ANALYSIS

Friedrich Ebert Stiftung

Defence Industry in Central Eastern Europe

The Defence Sector in Slovakia

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1. Introduction and Overview

1.1 Context

Since 2022, the defence sector in Europe has been undergoing a significant transformation. The Russian aggression against Ukraine has brought about a fundamental change in the perception of global security, which is reflected in a dramatic increase in defence budgets, an increased emphasis on ammunition production, the use of ground equipment and air defence, but also relatively new elements such as drones and electronic warfare. There is also a noticeable shift towards societal resilience (Total Defence), which connects conventional forms of defence with what were previously more civilian domains such as industry, critical infrastructure, and civil protection.[1]

With regard so Slovakia's place within the EU, the adoption of *the Defence Industry Transformation Roadmap*[2] and new instruments (EDIRPA, ASAP, SAFE) will result in the support of joint purchases, increased production capacities (especially ammunition) and joint development in the following new priority areas:

→ drones and unmanned technologies;

→ electronic warfare;

→ cyber defence; and

→ space systems.

Within this evolving environment, Slovakia is increasingly emerging as a country with the potential to become a significant regional player in the defence sector. This potential is particularly evident in the areas of ammunition production, ground-based military equipment, and specialised systems such as engineering and mine-clearance platforms, turret systems, and automatic loaders. By combining established industrial traditions with ongoing investments and international partnerships, Slovakia is gradually

1 https://www.aerospace-and-defence.com/five-trends-shaping-european-defence-2026-a-04de9343ade799f867f62e899c20f838/?utm

2 https://defence-industry-space.ec.europa.eu/document/download/513de692-d08c-40cc-80c3-cb6611ace178_en?filename=EU-Defence-Industry-Transformation-Roadmap.pdf

strengthening its position within the European defence landscape and enhancing its capacity to contribute to regional security and allied defence efforts.

2. The Defence Sector in Slovakia

2.1 Basic characteristics

The Slovak defence industry carries forward the legacy of the arms sector of former Czechoslovakia, which, within the framework of the Comecon economic structures, specialised in the production of artillery systems, vehicle chassis, ammunition, and related components. During that period, these products were primarily supplied to the Soviet bloc and exported to developing countries, establishing a strong industrial and technological base.

Today, Slovakia builds upon this historical expertise, leveraging decades of experience in precision manufacturing and heavy armaments to maintain its position in regional and international defence markets, while adapting its capabilities to meet the requirements of modern European and NATO standards. The highly specialised defence industry of the former Czechoslovak Republic continues to shape the defining characteristics of Slovakia's modern arms sector, particularly through its strong focus on the production of ammunition, howitzers, artillery systems, and components for heavy military equipment.

Following the collapse of the Soviet bloc, Slovakia experienced a period of decline in arms production, as the industry faced reduced demand and the loss of traditional markets. However, this trend began to reverse with the country's accession to NATO and the European Union, which introduced new standards, technologies, and collaborative opportunities.

Today, the Slovak defence industry is increasingly oriented toward producing solutions that are fully compatible with NATO systems. This reflects both a strategic alignment with Western defence structures and a renewed focus on technological modernisation, international partnerships, and integration into broader European defence networks. Consequently, Slovakia's defence industry is currently experiencing a period of rapid growth, largely driven by increasing international instability and the ongoing military conflict in Ukraine.

These developments have significantly heightened demand for defence products across Europe and beyond. As a result, there has been a marked increase in Slovakia's export of weapons and ammunition, particularly to NATO member states and Ukraine. Current analyses and industry data confirm this upward trend, highlighting Slovakia's growing role as a reliable supplier within allied defence frameworks. This expansion is further supported by rising production capacities, modernisation efforts, and stronger integration into international defence supply chains, all of which contribute to the sector's strategic and economic importance.[3]

The development of the domestic defence industry is being strongly stimulated by state investments and comprehensive modernisation programs aimed at enhancing national defence capabilities.[4] These public investments are complemented by the active involvement of large industrial groups such as MSM Group and DMD Group, which provide production capacity, capital strength, and long-standing industrial expertise. At the same time, the sector's innovation potential is increasingly driven by medium-sized and small high-tech companies that introduce advanced technologies and innovative solutions in emerging areas of defence. Together, this combination of state support, established industrial players, and agile technology-focused firms creates a diversified and dynamic defence ecosystem capable of responding to evolving security challenges and market demands.

