

Current Trends and Perspectives in Development of China-V4 Trade and Investment

Investment Environment and Main Trends of Foreign Direct Investment Flows
Between China and V4 Countries – The Slovak Perspective

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Structure of the presentation

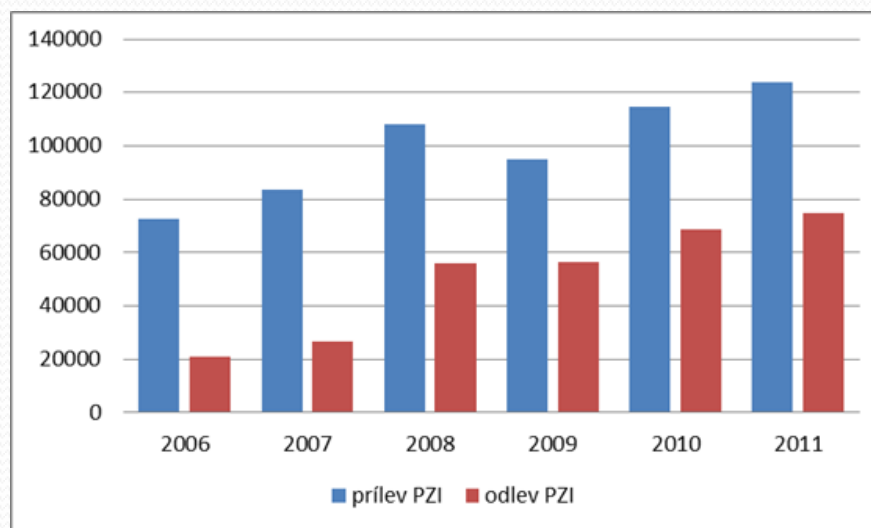
- Introduction
- China – Global FDI Position
- Main trends of FDI Flows between China and Slovakia
- Chinese corporations active in Slovakia
- Slovak corporations active in China
- Future possibilities of bilateral FDI flows
- Conclusions

Introduction

- Asymmetric investment position
 - China is the second largest recipient of FDI in the world and it is the largest investor country outside the group of developed countries
 - Forbes Global 500 2013 – 89 Chinese corporations
 - Slovakia is primarily an FDI host country and the outgoing FDI are traditionally weak
 - Forbes Global 500 2013 – 0 Slovak corporations

China – global FDI position

- China gradually became one of the top investors in the world
- FDI outflows from China are getting stronger by each year



Chinese FDI position in Slovakia

- China does not belong to key investors in Slovakia
 - Total FDI stock in Slovakia at the end of 2012 – 34 758 million EUR
 - Total FDI stock in Slovakia from China at the end of 2012 – 9,8 million EUR
 - For comparison – the total FDI stock from South Korea – 1 395 million EUR
 - The official FDI statistics does not show FDI inflows from China until 2007

Most important Chinese corporations in Slovakia

- Lenovo – approx. 630 employees
 - Location – Bratislava
 - Biggest unit in EMEA
 - Shared services center
 - Lenovo operation center



Most important Chinese corporations in Slovakia

- SaarGummi Slovakia – approx. 480 employees
 - Location – Dolne Vestenice
 - Product – sealants for the automotive industry
 - Not an original Chinese investment – the greenfield project was created by the German ContiTech in 1994
- The SaarGummi group was acquired by Chongqing Light Textile Industry Holding in 2011
- Public company owned by the municipal government of Chongqing, a city in southwest China

Most important Chinese corporations in Slovakia

- ZVL Auto – approx. 160 employees
 - Location – Prešov
 - Automotive supplier – roller bearings
 - Local company sold controlling stake to Chinese corporation TSB Bearings Group Co., Ltd. in 2007

Other Chinese corporations active in Slovakia

- Heiland Sinoc Automotive – 80 employees
- Inalfa Roof Systems – 65 employees
- Mesnac European Research and Technical Centre – owned by Qingdao Mesnac (the world's fourth-largest machinery producer) – 20 employees
- Huawei – 25-49 employees

Slovak FDI position in China

- Slovak outgoing FDI are generally weak – lack of strong local corporations
- Slovak corporations prefer investing in Central Europe
 - Total FDI stock invested by Slovak corporations at the end of 2012 – 2 729 million EUR
 - Total FDI stock invested by Slovak corporations in China at the end of 2012 – **ZERO** according to the official statistics

Slovak companies active in China

- After contacting my contacts in the Ministry of Economy and SARIO and searching the media I was able to find only one company that invested in China
 - Wine producer Víno Nitra opened a joint-venture Zhongjie-Nitra Winery Co., Ltd. in Hebei province

Investments possibilities in Slovakia for Chinese companies

- Automotive industry
 - Qoros – Slovakia as gateway to Europe?
- “Green” projects
 - Waste treatment, renewable energy – joint-ventures (but fears from Slovak entrepreneurs)
- Tourism
 - Slovak projects are too small for Chinese corporations

Investments possibilities in China for Slovak companies

- Hard to tell – the number of strong, Slovak owned corporations is limited
- Slovak corporations are discouraged by the competitiveness of the Chinese market, by the cultural differences, by the distance....

Thank you very much!