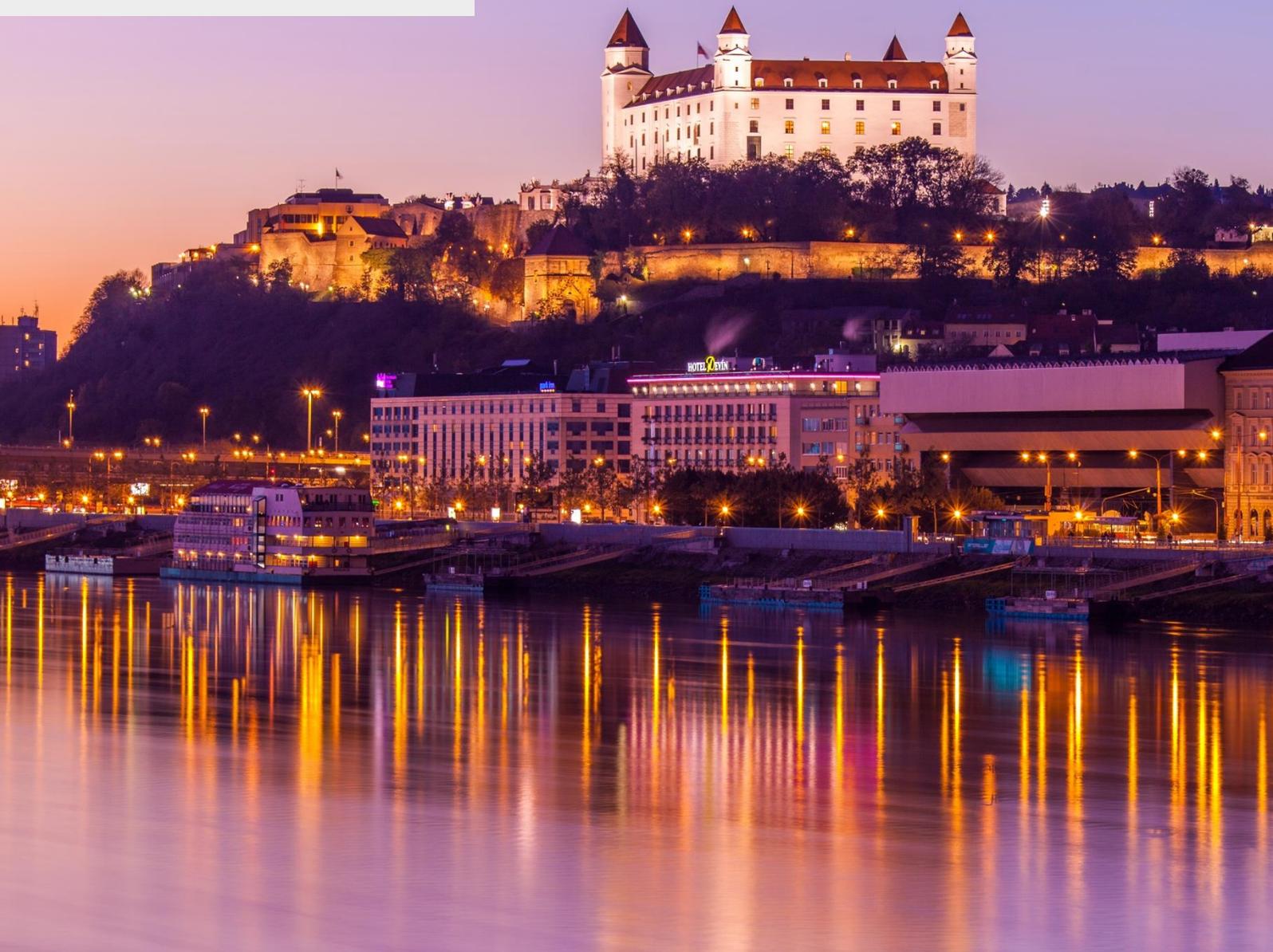




Sweden
Sverige



BUSINESS CLIMATE SURVEY FOR SWEDISH COMPANIES IN SLOVAKIA 2025

A REPORT FROM TEAM SWEDEN IN SLOVAKIA

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FOREWORD

Swedish companies have played a steady role in Slovakia's economic landscape for decades by investing in local production, offering high-quality services, and creating employment opportunities across regions. This long-standing presence reflects both trust in Slovakia's industrial capabilities and the country's strategic role in the European market. While not among each other's top trading partners, Slovakia and Sweden maintain a healthy bilateral economic relationship characterised by mutual investments and collaboration in key sectors. Trade between Slovakia and Sweden has shown a positive trajectory, particularly in sectors such as automotive, machinery and equipment, ICT and electronics, as well as chemicals and pharmaceuticals. Several Swedish companies have established operations in Slovakia, drawn by its central European location, skilled labour force, and EU membership.

As of May 2025, Slovakia's economy is projected to grow modestly, with the International Monetary Fund (IMF) forecasting a 1.9% increase in GDP. Inflation is expected to rise to 5.1% in 2025, influenced by the withdrawal of energy subsidies and increased taxes, including a new levy on sweetened beverages. The unemployment rate has declined to 5.1% as of January 2025, reflecting a tight labour market. The government aims to reduce the fiscal deficit from 5.8% of GDP in 2024 to 4.7% in 2025 through fiscal consolidation measures.

The relationship between Sweden and Slovakia is strong and well-established. Sweden does not maintain an embassy in Bratislava; instead, its diplomatic affairs in Slovakia are managed by the Embassy of Sweden in Vienna, Austria. However, Sweden operates an Honorary Consulate General in Bratislava. Business Sweden covers Slovakia from the office in Prague, Czech Republic. The two countries are collaborating within the frameworks of NATO and the EU.



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+22 respondents in Slovakia

Current business climate

38%

of companies perceive a neutral business climate. Very poor/ poor (62%)

Industry turnover

32%

of Swedish companies expect their industry turnover to increase

Future investments

32%

of Swedish companies plan to increase their investments slightly or significantly in the next 12 months

Globally valued success factors

Sales competence
Staff development
Cost efficiency

Brand Sweden

81%

of Swedish companies abroad consider Brand Sweden beneficial for business

Local conditions with high satisfaction

1. Distributors
2. Service providers
3. Suppliers

Local conditions with least satisfaction

1. Corporate taxation
2. Transparency/ equal treatment
3. Licenses, permits and approvals

Environmental considerations

59%

of respondents believe environmental considerations are a factor in their customers' purchasing decisions

Corruption

10% of respondents faced some form of corruption in 2024

Human rights violation and labour rights abuse

5% of respondents faced some form of human rights violation in 2024

ABOUT THE SURVEY

The Business Climate Survey is a global initiative designed to capture the perspectives of Swedish companies operating in international markets. It sheds light on both the opportunities and the challenges they face, offering valuable insights into their performance, strategic outlooks, and expectations for the year ahead. Through a combination of quantitative and qualitative questions, companies are asked to assess key aspects of their business environment, including the economic climate, market conditions, and regulatory framework. Respondents are also invited to reflect on broader themes, such as the overall ease of doing business and the growing relevance of sustainability and other strategic priorities in their respective markets.

