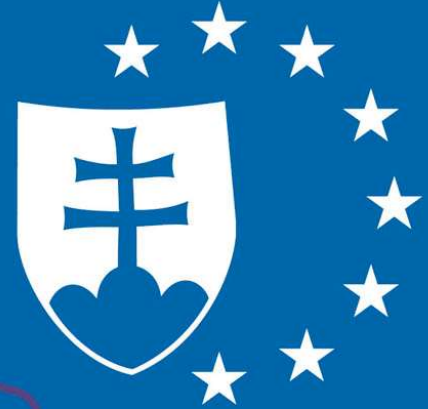


Legislative and policy update

DECEMBER



Slovakia

OECD Report on Slovakia

Slovakia's economy might contract by 6.3 percent this year. The situation is expected to improve though, and the economy is projected to grow at 2.7 percent in 2021, and by 4.3 percent in 2022. The OECD predicts that consumption in Slovakia will gradually recover.

1.12.2020 <https://spectator.sme.sk/c/22546253/slovak-economy-will-drop-more-than-6-percent-this-year.html>

Income tax

MPs passed a vast number of amendments to the income tax law, including a number of amending proposals, on December 2. Income tax rules will change in Slovakia. Some of the major changes are aimed at fighting tax avoidance and exporting income to tax havens.

3.12.2020 <https://spectator.sme.sk/c/22547633/new-rules-for-tax-havens-and-other-changes-to-income-tax.html>

Prosecutor-General

Following the long-awaited election of the new Prosecutor-General for the next 7 years tenure, Justice Minister Maria Kolíková expressed hopes that Maroš Žilinka in his new capacity as Prosecutor-General will co-operate in the implementation of the prosecutor's office reform.

3.12.2020 <https://www.tasr.sk/tasr-clanok/TASR:20201203TBB00381>

State IT

State IT will soon become more effective, bringing better services for citizens and businesses. To achieve the goal of creating cheaper, more modern and more flexible state IT systems, the ministry launched a new state software house. Minister Remišová stated that the new company will allow the state to take the road of more flexible and more efficient creation of its information systems.

7.12. 2020 <https://spectator.sme.sk/c/22545056/new-government-promises-a-new-era-in-state-it.html>

Health Care

Parliament approved funds of up to €575 million to be used for hospital debt relief. The proposal comes from the Health Ministry led by Marek Krajci. All hospitals, regardless of their legal form or ownership, should be given an opportunity to participate.

8.12.2020 <https://www.tasr.sk/tasr-clanok/TASR:20201208TBB00273>

State budget

Parliament passed the state budget for 2021 as well the general government budget for 2021-2023. Ninety-one of the 141 lawmakers present voted for the legislation. Slovakia's general government deficit is projected at 7.41 percent of the country's GDP.

9.12.2020 <https://spectator.sme.sk/c/22551828/parliament-passed-the-law-of-the-year-public-finances-will-remain-in-deficit-for-next-three-years.html>

Foreign Trade

Foreign trade balance of Slovakia in November was a positive surprise compared to the previous month. The value of exports and the balance of foreign trade reached the highest value in the last 10 years. Imports were below last year's values for the eighth consecutive month, according to data published by the Statistics Office.

10.12.2020 <https://spectator.sme.sk/c/22552307/foreign-trade-breaks-10-year-record.html>

Anti-bureaucratic measures

The team surrounding Economy Minister Richard Sulík presented a second package of measures to help entrepreneurs. Altogether, there were 496 proposals that should remove useless red-tape from businessmen's shoulders. There will now be consultations with companies, social partners, and other ministries until the proposed package of measures enters official legislation process.

10.12.2020 <https://spectator.sme.sk/c/22552819/sulik-introduces-another-package-of-anti-bureaucratic-measures.html>

Judicial reform

President Zuzana Čaputová signed into law the judicial reform as well as amendments to the Constitution. The judicial reform concerns the make-up of the Constitutional Court, Judicial Council, sets up a new Supreme Administrative Court and introduces property checks for all judges.

17.12.2020 <https://www.tasr.sk/tasr-clanok/TASR:20201217TBB00405>

Reform of Police

The Interior Ministry is boosting its analyst capacities and is also preparing a reform of the police. The police reform should include the introduction of a "transparent and objective system of remuneration [of police officers] that would be considered a genuinely motivational tool. The Value for Money department stated that the Interior Ministry could be able to save €63-147 million per year.

23.12.2020 <https://www.tasr.sk/tasr-clanok/TASR:20201223TBB00238>

Robotization

As many as 34 percent of jobs in Slovakia's industry, mainly in car factories, may cease to exist in the future due to robotization. Conversely, there will be demand for data analysts, robotics specialists, engineers, software and application developers and social-network specialists.

27.12.2020 <https://www.tasr.sk/tasr-clanok/TASR:20201226TBB00109>

Government operations

The business environment is significantly adversely affected by the coronavirus pandemic, with some entrepreneurs having survival problems and some living with concerns, noted Peter Serina, executive director of the Business Alliance of Slovakia (PAS). In 2021, entrepreneurs would welcome, based on expert data, clear, predictable, and systemic crisis management of the economy, as well as society as a whole.

