

DESK MARKET RESEARCH ON SLOVEKIA



Prepared by:



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Sri Lanka Export Development Board
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01.SLOVAKIAN MARKET OVERVIEW

1.1. General Overview

• Capital:	Bratislava
• Official language:	Slovak
• Main religion:	Roman Catholic
• Main ethnic group:	Slovak
• Population:	5,457,012
• Area:	49,035 sq km
• Population density:	113.3 people per sq km
• Total real GDP in 2019:	US\$101.8bn
• GDP per capita:	US\$18,654.3
• Profit tax:	9.1%
• Currency:	Euros (EUR)
• Exchange rate:	USD/EUR = 0.89
• Time zone:	UTC+1
• Calling code:	+421
• Major airports in Slovakia:	<ul style="list-style-type: none"> ✓ M. R. Štefánik Airport, Bratislava ✓ Košice International Airport , Košice



Figure 01: Slovakia Flag



Figure 02: World Position Map of Slovakia



Figure 03: Slovakia Country Map

1.2. Economy in Slovakia

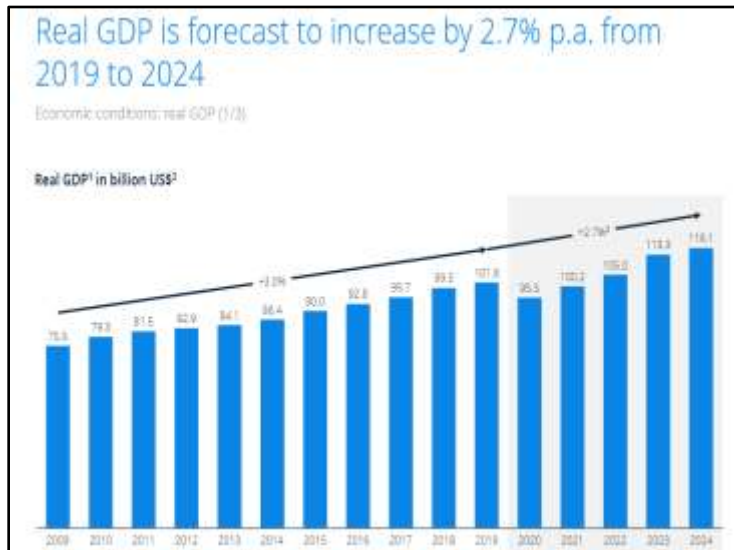


Figure 04: GDP forecast for Slovakia from 2019 to 2024

Source: Slovakia Statista Country Report

Slovakia's economy suffered from a slow start in the first years after its separation from the Czech Republic in 1993, due to the country's authoritarian leadership and high levels of corruption, but economic reforms implemented after 1998 have placed Slovakia on a path of strong growth. With a population of 5.4 million, the Slovak Republic has a small, open economy driven mainly by automobile and electronics exports, which account for more than 80% of GDP. Slovakia joined the EU in 2004 and the euro zone in 2009. The country's banking sector is sound and predominantly foreign owned. Slovakia has been a regional FDI champion for several years, attractive due to a relatively low-cost yet skilled labor force, and a favorable geographic location in the heart of Central Europe. Exports and investment have been key drivers of Slovakia's strong growth in recent years

Slovakia is a high-income country with a population growth of 0.0% in 2020. Real GDP is forecasted to increase by 2.7% p.a. from 2019 to 2024. Slovakia had a fiscal deficit of 0.9% of GDP in 2018. Household consumption expenditure in Slovakia was higher than regional average. Unemployment rate was 5.8% in 2019 and is projected to be 5.1% in 2025. It takes 21.5 days to start a business in Slovakia compared to the regional average of 13.3 days. In the "labor market" area, Slovakia is 23.2 points behind the regional high performer. With an index score of 62.8, the operational risk in Slovakia is relatively low.

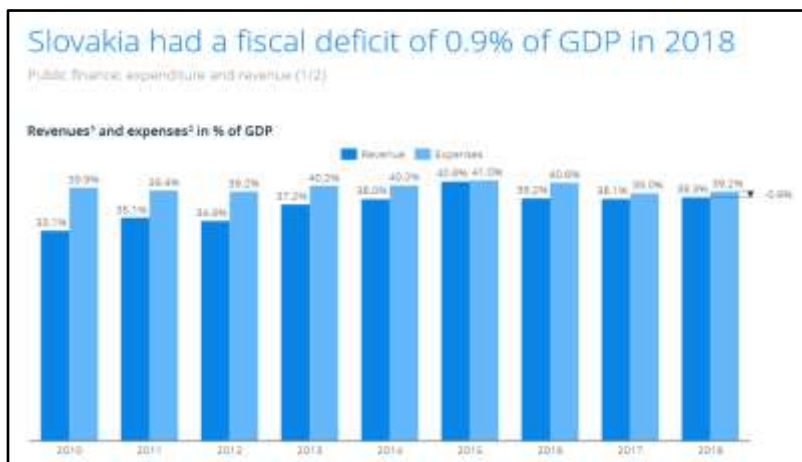


Figure 05: Fiscal deficit of Slovakia

Source: Slovakia Statista Country Report

1.3. Social, Retail and Consumption

- Population projected to reach 5.2 million by 2040.
- In global comparison, Slovakia has a very high level of human development.
- The retail market in Slovakia is well-developed.
- Consumers in Slovakia spend the most in the area of "Housing, water electricity".
- With US\$ 919.7mn and a share of 50.6%, e-Commerce generated the highest digital revenues in 2019.
- The total FinTech transaction value is forecasted to grow by 24.4% from 2019 to 2024.
- 78.1% of total population used the internet and there were 134.9 mobile cellular subscriptions per 100 people.
- Presence of international grocery chain.