As part of its modernisation projects, the Slovak Army purchased 76 BOV 8×8 Patria AMV XP vehicles worth approximately €447 million, with domestic companies also participating in their production in addition to the original Finnish companies.[5] A project to modernise the CV90 combat vehicle is underway in cooperation with Swedish arms companies.[6] In addition to traditional areas of heavy equipment, modernisation projects also focus on new technologies – such as, for example, the purchase of a Skysense anti-drone system worth €1.5 million.[7]

Primarily through ZVS Holding, the Slovak defence industry plays a key role in supplying medium and large-calibre ammunition to European Union countries. This involvement not only demonstrates Slovakia's growing integration into the European defence supply chain but also reflects significant investment in advanced production capabilities, with estimated investment values reaching approximately €58 billion. By participating in this high-demand sector, Slovakia strengthens its strategic importance within the EU, enhances technological expertise, and contributes to the overall security and operational readiness of allied forces, while also creating opportunities for domestic economic growth and workforce development.[8] The most recent information available shows a massive increase in ammunition production capacities, placing ZVS Holding among the world's top 5 producers of artillery ammunition.[9]

3 https://www.tyzden.sk/ekonomika/129697/data-bez-patosu-vyvoz-zbrani-zo-slovenska-utesene-a-rekordne-rastie/?ref=naj&utm

4 https://www.czdefence.com/article/slovakia-approves-funding-for-nine-army-modernization-projects-through-safe?utm

5 https://www.armyrecognition.com/archives/archives-land-defense/land-defense-2024/slovakia-receives-first-bov-8x8-ifv-based-on-finlands-patria-amv-xp?utm

6 https://www.ta3.com/clanok/1012587/obranny-priemysel-rastie-slovensko-stavia-moderne-obrnene-vozidla?utm

7 https://www.czdefence.com/article/slovakia-approves-funding-for-nine-army-modernization-projects-through-safe?utm

8 https://www.reuters.com/business/aerospace-defense/czech-group-csg-signs-slovak-deal-eu-ammunition-supply-worth-up-58-billion-euros-2025-12-05/?utm

9 https://www.tasr.sk/tasr-clanok/TASR:2025121600000224

The production of large-calibre ammunition in Slovakia has long been closely linked to a well-established industry of howitzers and artillery systems, with companies such as Konštrukta-Defence playing a particularly prominent role. The evolution of the defence sector is also reflected in changing public discourse: the industry is increasingly being recognized as a potential successor to the previously dominant automotive sector. This shift is supported by both domestic policies and international backing, particularly from the European Union, which reinforces the strategic importance of the sector. The defence industry's growing capacity not only responds to rising demand but also generates higher added value through advanced manufacturing, technological innovation, and skilled employment, further highlighting its potential as a driver of economic growth and industrial transformation in Slovakia.[10]

2.2 Main segments of the defence sector in Slovakia

The primary segments of Slovakia's defence industry include, as previously mentioned, the production of ammunition and artillery systems, a field largely dominated by the MSM Group. This segment has experienced significant growth, driven primarily by a sharp rise in demand for ammunition and artillery across EU countries, as well as by coordinated pan-European efforts to enhance the continent's overall arms production capacity. The combination of rising market demand and strategic EU initiatives has spurred investment, technological upgrades, and expanded production capabilities, positioning Slovakia as a key contributor to Europe's collective defence readiness and industrial resilience. Recent information indicates that large-scale production of artillery ammunition, ranging from 81 to 155 millimetres in calibre, is set to become a defining characteristic of the Slovak defence industry. This focus reflects both growing domestic industrial capacity and increasing international demand, positioning Slovakia as a key supplier within global and allied defence supply chains. By concentrating on high-volume, standardised artillery ammunition production, the Slovak defence sector is strengthening its long-term relevance, competitiveness, and strategic importance in the evolving security environment.

This is followed by the production of a wide range of ground equipment and specialised vehicles designed for demanding operational environments. Two particularly important companies in this field are Way Industries and Tatra Defence Slovakia.