The survey consists of 18 standard questions developed to ensure consistency and comparability across countries. This structure allows for meaningful cross-market analysis and the identification of trends that transcend national borders. The survey is conducted annually in over 20 markets worldwide. This year, participation has expanded significantly, with 38 markets included. As a result, Slovakia is taking part in the study for the first time.

The first edition of the Business Climate Survey in Slovakia aims to assess how Swedish companies perceive the local business environment and where they see both potential and pressure points. Data collection took place in February 2025. Business Sweden put together a list of 40 Swedish companies with a presence in Slovakia. Out of these, 22 companies provided responses, resulting in a response rate of 55 per cent.

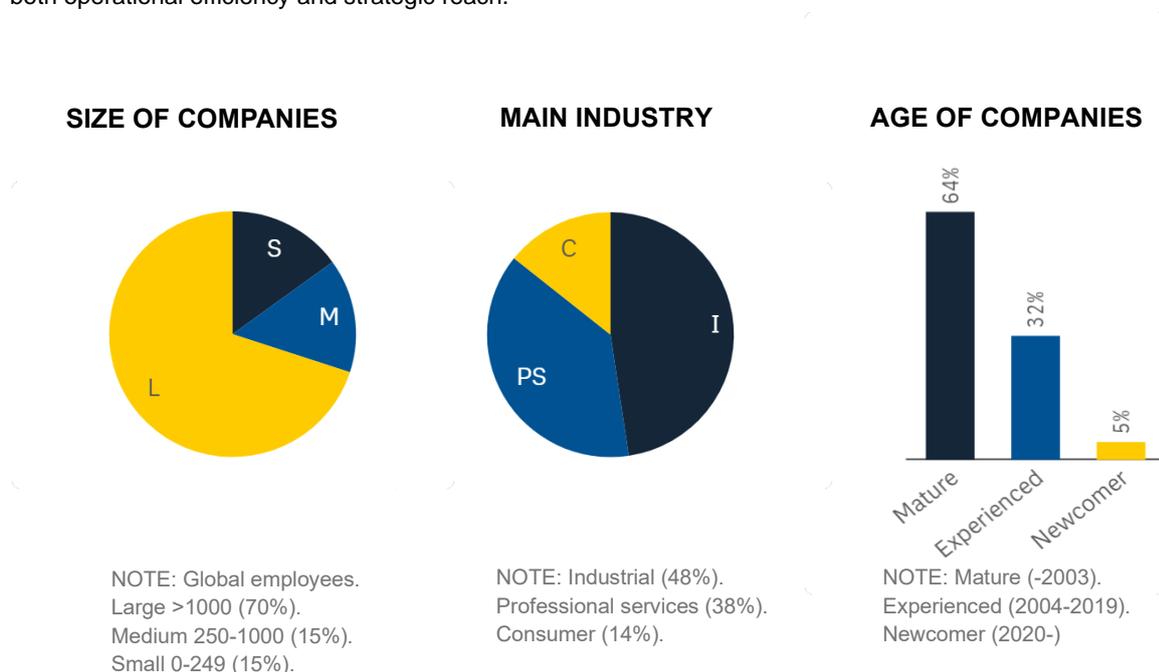
Swedish business presence and long-term engagement in Slovakia

Today, Swedish companies contribute to key sectors in the Slovak economy. Most respondents in the survey operate within the industrial sector (48 per cent), leveraging Slovakia’s advanced manufacturing base and central location within Europe. Professional services account for 38 per cent, while 14 per cent of companies are active in the consumer segment. This diverse presence reflects Sweden’s broad economic engagement- from heavy industry to knowledge-intensive services.

The business landscape is dominated by larger players: 70 per cent of the companies surveyed are part of multinational groups with over 1,000 employees globally. Medium-sized (15 per cent) and small firms (15 per cent) are also represented, playing an important role in bringing innovation and specialised expertise to the Slovak market.

Swedish business activity in Slovakia is marked by a long-standing presence and commitment. Nearly two-thirds (64 per cent) of the companies surveyed have been present since before 2003, indicating a long-term stake in the country’s development. A further 32 per cent entered between 2004 and 2019, coinciding with Slovakia’s EU accession and subsequent economic integration. Only one company in the entire survey reported entering the market after 2020, accounting for just five per cent of respondents. While that figure may seem precise, it’s a reminder that the sample size behind the numbers can be small and individual cases may represent larger percentages.

The continued appeal of Slovakia as a business destination is underpinned by several factors: a skilled and cost-competitive workforce, robust industrial infrastructure, and proximity to key European markets such as Germany, Austria, and Poland. For Swedish companies, Slovakia offers both operational efficiency and strategic reach.



ECONOMIC OUTLOOK

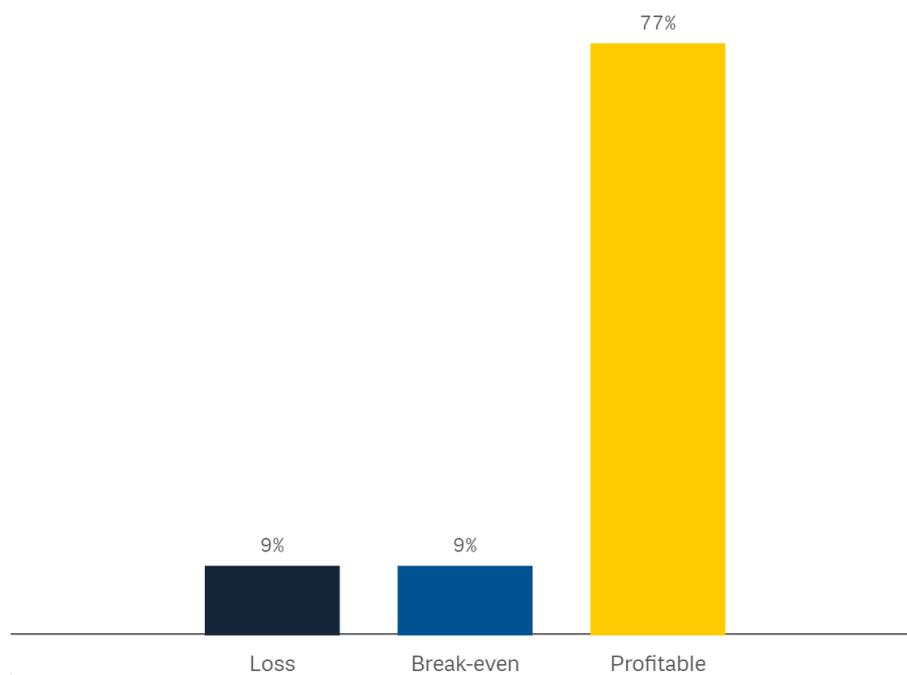
Profitability remains solid despite sector and size variations

Most surveyed companies reported solid financial outcomes for 2024, with 77 per cent indicating profitability. However, this headline figure should be interpreted considering the limited sample size (22 companies), where a few responses can shift percentages significantly. Large companies showed the strongest performance, with 86 per cent being profitable, which is noteworthy given their size and potential market influence. Small and medium-sized firms showed mixed results; no losses were reported, but a considerable share of small and medium-sized firms (33 per cent each) broke even.

From a sectoral perspective, professional services companies performed the best, with 88 per cent reporting profits and no losses. In contrast, the consumer segment showed more volatility, with one-third operating at a loss. Industrial companies landed somewhere in between, with 70 per cent profitability.