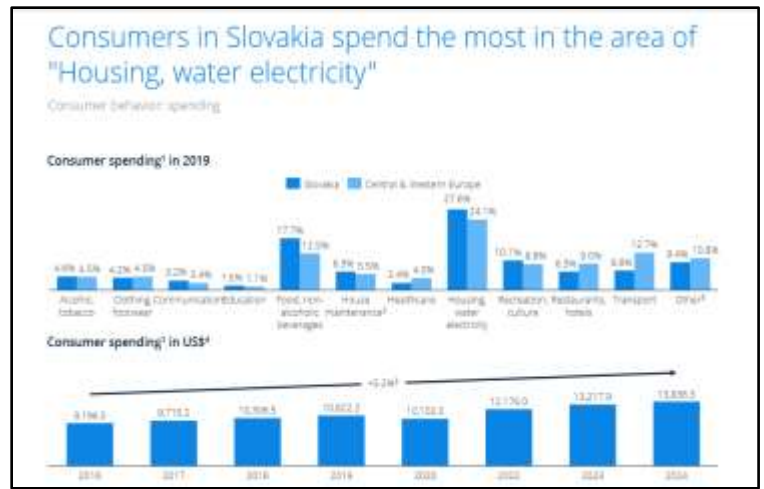
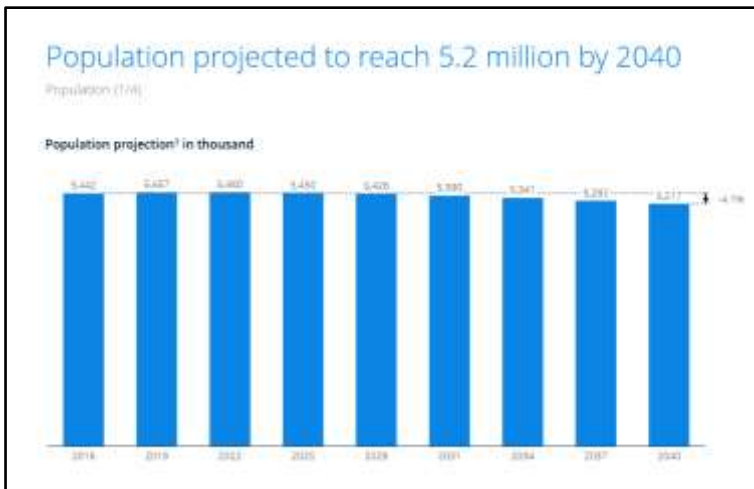


Figure 06: Population projected to reach 5.2mn by 2040.

Figure 06: Consumer Spending in Slovakia

Source: Slovakia Statista Country Report

Source: Slovakia Statista Country Report

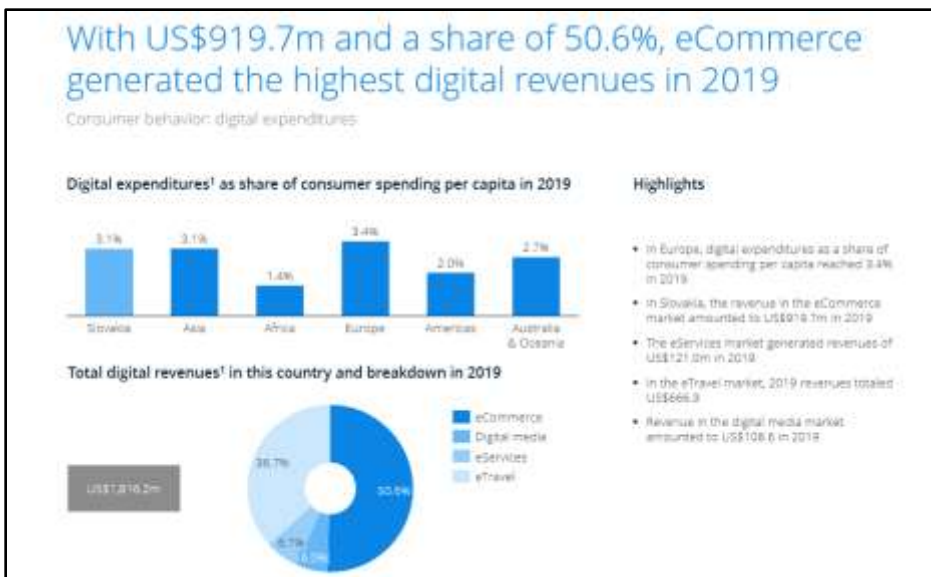


Figure 06: e-Commerce generated the highest digital revenues in 2019.

Source: Slovakia Statista Country Report



Figure 07: The retail market in Slovakia is well developed.

