



N A T I O N A L
A G E N C Y F O R
D E V E L O P M E N T
O F S M A L L
A N D M E D I U M
E N T E R P R I S E S

Annual report

1999

Slovak Republic



National Agency for Development of Small and Medium Enterprises
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CONTENTS

Address of the Chairman of the Board of Trustees	4
Address of the General Director of NADSME	5
Institutional Network for the Support of Small and Medium Enterprises	6
Co-ordination activities	10
Financial Support Programmes	12
Information Provision and International Co-operation	16
Subcontracting	18
Disbursement of Funds for the Support of Small and Medium Enterprises, the Financial and Property Situation of NADSME as of 31/12/1999	20
Organisational Structure of NADSME	22
Statutory bodies of NADSME	23
Management of NADSME	23

ADDRESS OF THE CHAIRMAN OF THE BOARD OF TRUSTEES

Continual development of the world economy and the process of globalization requires continuous adaptation of national economies to new conditions. Therefore one of the most highly rated qualities of an enterprise in the strategy of an economy is its flexibility, effectivity in creation of new jobs and adequacy in investment pretension.

The economical experts of developed and developing economies realize the fact that these requirements are best fulfilled by small and medium enterprises (SMEs). By supporting the development of SMEs sector they endeavour to build up a healthy, progressive and competitive business environment.

On the other hand one the main characteristics of SMEs is their vulnerability especially at the first stage of their existence. That is why the quality of business environment is vital for SMEs even more than it is for large enterprises. In this field there is still much to do and SMEs must overcome many difficulties and obstacles nowadays.

The support of SMEs as one of the priorities in the transformation process of the Slovak economy is therefore clearly defined in the Programme declaration of the Slovak government. The aim of this process is to create such a business environment which would by keeping the regulations in competition enable a healthy development of SMEs in Slovakia and would strengthen international competitiveness of our enterprises and their successful foray to new markets. One of the positive steps taken by our government in 1999 was the establishment of the Government Council for SMEs, which prepares proposals for such changes in business environment which would help to fulfil the above mentioned goals. The State officials as well as the representatives of entrepreneurs and the Parliament are proportionally represented in this council.

NADSME was established on the basis of agreement between the Government of the Slovak Republic and EU Commission as an implementation unit of support programmes funded from the State Budget and PHARE Programme. The institutional support of SMEs represented by NADSME and the existing network of regional advisory centers plays very significant role in implementation of this state policy.

Effective implementation of these programmes by keeping business competition rules helps to overcome barriers that are hindering development of small and medium enterprises.

In 1999 State Aid Act was accepted which beside others changes the definition of SMEs in such a way that complies with the recommendations of the European Commission. The acceptance of this act means a significant step taken in the process of the approximation of the national law to the EU legislation.

Succesfulness in management with new requirements which are layed on NADSME constantly requires an enormous effort from the side of its employees and improvement of their working methods. Last but not least, it is important to mention that the fulfillment of these tasks in the future is fully dependant on the capability of gaining sufficient financial means for the support of SMEs. Thanks to continual restructuring of the Slovak banking sector and to the increased activity of international finance institutions we are experiencing positive changes in this field.

Finally let me express my gratitude to all members of the Supervisory Board and the Board of Trustees of NADSME who contributed with their knowledge and valuable advices to the successful implementation of support programmes in 1999.

Ján Oravec

Chairman of the NADSME's Board of Trustees



ADDRESS OF THE GENERAL DIRECTOR OF NADSME

Small and medium enterprises play very significant role in our society which is undergoing hard transition period of the national economy. Successfulness of this complicated process lies in the development of small and medium enterprises (SMEs) and that is why support of this sector belongs to the priorities of the Slovak Government.

In general it can be stated that this sector shows continuous positive trend and its macroeconomic indexes are comparable with those of the average values achieved in the countries of the European Union. Future development of SMEs depends mainly on favourable and motivating business environment, which has not yet reach parameters common in countries with advanced market economy. Therefore it is very important to have tools to remove or soften distortions in business environment during its transformation period.

National Agency for Development of Small and Medium Enterprises is an institution which has been successfully initiating and implementing wide range of support programmes. The aim of these activities is to speed up and facilitate the process of strengthening the SMEs position in the Slovak Economy. Even if this task is not an easy one in close cooperation with the Ministry of Economy, associations of entrepreneurs as well as with experts from EU countries, we succeed in fulfilling given objectives and thus offer SMEs programmes, which assist them to overcome existing barriers in business activities.

From this point of view the year 1999 can be characterised as a year of gradual transition from the support of extensive growth of the SMEs sector to the intensive one. Therefore NADSME prepared two pilot support programmes for implementing the quality management systems and progressive technology transfers. Of course we have continued in realization of proven programmes either in provision of complete advisory and information services or in implementation of financial support programmes.

It is also important to mention that NADSME has played very significant role in the negotiating process with the Commission of the European Union concerning the approximation of law, regulation, and recommendations valid in EU member countries in the area of SMEs. Already now we can state the process was ongoing successfully and the chapter on SMEs has been included among introductory chapters which would be opened at the first round of negotiations about the accession of the Slovak Republic to the European Union.

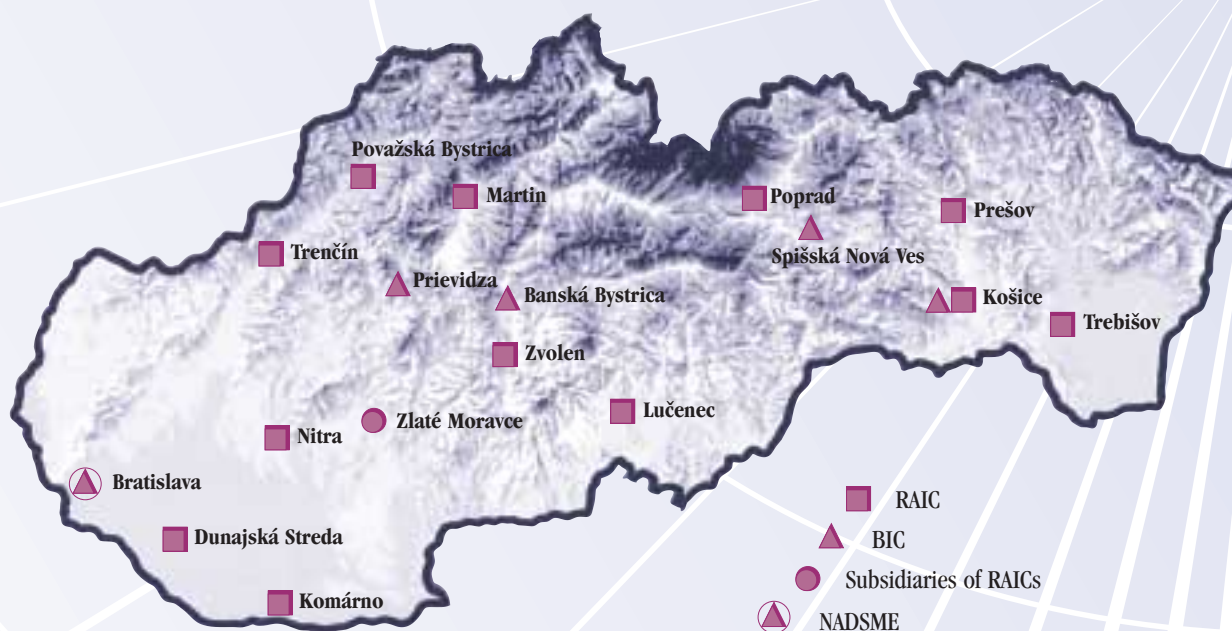
The aim of this report is to provide comprehensive information about these important activities and programmes implemented and about the results achieved in 1999 to wide professional public and to entrepreneurs as well.