Way Industries is internationally recognized for producing the Božena mine clearance and engineering system. These systems play a crucial role in humanitarian demining, military engineering, and post-conflict reconstruction by safely removing landmines and unexploded ordnance while minimizing risk to personnel.

The production of Tatra military cargo vehicles, which was quite significant in the past, has a potential for further expansion. Recently published information claims that Tatra Defence Slovakia (part of the MSM Group) will produce 4,000 military cargo vehicles within the next four years.[11] This production is part of a contract for an Asian client, which shows the potential for new commercial connections between Slovakia and global markets

Slovak industry supplies many components for other weapons systems, such as chassis and parts for tracked and wheeled vehicles, in which ZŤS Špeciál and Vývoj Martin are important companies, and the already mentioned cooperation on the modernisation of the CV90 combat vehicle, where the company Koval Systems cooperates on the development and production of turrets and an automatic loader.[12]

In addition to traditional manufacturing activities, several companies specialise in electronics, training simulation technologies, and advanced command, control, and communication systems. These areas are increasingly important for modern armed forces, as they enhance operational effectiveness, situational awareness, and interoperability within multinational military structures. By developing capabilities in these high-tech segments, Slovak defence companies contribute to the modernisation of military forces while also strengthening their position in specialised and value-added niches of the global defence market. One example is EVPÚ as., which, in addition to ground equipment simulators, also supplies electro-optical systems and thermal imaging.[13] Another such company is Aliter Technologies, which produces communication and information systems for dual-use purposes.

2.3 Trends

The Slovak defence industry is increasingly oriented toward the export of weapons and ammunition, with a particular focus on NATO member states and Ukraine. This outward-looking approach reflects Slovak industry's growing role in supporting regional security and allied defence initiatives. At the same time, the industry is undergoing substantial modernisation projects, driven both by the evolving requirements of the Slovak Armed Forces and the broader strategic and regulatory context of the European Union. These projects encompass upgrades in production capabilities, adoption of advanced technologies, and alignment with international standards, ensuring that Slovakia remains a competitive and reliable partner in the global defence market. In this regard, the Slovak industry is increasingly involved in pan-European programs, such as SAFE, transnational partnerships,[14] and joint ammunition pur-

10 https://www.trend.sk/ekonomika/anketa-ma-zbrojarsky-priemysel-potencial-nahradit-automotive?utm

11 https://www.tasr.sk/tasr-clanok/TASR:2025121600000361

12 https://www.defencenews.sk/zbrane/clanok/767547-spolupraca-bae-systems-hagglunds-a-koval-systems-strategicka-prilezitost-pre-slovensky-obranny-priemysel/?utm

13 https://www.zbop.sk/files/V%C3%BDrobn%C3%A9-schopnosti-ZBOP_AJ2.pdf?utm

14 https://www.armyrecognition.com/archives/archives-land-defense/land-defense-2024/slovakia-receives-first-bov-8x8-ifv-based-on-finlands-patria-amv-xp?utm

chases; this reflects Slovakia's efforts to profile itself as a regional ammunition hub.[15]

At the same time, there are negative economic impacts that affect the entire country. The fiscal condition of the Slovak Republic, one of the key clients of the Slovak defence industry, can strongly influence the development of companies, but this relationship is also influenced by Slovakia's commitments to increase investments that are not only limited to its own national defence.[16] The engineering sector as a whole faces a shortage of qualified labour,[17] which can negatively affect the ability of companies to produce the required quantities and quality. Similarly, the Slovak defence industry continues to place a strong emphasis on a limited number of traditional segments, most notably artillery systems and ammunition production. In contrast, the development of innovative and emerging technologies remains largely concentrated among smaller, less interconnected companies with more limited access to capital, networks, and large-scale production facilities. This structural imbalance highlights both the strength of Slovakia's established defence specialisations and the need for greater integration and support for innovative firms in order to strengthen the sector and enhance its long-term competitiveness.

