance are uniformly negative. Scores range from -13% to -17% in each sector. Except for services (0%), all sectors are pessimistic about the availability of internal finance. Manufacturers are particularly pessimistic (-22%).
- SMEs (1%) and large firms' (-2%) business prospects scores are close to neutral. Apart from this both groups share a high level of pessimism on each factor.

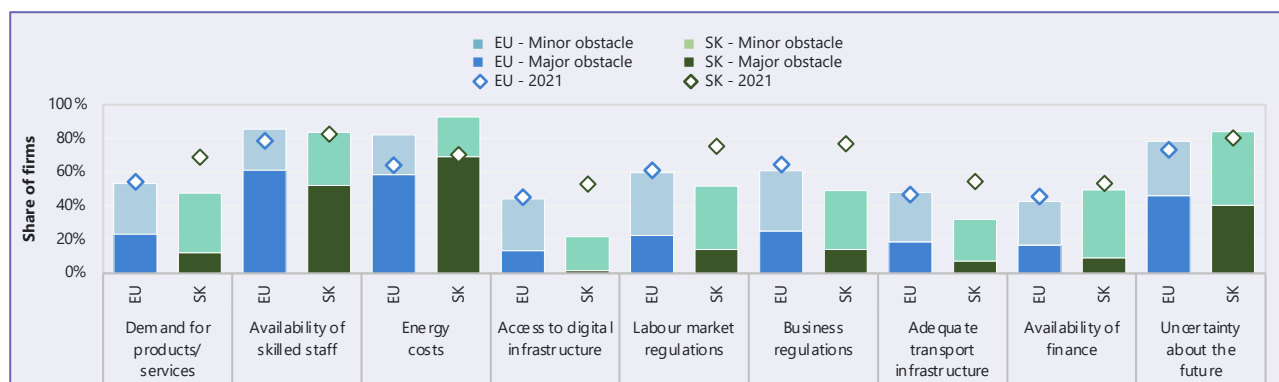
Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

Base: All firms

Drivers and constraints

LONG-TERM BARRIERS TO INVESTMENT

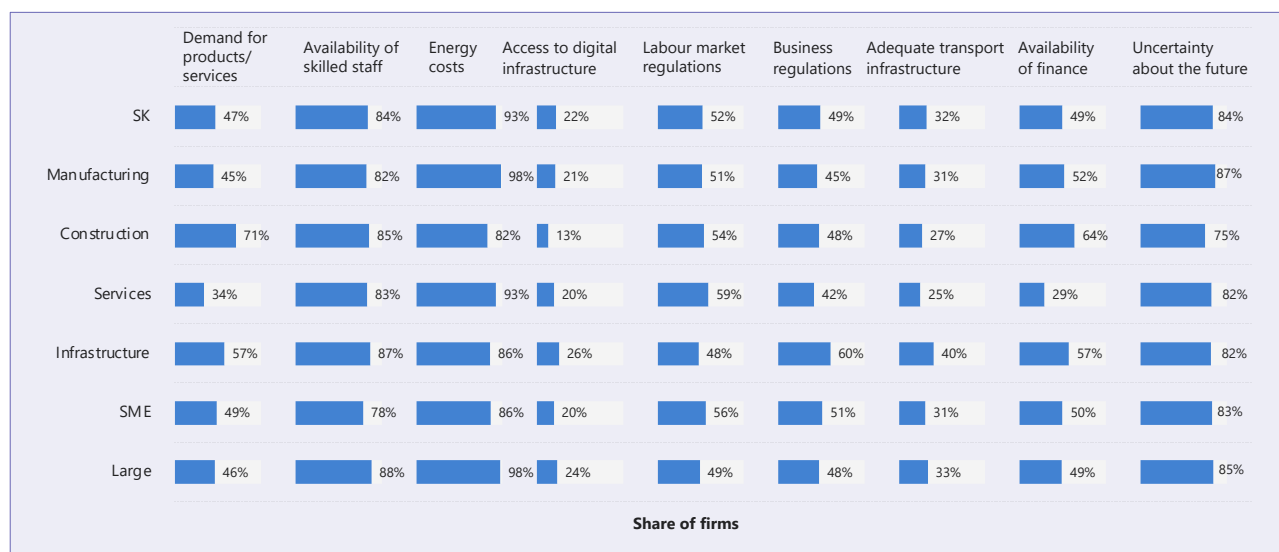
- Almost all Slovakian firms are constrained in their investment by high energy costs (93%), 10 percentage points more than in the preceding year. On average in the EU, this share is somewhat smaller (83%).
- The availability of skilled staff and uncertainty (both 84%) are also major barriers.
- The importance of digital infrastructure, business regulations, and transport infrastructure as investment obstacles has dropped by at least 12 points compared to a year earlier.



Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

LONG-TERM BARRIERS BY SECTOR AND SIZE



Reported shares combine 'minor' and 'major' obstacles into one category

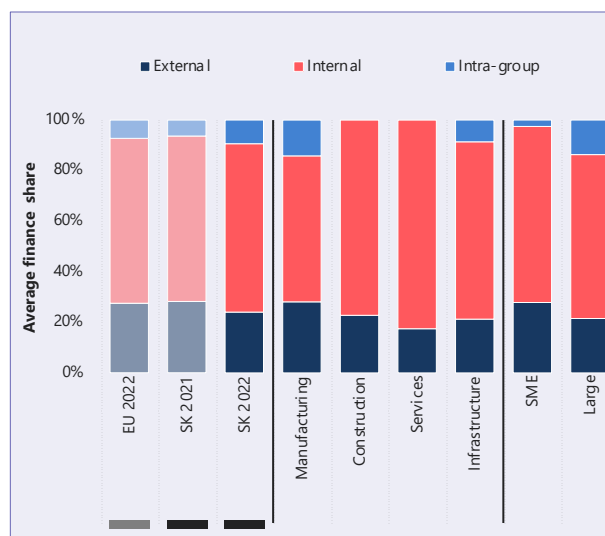
Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

Access to finance

SOURCE OF INVESTMENT FINANCE

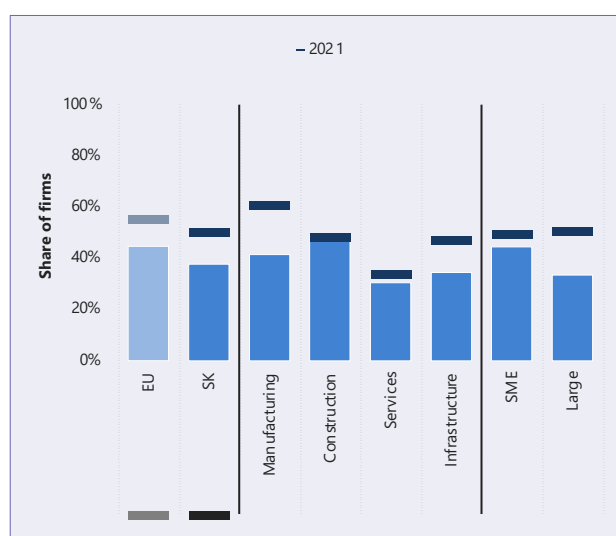
- Internal sources currently account for two-thirds of Slovakian firms' investment finance (67%). This remains unchanged since 2021 (65%). The proportion currently financed from external sources is also broadly in line with EIBIS 2021 (24% versus 28%) and the EU average (28%).
- Except for manufacturing (58%), at least 70% of investment in each sector is financed from internal sources. Service sector firms are the most reliant on internal resources, with 83% of investment funded through this channel.
- Intragroup finance only plays a relatively small role, and is significant only for manufacturing and infrastructure firms.



Q. What proportion of your investment was financed by each of the following?

Base: All firms who invested in the last financial year (excluding don't know/refused responses)

USE OF EXTERNAL FINANCE



- Almost four in ten Slovakian firms funded at least some of their investment in the last financial year using external finance (38%). The proportion using external finance is lower than EIBIS 2021 (50%) and the current EU average (45%).
- Almost half of construction firms (49%) have accessed external finance, but the figure is much lower among service sector (31%) and infrastructure firms (35%).
- SMEs are more likely to have accessed external finance in the last financial year than large firms (44% versus 33%).

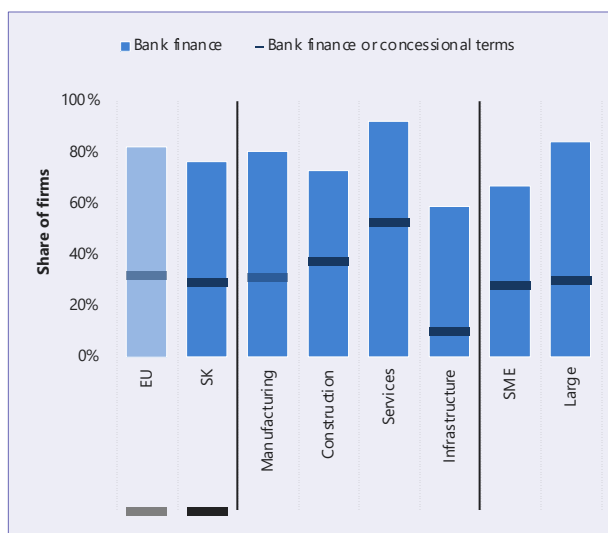
Q. Approximately what proportion of your investment in the last financial year was financed by each of the following

Base: All firms who invested in the last financial year (excluding don't know/refused responses)

Access to finance

ACCESS TO BANK FINANCE AND CONDITIONS

- Three-quarters of Slovakian firms (76%) accessing external finance received funding from a bank, with 29% obtaining it on concessional terms. Slovakian firms have been financed by banks to a similar extent as businesses across the EU (76% versus 82%).
- Service sector (92%) and manufacturing firms (80%) are the most likely to have received bank finance, and infrastructure firms the least (59%). In contrast to other sectors, most services firms that accessed bank finance benefitted from concessional terms (53%).
- SMEs are less likely than large firms to have received external finance from a bank (67% versus 84% respectively) but firms in each size category have benefitted from concessional terms to an equal degree (28% versus 30%).