In terms of company maturity, experienced companies performed the best, with all of them profitable. Interestingly, while mature firms had a relatively strong performance overall, they were the only group reporting losses (14 per cent) and break-even results (14 per cent), indicating a more diverse outcome pattern among established players.

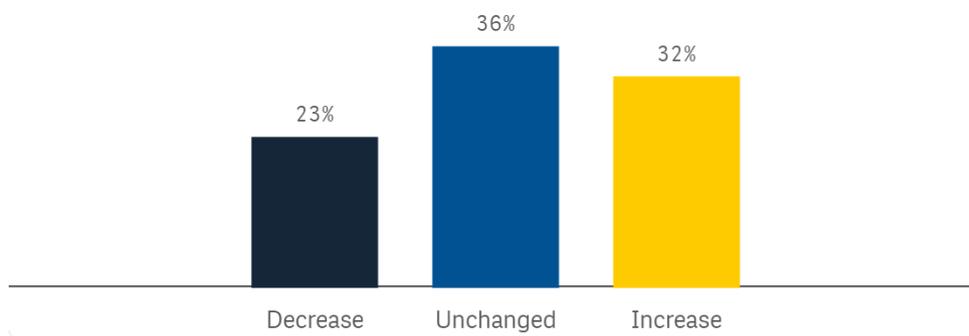
HOW WOULD YOU DESCRIBE YOUR COMPANY'S FINANCIAL PERFORMANCE IN SLOVAKIA IN 2024?



NOTE: The number of respondents for this question was 22. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Slovakia 2025.

COMPARED TO THE DEVELOPMENT IN THE PAST 12 MONTHS, WHAT ARE YOUR EXPECTATIONS FOR THE COMING 12 MONTHS FOR YOUR INDUSTRY IN SLOVAKIA REGARDING TURNOVER?



NOTE: The number of respondents for this question was 22. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Slovakia 2025.

Investment plans reveal strategic split across company profiles

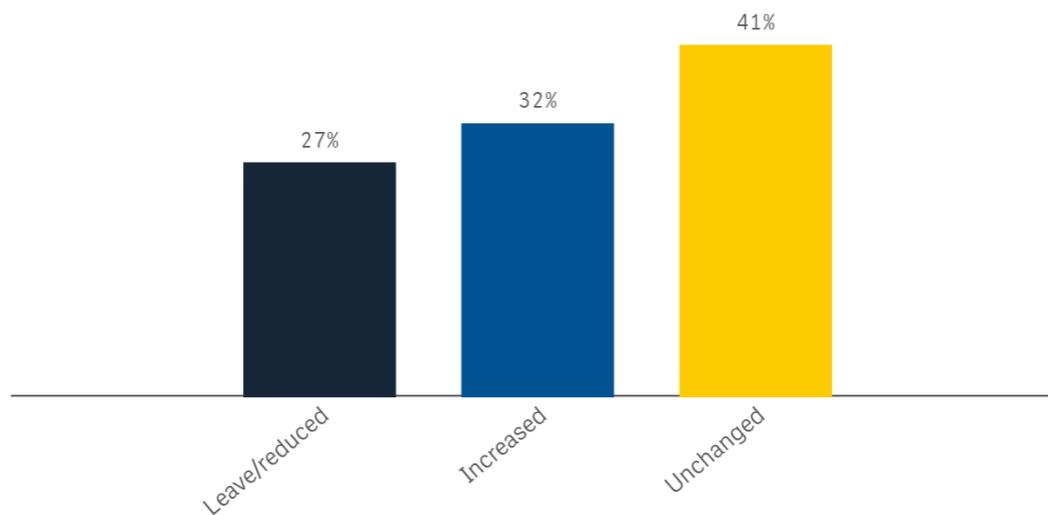
Investment plans for the coming year paint a more fragmented picture. While a plurality (41 per cent) of companies expect to maintain current levels, nearly a third (28 per cent) foresee reductions, and another third expect to increase their investments. This divergence signals that companies are reacting to local market conditions with varied strategies.

Company size plays a role: large firms show both the highest intentions to leave the market (21 per cent) and the widest range of investment strategies, from reductions to significant increases. Small firms, although fewer in number, leaned toward caution, with one-third planning reductions and none anticipating increases. Medium-sized firms were more expansionary, with two-thirds expecting to increase investments.

Segment-wise, professional services companies again showed the strongest forward momentum, with 38 per cent planning increases and only 13 per cent signalling cutbacks. Industrial companies appeared more cautious, with 50 per cent indicating either market exit or reduced investments.

Among company age groups, all newcomers indicated plans to significantly increase investments—albeit based on a very small group. Mature firms mostly plan to maintain or modestly increase investment, while experienced firms are split, with signs of both expansion and contraction and the highest share indicating plans to leave the market (29 per cent).

WHAT ARE YOUR COMPANY'S INVESTMENT PLANS FOR THE COMING 12 MONTHS IN SLOVAKIA, COMPARED TO THE PAST 12 MONTHS?



NOTE: The number of respondents for this question was 22. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Slovakia 2025.

THE MARKET

A long-standing and diverse Swedish footprint in Slovakia

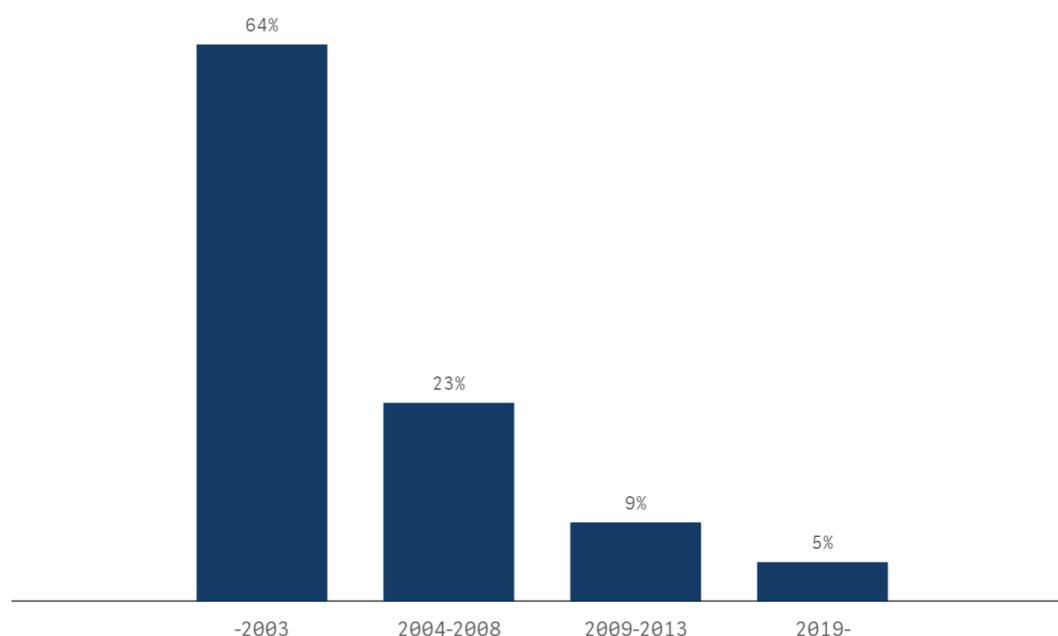
Swedish companies have maintained a long-standing presence in Slovakia, reflecting deep-rooted business ties and continued confidence in the Slovak market. A clear majority of the surveyed companies, 64 per cent, established their local operations prior to 2003, indicating that Swedish business activity in Slovakia has been ongoing for over two decades. Many of these early entrants likely arrived during the wave of foreign investment that followed Slovakia's economic liberalisation and integration into European structures.