Source: Slovakia Statista Country Report

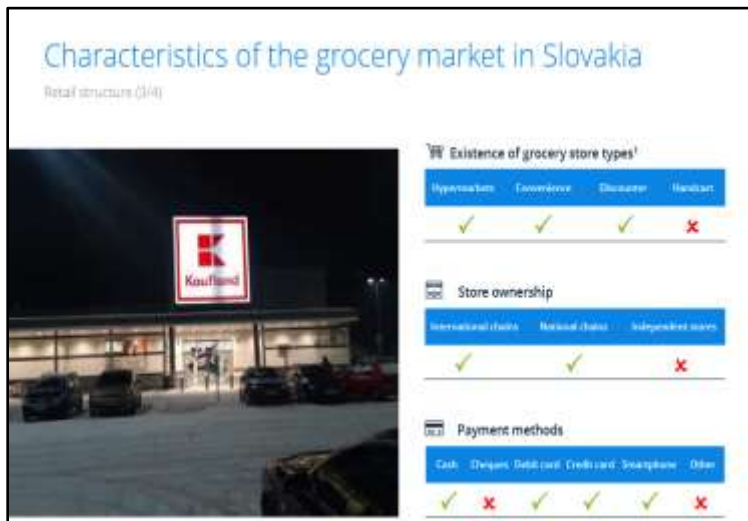


Figure 08: Characteristics of the grocery market in Slovakia

Source: Slovakia Statista Country Report



Figure 09: Presence of international grocery chain

Source: Slovakia Statista Country Report

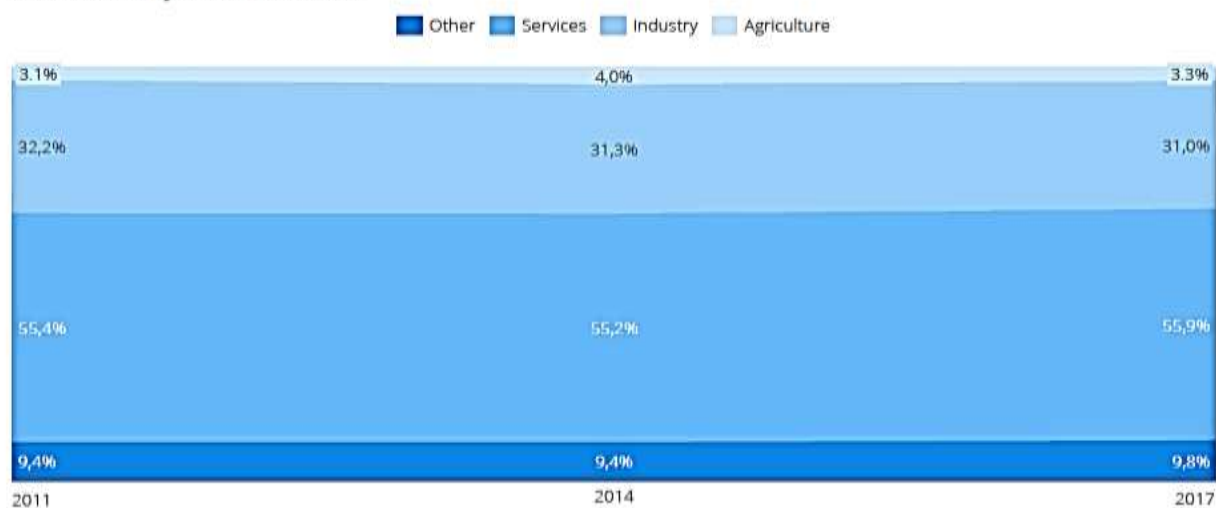
1.4. Slovakia's Import Partners

Exporters	USD (Bn)				
	Imported value in 2015	Imported value in 2016	Imported value in 2017	Imported value in 2018	Imported value in 2019
World	73.053	74.921	81.935	92.929	90.979
Germany	11.521	12.806	14.000	16.797	14.898
Czech Republic	8.077	7.953	8.549	9.559	9.212
Europe Othr. Nes	6.367	6.221	6.149	6.617	7.808
China	6.464	6.345	6.107	5.543	5.755
Poland	3.746	3.994	4.440	5.185	5.202
Russian Federation	4.436	3.612	4.130	5.398	4.995
Korea, Republic of	4.786	43.687	4.708	5.504	4.946
Hungary	3.624	3.537	3.934	4.355	4.783
Viet Nam	2.528	3.216	4.442	5.407	4.645
France	2.300	2.253	2.625	2.908	3.248

Source: ITC Trade Map

1.5. Main Economic Sectors of Slovakia

Value added¹ by sector in % of GDP



Source: Statista, 2020

1.6. Main Import Products by Slovakia

USD (Bn)

Code	Product label	Imported value in 2015	Imported value in 2016	Imported value in 2017	Imported value in 2018	Imported value in 2019
'TOTAL	All products	73.053	74.921	81.935	92.929	90.979
'85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television ...	14.610	15.105	16.960	18.998	18.684
'87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	10.641	11.518	12.065	15.030	15.973
'84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	9.110	9.530	10.174	11.736	11.547
'27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral ...	5.983	4.889	6.151	7.541	6.989
'39	Plastics and articles thereof	3.117	3.345	3.685	3.851	3.662
'73	Articles of iron or steel	2.025	2.026	2.386	2.714	2.487
'72	Iron and steel	2.120	2.066	2.625	3.054	2.481
'94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; ...	1.496	1.788	1.893	2.249	2.471
'30	Pharmaceutical products	1.823	1.966	1.918	2.032	2.069
'40	Rubber and articles thereof	1.249	1.388	1.583	1.771	1.664

Source: ITC Trade Map

1.7. Main Import Services by Slovakia

USD (Bn)

Service	Imported Value in 2015	Imported Value in 2016	Imported Value in 2017	Imported Value in 2018	Imported Value in 2019
All services	7. 984	8. 819	9. 554	10. 964	10. 849
Memo item: Commercial services	7. 974	8. 803	9. 536	10. 945	10. 821
Transport	2. 025	2. 240	2. 514	3. 069	2. 996
Travel	2. 127	2. 239	2. 401	2. 628	2. 593
Other business services	1. 637	2. 003	2. 083	2. 390	2. 368
Telecommunications, computer, and information services	0. 778	0. 865	0. 988	1. 127	1. 075
Charges for the use of intellectual property n.i.e.	0. 523	0. 687	0. 706	0. 752	0. 776
Maintenance and repair services n.i.e.	0. 197	0. 203	0. 204	0. 241	0. 258
Financial services	0. 197	0. 145	0. 202	0. 247	0. 240
Construction	0. 176	0. 138	0. 137	0. 182	0. 181
Insurance and pension services	0. 196	0. 137	0. 145	0. 142	0. 178
Manufacturing services on physical inputs owned by others	0. 066	0. 091	0. 088	0. 087	0. 081
Personal, cultural, and recreational services	0. 051	0. 055	0. 069	0. 080	0. 074
Government goods and services n.i.e.	0. 010	0. 015	0. 017	0. 019	1. 028

