

The EIB – Slovakia's traveling companion on its path to growth



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The European Investment Bank (EIB) celebrates its 60th anniversary this year and 25 years of activity in Slovakia. Vazil Hudák, the Vice-President responsible for Slovakia, cohesion countries, advisory and transport, explains what the Bank has achieved and its plans going forward.

What is the role of the European Investment Bank and what makes it relevant for Slovakia?

The EIB is part of the EU family. Established in 1958 to support long-term investment, contribute to a balanced and steady development of the internal market and enhance cohesion across Europe, it has 60 years' experience in financing sustainable projects. It does this by supporting projects in less-developed regions, addressing climate change challenges, funding projects of common interest to several Member States and promoting innovation. The Bank started operations in Slovakia in 1993. In 25 years, the EIB has provided EUR 8.2bn in loans to Slovakia to help reduce disparities in regional development, strengthen economic competitiveness and improve people's living standards. We also provide expertise and advice through the JASPERS, ELENA or EIAH advisory teams to support sound and sustainable investment projects that further EU policy objectives.

How wide is the scope of your operations?

We cover the entire scope of public and private sectors. Since 1958, the EIB has reached 162 countries, engaging in close to 12 000 operations globally, and has disbursed over EUR 1.1 trillion. A large proportion of our loans goes to infrastructure projects enhancing cohesion and competitiveness. The EIB has also been increasingly supporting private sector projects in order to foster growth and jobs. We provide direct financing to large corporates as well as mid-caps. SMEs are targeted via intermediated loans, a mechanism by which we lend at affordable rates to local banks, which in turn on-lend the

funds to SMEs. Our aim is to team up with other lenders as much as possible with a view to catalyzing funding from other sources. Let us not underestimate either the signalling effect on investors when a triple A-rated institution like the EIB is committed to a project.

Please give us some examples of businesses financed by the EIB.

We have just signed our third operation with SPP-distribúcia, a company that we have been financing since 2012, and are working on an operation with Slovenské elektrárne to finance its safety program. In the last 12 months, we also provided a loan to eustream to finance the Poland-Slovakia gas interconnection. The Bank has been a long-standing partner for the corporate sector and is keen to expand its support to the mid-cap segment.

Besides energy, the EIB has a strong expertise in the automotive sector. We have recently financed Adient Germany, whose investments are partly located in Slovakia. The Bank has also developed products targeting growth and innovative companies. We have just signed our first operation with GreenWay, an electric vehicle charging station operator in Central Europe. The European Investment Fund (EIF) is also very active in Slovakia: until now, it has signed 23 transactions and supported 5 416 SMEs, including through the Central European Fund of Funds targeting highly innovative companies.

Do you think that investments are picking up in Slovakia?

Investment gaps in Europe remain and EIB research suggests that the annual investment requirement of the EU27 is around

EUR 400bn. EIB is delivering well with the Juncker plan: EFSI, which is implemented by the EIB Group, has mobilized about EUR 100bn per year and the European Investment Advisory Hub has become a gateway for project advisory across Europe. We also cooperate closely with the Slovak Investment Holding to create a local advisory hub. In Slovakia, almost half a billion of EIB loans benefit from the support of the EU budget guarantee under the EFSI initiative, including the financing of the D4R7 bypass in Bratislava. This is expected to trigger investments of EUR 1.1bn.

Concretely, how can the EIB help our network of corporates?

The mission of the Bank is to support the long-term growth of its partners by financing their investment plans. They can include both tangible and intangible assets, such as the development of digital solutions, R&D programs, etc. Above a certain threshold, the Bank provides direct financing to its beneficiaries, while smaller investments can benefit from intermediated EIB products through local banks. Moreover, the Bank has specialist in-house teams of engineers and economists with strong sectoral expertise across all fields. They work closely with the banking teams who structure the loans. This combination of finance and technical expertise is the EIB's recognized strength in addition to its favorable financing conditions.

What are the plans for the future?

For 25 years, we have been Slovakia's traveling companion on its path to growth. We will continue to support the Slovak economy and in particular the corporate sector. We are seeking to address the main challenges

faced by the EU, notably innovation and climate action and are developing tailor-made programs. We see urban areas as a catalyzer of sustainable growth and are keen to support the development of Smart Cities and Regions. Companies will soon be able to access financing from the Smart City Investment Platform – our latest initiative in Slovakia.

Despite having our headquarters in Luxembourg, the local presence of the EIB is very close to our hearts. On 22 October, the new EIB office opened officially in the EU House in Bratislava. It is symbolic of how European institutions can offer a one-stop shop in Member States, for the benefit of both the local community and companies.



BIOGRAPHY

Vazil Hudák joined the European Investment Bank as Vice-President in October, 2016. He was appointed as the Chief Negotiator of the EU Budget during the Slovak Presidency of the Council of the European Union. He served as Minister of Economy of the Slovak Republic from 2015 until 2016. Prior to this, he was State Secretary of the Ministry of Finance and Representative of the Slovak Republic on the Board of Governors in the European Stability Mechanism. He was also Industry Head for Public Sector of Eastern Europe in J.P. Morgan Chase and has worked for the Citi Group and EastWest Institute in U.S and Europe. He studied at the Moscow State Institute of International Relations in Moscow, Charles University in Prague and Harvard Business School.