Another 23 per cent of respondents entered the market between 2004 and 2008, a period marked by Slovakia's accession to the European Union and increased regional economic dynamism. This second wave of Swedish investments coincides with the country's efforts to modernise its economy and strengthen its position as a manufacturing and logistics hub in Central Europe.

Only 14 per cent of companies established operations after 2009, suggesting that while new entries continue, much of the current Swedish corporate landscape in Slovakia is shaped by long-established actors. These firms, with their accumulated experience and local networks, are well-positioned to navigate both opportunities and challenges in the Slovak market.

The presence of Swedish companies across sectors such as industrial manufacturing, professional services, and consumer goods also reflects the diversity and adaptability of Swedish business interests in Slovakia. Their continued engagement speaks to the perceived stability and strategic value of Slovakia as a business destination within the region.

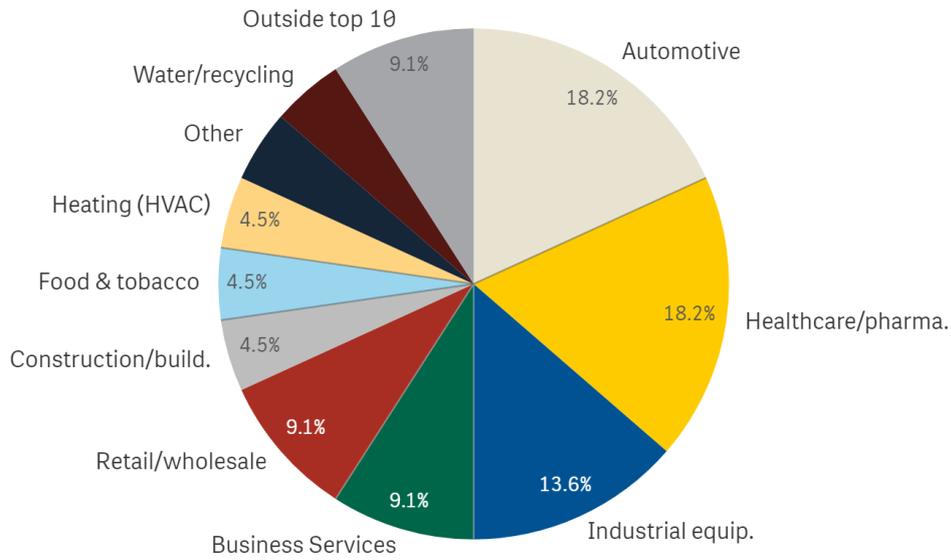
IN WHAT YEAR DID YOUR COMPANY ESTABLISH OPERATIONS IN SLOVAKIA?



NOTE: The number of respondents for this question was 22. "Don't know/Not applicable" responses are included but not shown in the figure.

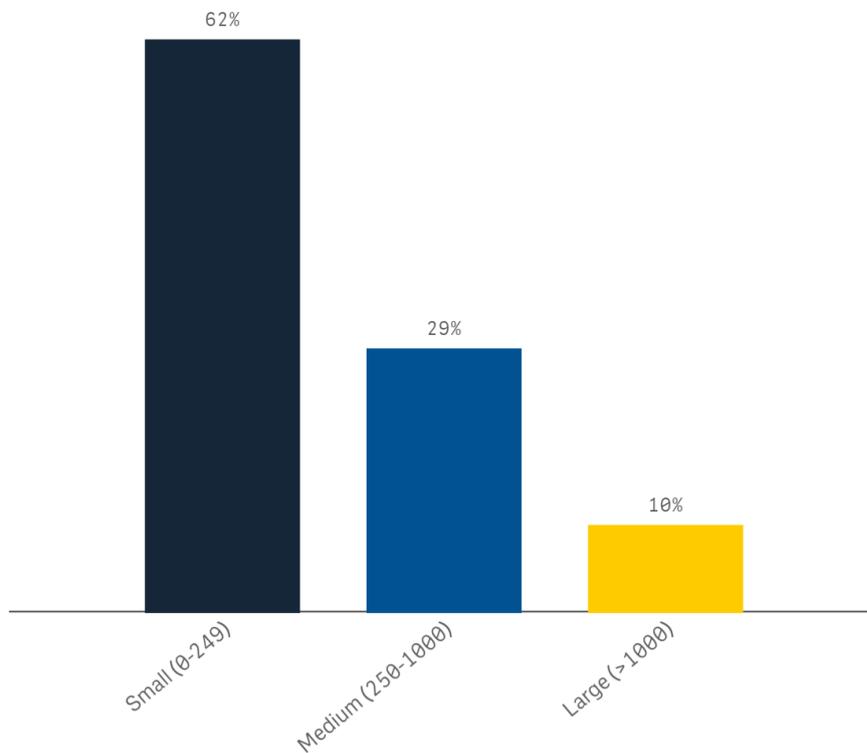
SOURCE: Business Climate Survey for Swedish companies in Slovakia 2025.

WHAT IS YOUR COMPANY'S MAIN INDUSTRY IN SLOVAKIA?



NOTE: The number of respondents for this question was 22. "Don't know/Not applicable" responses are included but not shown in the figure.
 SOURCE: Business Climate Survey for Swedish companies in Slovakia 2025.

SWEDISH FIRMS' LOCAL NUMBER OF EMPLOYEES IN SLOVAKIA IN 2025



NOTE: The number of respondents for this question was 21. "Don't know/Not applicable" responses are included but not shown in the figure.
 SOURCE: Business Climate Survey for Swedish companies in Slovakia 2025.

Business climate marked by concern and demand for reform

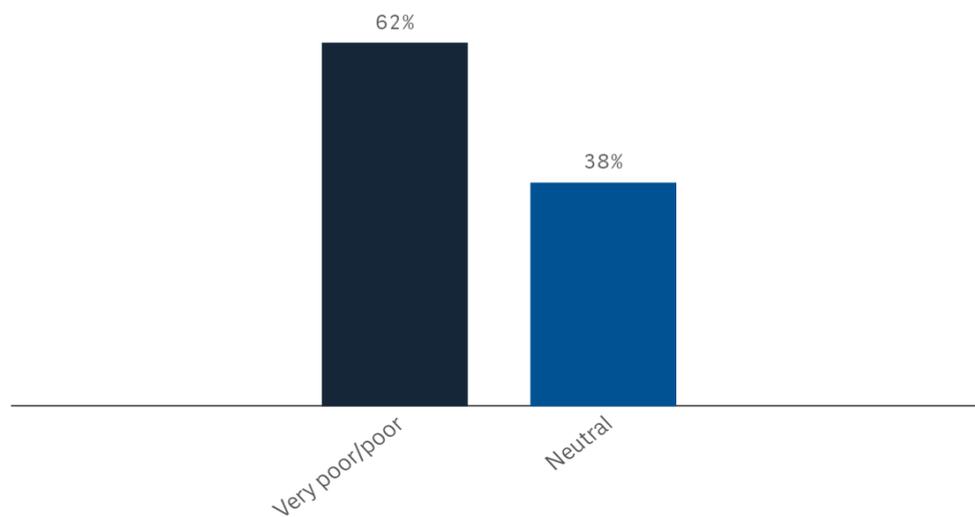
A significant portion of respondents, 62 per cent, describe the environment as either poor (38 per cent) or very poor (24 per cent), while the remaining 38 per cent view it as neutral. Notably, none of the companies characterised the business climate as good or very good, marking a clear sentiment of concern or dissatisfaction across the board.