2.4 Cooperation within the Defence Industry

To describe the current situation, we first identified relevant legal entities through the Register of Legal Entities. First, those companies were selected whose activities were described by the Statistical Office under the SK NACE Rev 2 codes "25.40.0 Manufacture of arms and ammunition," "30.30.0 Manufacture of aircraft, spacecraft and similar equipment," and "30.40.0 Manufacture of military combat vehicles." Subsequently, we supplemented the selection with strategic members of the non-governmental organisation, Association of the Security and Defence Industry. In the third step, we removed irrelevant companies based on publicly available information (Register of Legal Entities, FinStat Database, websites of individual companies). The resulting description of defence industry actors in Slovakia is available in the table below. As a universal metric of company size, we chose the number of employees according to the FinStat database; this metric proved to be optimal as it was the most accessible in the studied corpus of companies.

a) Dominant companies
See ↗ Table 1 (p. 5)

b) Sectors and clusters
When examining the network of companies within Slovakia's defence industry, one of the first prominent clusters emerges around the MSM Group. This group encompasses several highly specialised companies that focus on the production of heavy military vehicles, artillery systems, artillery ammunition, and the essential components required for their manufacture. The concentration of expertise, facilities, and resources within this cluster allows for greater efficiency, technological innovation, and quality control, while also fostering collaboration between the different companies. By centralizing these capabilities, the MSM Group not only strengthens Slovakia's domestic defence industry but also positions the country as a notable player in the international defence market, capable of supplying advanced military equipment and systems to both regional and global clients. MSM Group now represents a type of umbrella company connecting historically dominant defensive companies in the country and is a key stakeholder in the entire defensive sector. As a result, the MSM Group not only preserves the legacy of the nation's longstanding defence manufacturers but also drives innovation, investment, and international collaboration, solidifying Slovakia's role as an important contributor to regional and global defence markets.

Maintenance and repair companies also form an important part of the sector, notably the Trenčín and VOP Nováky aircraft repair shops. These enterprises play a key role in sustaining and modernizing military and specialised equipment, and ensuring long-term operational readiness and lifecycle support. Notably, both companies are characterised by a significant level of state involvement in their ownership structures, reflecting their strategic importance to national defence, security, and industrial sovereignty. This public participation helps guarantee continuity of critical capabilities while aligning their activities with broader national and defence policy objectives.

Other companies identified as relevant do not form clearly defined industrial clusters and exhibit lower levels of personnel overlap and stakeholder interconnection. This suggests a more fragmented organisational structure, with limited integration across corporate networks and fewer shared governance or operational linkages compared to more centralised segments of the industry.

3. Foreign investment and technological potential

Given the unique geographical and economic characteristics of the Slovak Republic, it is virtually impossible for domestic businesses to operate successfully without establishing strong connections to foreign markets and international economies. Slovakia's relatively small domestic market, combined with its position at the crossroads of Central Europe, makes international trade, collaboration, and supply chain integration essential for growth and competitiveness.

15 https://www.reuters.com/business/aerospace-defense/czech-group-csg-signs-slovak-deal-eu-ammunition-supply-worth-up-58-billion-euros-2025-12-05/?utm
https://www.czdefence.com/article/slovakia-approves-funding-for-nine-army-modernization-projects-through-safe?utm

16 https://www.mfsr.sk/files/sk/financie/institut-financnej-politiky/strategicke-materialy/vyrocna-sprava-pokroku/apr_2025_an_en_version.pdf?utm

17 https://www.upsvr.gov.sk/buxus/generate_page.php?page_id=806803

Table 1

Dominant companies in the defence industry

Company	Owner-ship	Foreign participation	Size (based on employment)	Revenue in 2024	Key product
MSM Group[1]	Private	The company is connected to the Czech company "Czechoslovak Group"	500–1000 employees	€648,077,513[2]	Artillery ammunition, mortars and artillery components, Alligator combat vehicle, RM-70 Vampire rocket launcher
EVPÚ as .	Private	undetected	200–249 employees	€24,263,541	gun turrets, weapon stations, remote controls of weapon systems
KONŠTRUKTA – Defence	Private	The company is connected to the Czech company "Czechoslovak Group"	100–149 employees	€54,735,431	Zuzana 2 howitzer and Eva artillery system
Aircraft Repair Shops Trenčín, as.	Private with state involvement	undetected	250–499 employees	€33,320,175	The company is engaged in aircraft repair.
WAY INDUSTRIES, Inc.	Private	undetected	150–199 employees	€13,301,954	Bozena remote-controlled mine clearance system

1 The company is a holding that connects main stakeholders in the defense industry such as ZVS holding, ZVS Impex, ZTS – SPECIAL, VOP Nováky, MSM LAND SYSTEMS, PPS VEHICLES, etc.