Source: ITC Trade Map

1.8. Main Export Products from Sri Lanka to Slovakia

USD Mn

Code	Description	2020 Value
S.1001	Apparel	20.25
S.190202	Bicycles Not Motorized	0.28
S.020302	Pneumatic & Retreated Rubber Tyres & Tubes	0.14
S.1003	Made-Up Textile Articles	0.11
S.030102	Desiccated Coconut	0.05
S.190201	Motor Vehicles & Parts	0.05
S.0407	Oleoresins	0.05
S.0401	Pepper	0.05
S.220101	Stuffed Toys	0.03
S.030202	Mattress Fiber	0.03
S.160106	Perfumes, Cosmetics, Shampoos & Makeup Preparations	0.03
S.220102	Other Toys, Games & Sport Requisites	0.02
S.190104	Switches, Boards & Panels	0.01
S.160107	Soap, Washing Preparations, Waxes, Candles etc.	0.01
S.0406	Essential Oils	0.01
	Other Products	0.02
	Total :	21.12

Source: Sri Lanka Customs

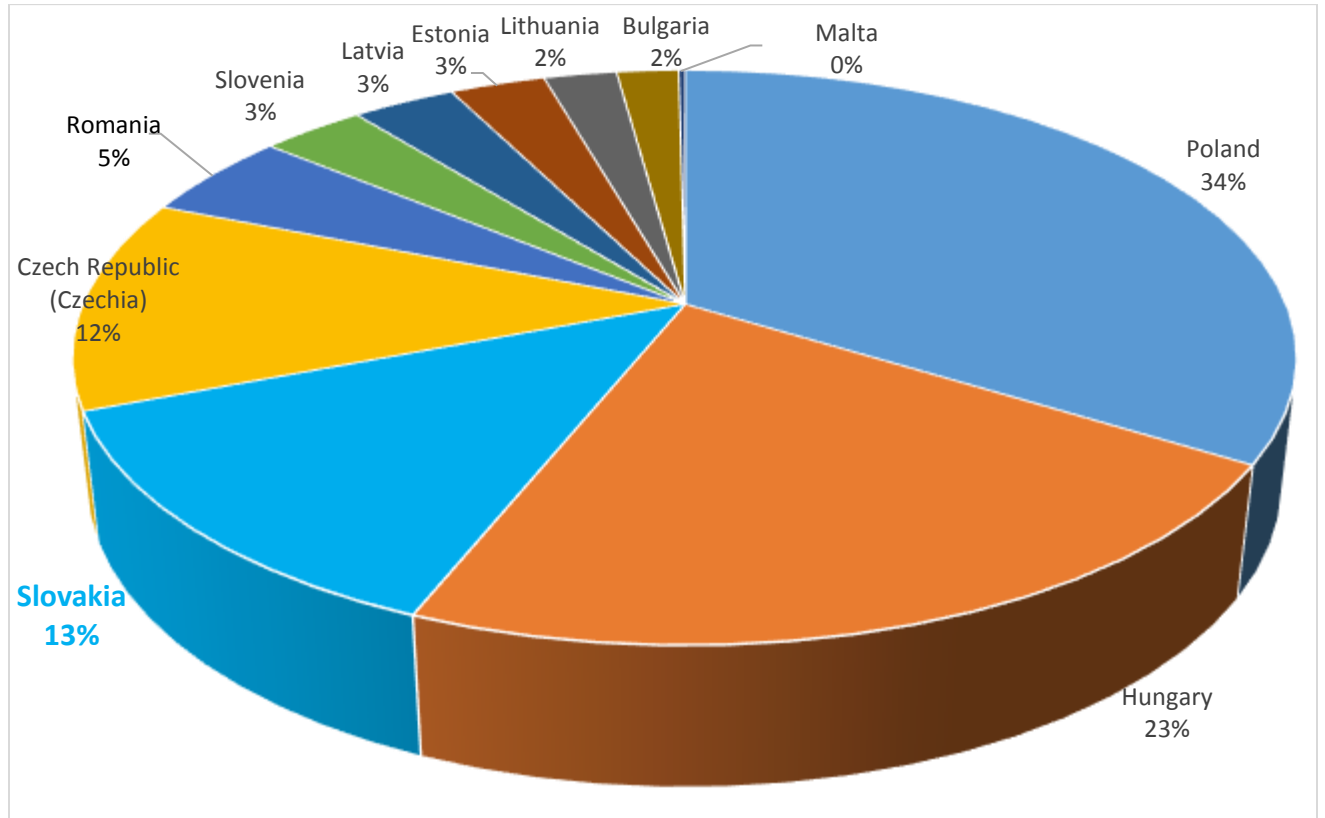
1.9. Main Import products from Slovakia to Sri Lanka

USD Mn

Code	Description	2020 Value
S.1899	Other Products of Base Metal	0.54
S.0999	Other Diamonds, Gems & Jewellery	0.29
S.190199	Other Electrical & Electronic Products	0.2
S.1002	Woven Fabrics	0.19
S.1099	Other Textile Articles	0.14
S.220102	Other Toys, Games & Sport Requisites	0.04
S.1107	Animal Feed	0.04
S.190101	Electrical Transformers	0.04
S.190104	Switches, Boards & Panels	0.03
S.190103	Printed Circuits	0.03
S.160199	Other Chemical Products	0.02
S.190108	Boilers, Piston Engines, Pumps & Vacuum Pumps	0.02
S.160102	Organic Chemicals	0.02
S.160107	Soap, Washing Preparations, Waxes, Candles etc.	0.02
S.150399	Other Paper & Paper Products nes	0.02
	Other Products	0.07
	Total :	1.68