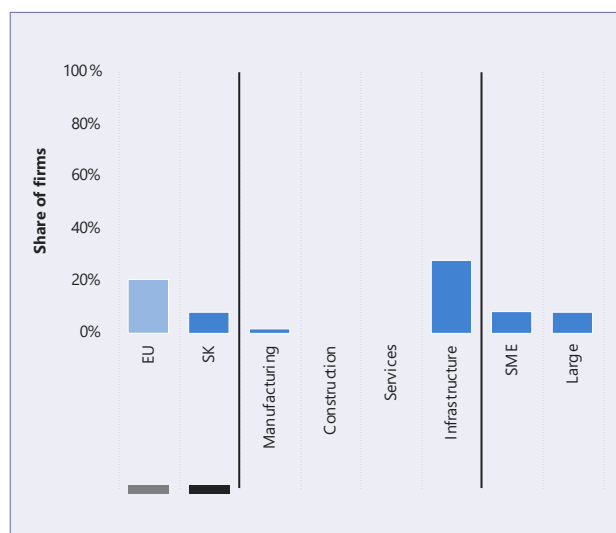


Q. Which of the following types of external finance did you use for your investment activities in the last financial year?

Q. Was any of the bank finance you received on concessional terms (e.g. subsidised interest rates, longer grace period to make debt payments)?

Base: All firms who used external finance (excluding don't know/refused responses)

SHARE OF FIRMS WITH FINANCE FROM GRANTS



- Compared to the EU average, far fewer Slovakian firms have received external finance in the form of grants (8% versus 21%).
- Nearly all the grants in Slovakia were provided to infrastructure firms. While 28% of infrastructure firms received grants, only 2% of manufacturers obtained external finance through this channel, and none in the construction or services sectors.
- SMEs and large firms that accessed external finance were equally as likely to receive grants (both 8%).

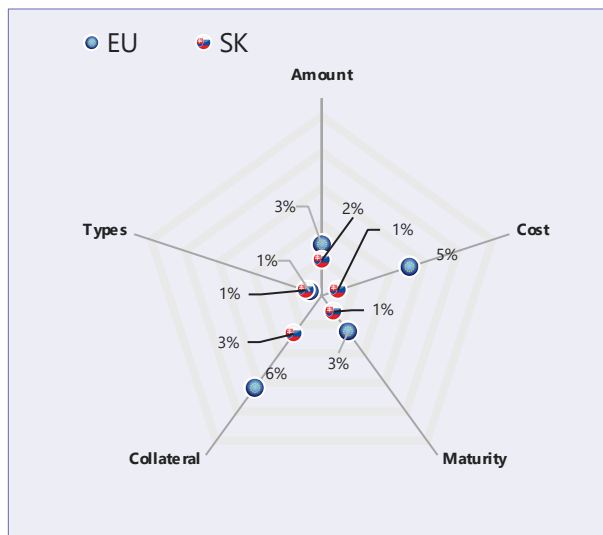
Q. What proportion of your total investment in your last financial year was financed by grants?

Base: All firms using external finance (excluding don't know/refused responses)

Access to finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED (% of firms)

- Slovakian firms that used external finance are overwhelmingly satisfied with each aspect of the finance received.
- For each aspect of external finance the figures in Slovakia are similar to or even lower than those across the EU.



Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

DISSATISFACTION BY SECTOR AND SIZE (% of firms)

	Amount	Cost	Maturity	Collateral	Type
SK	2%	1%	1%	3%	1%
Manufacturing	1%	0%	0%	1%	0%
Construction	0%	0%	4%	4%	0%
Services	2%	0%	0%	0%	0%
Infrastructure	4%	4%	4%	7%	4%
SME	4%	2%	2%	6%	2%
Large	0%	0%	0%	0%	0%

- Dissatisfaction with external finance is very low across all sectors and size classes.
- Just over one in twenty infrastructure firms (7%) and SMEs (6%) were dissatisfied with collateral requirements. Otherwise all scores are lower than 5%.

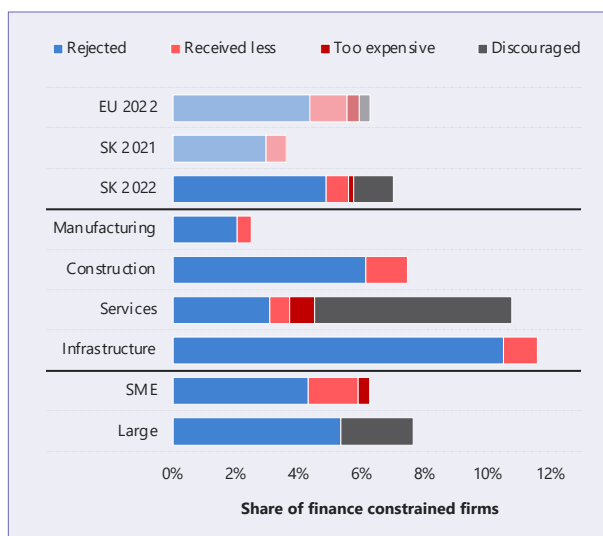
Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