2 Calculated revenue from all companies under the MSM Group.

Consequently, Slovak companies must actively engage in cross-border partnerships, export-oriented production, and participation in global industrial networks in order to sustain profitability, technological development, and long-term economic resilience. Today, the modern defence sector of Slovakia is fundamentally built on international partnerships and the active participation of Slovak companies in European consortia and collaborative projects. This engagement enables domestic firms to access advanced technologies, best practices, and specialised expertise from across Europe. The sector benefits not only from foreign direct investment but also from technology transfers, joint ventures, and licensed production agreements, all of which contribute to the development of high-quality defence capabilities. Such interactions enhance Slovakia's industrial base, promote innovation, and ensure that the country remains closely integrated into the broader European defence ecosystem, both strategically and economically.

Slovak companies also actively participate in European programs for the supply of ammunition and the development of new defence technologies. Slovakia is thus becoming an attractive partner for foreign investors and can build on one historically strong areas of production – the production of heavy ammunition and artillery systems. The recent and significant increase in ammunition production clearly confirms this assessment, providing tangible evidence of the ongoing expansion and strategic direction of the sector. At the same time, Slovakia's strategic geopolitical orientation enables it to maintain production and operational standards that fully comply with NATO requirements and certifications. This adherence to international quality benchmarks ensures that Slovak defence products are interoperable with allied forces and meet rigorous performance, safety, and reliability criteria. As a result, Slovakia has become a key contributor to regional defence in Europe, strengthening collective security and enhancing its reputation as a dependable partner in multinational defence initiatives. This position also creates opportunities for deeper integration into European defence networks, participation in joint military projects, and the expansion of Slovakia's influence within the broader security architecture of the continent.

The largest and key companies in the defence industry sector are part of the international group Czechoslovak Group as., which is also the dominant foreign investor in the defence industry. Czechoslovak Group is also the main European partner for ammunition programs (primarily 155 mm and 120 mm) within the EU (ASAP, EDIRPA). Given that ammunition remains a critical and often scarce resource, the strategic importance of the Slovak defence industry is rising considerably. An increase in domestic ammunition production would not only enhance national security but could also position Slovakia as a central supplier within the broader European defence landscape. By becoming a reliable source of essential munitions, Slovakia has the potential to play a pivotal role in strengthening the collective capabilities of allied forces, supporting NATO readiness, and contributing meaningfully to the continent's overall security architecture. This development would also foster technological expertise, industrial growth, and international partnerships, further elevating Slovakia's status within the European defence sector. The first steps in this development are already underway with the installation of a new, fully automated production line for large-calibre artillery ammunition at the facilities of ZVS Holding. This significant investment represents a major technological and industrial upgrade, substantially increasing production capacity, efficiency, and quality standards. As a result, Slovakia's capabilities in ammunition manufacturing are expanding at an unprecedented pace, positioning the country among the world's leading producers of artillery ammunition and strengthening its strategic importance within the global defence industry.[18]

As noted earlier, Slovakia has participated in the acquisition of Finnish BOV 8×8 Patria AMV XP vehicles, a process that involves close cooperation with the domestic entity EVPÚ and Finish developers. According to available data, the crucial work associated with these vehicles takes place directly within Slovakia, highlighting the country's growing role in advanced military manufacturing. This collaboration not only strengthens the domestic defence industry's technological capabilities but also reinforces Slovakia's position as an active partner in international defence procurement programs. By localising a substantial portion of the production, Slovakia benefits from skill development, technology transfer, and the creation of high-value industrial jobs, further integrating the national defence sector into global supply chains.