While the reasons behind these views are explored in greater depth in the following sections, this overall perception points to growing challenges in the Slovak business environment. The data highlights a mix of structural and policy-related issues. Long-standing concerns include regulatory complexity, cost developments, and labour shortages. However, several respondents also pointed to more acute recent developments, particularly in relation to the political climate and government decision-making.

Swedish companies emphasised that uncertainty around Slovakia's political direction and economic governance has had a tangible impact on investment decisions. Several respondents cited the government's stance towards the EU, increased polarisation in society, and weakened transparency as contributing to a deteriorating perception of the business environment. One company noted: *"The major impact on business in Slovakia is the current political situation and government. Due to many poor decisions, the country is no longer competitive within Europe, leading to the cancellation of foreign investments."*

Others pointed to corruption in state institutions, erratic legislative changes, and rising costs, such as VAT increases, labour, and corporate taxes—implemented without prior consultation. *"VAT changes have not even been announced in advance, making it hard for businesses to prepare and adapt,"* one respondent explained.

At the same time, it is worth underlining that despite these challenges, many companies continue to maintain their presence in Slovakia and express a long-term interest in the market. The prevailing tone, however, indicates a desire for meaningful reforms, particularly around governance, transparency, and business regulation- to support renewed confidence and enable further investment.

HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN SLOVAKIA?

NOTE: The number of respondents for this question was 21. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Slovakia 2025.

Strong fundamentals challenged by bureaucratic and digital barriers

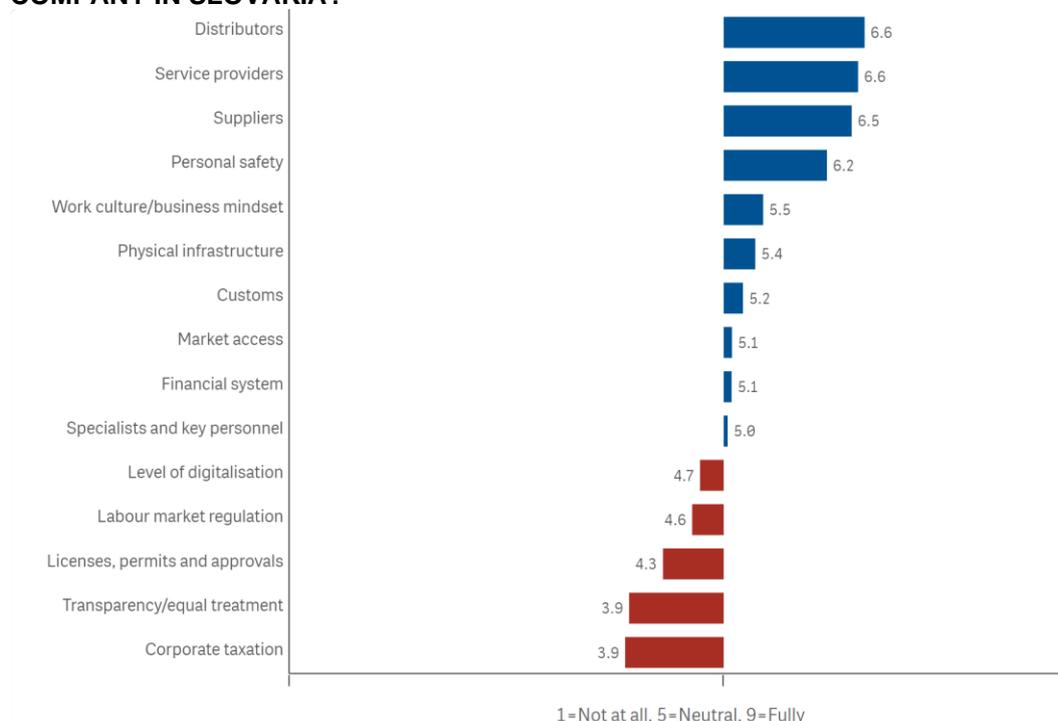
When asked to rate various conditions for doing business in Slovakia, Swedish companies highlighted a mix of strengths and structural challenges. The most positively perceived aspects were access to distributors and service providers, both rated at 6.6 out of 9, closely followed by supplier networks at 6.5. These ratings suggest that Swedish firms generally find the local business ecosystem to be well-functioning in terms of basic operational needs and partnerships.

Personal safety also received a relatively high score (6.2), pointing to a stable and secure environment for both expatriate and local staff, an important consideration for long-term business engagement.

In contrast, several systemic issues were identified as key challenges. Transparency and equal treatment, as well as corporate taxation, were among the lowest-rated areas, both scoring 3.9. This indicates ongoing concerns about predictability and fairness in the business environment. Other areas with low satisfaction include licensing and permit processes (4.3), labour market regulation (4.6), and the level of digitalisation (4.7). These factors may create friction for companies trying to scale or adapt operations to new demands.

The results suggest that while the operational basics are in place, Swedish companies in Slovakia would welcome reforms that improve administrative efficiency, regulatory clarity, and institutional transparency to create a more attractive business climate overall.

HOW WELL DO THE FOLLOWING CONDITIONS MEET THE NEEDS OF YOUR COMPANY IN SLOVAKIA?



NOTE: The number of respondents for this question was 22.
SOURCE: Business Climate Survey for Swedish Companies in Slovakia 2025.

Regulatory issues and financial access top list of trade barriers

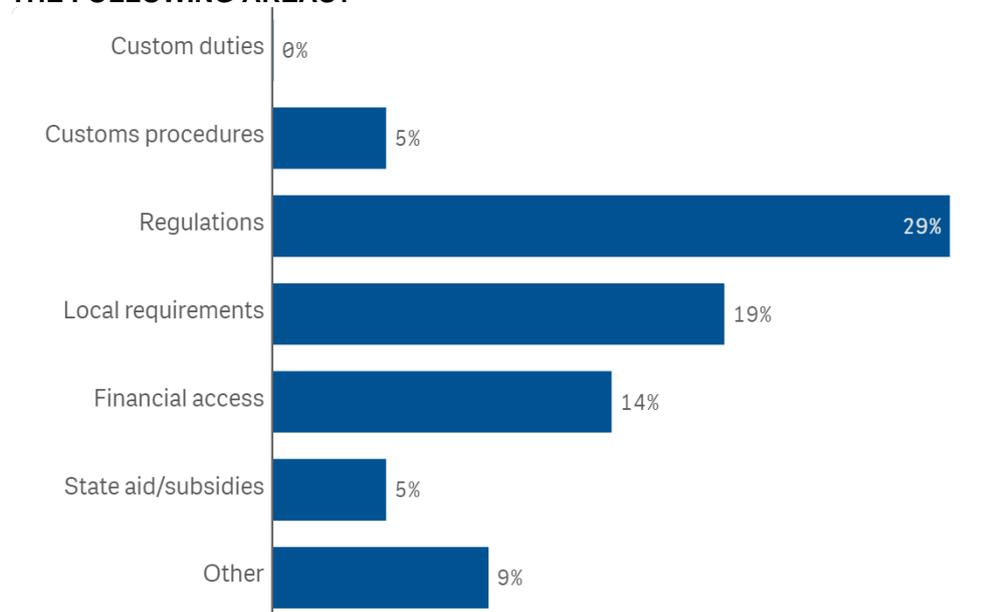
Regulations were the most frequently cited area, with around one-third of companies (29 per cent) indicating that they experienced some negative impact. This suggests that regulatory matters remain an area that may require continued attention, particularly in terms of clarity, consistency, or administrative burden.