At the same time let me take the opportunity to express thankfulness to the cooperating institutions for their contribution during the period of preparation and implementation of the individual programmes as well as challenge for all those who are interested in entering actively to this process in the coming period.

Juraj Majtán
General Director



INSTITUTIONAL NETWORK FOR THE SUPPORT OF SMALL AND MEDIUM ENTERPRISES (SME)



Counselling and training are important parts of the SME support system in the Slovak Republic. Therefore in 1999, the National Agency for the Development of Small and Medium Enterprises (NADSME) implemented programmes oriented towards the provision of advisory services and organisation of training and workshops for SMEs, with the aim to improve the business and management skills of entrepreneurs. The support programmes were funded from the PHARE programme and from the state budget of the Slovak Republic.

At the regional level, programmes were implemented through the institutional support network of 12 Regional Advisory and Information Centres (RAIC) and 4 Business and Innovation Centres (BIC). RAIC/BIC provided potential entrepreneurs and existing small and medium-sized entrepreneurs with comprehensive advisory and information service in areas related to business.

By means of advice, training and implementation of regional projects, in co-operation with other involved institutions and organisation, the development of individual regions is supported in a focused manner, and inclusion in international projects and activities is assisted.

Advisory and Information Services

In 1999 the network of RAICs and BICs provided a total of 2,997 professional consultations to start-ups including unemployed and 3,639 professional consultations to existing entrepreneurs. Of this, 58 % was partially or fully subsidised from the Phare programme and from the State Support Programme, 42 % of consultations.

For loan raising purposes, either within financial support programmes or from commercial sources, RAIC/BIC prepared or completed 336 and assessed 211 business plans.

The network contributed with its activities to create and maintain 7,473 jobs and assisted in the establishment of 313 new businesses.

Training

During the year, regional centres organised 115 training courses with the participation of 1,947 entrepreneurs and their employees. The training and workshops were oriented towards the support of SMEs, regional development, cross-border co-operation, establishment of businesses by various social groups (unemployed, young, women, etc.), accounting, taxes, financial management, tourism, preparation of a business plan, marketing, loans, export, quality management systems, etc.

For unemployed who are interested and able to establish their own business, 37 courses were held through the comprehensive training and counselling programme (CTCP) in 1999. These courses were organised by the association CEPAC Slovakia in co-operation RAICs/BICs and by the other regional supporting institutions. During the same period, graduates of the programme founded 206 new businesses. During 1994 – 1999, a total of 2,152 unemployed attended the programme in 156 courses. 943 new businesses were established. Within new businesses, 347 additional jobs were created. 387 graduates of the program found new jobs.

NADSME in co-operation with the Centre for Cleaner Production at the Slovak Technical University (STU) organised training for SMEs that are interested in implementing environmental management systems.

Regional Projects

With the aim to support the development of the regions of Slovakia, NADSME funded from PHARE funds a project for the development of tourism in the region of Spiš and Gemer. The project is focused on the preparation and publication of a four-lingual guide for the Gothic Route, which will explain the history of monuments that are located along this unique road for tourists.

The aim of the project is to increase number of visitors to the region by means of better information and quality promotion.

Improving the Quality of Counselling Services

One of the basic objectives of NADSME is a continuous improvement and extension of counselling and training services provided to SMEs, in order to meet their needs to the maximum possible extent.

With the objective to acquire up-to-date information on SMEs problems and requirements in counselling and training, the needs analysis started last year.

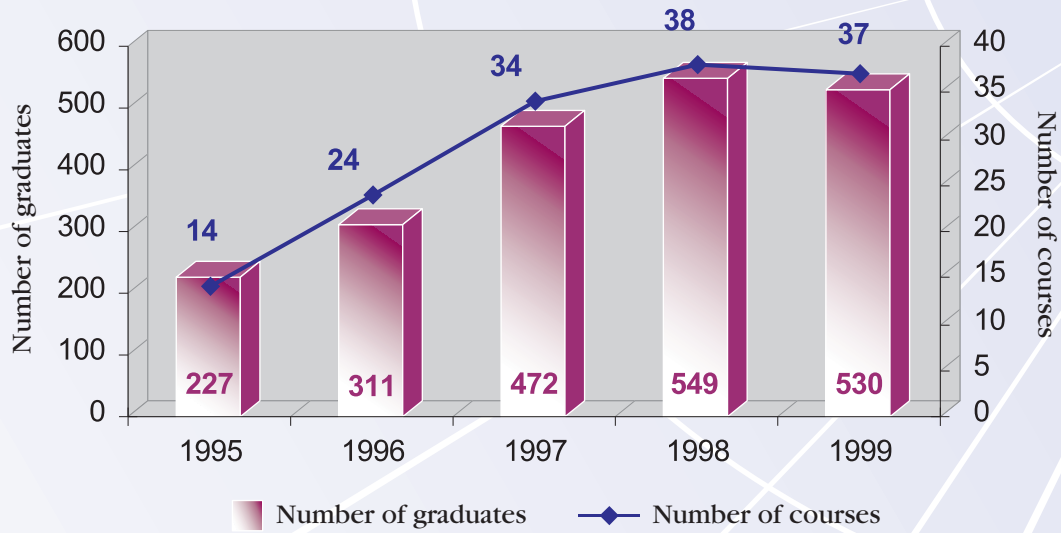
The analysis was implemented by RAIC Zvolen as a pilot project in the Region of Banska Bystrica with financial support from the Phare Programme and other donors.

Support for the Implementation of Quality Management Systems

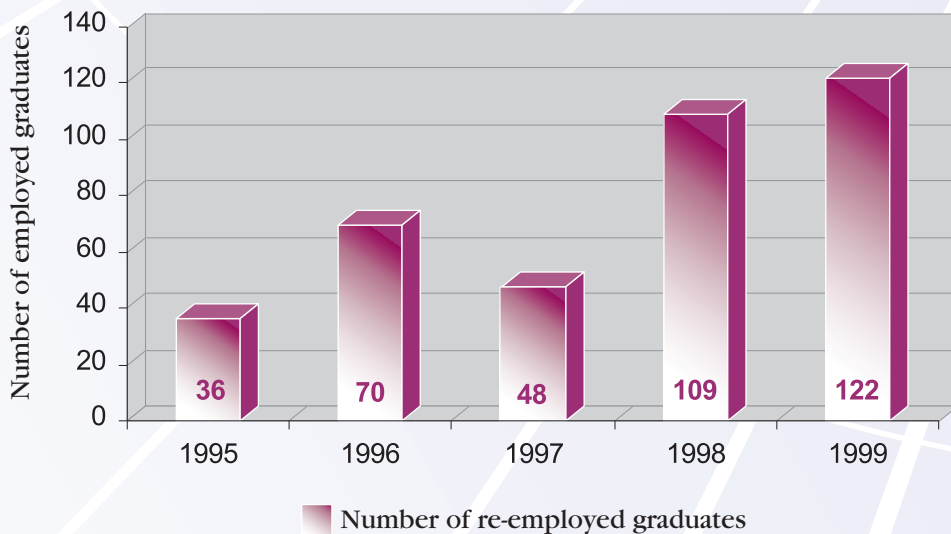
In 1999, NADSME extended the range of support programmes for SMEs with a new grant program for the implementation of quality management systems – QUALITY, which was funded from the state budget of the SR. The objective of the programme is the reinforcement of the competitiveness of the SME sector by improving the quality of products and services, and to increase of number of SME certified according to ISO 9000 standards.