Source: Sri Lanka Customs

1.10. Sri Lanka's Exports to Eastern European Countries



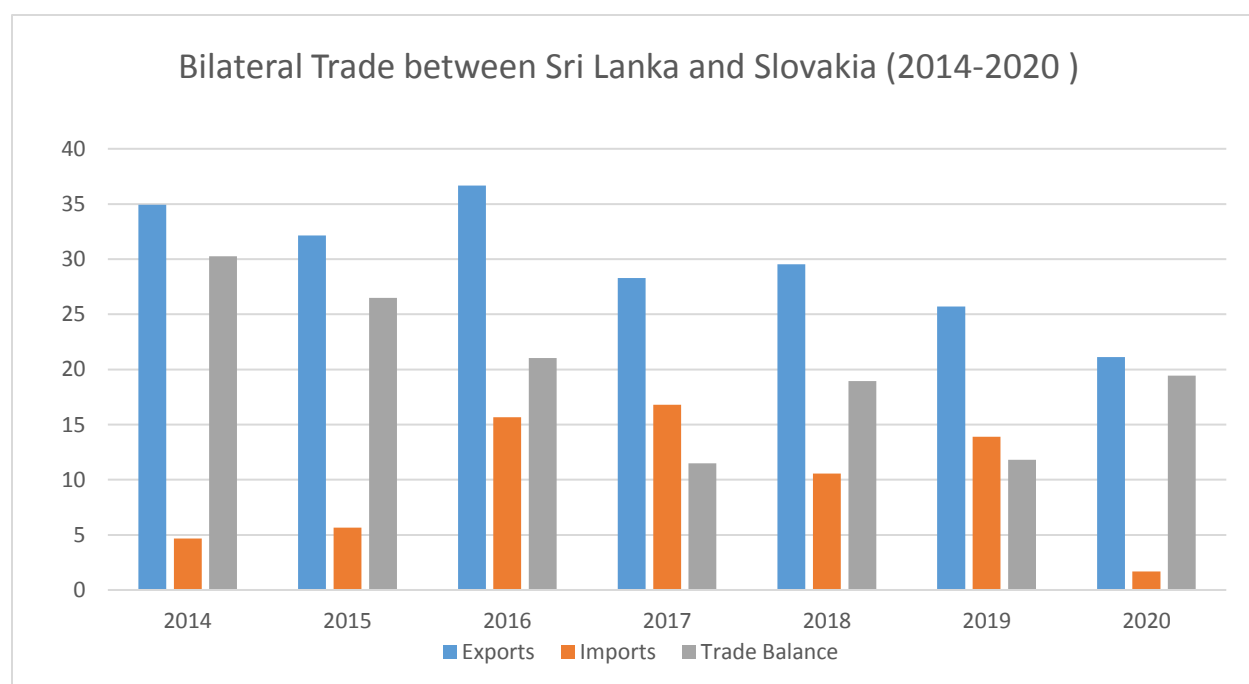
Source: Sri Lanka Customs

1.11. Sri Lanka's Trade Position with Slovakia

USD Mn

Year	Export To Slovakia	Import from Slovakia	Trade balance
2014	34.93	4.66	30.27
2015	32.14	5.66	26.48
2016	36.67	15.65	21.02
2017	28.28	16.80	11.48
2018	29.52	10.57	18.95
2019	25.70	13.89	11.81
2020	21.12	1.68	19.44

Source: Sri Lanka Customs



Source: Sri Lanka Customs

02. BUSINESS AND LEGAL ENVIRONMENT

The Slovak Ministry of Economy is in charge of business environment. In 2018, Slovakia ranked No. 51 in regulatory quality out of 209 countries and territories covered by the Worldwide Governance Indicators. The Unified System of Legislative Processes Administration is a software and process system, which connects the following components:

- All government institutions and bodies
- Official Database of all legislation in the Slovak Republic (JASPI)
- The legislative system (and website) of the Parliament
- The system of “Digital Government”
- The website for public, used for the official Consultations

The Slovak import regime has relatively few non-tariff imports barriers or export measures. Non-automatic import licensing requirements are used occasionally, sometimes for environmental reasons. Automatic licensing requirements, apparently motivated by health and safety considerations, exist for the exporting or importing of many products. In some cases, such as for textiles and clothing, exports are restricted or monitored in accordance with bilateral trade agreements. Export subsidies are limited to those in the agriculture sector.

Better Regulation and implementation of measures to improve the business environment has been a priority of almost every Slovakian government over the past ten years. However, the reality is quite different from the declarations. Out of all the initiatives, only few have really been efficiently implemented. Thus, there is still a long way to go for Slovakia in this area.

03.SLOVAK BUSINESS CULTURE

3.1 Communication Standards

- Direct Communication is preferred in Slovakia for all business communication.
- A firm handshake and maintaining eye contact are considered vital, whereas looking away during conversation is considered a sign of secretiveness, lack of self-confidence and unprofessional.
- Slovak is widely used as business language in the country. English is used in some corporations, but language interpreters are necessary for a foreign company to conduct business in the country.
- Hierarchy is very important in Slovak business culture, although younger companies are slowly adopting a consultative style of management.
- Bargaining is rare and mostly depends on the type of deal.

3.2 Business Meeting Procedures

- Formal business meetings are usually scheduled in advance and punctuality is appreciated.
- Time management is considered essential and meetings are expected to be over by the scheduled time.

3.3 Conflict Management

- Slovaks prefer to resolve conflicts through discussion.

3.4 Importance of Business Networks

- Maintaining a strong business network through personal and professional contacts is considered rather important to do business in Slovakia.
- Business is mostly relationship-driven, and personal contacts provide an edge in business over competition.

3.5 Slow Business Months

- Business is slower than usual during the months of July, August and December.

3.6 Gender Equality

- Although there has been a lot of progress towards removing gender discrimination, men still dominate the corporate sector.

3.7 Work-life Balance

- Slovaks prefer to maintain a good work-life balance and do not like to mix social life with work.

04. TRANSPORTATION

04.1. Road Mode

Road mode is the main goods transportation mode in Slovakia. Over 200 million tons of goods are transported by road mode. Road mode is the widely used transportation method because Slovakia has no access to sea.

04.2. Air Mode

Annually 400,000 goods are transported by air.