Other reported issues include local requirements (19 per cent) and financial access (14 per cent), indicating that adapting to domestic conditions and navigating the local financial system may pose challenges for some companies, depending on their size, industry, or stage of establishment.

Fewer companies identified customs procedures (five per cent) or state aid/subsidies (5 per cent) as problematic, and customs duties were not cited at all. This reflects the general benefits of Slovakia's EU membership, where intra-European trade is largely free of tariffs and major barriers.

Overall, while the Slovak market functions relatively smoothly for many, some Swedish companies continue to face practical and regulatory obstacles that can complicate their operations. These findings underline the importance of ongoing dialogue between businesses and authorities to ensure a predictable and supportive business environment.

HAS YOUR COMPANY IN THE PAST YEAR ENCOUNTERED TRADE BARRIERS IN SLOVAKIA WITH A NOTICEABLY NEGATIVE IMPACT ON OPERATIONS, IN ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 22.
SOURCE: Business Climate Survey for Swedish Companies in Slovakia 2025.

HOW SWEDISH COMPANIES SUCCEED IN SLOVAKIA

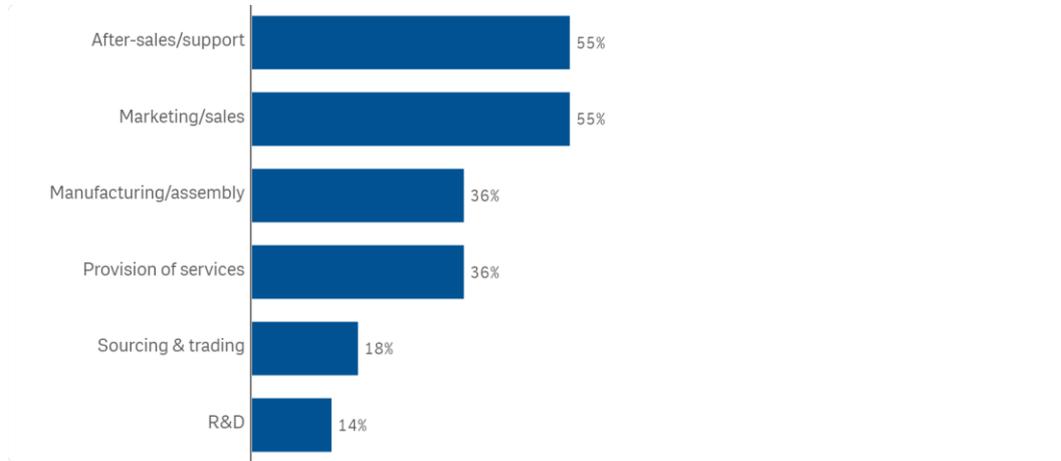
Sales and support functions drive Swedish business operations

Swedish companies in Slovakia are engaged in a diverse range of activities, reflecting the country’s role as both a production base and a strategic market in Central Europe. The most common operations are after-sales/support and marketing/sales, each carried out by 55 per cent of the respondents. This indicates a strong focus on customer relations and market presence, highlighting Slovakia’s importance not only for manufacturing but also for reaching customers in the region.

Manufacturing and assembly, as well as the provision of services, are also relatively common, with 36 per cent of companies active in these areas. This suggests that Slovakia continues to offer attractive conditions for operational activities, likely due to its skilled workforce, geographical location, and integration within European supply chains.

Other activities, such as sourcing and trading (18 per cent) and research and development (14 per cent), are less common but still noteworthy, indicating a degree of strategic and value-added engagement in the market. While R&D is less prevalent, its presence signals potential for future growth in innovation-driven operations.

OPERATIONS OF SWEDISH FIRMS IN THE MARKET



NOTE: The number of respondents for this question was 22. “Don’t know/Not applicable” responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Slovakia 2025.

Sales competence and staff development underpin competitiveness

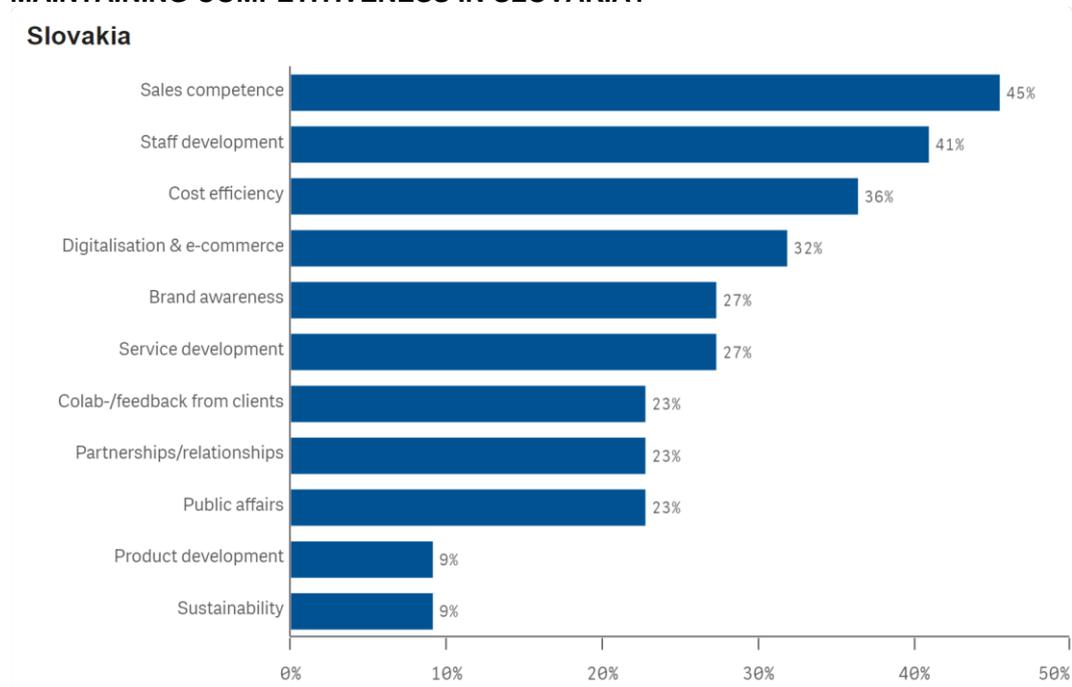
When asked to identify the most important factors in maintaining competitiveness in Slovakia, Swedish companies pointed primarily to sales competence (45 per cent) and staff development (41 per cent). This reflects the continued importance of strong customer engagement and investing in employees' skills and capabilities, both of which are vital in a competitive and evolving market.

