

MARKET BRIEF: Fleet Leasing Market in Slovakia



Executive Summary

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FLEET LEASING MARKET IN SLOVAKIA

Executive Summary

General Leasing Market

- There are 45 leasing providers in Slovakia who supported subjects (businesses & consumers) financially through 106,000 contracts reaching 2.7 billion € in 2008, i.e. annual growth of 17.3%.
- Overall business of leasing companies has been constantly growing over the past years reaching the peak in 2008, when the total annual value of € 2.76 billion was recorded.
- Since the brink of year 2008, the overall value of leasing companies' deals has been shrinking. The drop reached as much as -42.7% in the first half of 2009 as against the first half of previous year.
- As much as 94% of all new deals consisted of Equipment (Movables) Leasing contracts, while Real Estate (Immovables) Leasing accounted for only 6% in the first half of 2009.
- Equipment Financing Sector is formed from the largest part by Passenger Cars (40%). It is then followed by Industrial Machines & Equipment (26%), Utility Vehicles (16%), Trucks (14%), and other.
- Financial leasing forms a half (51%) of all Equipment (Movables) Financing deals, while operative leasing forms only 7% of the sector. The rest (42%) consists of instalment sales and credits.
- Financial leasing incurred the biggest harm caused by global financial crisis effects, when it recorded a sink of -54.9%. Though declining, operative leasing, instalment sale & credits, are better off.
- As regards Business Equipment Financing, there are also huge losses visible in latest deals value – a -48.1% drop from € 1.1 billion to € 0.6 billion between the first half of 2009 and 2008.
- The biggest share of leasing companies' deals with businesses was dedicated to Passenger Cars (24%), followed by Utility Vehicles (19%), Trucks (18%), and Other Equipment (5%).
- In 2008, the all Business Equipment Financing deals reached € 2.1 billion. Out of it Passenger Cars financing deals accounted for € 461 million.

Fleet Leasing Market

- As regards fleet leasing market, Passenger Cars segment recorded a value of € 303 million, Utility Vehicles segment € 239 million, and Trucks segment € 419 million.
- The biggest fleet leasing companies include VOLKSWAGEN Finančné služby Slovensko s.r.o. in the Passenger Cars & Utility Vehicles segments, and ČSOB Leasing a.s. in Truck segment.

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As a director and senior consultant of MARKETiN, Pavol has led and conducted numerous market research, competitive intelligence and strategy consulting projects, especially for leading global companies from heavy-industry and related business-service sectors, and assisted them in entering Slovak, Czech and other CEE markets. Besides his experience as a business strategy and marketing trainer for various companies, Pavol also acts as a marketing lecturer at the University of Economics in Bratislava. Prior to establishing MARKETiN in 2003, he worked for such companies as Euromonitor International, Bauer Consulting, Accor Services, Ability Development and Satur Travel. Pavol received a masters degree in Trade & Marketing and Ph.D. in Industrial & Cross-Sectoral Economics at the University of Economics in Bratislava. Pavol is fluent in English, Slovak and Czech, and able to understand some German, Spanish and Russian.

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