- Main Air Ports
 - ✓ Bratislava Airport
 - ✓ Kosice Airport
 - ✓ Propad-Tatry Airport
 - ✓ Sliac Airport
 - ✓ Zilina Airport
 - ✓ Piestany Airport

04.3. Railway Mode

48 million tons of goods are transported by rail yearly.

04.4. Waterways

1.5 million tons of goods are transported by waterways such as rivers, canals and other inland bodies of water in Slovakia.

- River Ports
 - ✓ Port of Bratislava
 - ✓ Port of Komarno
- Most ports service multiple classes of vessels including bulk carriers (dry and liquid), break bulk cargoes (goods loaded individually in bags, boxes, crates, or drums; sometimes palletized), containers, roll-on/roll-off, and passenger ships.
- Some ports are significant for handling passenger traffic and are listed as cruise/ferry ports.

04.5. Pipelines

Pipelines are used to transport products like natural gas, crude oil, or petroleum products.

05. POTENTIAL PRODUCTS TO SLOVAKIA FROM SRI LANKA

According to the market analysis (Annex I), the following Industrial and food products have been identified as potential to Slovakia market which could be exported under zero import duty by utilizing EU GSP Plus.

5.1. Potential Industrial Products

Considering the Sri Lanka's export capacities and Slovakia's market demand, following industrial products have been identified as potential export products from Sri Lanka to Slovakia.

- Footwear Uppers & parts
- Apparel (Gloves with plastics/rubber, knit/crochet, Men's underpants & briefs of cotton, knit/crochet etc.)
- Solid/cushion tyres, interchangeable tyre treads & tyre flaps
- Activated Carbon

5.2. Potential Agricultural Products

- Desiccated coconuts
- Black tea
- Bananas, fresh or dried
- Food Preparation

06. POTENTIAL SERVICES TO SLOVAKIA FROM SRI LANKA

- Business, professional, and technical services
- Computer and information services – Computer Gaming
- Construction services
- Wellness Tourism

07. THE KEY MARKET TRENDS IN SLOVAKIA

- Environmentally Conscious trend in Consumers
- High demand for organic raw and Superfood Ingredients with Consumers appreciating their Premium Positioning. (Organic raw snack bars)
- Making accessible shelf space for Organic Private Label Offerings by the key retailers
- Players must offer Eco-Friendly Packaging to be competitive in the market
- Internet Retailing continues to grow, boosted by retailers' online stores and the convenience of the Service

08. MARKET ENTRY STRATEGIES

Foreign companies who desire to use distribution, franchising and agency arrangements need to ensure that the related agreements are in accordance with European Union (EU) and Slovak national laws.

8.1. Using an Agent

- The Slovak Commercial Code follows EU legislation and recognizes agents, commissioned merchants, and brokers not bound by contract.
- Most of the Slovak agents, distributors, and trading companies have excellent business intelligence, capital resources, and experienced personnel.

8.2. Establishing an Office

- The Slovak Commercial Code provides for the formation of,
 - ✓ Branch offices
 - ✓ Joint stock companies
 - ✓ Simple joint stock companies
 - ✓ Limited liability companies (LLCs)
 - ✓ Limited or unlimited partnerships
 - ✓ Cooperatives
 - ✓ Silent partnerships
 - ✓ Associations
- All companies must register their names with the Slovak Commercial Register.
- A Simple Joint Stock Company is better for start-ups.
 - ✓ Easier mode of market entry and exist.
 - ✓ Less rigid incorporation and winding up rules.

8.3. Franchising

- Franchising is an emerging sector in Slovakia. It includes,
 - ✓ Hotels
 - ✓ Fast food operations
 - ✓ Gasoline stations
 - ✓ Business services
- Slovakia does not have specific legislation for franchising.
- Franchising agreements are treated as commercial contracts and are regulated by the Slovak Commercial Code.

- Franchisers should adjust franchise royalties and other mandatory payments with relevance to the size of Slovakia's small market in order to offer creative financial options because the financial resources of some of Slovakia's most promising entrepreneurs could be limited.
- The Slovak Franchise Association (SFA) supports the development of franchising in Slovakia.

8.4. Direct Marketing

- The main method of direct marketing in Slovakia is person-to-person direct selling.
- Demand has been increased in the category of healthy and organic products; food and drinks, wellness products and organic cosmetics.
- Direct marketing firms in Slovakia,
 - ✓ Avon - the leader in direct selling in Slovakia.
 - ✓ Herbalife
 - ✓ Oriflame
 - ✓ Mary Kay
 - ✓ Yves Rocher

8.5. Joint Ventures/Licensing

- The Slovak Commercial Code authorize joint ventures and licensing.
- Licensing is not so common in Slovakia.
- There is no specific legislation which regulating joint ventures in Slovakia.
- Slovak law allows for the establishment and operation of joint venture schemes and structures:
 - ✓ Contractual joint ventures
 - ✓ Equity joint ventures

8.6. Distribution and Sales Channels

- Bratislava is the capital of Slovakia and has the largest metropolitan population which make it as the most important retail market with the best developed distribution networks.
- Kosice, Trnava, Trencin, Zilina, Poprad, and Nitra cities are the major manufacturing areas in Slovakia and also consider as important retail markets.
- The Slovak retail sector is composed of private networks of retail and wholesale businesses.
- Retail network consists of,
 - ✓ Hypermarkets

- ✓ Supermarkets
- ✓ Discount Stores
- ✓ Convenience stores
- Online retail is becoming more popular in Slovakia.
- There is a Western-style retailing trend, which offers a wide variety of products that has been largely distributed by foreign companies such as Tesco.
- Major International retailers in Slovakia:
 - ✓ Tesco – largest foreign retailer in Slovakia which maintain 150 outlets including department stores, hypermarkets, supermarkets, upscale galleries, Tesco Express – a convenience store.
 - ✓ Lidl – Operates 135 outlets in Slovakia.
 - ✓ Kaufland – Operates 65 outlets in Slovakia.
 - ✓ Billa – Operates 150 outlets in Slovakia including supermarkets and hypermarkets.
 - ✓ Metro Cash & Carry – Operates six hypermarkets.
- Other international retail chains in Slovakia:
 - ✓ Hornbach
 - ✓ OBI
 - ✓ Bauhaus
 - ✓ Drogerie Markt (DM)
 - ✓ IKEA
 - ✓ KIKO
- Major Slovak retailers:
 - ✓ COOP Jednota
 - ✓ Terno
- Smaller businesses move to consolidate or liquidate and franchising due to the expansion of large retail chains.