The overall number 14 applications were submitted by 10 businesses. The Commission for the Approval of Grants approved 11 applications submitted by 8 businesses. Until the end of 1999, 3 grants for counselling and training and 2 grants for the certification process for a total of 3 businesses were implemented.

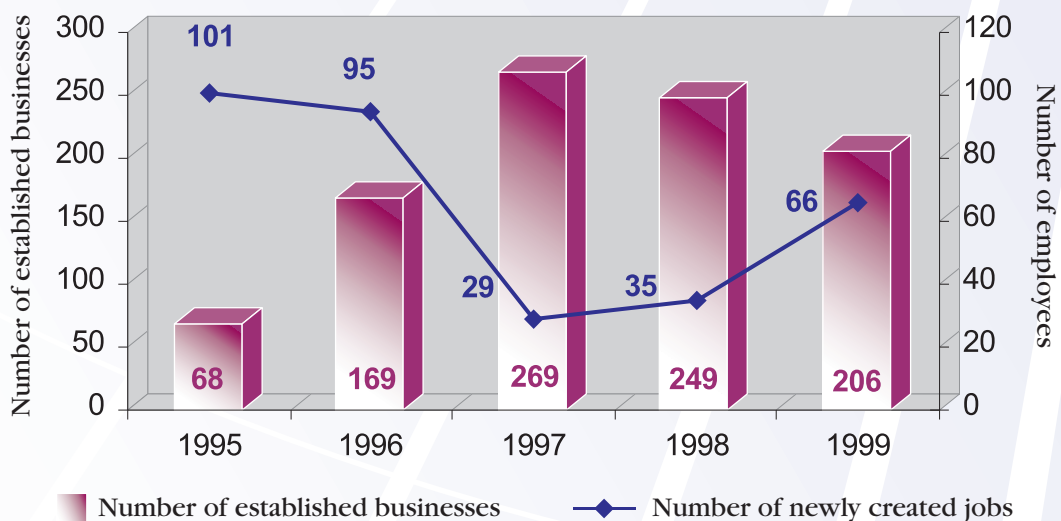
Comprehensive Counselling and Training Programme – CEPAC



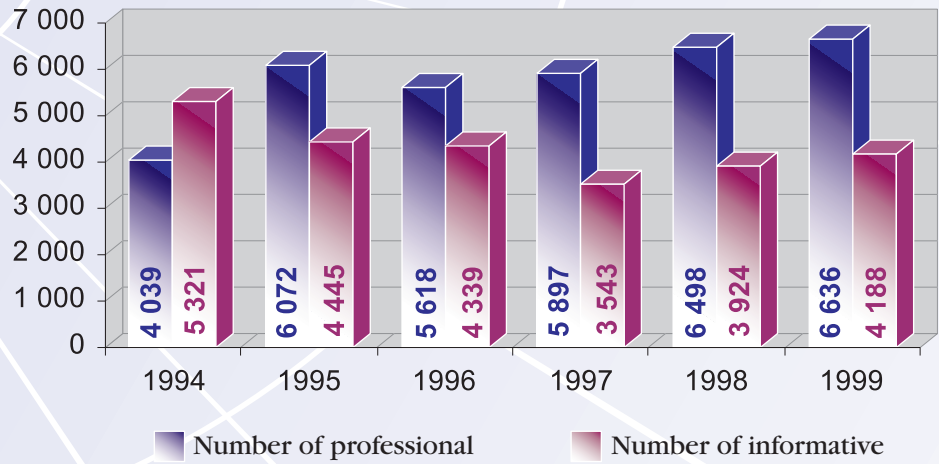
Comprehensive Counselling and Training Programme – CEPAC



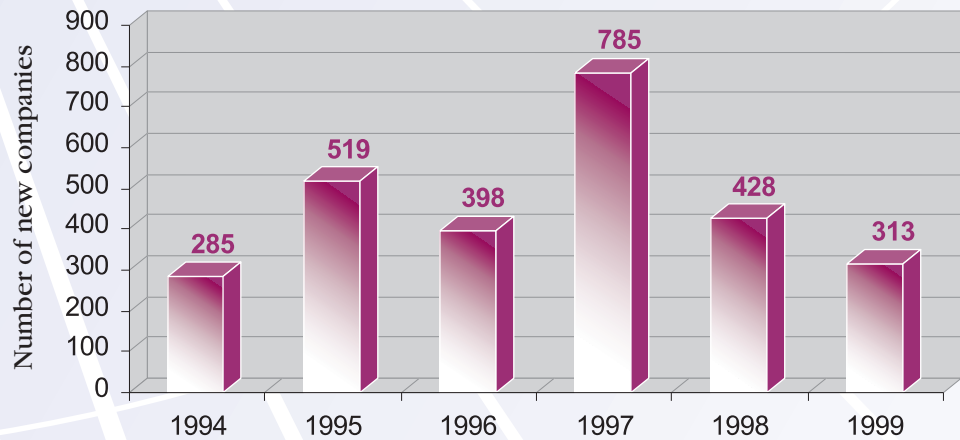
Comprehensive Counselling and Training Programme – CEPAC



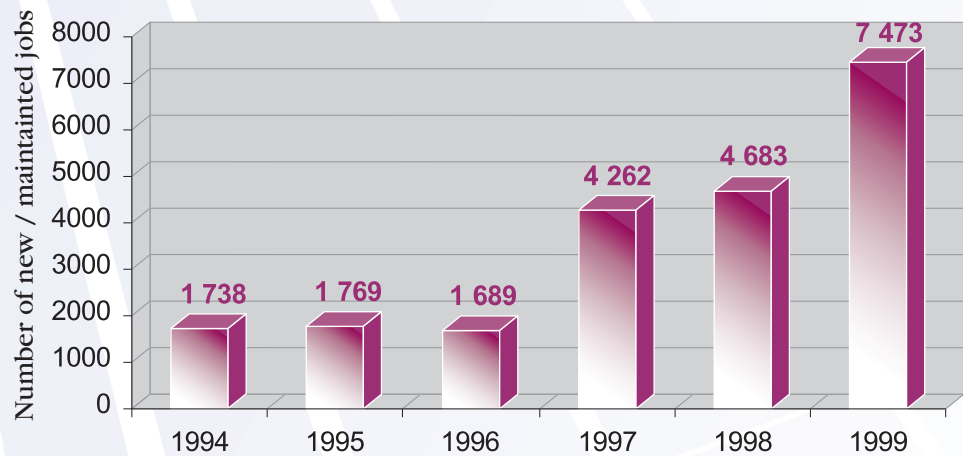
Number of Consultancies in 1994 – 1999



Number of New Companies established with assistance of RAICs/BICs



Number of New / Maintained Jobs with assistance of RAICs/BICs



CO-ORDINATING AND LEGISLATIVE ACTIVITIES

In the previous year the aim of co-ordinating and legislative activities was also the gradual improvement of the business environment. Concerning this, NADSME was focused on:

- support in the implementation of state support and development of SMEs,
- co-operation with institutions associated to entrepreneurs,
- information activities,
- activities of NADSME within the NPAA,
- support for the restructuring of industry.