Cost efficiency (36 per cent) was also among the top responses, which is consistent with Slovakia's historical role as a cost-competitive location within Europe. At the same time, nearly one-third of companies (32 per cent) highlighted digitalisation and e-commerce as important, underlining a gradual shift toward more tech-driven strategies and operations.

Mid-tier responses included brand awareness and service development (both 27 per cent), followed closely by collaboration or feedback from clients, partnerships and relationships, and public affairs (each 23 per cent). These responses suggest that while operational and internal capabilities are central, companies are also recognising the growing value of stakeholder interaction and market positioning.

Relatively few companies cited product development (nine per cent) or sustainability (nine per cent) as key drivers of competitiveness to date. This does not necessarily indicate low interest in these areas but could reflect that such initiatives are either managed outside the Slovak operations or are still emerging priorities within the market. The responses highlight a balanced focus on people, performance, and digital capabilities, core elements that many Swedish companies rely on to remain competitive in Slovakia.

TO DATE, WHICH OF THE FOLLOWING AREAS HAVE BEEN IMPORTANT IN MAINTAINING COMPETITIVENESS IN SLOVAKIA?



NOTE: The number of respondents for this question was 22. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Slovakia 2025.

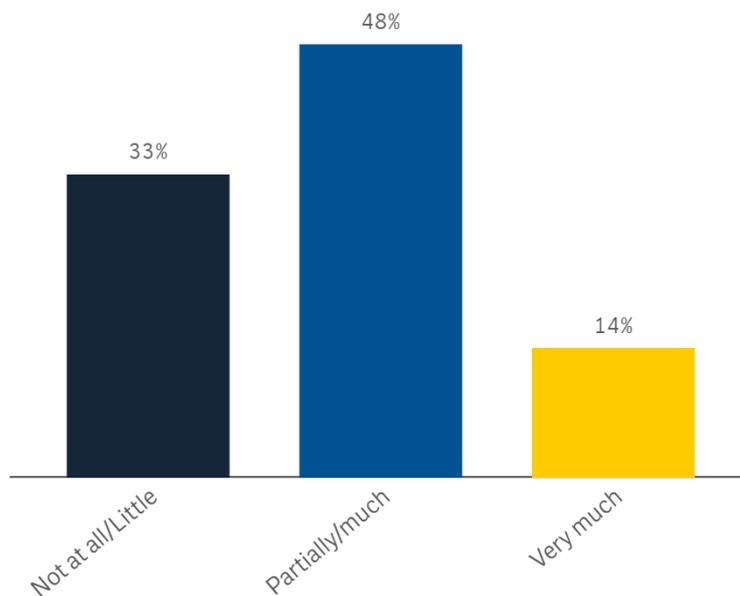
Swedish brand offers added value

Swedish companies generally perceive the national brand as a supportive asset in the Slovak market, although the degree of impact varies. Many respondents (48 per cent) indicated that the Swedish brand contributes partially or much to their business, while a smaller share (14 per cent) considers the contribution to be very much. At the same time, a third of companies (33 per cent) noted that it adds little or no value.

When broken down by company characteristics, perceptions vary across sizes and segments. Some larger companies and industrial players were among those reporting stronger recognition of the Swedish brand, whereas others – particularly in the professional services segment or newer establishments- tended to express more limited benefits.

The findings suggest that while “Sweden” continues to carry a generally positive reputation, especially in areas such as quality, trust and sustainability, its impact may depend on the sector, visibility, and how actively the brand is leveraged in local business strategies.

TO WHAT EXTENT WOULD YOU ESTIMATE THAT THE “SWEDISH BRAND” CONTRIBUTES TO YOUR BUSINESS IN SLOVAKIA?



NOTE: The number of respondents for this question was 21. “Don’t know/Not applicable” responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Slovakia 2025.

ACTING SUSTAINABLY

Sustainability gains traction in a cost-conscious market

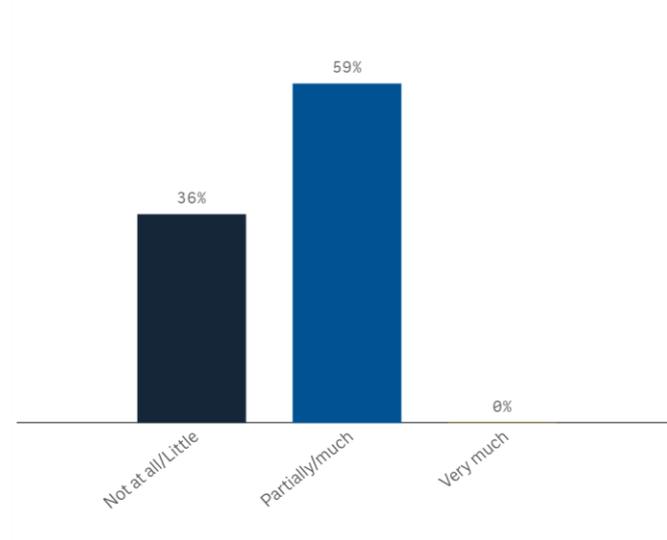
Swedish companies operating in Slovakia offer a nuanced view of the role sustainability plays in customer purchasing decisions. While 59 per cent of respondents believe that environmental considerations are partially or much considered, a significant share, 36 per cent, feel these aspects are valued very little or not at all. This suggests that sustainability is increasingly present on the agenda, though not yet a central driver for most Slovak customers.

Larger companies appear more likely to perceive a stronger demand for environmentally conscious products and services, with half indicating a high degree of interest. In contrast, smaller companies were more likely to report limited customer focus on environmental aspects. Sectoral differences are also evident: while the consumer segment unanimously reported strong sustainability awareness among customers, professional services reported the lowest levels of engagement. Among company age groups, experienced firms were most likely to perceive demand, while newcomers and mature companies were more split.

The responses illustrate both optimism and frustration. Several companies stress their commitment to sustainability, aiming for CO₂ neutrality and embedding environmental responsibility into their core operations. However, many also highlight barriers such as limited government support, a lack of incentives for green solutions, low public awareness, and cost sensitivity, particularly in the public sector, where tenders often prioritise price over quality and sustainability.

There is a notable gap between global sustainability ambitions and local market conditions. Larger multinational players seem to be leading the way but are often constrained by a lack of systemic support in Slovakia. While environmental considerations are gradually gaining importance, companies note that awareness and willingness to pay for sustainable solutions still have room to grow- especially among smaller enterprises and in sectors governed by public procurement.

TO WHAT EXTENT DO CUSTOMERS IN SLOVAKIA CONSIDER ENVIRONMENTAL ASPECTS OF A PRODUCT OR SERVICE IN THEIR PURCHASING DECISION?