8.7. E-Commerce

- E-Commerce has been a faster-growing segment over the past several years in Slovakia.
- Online shopping has been becoming a common way of purchasing goods in Slovakia.
- In 2018 there were about 11,585 e-shops.

- Electronic and media has the largest market share in online market.
- Other popular online shopping segments are House/Garden and DIY, Cosmetics, Health, Sport, Food and Drinks.
- Domestic E-Commerce (B2C)
 - ✓ E-Commerce users in Slovakia represent 78% of the total population.
 - ✓ The average user spends USD 231 online per year, this will be grown to USD 297 by 2021.
 - ✓ 98% of young Slovaks which falls under 16-24 age category log on daily for online shopping.
 - ✓ Products such as real estate, insurance and consumer goods are mostly sold on social media.
- Cross-Border E-Commerce
 - ✓ Cross-border e - Commerce is more common in Slovakia.
 - ✓ Most popular E-shops in Slovakia are eBay, Amazon UK and Amazon DE, Alibaba and AliExpress.
 - ✓ Mall.sk, alza.sk and tpd.sk are the local E-shops in Slovakia.
- B2B E-Commerce
 - ✓ Companies engage in B2B E-Commerce in order to increase their efficiency and maintain operational, transportation and storage costs at a minimum level.
- Popular E-Commerce sites in Slovakia
 - ✓ Mall.sk
 - ✓ Hej.sk
 - ✓ Heureka
 - ✓ TPD
 - ✓ Andreashop
 - ✓ MP3
 - ✓ Edigital
 - ✓ OKAY
 - ✓ Datart Gigastore
- Mobile E-Commerce, digital marketing and social media are also emerging segments in Slovakia.
 - ✓ YouTube has been becoming more popular than television among young audience in Slovakia.

09. TRADE REGULATIONS AND STANDARDS

9.1. Trade Policies

- Slovakia practices the European Union trade policy.
- Goods that are imported from outside the EU are subjected to customs duties:
 - ✓ Import duties
 - ✓ Excise duties
 - ✓ Value added tax
- Licensing system is a non-tariff barrier which applies for particular imported products.
- The Ministry of Economy of Slovakia is the authorized body to issue import and export permits or licenses for sensitive goods.
- Specific licensing regimes are,
 - ✓ Extremely dangerous poisons, hazardous chemical substances, pesticides and additive chemical substances are subject to non-automatic licenses and the licenses are not transferable.
 - ✓ Narcotics, psychotropic substances, precursors and additive chemical substances are also subject to non-automatic licenses and the licenses are not transferable.
 - ✓ Dual-use goods and technologies that can be used in military and civilian applications.
 - ✓ Weapons, ammunition, explosives and related items.

9.2. Trade Contracts

You must ensure that your trade contract is in writing and contains the following main items

- Name and quantity of the good you are importing
- Description of the good including its specifications, quality, etc.
- Mode of payment for the good
- Address and time limit of delivery and receipt of the good
- Terms of delivery of the good
- Total value of goods in any currency, the equivalent of which must be indicated in EUR
- Means of transport

9.3. Import Duties

- Transactions carried out within the European Economic Area (EEA) are free of duty.
- The Common Customs Tariff (CCT) of the European Union applies to goods imported from outside Europe.
- Nomenclature classification of goods – Based on the type of goods, their use and their composition, the goods are classified into so-called subheadings of the combined nomenclature of the Common Customs Tariff.
- According to the nomenclature classification of goods, assigned the appropriate rate of import duty.
- TARIC electronic application – in order to know import duty rates.
https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/what-is-common-customs-tariff/taric_en
- Goods can be exempted from import duties if,
 - ✓ The goods are imported in a consignment (ordered through an online shop), and the intrinsic value does not exceed EUR 150 per consignment, regardless of how many goods are in the consignment.
 - ✓ The goods are imported by you personally when returning from a third country in the personal luggage, may be exempted from import duties, depending on the mode of transport, as follows:
 - If you are traveling by air and the value of the goods does not exceed EUR 430.
 - If you are traveling by other means of transport and the value of the goods does not exceed EUR 300.
 - If the person is less than 15 years of age, regardless of the type of travel, and the value of the goods does not exceed EUR 150.
- Different types of tariff measures in this section
 - ✓ Basic customs duties and quotas
 - ✓ Antidumping duties
 - ✓ Countervailing duties
 - ✓ Safeguard duties

9.4. Excise Duties on Imports

- This payment is levied and then paid only if the goods are subject to excise duty.
 - ✓ Alcoholic beverage
 - ✓ Tobacco
 - ✓ Mineral oil
 - ✓ Electricity, coal and natural gas
- The goods are exempt from excise duty if,
 - ✓ The goods are imported in a consignment, only if sent by a natural person in a third country directly to you and not through an online store.
 - ✓ Brought in your personal luggage when traveling from a third country.
- For the exemptions, mainly consider the quantity of goods imported.

9.5. Value Added Tax (VAT)

- The basic tax rate is 20% of the VAT base.
- Goods can be exempted from VAT if,
 - ✓ The goods are imported in the consignment (ordered via an online shop) and the intrinsic value does not exceed EUR 22.
 - ✓ The goods are imported personally upon returning from a third country in the personal luggage, may be exempt from VAT within the same limits as the exemption from import duties.
 - ✓ The imported goods that are subjected to excise duties, may be exempt from VAT in the same quantities as in the excise duty exemption.