Another notable area of activity is the collaboration between the Swedish defence company BAE Systems Hägglunds and several Slovak firms, including KOVAL SYSTEMS, EVPÚ, and DMD Group, focused on the modernisation of the CV9035 MkIV tracked infantry fighting vehicles. This partnership combines Swedish technological expertise with Slovak industrial capabilities, allowing for advanced upgrades and local production components. It also demonstrates Slovakia's growing integration into European defence supply chains and highlights the potential for knowledge transfer, workforce development, and increased domestic technical competence in sophisticated military systems.[19]

The company PROMOTEQ sro, connected to the Swedish company PROMOTEQ i [20] Sandviken, also operates in Slovakia. The companiy produces specialised equipment for soldiers.

In Slovakia, the development of new technologies such as unmanned aerial vehicles (drones), cyber defence solutions, and other advanced intelligent systems is currently progressing, albeit on a relatively limited scale. While these emerging sectors are not yet as prominent as traditional defence manufacturing, they represent areas of significant future potential. Investment in these technologies could enhance Slovakia's strategic capabilities, foster innovation, and create opportunities for integration into international high-tech defence markets, thereby complementing the country's more established industrial defence base. However, there is significant potential for Slovakia to develop and export simulations and training aids, which are increasingly recognized as essential tools for the modernisation of armies in the 21st century. These products not only enhance the effectiveness and readiness of military personnel but also provide cost-efficient solutions for defence forces seeking advanced training capabilities. By focusing on this niche, Slovakia could establish itself as a competitive supplier in the international market for military simulations and training technologies, fostering innovation, technological expertise, and stronger ties with global defence partners. In this area, it is necessary to draw attention to the companies Virtual Reality Media, as. and SMS, spol. s ro. There is also potential for growth in the field of anti-drone protection, where the company Aliter Technologies, as. and DefTech figure. as. are active.

A major expansion in the production and potential foreign investment can be seen in the case of Tatra military cargo vehicles. Recent reports indicate that Tatra Defence Slovakia, a part of the MSM Group, plans to manufacture around 4,000 military cargo vehicles within a four-year timeframe. The project is linked to a contract with an Asian client. Beyond strengthening connections with the global market, this investment has the potential to significantly impact the local labour market by creating approximately 300 new jobs in a region that has long experienced persistently high unemployment. Such a development could not only provide a much-needed boost to the local economy but may also signal a broader strategic shift in Slovakia's economic focus, suggesting a gradual reorientation from traditional automotive manufacturing toward the defence industry. The creation of skilled employment opportunities, coupled with the growth of high-value industrial activity, highlights the potential for long-term regional develop-

18 https://www.tasr.sk/tasr-clanok/TASR:2025121600000361

19 https://www.czdefence.com/article/slovakia-approves-funding-for-nine-army-modernization-projects-through-safe?utm

20 https://www.ta3.com/clanok/1012587/obranny-priemysel-rastie-slovensko-stavia-moderne-obrnene-vozidla?utm

ment and increased national industrial resilience. Lastly we need to also note the plans to procure up to 1,307 NG3 category vehicles made by Slovak Armed Forces.[21] Significant foreign investments thus show a crucial connection to the domestic markets and national defence.

After the end of the current conflicts, it will also be necessary to address the rehabilitation of areas affected by military operations. In this context, the company Way Industries may be of particular interest, as it produces the remote-controlled Božena demining system as well as other dual-use equipment. These technologies are essential for post-conflict recovery, enabling the safe clearance of mines and unexploded ordnance, supporting infrastructure reconstruction, and facilitating the return of civilian life to affected regions.

There are a minimum of companies in the country without obvious foreign participation (e.g., Grand Power and Tomark Aero). Based on the findings to date, as well as an analysis of employment trends within the defence sector, it is clear that foreign investment plays a critical role in Slovakia's defence industry. Without such investments, it would be extremely difficult, if not impossible, to fully integrate Slovak defence companies into the broader pan-European industrial base. International partnerships provide not only essential capital but also access to advanced technologies, specialised expertise, and collaborative networks. These connections enable Slovakia to participate in multinational projects, enhance workforce skills, and align its production capabilities with European standards, thereby solidifying its position as an integral component of the continent's defence infrastructure.

For a more detailed overview of foreign connections to the Slovak defence industry, you can review the table included above, which lists the relevant companies.