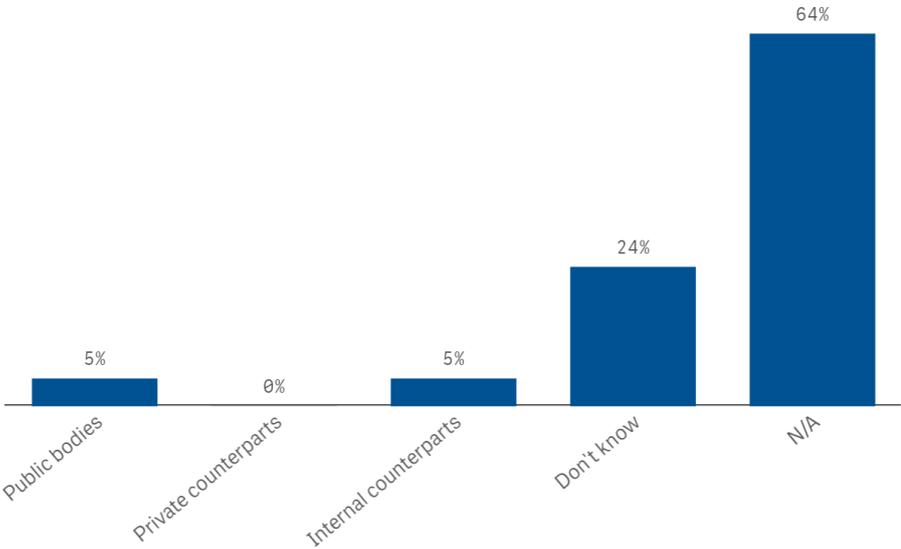


NOTE: The number of respondents for this question was 22. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Slovakia 2025.

Corruption concerns are limited but still present

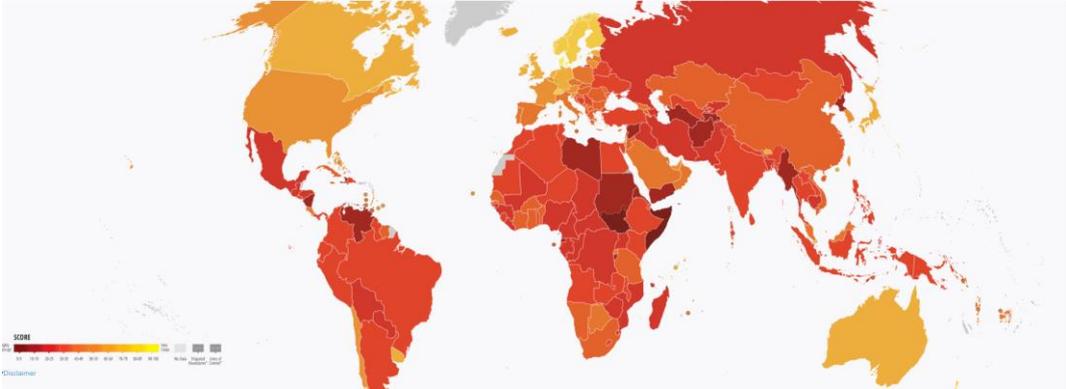
HAS YOUR COMPANY IN SLOVAKIA BEEN EXPOSED TO CORRUPTION SUCH AS, BUT NOT LIMITED TO, ATTEMPTS OF BRIBERY OR FRAUD IN CONTACTS WITH ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 22. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish companies in Slovakia 2025.

CORRUPTION PERCEPTION INDEX 2024



NOTE: Slovakia holds a score of 49 out of 100, securing 59th position globally.

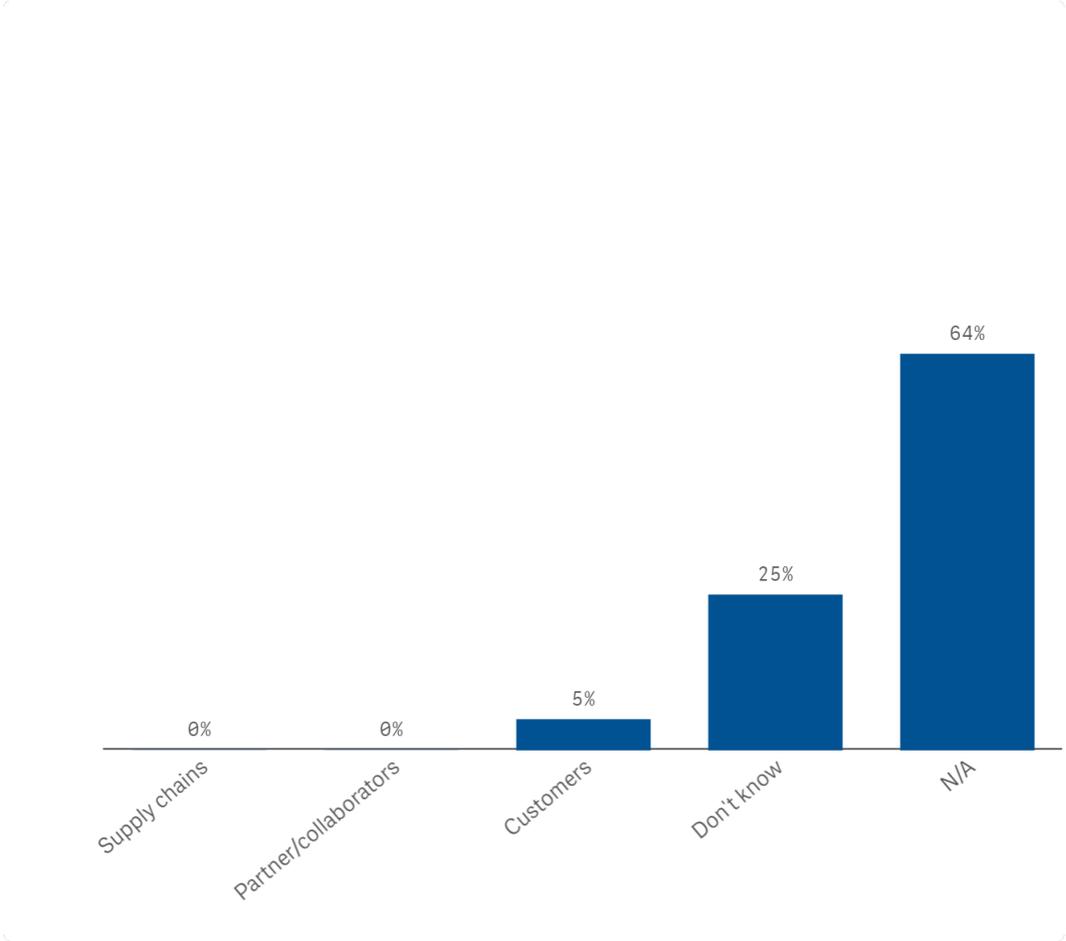
SOURCE: Transparency International.

Low concern for human rights violations across sectors

Most Swedish companies operating in Slovakia report no encounters with human rights or labour rights violations in their local operations. In fact, 64 per cent marked the question as not applicable, and an additional 25 per cent responded “Don’t know,” indicating limited engagement or exposure to the topic in their day-to-day business. Only a small share, five per cent, reported issues in relation to customers.

Looking at the breakdown, reported incidents were limited to a few cases among large companies and mature firms. Within the consumer segment, 33 per cent indicated having experienced some form of customer-related human rights concerns. While the sample is small, this points to a potential risk area for companies operating in close contact with end users or public-facing sectors.

HAS YOUR COMPANY IN SLOVAKIA ENCOUNTERED ANY FORM OF HUMAN RIGHTS VIOLATIONS AND/OR LABOUR RIGHTS ABUSE IN CONTACTS WITH ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 22. Don't know/Not applicable" responses are included but not shown in the figure.
SOURCE: Business Climate Survey for Swedish companies in Slovakia 2025.

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