Access to finance

SHARE OF FINANCE CONSTRAINED FIRMS

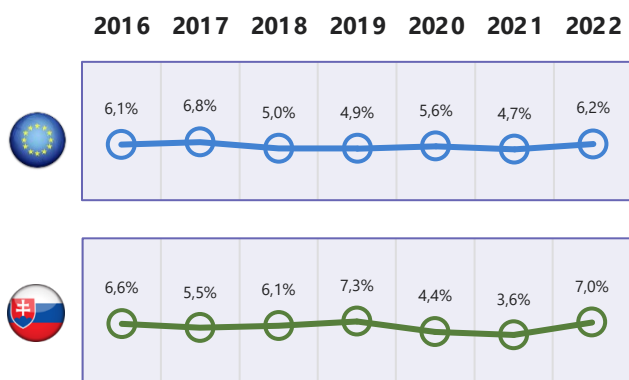
- The share of financially constrained firms in Slovakia (7.0%) is nearly double that seen in EIBIS 2021 (3.6%) but similar to the EU average (6.2%).
- Rejection of loan applications (4.9%) is the main source of financial constraints among Slovakia's firms.
- Firms in the infrastructure (11.6%) and services sectors (10.8%) are far more likely than manufacturers (2.5%) to be financially constrained. 6.3% of firms were discouraged from submitting a loan application in the services sector, while rejection is the biggest factor among infrastructure (10.5%).
- Large firms (7.6%) and SMEs (6.2%) have a similar share of financially constrained businesses. In both cases rejection is the main reason why firms are financially constrained.



Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)

Base: All firms (excluding don't know/refused responses)

SHARE OF FINANCE CONSTRAINED FIRMS OVER TIME



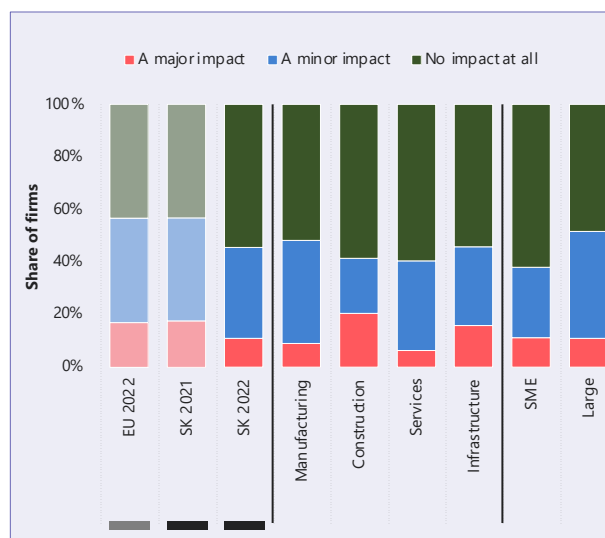
- With the exception of EIBIS 2019 (7.3%), the current level of financially constrained firms (7.0%) is the highest yet seen in Slovakia.
- Apart from 2019, the proportion of finance constrained firms in Slovakia has always been similar to EU average and this continues to be the case (7.0% versus 6.2%).

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

- Almost half of Slovakian firms report that climate change impacted their business (46%), fewer than on average in the EU (57%). For 11% of firms, weather events had a major impact on their company.
- The share of firms for whom weather events had a major impact was highest in construction (20%).
- A greater proportion of large firms than SMEs report having experienced losses due to weather events (52% versus 38%).

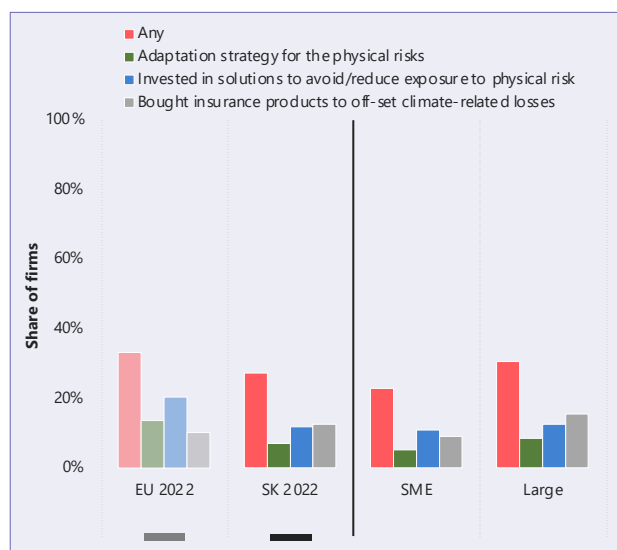


Q. Thinking about the impact of climate change on your company, such as losses due to extreme climate events, including droughts, flooding, wildfires or storms or changes in weather patterns due to progressively increasing temperature and rainfall. What is the impact, also called physical risk, of this on your company?

