

SELECTED ASPECTS OF AUTOMOBILE INDUSTRY IN V4 COUNTRIES

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Abstract: *The main objective of this article is to analyze the position of the Slovak automotive industry and to take into account its impact on the economy of the country and analyze and compare V4 countries, which also shows the position and development of this industry. The results of article is to point out that for the Slovak economy is the automotive industry the main sector and therefore the growth of the economy depends directly on it.*

Key words: automotive industry, car production, economy

INTRODUCTION

The contribution analyzes the position of the automotive industry and points to the performance and impact on the Slovak economy. Automobiles and their supply networks have a significant impact on the economy's development not only in Slovakia and also across Europe. The automotive industry generates a substantial part of Slovakia's exports and has a major impact on GDP.

The automotive industry contributes up to 43 percent to the overall performance of our economy, which has a significant impact on the overall productivity of the country. The share of the automotive industry in exports to Slovakia is 26%. It creates more than 200 thousand jobs directly in the automotive industry and indirectly in other sectors of the economy. With increasing production volume, since 2006, the share of GDP is also increasing.

Thanks to automotive companies and their suppliers, demand for commodities is also increasing in other sectors. Since more than 90% of manufactured vehicles are exported, the increase in production volume also means the growth of exported goods. Due to the fact that the fourth car maker will start production in Slovakia, the demand for skilled workers is growing. Unemployment continues to fall. Another positive effect is the growth of employees' salaries in order to avoid leaving for competition. Such wage raises in the regions are forcing all employers to compete for

high-quality people, but at the same time, it is important to note that the Slovak economy is heavily influenced by the automotive industry and production in the country.

Automotive industry analysis in V4 countries

Every new or additional investment is very important for the country as it affects economic growth positively. Apart from Slovakia, other V4 countries are also trying to invest. The automotive industry employs 600,000 people in the V4 countries. Most people work in Hungary where it has the largest share of GDP up to 22%. However, most of the vehicles are produced by the Czech Republic, with almost 1.4 million passenger cars [5]. In the following figures, we can see the development of passenger car production in the V4 countries, the number of car manufacturers in each country, the number of cars produced, and what part of GDP create the automotive industry in the country.

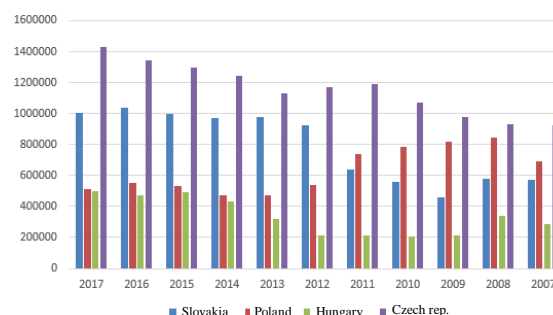


Fig.1 Production of passenger cars over the last 10 years [4]

Tab.1 Comparison of V4 countries in selected indicators (GDP, employment, number of cars produced)

Country	Cars / products		
	Number of produced cars	GDP	Employment
Slovakia	1 043 237	12	127 000
Hungary	550 000	22	198 000
Czech republic	1 375 814	2,9	150 000
Poland	681 900	9	178 300

Interestingly, in Poland the production of passenger cars has the opposite trend as in other V4 countries. The chart also shows that the Czech Republic has the most agile and strongest economy in which the number of cars produced did not drop even in 2009. By contrast, in Hungary we can see that the impact of the financial crisis lasted much longer. Economics and production grew much slower than its neighbors.

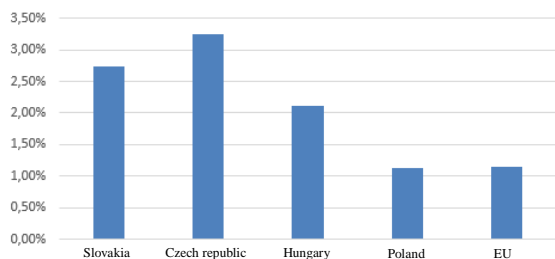


Fig.3 Direct employment in the automotive industry - the ratio of the active population (for 2016)

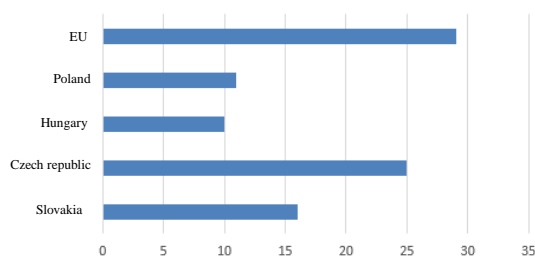


Fig.4 Registration of new passenger cars per 1000 inhabitants (2016)

Tab.2 Comparison of countries by taxation

	Share of GDPp in car price	Fuel tax in euros/1000 liters (gasoline)
Slovakia	20%	515
Czech republic	21%	475
Hungaria	27%	388
Poland	23%	395

The graphs shows that the V4 countries lag behind the EU average as registrations of new cars. For example, Hungary and Poland are well below average. Used cars are more attractive to people than new ones. However, direct employment in the automotive industry is the best in the Czech Republic among of all EU countries. If we look at excise taxes on fuels, they have the highest Slovakia among V4. [1]

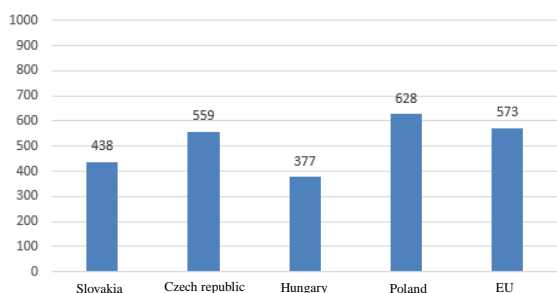


Fig.4 Motor rate in selected countries per 1000 inhabitants.

From these data show that the oldest fleet is in Poland, although it has the largest number of new car registrations, but it should be noted that this is almost 4 times larger country such as the Czech Republic. When looking at the rate of motorization, at least people who own the vehicle are in Hungary.

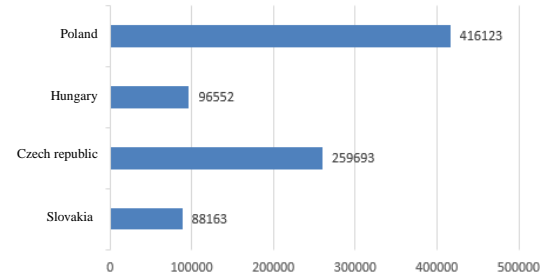


Fig.5 Registration of new passenger cars in V4 countries - 2016 [1]

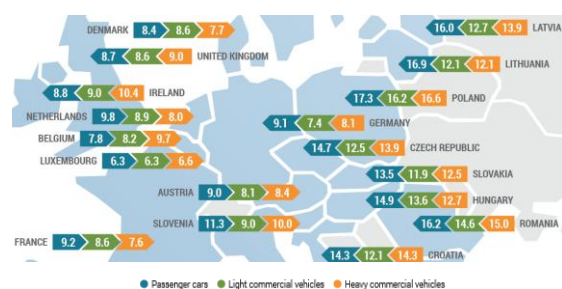


Fig.6 Average age of vehicles in 2016

CONCLUSION

The automotive industry has been the biggest driving force of the Slovak economy in recent years. In view of the above statistics, it can be said that the importance of this sector is affecting not only suppliers but also related industries. The economic indicators directly affects employment and not least the production and export.

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