Co-operation by the Implementation of State Support and Development of SMEs

NADSME was authorised, based upon the Governmental Decision no. 740/1994, by the Ministry of Economy of the Slovak Republic to prepare The Report on the State of SME and its Support in the Slovak Republic, which is submitted annually to the Government and the National Council of the SR. In 1999 the Report submitted several proposals for the improvement of the business environment. The most essential from amongst them, i.e., in the field of reduction of taxes for entrepreneurs and introduction of the category of lump-sum taxes for selected areas of business, were accepted and approved by the Government and the NR SR by the end of 1999. The co-operation with central bodies and organisations associated to entrepreneurs was also reflected within the frameworks of the draft law no. 231/1999 Col. of Laws, on state support, amendment of the Business Law, and on draft of actions for the improvement of co-ordination of bodies of territorial state administration, local governments and corresponding components of public administration funds, especially by the support of SME in regions and projects on local infrastructure, where representatives of the NADSME did actively participate by the preparation of such documents. The NADSME actively participated in the proposal for the constitution of the Council of the Government for Small and Medium-sized Enterprises, where it is also represented.

Co-operation with Institutions that Associate Entrepreneurs

NADSME actively co-operates with institutions associated to entrepreneurs or business people. This co-operation is reflected by several projects supported from the PHARE program, which are aimed to assist associations of entrepreneurs mainly by building up their infrastructure and technical development. Last year, such projects were implemented with the following:

- Guild of Informatics, Accounting and Management
- Club of Roma Entrepreneurs
- Slovak Business Association
- Guild of Toy Producers

The objective of this co-operation was the profiling of activities of individual institutions, improved promotion of activities and education of the membership base, support in the establishment of international contacts, as well as the preparation of a strategy for the advocacy of the interests of its members.

Information Activities

Information and penetration to the broad professional public as soon as possible is an important part of the support strategy of SME. Therefore NADSME continued to publish periodically various information materials, and periodical and non-periodical publications in 1999 also:

- Support to Small and Medium-sized Enterprises - Guide to Initiatives,
- Survey of Legal Regulations for Small and Medium-sized Entrepreneurs,
- Basic Administrative Steps to Start Business Activities,
- List of State Legislation for the Support of Small and Medium-sized Businesses,
- publication "Trying to Start a Business" that briefly describes everything that is required for the start-up of a business,
- journal „ Podnikanie (Entrepreneurship Journal)“ (monthly),

During the year, we organised 3 regional workshops on the support of SMEs in Slovakia



(Nitra, Banská Bystrica, Prešov). They were designated for representatives of state administration, local governments and business associations with the aim to provide for the penetration to the maximum extent possible of information about these programmes in individual regions.

The transfer of information was provided in co-operation with electronic and press media and also by means of the Annual and 3 regional press conferences.

Activities of NADSME within the National Program for the Implementation of Acquis Communautaire

NADSME actively participates in the preparation and implementation of the National Programme for the Implementation of Acquis Communautaire (NPAA), which represents a set of actions that the Slovak Republic has to adopt during the pre-admission phase to the EU. Within the frameworks of the Programme the Agency covers one of its 29 parts, i.e., the area of small and medium-sized enterprises. In 1999, there was an innovation of the National Programme for the Implementation of Acquis Communautaire (NPAA), where in the area of SME, NADSME also participated by preparing this part of the programme and providing for its performance. In addition to this, last year there was also a bilateral screening meeting with EU representatives. In the screening, the status in the approximation of our legislative to EU legislation was compared. It was mutually stated that there are no serious problems in this area that could threaten our admission to the EU in the anticipated time horizon. A principal difference that did exist in this area – the different categorisation of SMEs in Slovakia and in the EU, was removed by the approval of the law on state support. With the Chapter – SME – we expect to be among the first finalised in the negotiations with the SR.

Support to the Restructuring of Industry

Since the year 1995 the realisation of the programme Spin-off in our country contributes to the required restructuring of our national economy. It is an interesting project focused on selection of eligible operations, workshops, and sections in large, mostly state-owned businesses with the aim of their independence, thus creating small independent companies with a larger scope of activities than in the parent company. By outsourcing these operations, the parent company reduces its overhead costs, becomes more effective and at the same time the level of employment is maintained.

The year 1999 can be described as a year of active implementation of the Spin-off programme of NADSME in co-operation with the regional advisory centres RAIC/BIC. During this year, within the realisation of Phases 5 and 6, a total of 4 seminars were carried out for the promoters of the Spin-off programme, where the 2nd seminar of the Phase 6 was split in 2 workgroups, i.e., the group where the business plans of SSC Bratislava š.p. (8 projects) were included, and in the second group were included business plans ŽOS Zvolen a.s. (5 projects) and ZVS Dubnica a.s. (2 projects).

In the preparation of Phases 5 and 6 of the Spin-off programme, NADSME contacted more than 80 businesses eligible for the implementation of the Spin-off program.

In 1999, 3 meetings of the Board of Spin-off were held.

Following table shows a survey of the spin-off method implementation during the last 3 years.

year	prepared projects	allocated operations	maintained jobs
1997	9	6	618
1998	22	18	1,232
1999	23	15	596
total	54	39	2,446

Financial Support Programmes

The area of providing of financial support programmes for small and medium-sized entrepreneurs is traditionally among the most desired activities of NADSME.

The National Agency implements financial support programmes for small and medium-sized entrepreneurs that allow them to acquire loans under more beneficial „soft“ conditions, thus helping small and medium-sized entrepreneurs to overcome the lack of capital in the financial market.

Support Loan Programme (SLP)

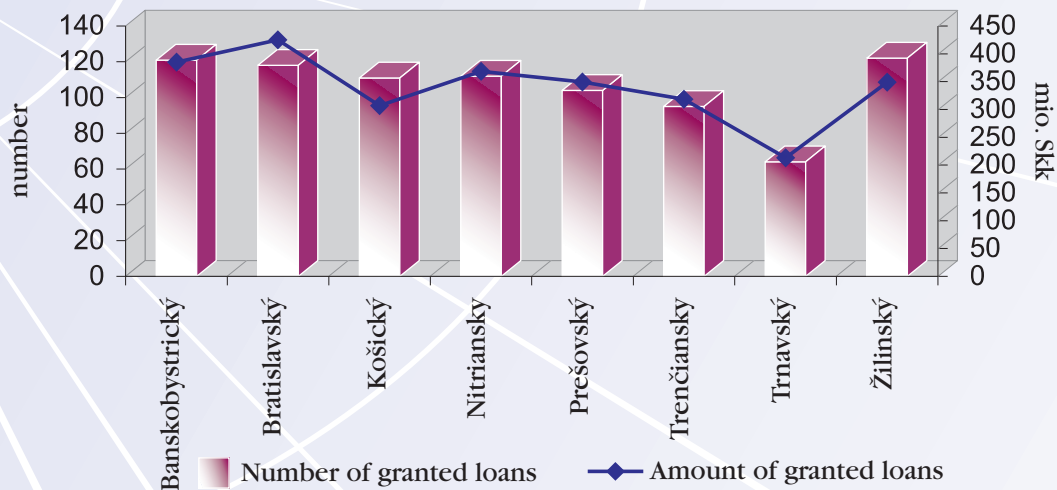
This programme is for entrepreneurs among the most favoured financial programmes. Its implementor and co-ordinator is the NADSME. It was created in 1994, and the Commission of the European Union, the state budget and selected Slovak commercial banks have their share in its funding. A revolving fund was established that facilitated in subsequent years the implementation of many business plans. Loans at a maximum amount of SKK 5 million are designated for small and medium-sized businesses in the field of production, crafts, services or in the field of active tourism. Since the start of the programme in 1994, 847 loans at an overall amount of SKK 2,715 billion were financed, of this, in 1999, 192 loans in the total amount of SKK 693 million were financed. As of 31 December 1999, SKK 1,3 billion were contributed to the programme. The overall amount of the loan portfolio of SKK 2,715 billion shows the success of the programme and the outstanding functioning of the revolving of resources. The number of newly created or maintained jobs during the implementation of the SLP is 25,203 jobs in the field of small and medium-sized businesses.