Please note: question wording changed between 2021 and 2022. Comparisons should be treated with caution.

Base: All firms (excluding don't know/refused responses)

BUILDING RESILIENCE TO PHYSICAL RISK



- Almost three in ten Slovakian firms (27%) have developed or invested in measures to build resilience to the physical risks caused by climate change. This is slightly lower than the EU average (33%).
- Slovakian firms are just as likely to have responded by buying relevant insurance (13%) as to have invested in solutions to avoid or reduce exposure to physical risk (12%). Relatively few have adapted their strategy (7%).
- Slovakia's large firms (31%) are more likely than its SMEs (23%) to have developed or invested in measures to build resilience to physical risk.

Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks to your company caused by climate change?

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

IMPACT OF CLIMATE CHANGE – RISKS ASSOCIATED WITH THE TRANSITION TO A NET ZERO EMISSION ECONOMY OVER THE NEXT FIVE YEARS

- 38% of Slovakian firms believe that the transition to stricter climate standards and regulations is a risk to their company, more than in the preceding year (22%), and more than the EU average (33%). Only 13% believe that the transition presents an opportunity.
- Infrastructure firms (45%), and large firms (47%), are particularly concerned about the transition to stricter climate standards and regulation.

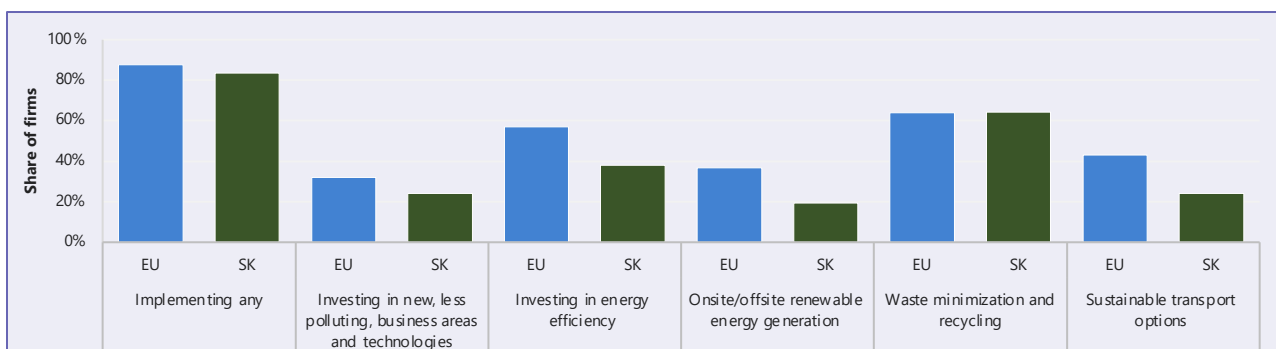


Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

Base: All firms (excluding don't know/refused responses)

ACTIONS TO REDUCE GHG EMISSIONS

- 83% of Slovakian firms are taking actions to reduce Greenhouse Gas (GHG) Emissions. This is like the EU average (88%).
- The main action being taken by Slovakian firms is to minimise or recycle waste (64%). Almost four in ten (38%) are investing in energy efficiency.
- Slovakian firms are less likely than those across the EU to be making investments in any of the areas that the survey covered, except for waste minimisation and recycling.
- Slovakian firms are lagging the EU average most in investment in onsite/offsite renewable energy generation and sustainable transport options.



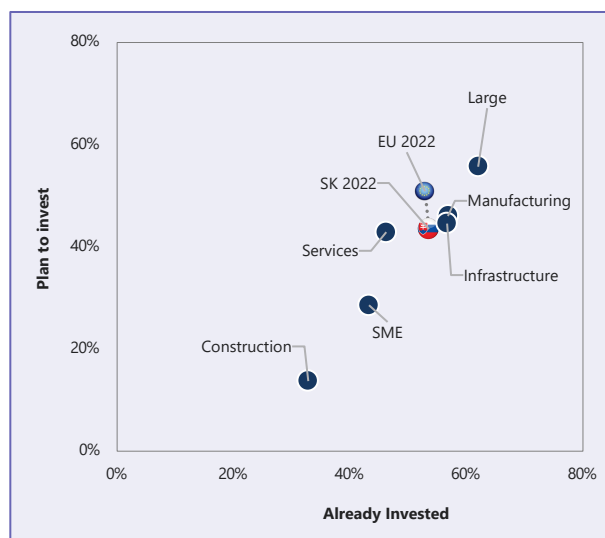
Q. Is your company investing or implementing any of the following, to reduce Greenhouse Gas (GHG) emissions?

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

- Slovakian firms are as likely as those across the EU to have invested in tackling the impacts of weather events and reducing carbon emissions (54% versus 53%), but fewer have plans to invest in the next three years (43% versus 51%).
- Most manufacturers and infrastructure firms (both 57%) have invested in this area, and more than four in ten (44% and 45% respectively) plan to do so over the next three years. Construction firms are the least engaged in investment to tackle the effects of climate-change. Only a third (33%) have already invested with far fewer (14%) planning to invest.
- A higher proportion of large firms than SMEs have already invested (62% versus 43%) and plan to make investments related to climate change (56% versus 29%).