4. Country-Specific Challenges

The Slovak defence industry faces several challenges that may negatively affect its stability and long-term sustainability. One of the most significant risks is the high concentration of key companies. Such a degree of interconnectedness increases the potential impacts of incorrect management decisions or strategic corruption, which can have serious consequences for the entire sector.

The overall economic situation in Slovakia may have negative impacts. Transaction tax, dependence on larger subcontracting chains, and the ongoing outflow of skilled labour abroad may lead to a decrease in the sustainability of the defence industry. At the same time, there is a noticeable shortage of workers, especially in the automotive and mechanical engineering sectors, which are interconnected with the defence industry.[22]

Another problem is the risk that the defence and automotive industries may use the same subcontracting networks. A disruption in trade relations between the EU and the US, manifested in attempts to increase import tariffs on cars manufactured outside the US, could therefore indirectly weaken defence companies.

Publicly available information suggests that the largest companies in the defence industry are not yet investing sufficiently in unmanned technologies and systems for protecting against them – areas that are crucial for modern armed conflicts. On the contrary, drones usable for state defence can be seen in companies that are not connected to the dominant group on the Slovak market.

Specific challenges include the risk of energy instability, which could threaten the production of critical materials such as steel and aluminium. One illustrative example is the long-term decline of Slovalco, which has posted losses for the past three years.

Finally, Slovakia lacks a sufficiently developed production of materials necessary for the production of ammunition and munitions, which increases dependence on external suppliers and reduces the resilience of the defence sector to crisis situations.

At the same time, it seems that the key and largest companies are able to fulfil the Slovak Republic's commitments to NATO – specifically, building a heavy mechanized brigade. Likewise, most companies are building products compatible with NATO needs. The largest companies within the Slovak defence industry are also focused on the development and production of artillery, which also finds application on modern battlefields, while smaller companies are able to invest in new technologies, such as the production of unmanned devices, protection against unmanned devices, cybersecurity and the development of communication systems.

5. Assessment of Potential for Cooperation

In conclusion, it can be stated that Slovakia has a developed and internationally established industry, especially in the field of ammunition production (155 mm and 120 mm) and artillery systems (e.g. the Zuzana system) and components for heavy equipment, which are an important element on the modern battlefield. There is also development in the field of new technologies (drones , cybersecurity, information systems and software solutions). In addition, one should not overlook technologies in the field of training, e.g. simulators for artilleriy and IFV training.

The increase in state defence spending is still present despite the fiscal situation[23] and provides a positive stimulus for industrial development. With regard to the understanding of the defence industry as a possible replacement for the hitherto dominant automotive industry,[24] foreign cooperation is not only desired but also necessary. In

21 https://www.czdefence.com/article/slovakia-approves-funding-for-nine-army-modernization-projects-through-safe?utm

22 https://www.upsvr.gov.sk/buxus/generate_page.php?page_id=806803

23 https://www.mfsr.sk/files/sk/financie/institut-financnej-politiky/strategicke-materialy/vyrocna-sprava-pokroku/apr_2025_an_en_version.pdf?utm

24 https://www.tyzden.sk/ekonomika/129697/data-bez-patosu-vyvoz-zbrani-zo-slovenska-utesene-a-rekordne-rastie/?ref=naj&utm

combination with the already strong foreign participation (the Czechoslovak Group) and many synergies in production, **the potential for cooperation and more active participation of the Slovak defence industry can be considered significant**. If NATO member states continue to increase their defence budgets in real terms, Slovakia has the potential to become an indispensable complement to Western European production – as a munitions and mechanical hub of Central Europe with a growing role in the fields of sensors, simulators, robotics and cybersecurity. These claims are further supported by recent developments, as substantial investments are increasingly evident across the military-industrial sector, with particular emphasis on the production of military vehicles and, even more significantly, artillery ammunition. Such investments reflect not only short-term responses to heightened demand but also long-term strategic planning aimed at expanding production capacity, modernizing facilities, and strengthening technological capabilities. Taken together, these trends demonstrate a sustained and systematic growth of the industrial base and clearly confirm the rising strategic importance of this segment within the broader defence industry, both at the national and international levels.

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