The assessment of the effectiveness and benefits of these programme is an important part of the monitoring process.

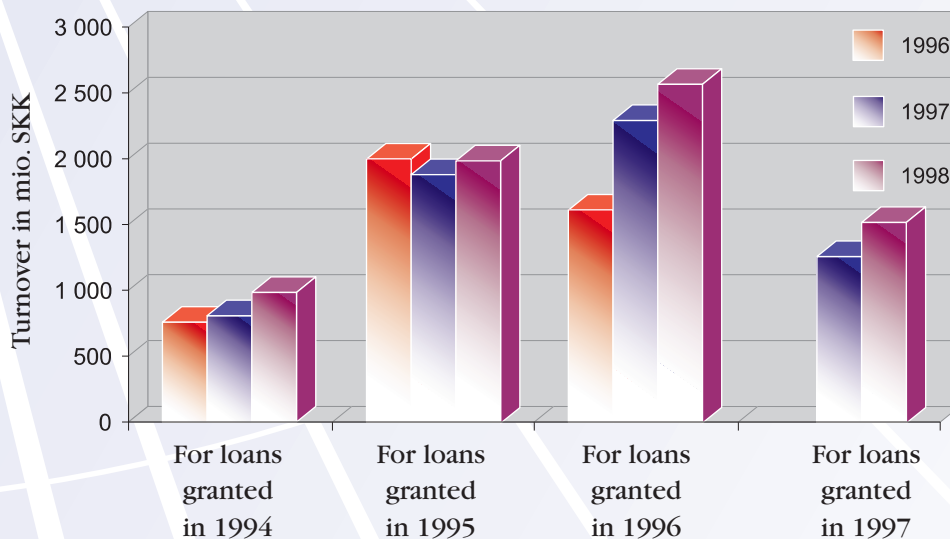
The National Agency monitored in individual years the development of basic economic parameters by companies to which a loan was financed. For comparison purposes, companies were grouped according to the year of the granting of the loan. The assessment of the monitoring showed that from 1996 to 1998, the development of the parameters investigated showed a growth trend.

Despite the high concentration of business entities in the region of Bratislava, the number of granted loans in Bratislava ranks only in the 3rd position compared to other regions, which clearly documents the efforts to support less developed regions.

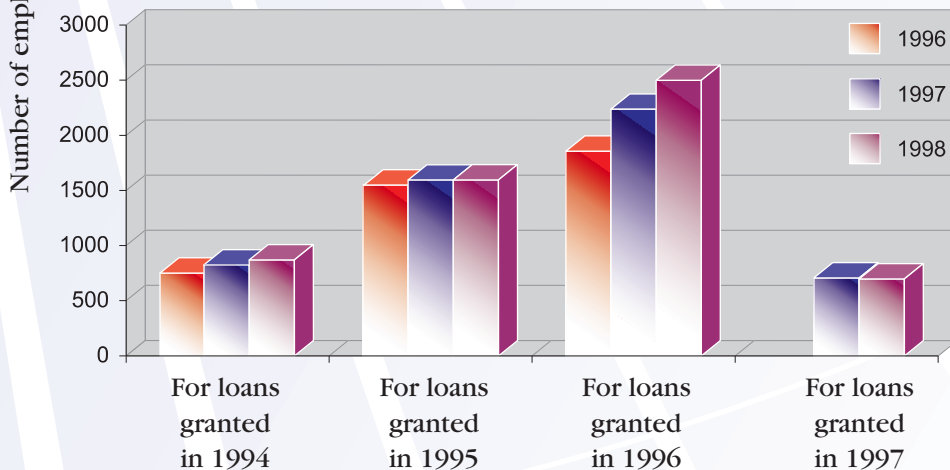
Survey of Loans Granted within SLP by Region as of 31 December 1999



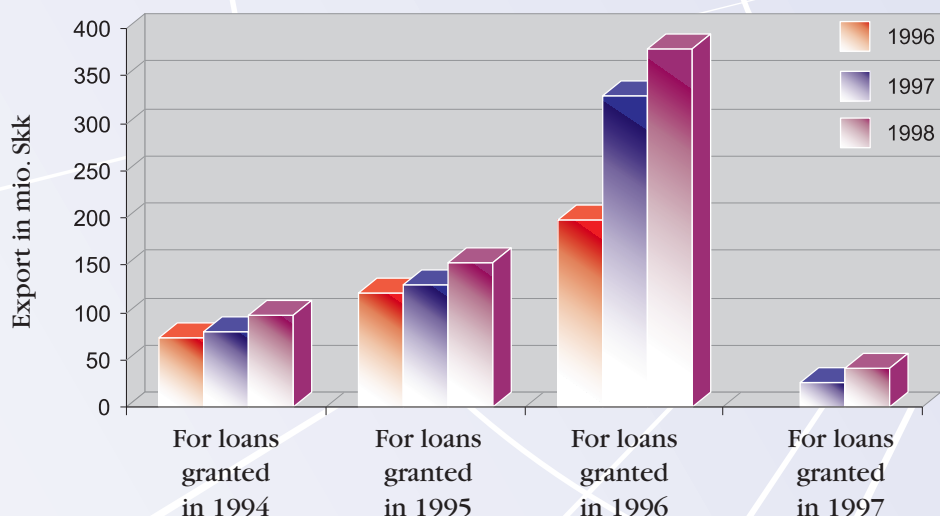
Development of Turnover



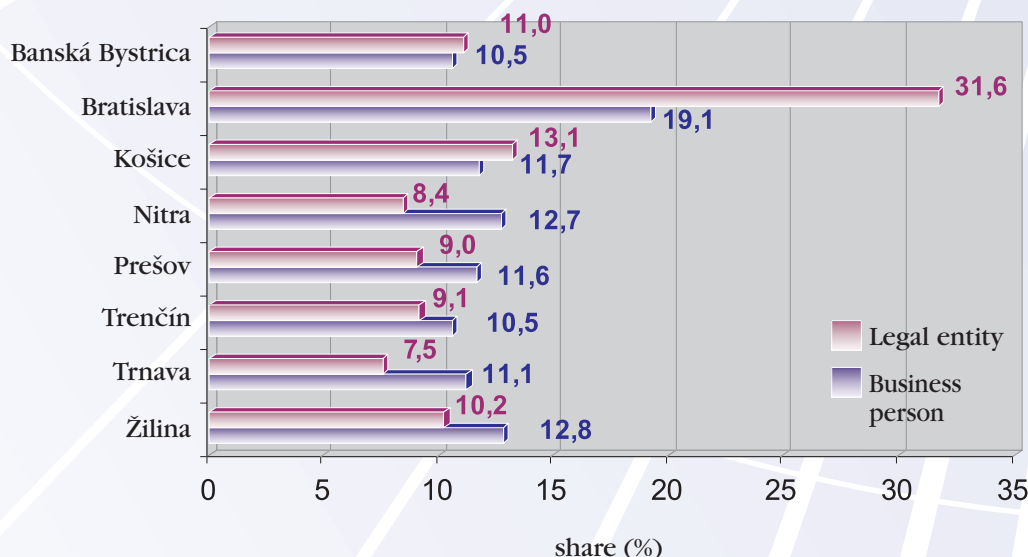
Development of Number of Employees



Development of Export



Business Entities – Break-down by Region



Micro-loan Programme

The main objective of this programme is to address the access of small entrepreneurs in the region to small loans up to 500, 000 SKK. The National Agency started to implement this programme in 1997 by means of three Regional Advisory and Information Centres in Považská Bystrica, in Zvolen and in Prešov. Sources for the establishment were granted by the European Union from the PHARE programme.