EIBIS 2022

Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?

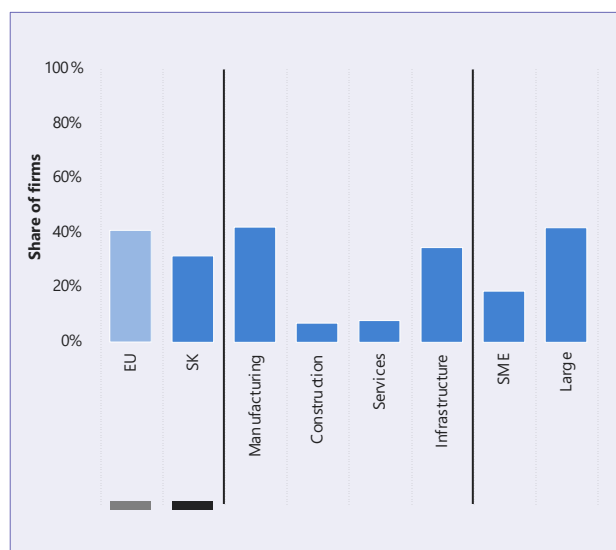
EIBIS 2021

Q. Now thinking about investments to tackle the impacts of weather events and to deal with the process of reduction in carbon emissions, which of the following applies?

Base: All firms (excluding don't know/refused responses)

Please note: question change and an additional answer option was included in 2022, this may have influenced the data. Treat comparison to previous waves with caution.

CLIMATE CHANGE TARGETS FOR OWN GREENHOUSE GAS (GHG) EMISSIONS



- Slovakian firms are less likely than those across the EU to set and monitor targets for their own GHG emissions (32% versus 41%).
- At least a third of Slovakia's manufacturing (42%) and infrastructure firms (35%) set and monitor GHG emissions targets, but fewer than one in ten construction (7%) and services firms (8%) are taking similar action.
- Large firms are twice as likely as SMEs to set and monitor targets for their own GHG emissions (42% and 19% respectively).

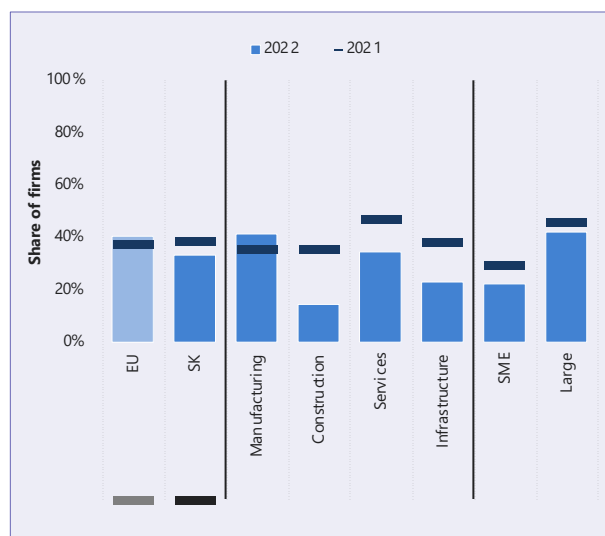
Q. Does your company... set and monitor targets for its own Greenhouse Gas (GHG) emissions

Base: All firms (excluding don't know/refused responses)

Climate change and energy efficiency

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

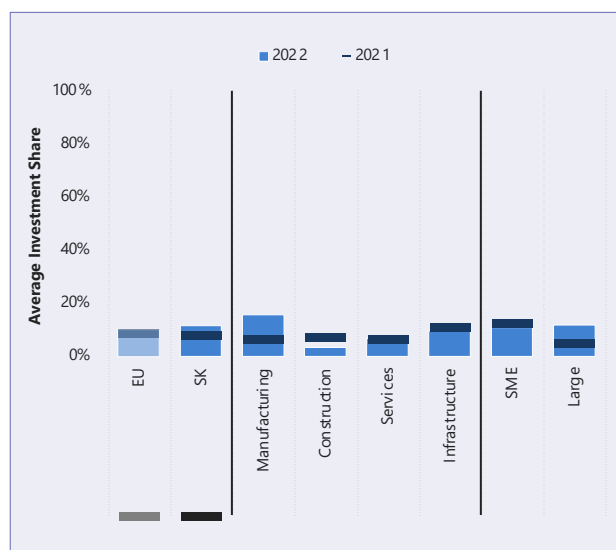
- The share of Slovakian firms investing in measures to improve energy efficiency (33%) is lower than EIBIS 2021 (39%) and the EU average (40%).
- Except for manufacturing, in each sector a lower proportion of firms than in EIBIS 2021 is investing in energy efficiency. It is now highest among manufactures (41%) and service sector firms (34%) and lowest in infrastructure (23%) and construction (14%).
- Slovakia's large firms (42%) are more likely than its SMEs (22%) to be investing in energy efficiency, with both figures lower than EIBIS 2021 (46% and 29% respectively).



Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms

AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY



- On average, Slovakia's firms directed 12% of their total investment primarily towards improving energy efficiency. This is a small increase since EIBIS 2021 (8%) and is in line with the current EU average (10%).
- The only noticeable change since EIBIS 2021 is that manufacturers have more than doubled the share of investment they direct towards energy efficiency (16% versus 7%). In contrast only 4% of construction firms' investment is primarily intended to improve their energy efficiency
- SMEs and large firms are directing a similar proportion of their investment on energy efficiency improvements (11% and 12% respectively).

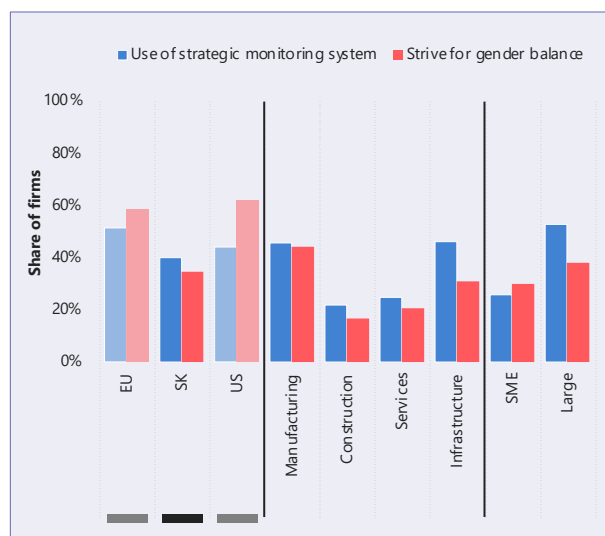
Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

Firm management, gender balance and employment

FIRM MANAGEMENT AND GENDER BALANCE

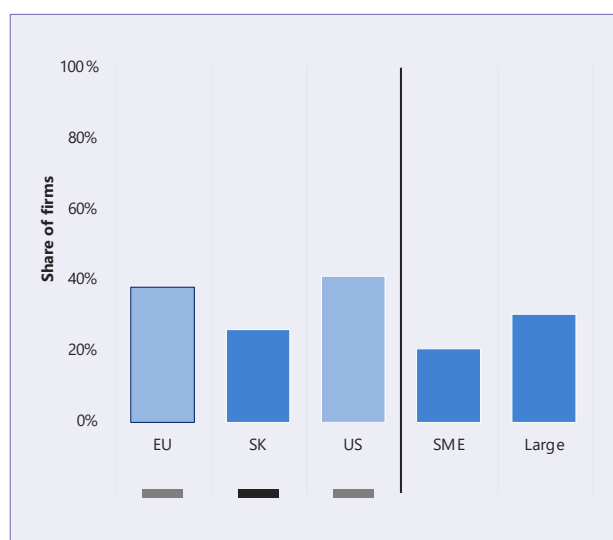
- Four in ten Slovakian firms (40%) use a strategic monitoring system. This is lower than the EU average (51%) but similar to the US (44%).
- The proportion of Slovakian firms striving for gender balance within their business (35%) is much lower than either the EU average (58%) or the US (62%). In fact, only three other EU countries have a lower proportion of firms striving for gender balance.
- Across all sectors, less than half of Slovakian firms use strategic monitoring systems. It ranges from 22% of construction firms to 46% of manufacturers and infrastructure firms. There is a similar pattern for striving for gender balance.
- Large firms are more likely than SMEs to be utilising strategic monitoring systems (53% versus 26%) or to be working towards gender balance (38% versus 31%).



Q Does your company...?

Base: All firms (excluding don't know/refused responses)

FIRMS WHO HAVE INCREASED EMPLOYEE NUMBERS SINCE 2019



- A quarter of Slovakian firms (26%) have employed more people since 2019. This is below the EU average (38%) and the US (41%).
- Large firms (30%) are more likely than SMEs (21%) to have increased their head count since 2019.

Q. How many people does your company employ either full or part time at all its locations, including yourself?

Q. How many people did your company employ either full or part time at all its locations at the beginning of 2019, before the COVID-19 pandemic?

Base: All firms (excluding don't know/refused/did not exist in 2019 responses)

EIBIS 2022 – Country technical details

SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Slovakia, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	SK	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs SK	Manuf vs Constr	SME vs Large
	(12021)	(800)	(400)	(126)	(70)	(97)	(104)	(357)	(43)	(12021 vs 400)	(126 vs 70)	(357 vs 43)
10% or 90%	1.1%	4.1%	4.4%	6.8%	8.4%	9.0%	8.4%	2.9%	7.6%	4.5%	10.8%	8.1%
30% or 70%	1.7%	6.2%	6.8%	10.5%	12.8%	13.7%	12.8%	4.4%	11.6%	6.9%	16.5%	12.3%
50%	1.8%	6.8%	7.4%	11.4%	14.0%	15.0%	14.0%	4.8%	12.6%	7.6%	18.0%	13.4%

GLOSSARY

Investment	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
Investment cycle	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
Manufacturing sector	Based on the NACE classification of economic activities: firms in group C (Manufacturing).
Construction sector	Based on the NACE classification of economic activities: firms in group F (Construction).
Services sector	Based on the NACE classification of economic activities: firms in group G (wholesale and retail trade) and group I (accommodation and food Services activities).
Infrastructure sector	Based on the NACE classification of economic activities: firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
SME	Firms with between 5 and 249 employees.
Large firms	Firms with at least 250 employees.

