Agriculture and food production

The Slovak Republic

Slovakia is a rugged yet productive land, embracing a well-developed agriculture sector amid vast regions of mountain and forest. Although the share of agriculture in the country's GDP (4.5%) and total employment (8%) is declining, Slovakia's 1.6 million hectares of arable land and 0.8 million hectares of permanent pasture keep the country self-sufficient in major agricultural products.

Sector summary

Slovakia has become an Organization for Economic Co-operation and Development (OECD) member and is in the process of changing its policies and regulations to facilitate its eventual harmonization into the EU. To this end, all sub-sectors within the agriculture and food-processing industry have been privatized.

Crops — Slovakia is self-sufficient in wheat, barley, maize, oilseeds (canola and sunflower), potatoes, sugar beets, grapes and orchard fruit.

Seed sector — The use of certified seed has fallen to 25%, compared to nearly 100% over a decade ago. The main imported seeds are maize F1 (50%), sunflower F1, basic potato seed and some vegetable seed.

Food sector — This is one of the largest industrial sectors in Slovakia, accounting for 15% of total industrial output. The biggest share of total food production is dairy (18%), followed by meat (17%), brewing (8%), poultry (8%) and confectionery-baking (7%). With the sector now completely privatized, an influx of foreign direct investment (FDI) has entered the country. The sugar production sector (8.5%) is mostly controlled by major EU companies. The brewing sector has attracted investment from big names. Private sector investors have modernized the dairy industry. Slovaks down 5.3 million tonnes of milk and milk products each year, which amounts to approximately 74 litres per person.

Meat — Although Slovakia reported no cases of either "mad cow" or foot-and-mouth disease last year, the BSE panic cut sales of beef by half. As the population turned to pork, beef consumption fell while pork consumption rose. Pork's appeal is continuing and 10,000 tonnes will be imported into Slovakia this year to satisfy the growing appetite.

Opportunities

Technology transfer — Suppliers of technology in the following fields will find opportunities:

- Higher quality and more varied cheeses and sour-milk products;
- Innovative vacuum-packaged meat products with increased shelf-life;
- Starch sweeteners;
- Upgraded brewery tanks;
- Semi-fine flour, bread and whole grain pastry, and products with reduced egg content;
- Frozen food products (vegetable- and fruit-based) for children and babies;
- New edible oil production technologies (pressing without extraction).

Livestock genetic materials — Cattle specialization, both dairy and beef, is a trend that will create a demand for high-quality bovine genetic material. This will require the current herd of 26,000 heads of specialized breeding cattle to be doubled by 2005. More insemination doses and fewer embryos will be sold for breeds such as Simmental, Charollais, Red or Black Angus and Holstein. Pork shortages have forced the Slovak Government to subsidize the expansion of pig farming, which in turn creates excellent export opportunities for high-yielding pig breeds.

Special crops — Canada, a traditional supplier of pulses, is expected to continue to meet most of the Slovak demand for lentils and beans.

Soybean/seed/meal/equipment — The growing popularity of soya has triggered a manufacturing boom for soya products, both for human and animal consumption. Given the prohibitive cost of transporting soybean meal from Canada, Slovak farmers will find importing seed and growing soybeans locally a more attractive option, opening up opportunities for suppliers of crop equipment and processing machinery for food and animal feed.

Final food products — The rising number of supermarket chain stores and hypermarkets will ensure that the demand for high-quality Canadian food products continues to grow. A few obstacles lie in the way however: Canadian products are currently brought in through European importers and therefore face strong competition from both EU countries and local branches of major international food companies. In fact, both EU countries and the U.S. are major competitors in all areas of the Slovakian agri-food market.

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Avoidance of double taxation

Canada-Portugal

The Exchange of respective instruments of ratification of the **Convention** between Canada and Portugal for the **Avoidance of Double Taxation and the Prevention of Fiscal Evasion** (with Protocol), signed in Ottawa, June 14, 1999, took place in Lisbon, Portugal on September 24, 2001. The Convention will enter into force on October 25, 2001, and will have effect January 1, 2002.

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