# PRESS RELEASE

## SINGAPORE AND SLOVAK REPUBLIC SIGN INVESTMENT GUARANTEE AGREEMENT

Singapore and the Slovak Republic signed an Investment Guarantee Agreement (IGA) today, at the sidelines of Slovak President Ivan Gasparovic's official visit to Singapore.

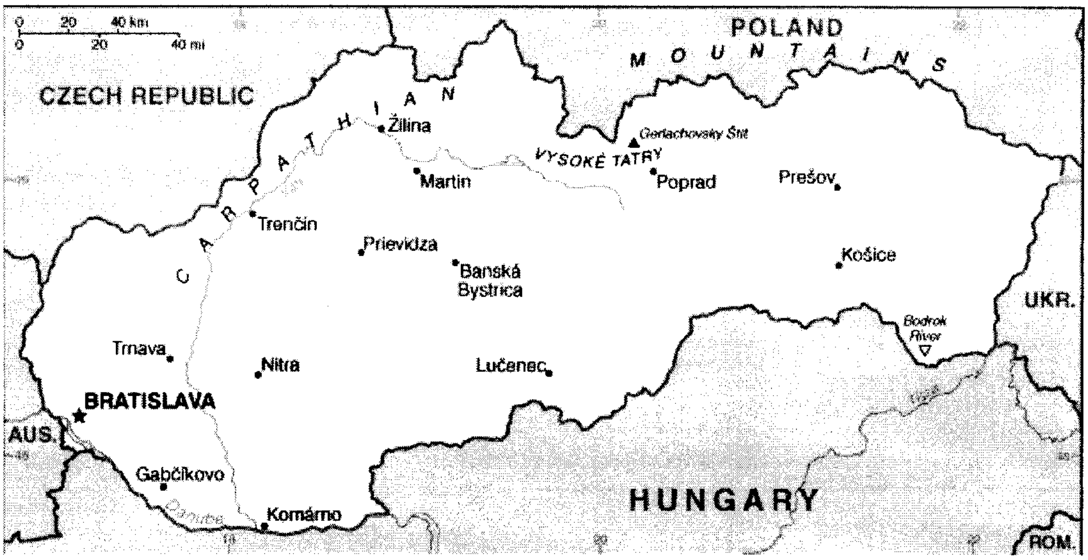
2 The IGA demonstrates the growing bilateral economic relations between the two countries. It also augurs well for the business communities, as it will lay a solid framework where investors from Singapore and the Slovak Republic can benefit from greater certainty in clearly set out investment norms and protection when investing in the other country. The key provisions of the agreement include:

- most favoured nation treatment to be accorded to investments;
- freely convertible and transferable compensation in the event of expropriation and nationalisation;
- referral of investment disputes that cannot be settled to the International Centre for Settlement of Investment Disputes, established by the Convention on the Settlement of Investment Disputes between the States and Nationals of Other States; and
- guarantee by each Contracting Party to investors of the other Contracting Party the free transfer on a non-discriminatory basis, of their capital and the returns from any investments.

3 The agreement was signed by Mr Lim Hng Kiang, Minister for Trade and Industry, Singapore, and Mr Lubomir Jahnatek, Minister of Economy, the Slovak Republic.

**MINISTRY OF TRADE AND INDUSTRY, REPUBLIC OF SINGAPORE**
**MINISTRY OF ECONOMY, THE SLOVAK REPUBLIC**
**13 October 2006**

## OVERVIEW




**The Slovak Republic (Slovakia)** is a landlocked republic in Central Europe with a population of more than five million. It is a member of the European Union (since May 1, 2004) and borders Czech Republic and Austria in the west, Poland in the north, Ukraine in the east and Hungary in the south. Its capital is its largest city, Bratislava.

## 20th CENTURY HISTORY

In 1918, Slovakia joined the regions of Bohemia and neighbouring Moravia to form Czechoslovakia. During the chaos following the breakup of Austria-Hungary, Slovakia was in 1919 attacked by provisional Hungarian Soviet Republic and 1/3 area of Slovakia temporarily became Slovak Soviet Republic. During the Interwar period, democratic and prosperous Czechoslovakia was permanently threatened by revisionist governments of Germany and Hungary, until it was finally broken up by the Munich Agreement of 1938, when Slovakia became a separate state with Nazi Germany sympathizing government (in lead with president Jozef Tiso). However, the anti-Nazi resistance movement launched a fierce armed insurrection, known as the Slovak National Uprising, in 1944. After World War II, Czechoslovakia was reassembled and came under the influence of the Soviet Union and its Warsaw Pact from 1945 onward. In 1969, the state became a federation of the Czech Socialist Republic and Slovak Socialist Republic.

The end of communist rule in Czechoslovakia in 1989, during the peaceful Velvet Revolution, was followed once again by the country's dissolution, this time into two successor states. Slovakia and the Czech Republic went their separate ways after January 1, 1993, an event sometimes called the

Velvet Divorce, but Slovakia has remained close partners with the Czech Republic, as well as with other Central European countries within the Visegrad Group. Slovakia became a member of the European Union in May 2004.

Slovakia is a parliamentary democratic republic with a multi-party system. The last parliamentary elections were held on June 17, 2006 and two rounds of presidential elections took place on April 3, 2004 and April 17, 2004.

## KEY ECONOMIC INDICATORS (2005)[1]

| | |
|---|---|
| Area | : 48,845 sq km |
| Population | : 5,439,448 |
| GDP (PPP) | : $87.32 billion |
| GDP (real growth rate) | : 5.5% |
| GDP per capita (PPP) | : $16,100 |
| Labour force | : 2.24 million |
| Unemployment rate | : 11.7% |
| Inflation rate | : 2.7% |
| Current account balance | : -$4.066 billion |
| Exports (f.o.b) | : $32.39 billion |
| Imports (f.o.b) | : $34.48 billion |
| Currency (code) | : Slovak koruna (SKK) |
| Exchange rate (SKK:US$1) | : 29.9162 |

## SLOVAK REPUBLIC'S ECONOMY[2]

Slovak Republic has mastered much of the difficult transition from a centrally planned economy to a modern market economy.

The DZURINDA government made excellent progress during 2001-04 in macroeconomic stabilization and structural reform. Major privatizations are nearly complete, the banking sector is almost completely in foreign hands, and the government has helped facilitate a foreign investment boom with business-friendly policies, such as labor market liberalization and a 19% flat tax.

Foreign investment in the automotive sector has been strong. Slovak Republic's economic growth exceeded expectations in 2001-05, despite the general European slowdown.

[1] The World Factbook, Central Intelligence Agency, "Slovakia"