9.6. Import Requirements and Documentation

- ✓ Slovakia's import requirements are fully harmonized with the European Union Laws and Regulations.
- ✓ EU Member States maintain their own list of goods subject to import licensing.
- ✓ This includes goods for which licenses are required, their code numbers, any applicable restrictions, and the agency that will issue the relevant license.
- ✓ The Import List also indicates whether the license is required under member state or EU law.

9.7. Standards for Trade

- Products are subjected to the EU's General Product Safety Directive and additional national requirements.
- Classification of Standards
 - ✓ STN is the Slovak certification mark.
 - ✓ CE is the European certification mark - It is obligatory so that a product can be sold in the country.
- Manufactures should comply with EU harmonized legislation and should aware that mandatory regulations and technical standards may act as barriers to trade if a third country standards are different from those of the EU.
- Specific harmonized legislations
 - ✓ Conformity Assessment - Testing, inspection and certification in order to ensure compliance with standards during all stages, from product designing to production.
 - ✓ Accreditation - Independent testing and certification laboratories which test and certify to EU requirements.
 - ✓ Product Certification
 - ✓ Agricultural Standards
- Online Consultation of Standards
 - ✓ The STN catalog
 - ✓ The catalog of European standards
 - ✓ The ISO catalogs
- Certification Organizations
 - ✓ Slovak National Accreditation Service
- National Standards Organizations
 - ✓ Slovak office for standards, metrology and testing (UNMS)
 - ✓ Slovak institute for technical standards (SUTN)
- Integration in the International Standards Network
 - ✓ At the European level
 - Member of the European Committee for Standardization (CEN)
 - Member of the European Committee for Electro Technical Standardization (CENELEC),
 - Member of the European Telecommunications Standards Institute (ETSI)

- ✓ At the international level
 - Member of the International Standard Organization (ISO)
 - Member of the International Electro Technical Commission (IEC)
 - Member of the International Telecommunication Union (ITU)

9.8. Trade Agreements

- ✓ Member of European Union.
- ✓ Member of European Economic Area.

*Sri Lanka is eligible to export products to Slovakia under EU GSP plus Concession.

9.9. Labeling Requirements

- Products made in Slovakia or imported into Slovakia must be labeled with the CE (Conformité Européene/European Conformity) mark.
- An EU designation indicating compliance with health, safety, and environmental protection standards for products sold within the European Economic Area (EEA).
- All electrical equipment should have an “Energy Efficiency” label, in addition to the CE mark.
- All labels require metric units.
- Dual labeling is also acceptable.
- Under the 1995 State Language Law, companies are required to mark contents of domestically produced or imported goods, product manuals, product guarantees, and other consumer-related information in the Slovak language.
- EU’s mandatory and voluntary labeling schemes are applied.
 - ✓ Mandatory marks and labels - Mostly on consumer products and packaging, which are typically related to public safety, health and environmental concerns.
 - ✓ Voluntary marks and labels are used as marketing tools in some EU Member States.
- National voluntary labeling systems might be applied.
 - ✓ These systems may be highly appreciated by consumers and thus, become unavailable for marketing purposes.
- Product requirements can cover
 - ✓ the product itself - for example, flammability, electrical properties or hygiene
 - ✓ the product's manufacturing process
 - ✓ the product's performance - for example, its energy efficiency

10. CONCLUSION

Slovakia will be an attractive export destination for Sri Lankan exporters in the Central Europe with their higher household consumption expenditure in the region. Several market entry means can be used in order to enter in to the Slovak market such as using agent, Joint ventures, e – Commerce etc. The Cross-border e - Commerce is more common in Slovakia and majority of young generation prefer online shopping highlighting the opportunity for Sri Lankan exporters to promote their products in Slovakia through e-commerce. Being EU GSP Plus eligible country, Sri Lanka has a good potential in exporting Apparel, foot wear parts, activated carbon, tyres and food products to Slovakia market.

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ANNEXURE

Top 5 Products which has Untapped Export Potential for Slovakia Market

H.S. Code	Product	Untapped Export Potential (USD Mn)	Total Trade Measures to be Complied	MFN Rate	Applicable Tariff rate for Sri Lanka	Average Price of SL (USD per Ton)	Growth in Import Value 2015-19	Competitors with Market Share	SL Competitive Position	Market Share of Sri Lanka	Slovakia's Import Ranking from the world
640610	Uppers & parts thereof	17.5	2	3%	0%	No data	No data	1. Viet Nam – 51.1% 2. India – 23.1% 3. Bosnia and Herzegovina – 15%	39	No data	5
621210	Brassieres	3.8	6	6.50%	0%	99,167	-10%	1. China -36.7% 2. Bangladesh – 17.9% 3. Europe Other. Nes – 7.1%	8	2.4%	49
080111	Desiccated coconuts	1.1	17	0%	0%	3,241	126%	1. Czech Republic – 18.9% 2. Indonesia – 10.3% 3. Germany – 8.8%	2	11.1%	46
401290	Solid/cushion tyres, interchangeable tyre treads & tyre flaps	0.67	3	2.50%	0%	4,348	12%	1. Germany – 33.1% 2. Belgium – 15.4% 3. Poland – 7.1%	2	25.1%	49
090240	Black tea, packings >3kg	0.6	No data	0%	0%	4,600	0%	1. Indonesia – 36.2% 2. Germany – 16.5% 3. Europe Other. Nes – 8.3%	6	4.9%	102
380210	Activated carbon nes	0.35	No data	3.20%	0%	No data	No data	1. Netherlands – 46.4% 2. United Kingdom – 12.2% 3. Europe Other. Nes – 12.1%	30	No data	60