The interest of entrepreneurs in micro-loans exceeded the amount of available resources. Due to the positive assessment of use of micro-loans by a foreign expert, it was also a recommendation for the EU to continue to finance them in four new centres, which extended the granting of micro-loans to seven centres that cover the whole area of the Slovak Republic.

During 1999, 170 candidates for the providing of micro-loans submitted their application at all centres, and 84 loans in the overall amount of SKK 29,259,710 were provided. Since the start of the implementation of the programme, a total of 156 micro-loans in the overall value of SKK 43,711,990 were financed.

The Micro-loan scheme during its history found a very positive response from entrepreneurs, mainly because it is the only possible financial source for small entrepreneurs requiring small loans.

Centre	Overall number of loans	Overall number of loans	Number of created jobs
RAIC Komárno	11	4, 890, 000,-Sk	50
RAIC Trebišov	11	4, 408, 000,-Sk	40
BIC Spišská Nová Ves	9	3, 050, 000,-Sk	26
Seed Capital Company	9	4, 450, 000,-Sk	66
RAIC Považská Bystrica	28	8, 050, 280,-Sk	64
RAIC Prešov	32	8, 205, 000,-Sk	79
RAIC Zvolen	56	10, 658, 710,-Sk	140
TOTAL	156	43, 711, 990,-Sk	465

Seed Capital Company

The main feature of the Seed Capital Company L.t.d. (SCC), which was established in 1994 by the National Agency, is to invest in the equity of companies. The company manages the Fund of Start Capital, from which investments are made up to the amount of SKK 5 million for small and medium-sized entrepreneurs in Slovakia. The objective of the company is to facilitate by financial investments the establishment and development of new businesses and to further develop activities of existing businesses. The investments preferably go to projects in the area of industrial production, production services and active tourism. During 1999, six projects in the overall amount of SKK 19,5 million were approved.

Other activities of the fund were oriented towards the monitoring of the 15 companies that are in its portfolio.

By 31 of December 1999, 31 investment proposals were discussed, of which 24 were approved, 6 were approved with conditions and 1 was rejected. The actual implemented investments are totally 23 in 15 companies. In these companies in the portfolio of SCC L.t.d., an overall amount of SKK 60,24 million was invested. The amount of SKK 37,21 million was contributed to the equity of the company and SKK 23,03 million in the form of a loan. In the case of 3 investments approved by the Investment Committee, the actual project was not implemented, but they have a financial undertaking in the overall amount of SKK 21,12 million.

Small Loan Scheme

Since 1993, the National Agency for Development of Small and Medium-sized Enterprises has implemented the Small Loan Scheme as a pilot project with an overall volume of Euro 1 million. This programme supports small businesses that employ a maximum of 25 employees by a loan assistance in the form of a so-called "soft" loans. The programme was implemented by means of Slovenská sporiteľňa, a. s.. Loans were provided up to the amount of 800 000 SKK. to small businesses, where other conditions and criteria are in principle identical with the Support Loan Programme.

The first loans started to be financed in April 1994 and by the end of August 1994, the overall volume was disbursed and 59 loans were financed. Since then, new loans are financed from instalments of principal and interest. Of the overall number of 134 financed loans, 109 were already repaid by 31 of December 1999.

Because the Small Loan Scheme as a pilot project for the Support Loan Programmes has already fulfilled its objective, the National Agency is presently preparing a transformation of financial funds into another programme. The contribution of the Small Loan Scheme can be seen positively due to the 134 supported business plans, whose implementation helped to create 579 jobs in the area of small businesses.

INFORMATION PROVISION AND INTERNATIONAL CO-OPERATION

Creating of conditions for the penetration of Slovak small and medium-sized businesses to new markets abroad and the support of their export skills is a significant contribution for the entire national economy. Therefore, a substantial part of the activities of the Department of Information and International Activities is oriented especially towards this area. This Department also includes the Euro Info Centre (EIC), which belongs to the network of information centres of the European Commission. The whole network has almost 300 offices in countries of the European Union and Associated Countries. On the basis of Slovakia's access to the 3rd Multi-Annual Programme, the correspondence Euro Info Centre in Bratislava was transformed to a regular member of this network. An important success in the last year was the co-operation with RAIC Prešov in the preparation of a project for the establishment of a new EIC. This project was successful in the call for proposal issued by the European Commission, and the second EIC in Slovakia was established in RAIC Prešov.

The activities of the EIC include information provision for small and medium-sized businesses, utilisation of systems for the mediation of co-operation between local and foreign business entities, the organisation and promotion of the participation of Slovak businesses in co-operation fairs both abroad and at home, and monitoring of the business environment. In providing service and advice to businesses, EIC mostly sees demand for services in the area of searches for co-operation partners, participation in co-operation fairs and actual information on events oriented towards assistance to entrepreneurs.

Information Network

The effective mutual links in the EIC network are provided by the communication systems VANS and BRE. VANS is an electronic communication system that allows to acquire information about the business environment in the EU, search for co-operation partners and provides electronic communication between the individual Euro Info Centres.

The search for co-operation partners is also performed by means of the system BRE (Bureau de Rapprochement des Entreprises), which actually represents a network of workplaces in 56 countries. By means of this system, there is monthly monitoring of more than 500 offers for commercial or production forms of co-operation. Of the overall annual number of 5,967 offers, on average about 100 offers relevant for Slovakia are selected monthly that are translated and published in periodicals and on the Web-page of the National Agency. Some offers are distributed to specific clients. In 1999, the system received 32 offers from Slovak companies. At present, this system is linked with the BC-Net system (Business Co-operation Network), which is another large network of workplaces in various countries, thus extending the range and scope of information.

The National Agency is also interconnected to the world-wide TIPS network (Technological and Information Promotion System). Last year, almost 150 Slovak companies used the opportunities by entering or asking for offers from the world-wide database of commercial offers.



Internet Information Office

For the acceleration and extension of the availability of commercial and co-operation information, NADSME provides small and medium-sized businesses the Internet Information Office (IIO) with a dedicated communication line to the Internet. IIO offers training for use of the Internet, the most important addresses of search servers and according to demand, co-operates in the search for required information.

In addition to that, in co-operation with Foreign Trade Support Fund (FTSF), we offer businesses the opportunity to present their products, services and co-operation offers in the information system on Internet. This system uses the classifier of KOMPASS and allows for e-commerce between businesses and also their efficient presentation abroad. The home page of NADSME on the Internet (www.nadsme.sk) in Slovak and English provides detailed information on the activities of the Agency. In addition to the offered services, publications are also available in electronic form, starting with the Entrepreneurship journal, to publications that were published by the Agency in book form, and to information brochures for entrepreneurs.