Note: the EIBIS 2022 country overview refers interchangeably to 'the past/last financial year' or to '2021'. Both refer to results collected in EIBIS 2022, where the question is referring to the past financial year, with the majority of the financial year in 2021 in case the financial year is not overlapping with the calendar year 2021.

EIBIS 2022 – Country technical details

The country overview presents selected findings based on telephone interviews with 400 firms in Slovakia (carried out between April and July 2022).

BASE SIZES (*Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference	EU 2022/2021	US 2022	SK 2022/2021	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 3, p.12, p.13, p. 21 (top)	12021/11920	800	400/400	126	70	97	104	357	43
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4 (top)	9704/9670	668	288/317	99	53	67	68	249	39
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 4 (bottom)	9501/9523	668	240/276	83	47	55	55	212	28
All firms (excluding 'Company didn't exist three years ago' responses), p. 5 (top)	11735/11648	778	395/390	123	70	97	102	354	41
All firms (excluding don't know/refused responses), p. 5 (bottom)	11814/11765	780	394/394	125	70	95	101	352	42
All firms (excluding don't know/refused responses), p. 6 (top)	11810/NA	795	379/NA	120	68	93	95	337	42
All firms (excluding don't know/refused responses), p. 6 (bottom)	11725/NA	784	376/NA	119	68	92	94	335	41
All firms (excluding don't know/refused responses), p. 7 (top)	11945/11857	762	394/400	125	69	95	102	353	41
All firms (excluding don't know/refused responses), p. 7 (bottom)	11989/11891	796	400/399	126	70	97	104	357	43
All firms (excluding don't know/refused responses), p. 8 (top)	11735/11648	778	395/390	123	70	97	102	354	41
All firms (excluding not applicable/don't know/refused responses to all 3 questions), p. 8 (bottom)	8728/8780	615	235/261	80	47	55	53	209	26
All firms (excluding don't know/refused responses), p. 9	11980/NA	800	400/NA	126	70	97	104	357	43
All firms (excluding don't know/refused responses), p. 10 (top)	11975/NA	798	400/NA	126	70	97	104	357	43
All firms (excluding those who said don't know/refused/not applicable responses to all three international trade obstacles) p. 10 (bottom)	11382/NA	790	358/NA	121	65	84	86	321	37
All firms (excluding don't know/refused responses), p. 11 (top)	9339/NA	680	269/NA	104	49	58	57	237	32
All firms facing trade disruptions (excluding don't know/refused responses), p. 11 (bottom)	9265/NA	707	271/NA	105	50	58	57	238	33
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 14	10051/8675	665	288/280	99	53	67	68	249	39
All firms who used external finance (excluding don't know/ refused responses), p. 15 (top)	10051/8675	665	288/280	99	53	67	68	249	39
All firms who used external finance (excluding don't know and refused) p. 15 (bottom)	10051/8675	665	288/280	99	53	67	68	249	39
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 16	3988/3964	270	120/135	43	25	23	29	107	13
All firms (excluding don't know/refused responses), p. 17	4155/4100	280	120/136	43	25	23	29	107	13
All firms (excluding don't know/refused responses), p. 18 (top)	4131/4079	278	120/136	43	25	23	29	107	13
All firms (excluding don't know/refused responses), p. 18 (bottom)	4089/4056	278	120/135	43	25	23	29	107	13
All firms (excluding don't know/refused responses), p. 19 (top)	4051/4020	273	120/135	43	25	23	29	107	13
All firms (excluding don't know/refused responses), p. 19 (bottom)	3988/3964	270	120/135	43	25	23	29	107	13
All firms (excluding don't know/refused responses), p. 20 (top)	4094/4061	278	120/135	43	25	23	29	107	13
All firms (excluding don't know/refused responses), p. 20 (bottom)	11504/11518	715	388/391	123	69	94	99	348	40
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 21 (bottom)*	11911/11849	790	394/397	122	70	96	103	352	42
All firms (excluding don't know/refused responses) p. 22 (top)	11909/NA	784	398/NA	125	70	96	104	356	42
All firms (excluding don't know/refused/did not exist in 2019 responses) p. 22 (bottom)	11172/11384	759	350/383	108	61	86	93	316	34



**European
Investment Bank**

Economics Department
economics@eib.org
www.eib.org/economics

Information Desk
+352 4379-22000
info@eib.org

European Investment Bank
98-100, boulevard Konrad Adenauer
L-2950 Luxembourg
+352 4379-1
www.eib.org

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Slovakia

Overview

EIB INVESTMENT SURVEY

2022