Technology Transfer

With the aim to improve the competitiveness of small and medium-sized businesses in local and international markets, the Information System for Technology Transfer was created, which includes selected businesses and institutions with a significant share in the development and utilisation of progressive innovative technologies. This database also contains offers of new technologies and demands for technology that can supplement more complex technological systems.

This information system also contains a database of new technology projects in the European Union. The database includes descriptions of research tasks and contact addresses, thus allowing Slovak businesses and organisations to participate in the development or to get access to already developed technologies. A useful part of the information system is also the database of legislative standards of the European Union countries that are related to technology transfer. The information system is available on CD ROM.

Support and Provision for Participation of Entrepreneurs in Foreign and Local Venues

From funds of the Third Multiannual program, NADSME financially supports the participation of Slovak entrepreneurs in the foreign specialised business meetings known as Europartenariat and Interprise.

Last year, Slovak participation at two Europartenariats was organised. At Europartenariat Austria'99 in Vienna, 47 businesses participated, 20 of which had their own booth. At Europartenariat Brandenburg'99 in Potsdam, 9 Slovak businesses participated.

Further the Slovak participation was organised at Interprise Euro-Care-Tech in Vienna, which was oriented towards medical devices and aids for physically disabled people.



In addition, NADSME and EIC submitted a project for the organisation of the first official Interprise in Slovakia, on the basis of a call for proposal by the European Commission. This project was approved and Interprise Gastra – Alimenta 2000, oriented towards the food industry, was held on April 6-7, 2000, in Nitra.

For local fairs, contribution was granted to entrepreneurs complying with the criteria for support from the PHARE program, at the exhibitions Vercajch – tools, Woodtech, Korózia'99 in Trenčín; and Elmat, Gasmat, Ozamo '99 in Košice. In total, 23 entrepreneurs fulfilled the conditions for the receipt of a contribution.

Co-operation with Germany

Within the project Transform, guaranteed by the Ministries of Economy of Slovakia and Germany, the main phase of the „Extension of Advisory Offer for Small and Medium-sized Entrepreneurs of Slovakia” has been supported. In addition to the 3 existing regional centres in Poprad, Považská Bystrica and Spišská Nová Ves, the co-operation has involved also 2 more regional centres in Banská Bystrica and Nitra. Six internal advisors from the centres attended in March the third workshop for the application of the German Bilateral-Analysis System UNIS for conditions of SMEs in Slovakia, with specific tasks for work with it in their centres.

In 1999, co-operation with the company Manfred Zemitzsch Industrieberatung, Kropp, SRN, started i.e., by assisting 3 SMEs in Slovakia in the establishment of supplier co-operation with German business entities. The co-operation started before the beginning of Hannover Messe'99, continued with meetings of SMEs during the fair, and will continue also after its end. The advisory support was funded by Deutsche ProTrade GTZ, Eschborn, Germany. This institution also promised to assist SMEs in Slovakia with a subsidy of max. 20 000 DEM, designated for the support of their participation in a specific fair.

Co-operation with France

The National Agency for Development of Small and Medium-sized Enterprises (NADSME) co-operated with the French institution GRETA Laon-Hirson-Chauny in training in the field of management and marketing. The program, designed for French-oriented managers from Slovak businesses, was financially supported by the French government. Ten Slovak entrepreneurs were acquainted with the French style of management during the theoretical courses in Bratislava and with the real business environment during the six-week study trip in French businesses.

The assessment of the program showed that the participants acquired not only valuable knowledge and experience but also important contacts with French entrepreneurs.

THE SUBCONTRACTING EXCHANGE OF SLOVAKIA

The Subcontracting Exchange of Slovakia (SES) continued in its successful program of the development of subcontracting in 1999. It participated in local and international venues in which it enabled the participation of Slovak SMEs.

Hannover-Messe

On the basis of a long-term tradition of the participation of the SES in the subcontracting fair Hannover-Messe, besides exhibiting 3 Slovak companies, the staff of SES also provided for the presentation of company profiles and production capacities of member companies of the SES.

SASE'99

In order to support the development of the auto industry, in October SES organised the fourth international conference „Slovak Automobile Subcontracting Exchange“ - SASE.

The conference was attended by twenty-two Slovak manufacturing companies that are active in the automobile industry. In bilateral meetings, Slovak companies presented their production capacities to purchasers of foreign car factories from EU countries – VOLVO, SCANIA, FIAT, RAUFOS, HELVOET, MAGNETI MARELLI, PLASTIC OMNIUM, ARO, CASE STEYR. During the conference, foreign companies visited selected Slovak subcontractors.

Mediation of Visits

Within the information and mediation service, SES provided on a demand basis from abroad, contacts and price quotation for 146 foreign companies. On the basis of these contacts, Slovak companies were visited by 29 foreign companies.

MIDEST

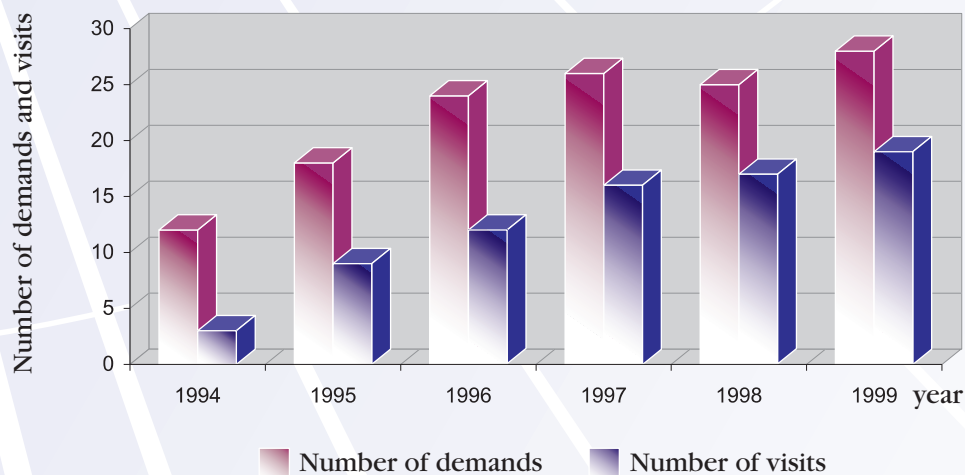
By regular participation in the international subcontracting fair in Paris NADSME-SES presented the activities of five Slovak SME at a common booth.

During the fair, co-operation with chambers of commerce and associations from EU countries was established.

French-speaking Trade Centre – FTC

The FTC successfully continued in the development of production co-operation between Slovak SMEs and businesses from French-speaking regions. It organised regular commercial club meetings for its members and provided for trade missions for French companies and professional associations.

The increase of foreign companies' demands on productional co-operations from 1994 until 1999



DISBURSEMENT OF FUNDS FOR THE SUPPORT OF SMALL AND MEDIUM-SIZED ENTERPRISES, THE FINANCIAL AND PROPERTY SITUATION OF NADSME AS OF 31. 12. 1999

Operating costs of NADSME in 1999 and funds for funding its programs were covered from three sources: the state budget (SB), the PHARE program and other sources.

Source	SKK Th.	% of the total
SB	4,000	22,06
PHARE	3,946	21,77
OTHERS	10,182	56,17
TOTAL	18,128	100,00

Balance Sheet of NADSME in SKK Th.

Assets total	1 538 904
1. Fixed assets	41,203
Of this	
• intangible fixed assets including adjustment	566
• tangible fixed assets including adjustment	1,484
• financial investment	39,153
2. Current assets	1,497,701
Of this	
• financial property	1,497,322
• temporary assets accounts	379
Liabilities total	1,538,904
1. Own sources	1,513,960
2. Short-term borrowings	24,944

Disbursement of State Budget Funds for Programmes for the Support of Small and Medium Enterprises in Slovakia in 1999

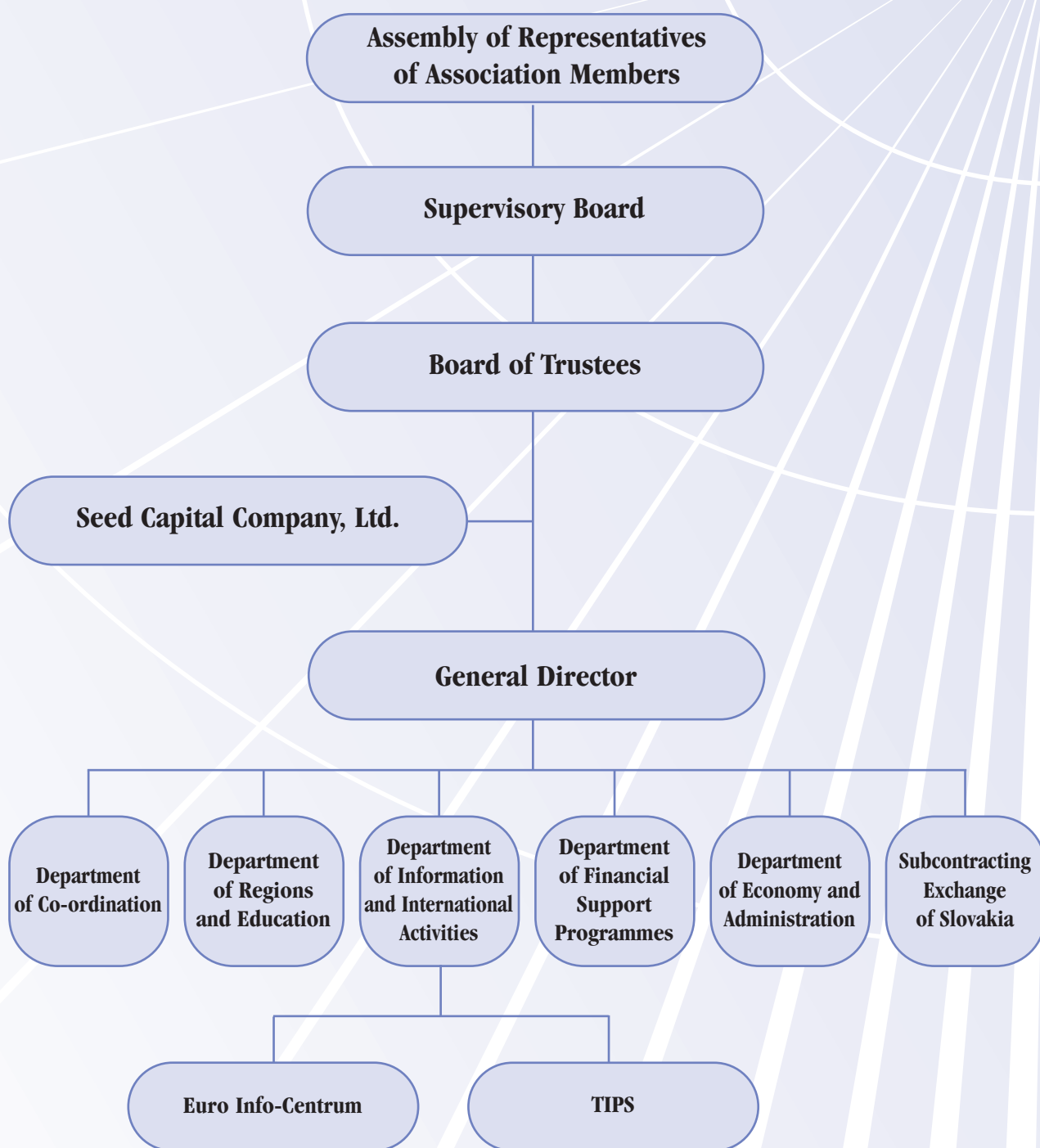
A	Support Programmes	119,595,269
	Of this	
	• Institutional provision of support to SMEs	4 546,869
	• Implementation of Quality Management Systems	181,239
	• Monitoring	472,581
	• Training for selected groups	16,573
	• Training and counselling for SMEs	25,878
	• Subcontracting Phase II.	1,500,000
	• Technology transfer Phase II.	375,460
	• Micro-loans	0
	• Loan Support Programme 98	112,476,670
B	National Agency	4,000,000
C	Total	123,595,270

Disbursement of PHARE Funds of the European Union for the Support of Small and Medium-sized Enterprises in Slovakia in 1999

		Amount in EUR	Amount in SKK
A	Policy and Development of Small and Medium Enterprises	77,178	3,276,824
	Of this		
	• Institutional support	22,257	944,988
	• Participation of SMEs in domestic and foreign exhibitions	18,699	793,922
	• Others	36,222	1,537,914
B	Trainig, Counselling and Informatin services	452,729	19,221,968
	Of this		
	• Support to advisory services	298,251	12,663,141
	• Support to seminars and training courses	55,344	2,349,795
	• Mediation of contacts and information (Euro Info-Centre, Subcontracting Exchange, Business Information System)	62,338	2,646,747
	• Others – Spin-off	36,796	1,562,285
C	National Agency	106,045	4,502,459
D	Financial Support Programmes	3,978,032	168,899,282
	Of this		
	• Loan Support Programme	2,678,926	113,741,840
	• Seed Capital Company	500,000	21,229,000
	• Micro-loans	799,106	33,928,442
E	Total	4,613,984	195,900,533

Calculation as of 31 12 1999 1 EUR = 42.458 SKK

ORGANISATIONAL STRUCTURE OF NADSME



STATUTORY BODIES OF NADSME

Supervisory Board of NADSME

Karol Pavlů – *Chairman, Association of Entrepreneurs of Slovakia*

Pavol Prokopovič – *Vice-chairman, National Council of the SR*

Vladimír Sirotko – *Vice-chairman, Slovak Business Association*

Elena Bašková – *Ministry of Economy of SR*

Dušan Hruštinec – *Slovak Chamber of Commerce*

Igor Kucej – *The SR Government Office*

Anton Lisý – *Slovak Chamber of Commerce and Industry*

Ľudovít Macháček – *Ministry of Transportation, Posts and Telecommunication of SR*

Daniel Piatnica – *Slovak Association of Production Co-operatives*

Vladimil Podstránsky – *Ministry of Finance of SR*

Ján Sabol – *Ministry of Economy of SR*

Board of Trustees of NADSME

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Vladimír Mračna – *Vice-chairman, Ministry of Economy of SR*

Ladislav Ondriš – *Association of Entrepreneurs of Slovakia*

Marián Taška – *Slovak Business Association*

Ján Vančík – *Ministry of Finance of SR*

MANAGEMENT NARMSP

Juraj Majtán – *General Director*

Karol Stráňai – *Director, Department of Co-ordination*

Katarína Kellenbergerová – *Director, Department of Regions and Education*

Juraj Poledna – *Director, Department of Information and International Activities*

Darina Kalužníková – *Director, Department of Financial Support Programmes*

Zuzana Cigánková – *Director, Department of Economy and Administration*

Igor Kováčik – *Manager of SBS*