28.12.2020 <https://spectator.sme.sk/c/22562982/business-people-gave-the-government-a-minus-4-grade-for-its-operation-in-2020.html>

EU & World

EU-Asean partnership

After six years of talks, the European Union and the ASEAN group of ten Southeast Asian countries upgraded their relations from “dialogue” to “strategic partnership”. The two blocs will now commit to regular summits at leaders’ level and boost their economic and security cooperation, as well as ties in areas like connectivity and development.

2.12.2020 <https://www.euractiv.com/section/global-europe/news/eu-asean-upgrade-their-relations-to-strategic-partnership/>

EU Democracy Action plan

The European Commission is presenting its European Democracy Action Plan to empower citizens and build more resilient democracies across the EU. Standing up to challenges to our democratic systems from rising extremism and perceived distance between people and politicians, the Action Plan sets out measures to promote free and fair elections, strengthen media freedom and counter disinformation.

3.12.2020 https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2250

EU budget

The EU’s long-term budget contributes to healthier and safer food, new and better roads, railways and airports, and a cleaner environment. As Europe faces the devastating social and economic impact of the coronavirus pandemic, an ambitious EU budget that meets the expectations of Europeans is more crucial than ever.

5.12.2020 <https://www.europarl.europa.eu/news/en/headlines/economy/20200131STO71519/the-eu-s-long-term-budget-explained>

Cohesion package deal

EU lawmakers had struck a deal on a new structural aid fund and are approaching a compromise on supporting regions transitioning from coal, with the final white smoke from co-legislators on total regional support from the EU’s next seven-year budget. MEPs and government ministers agreed on the European Regional Development Fund and Cohesion Fund (ERDF/CF) that will channel €242.9 billion to regions over the next seven years.

9.12.2020 <https://www.euractiv.com/section/economy-jobs/news/eu-institutions-close-in-on-cohesion-package-deal/>

ECB Stimulus package

The European Central Bank will unveil fresh stimulus measures to prop up the recession-hit currency bloc long enough for a coronavirus vaccine to be deployed and its devastated economy to start to heal. The ECB's challenge will be to balance a growing range of short-term risks against improving long term prospects.

10.12.2020 <https://www.euractiv.com/section/economy-jobs/news/ecb-to-unveil-yet-another-stimulus-package/>

Research and Innovation

The Commission welcomed the political agreement between the European Parliament and the Council on the so-called Horizon Europe, the largest transnational program ever supporting research and innovation. The new EU research and innovation program will have a budget of around €95.5 billion for the period 2021-2027.

10.12.2020 https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2345

Sustainable finance

The European Commission is expected to present in early 2021 an “ambitious” sustainable finance strategy to mobilize the private investment needed to meet the EU's climate targets. Transforming the European economy to meet the CO2 reduction targets will require an additional investment of €350 billion annually, according to the Commission.

11.12.2020 <https://www.euractiv.com/section/economy-jobs/news/commission-prepares-the-ground-for-ambitious-sustainable-finance-strategy/>

Small businesses

Small companies have been hit hard by the Covid-19 crisis. MEPs believe the EU can help by easing requirements and supporting their resilience. Parliament advocated measures to support small and medium-sized enterprises (SMEs) in dealing with the crisis and the twin challenges of digitalization and decarbonization.

14.12.2020

<https://www.europarl.europa.eu/news/en/headlines/economy/20210107STO95112/covid-19-how-the-eu-can-help-small-businesses>

Platform economy

The last two decades have been marked by the unprecedented development of the online world - the rise of new technologies, companies, new ways of working, shopping or booking accommodation. As we increasingly live our lives online, the EU Parliament is calling for new

rules for digital service providers. The platform economy brings benefits, but also risks. Read about the issues the EU wants to solve with new rules and the solutions proposed by MEPs.

15.12.2020

<https://www.europarl.europa.eu/news/en/headlines/economy/20201008STO88810/why-does-the-eu-want-to-regulate-the-platform-economy>

Key performance indicators

The European Commission is working on a series of key performance indicators to include in the update of its industrial strategy, to measure the transformation of European industry and its resilience in the aftermath of the pandemic. EU leaders tasked the Commission with mapping the strategic dependencies of European industry.

15.12.2020 <https://www.euractiv.com/section/economy-jobs/news/commission-to-propose-kpis-to-measure-real-progress-in-industrial-strategy/>

Consumer protection

With growing demand for cross-border online shopping in the EU, MEPs aimed to ensure Europeans receive a high standard of protection regardless of where they carry out their purchases. MEPs approved new rules to improve ranking transparency in online marketplaces and tackle the dual quality of products. EU countries are required to apply the new measures from May 28 of 2022.

17.12.2020

<https://www.europarl.europa.eu/news/en/headlines/economy/20190117STO23721/new-eu-consumer-protection-rules-to-tackle-misleading-and-unfair-practices>

Post-Brexit

The 27 EU member states gave the green light for the post-Brexit trade deal. This will provisionally allow tariff-free trade with Britain to continue after it left the EU single market at the New Year. But the deal must still be ratified retrospectively by the European Parliament, probably in late February.

28.12.2020 <https://www.euractiv.com/section/uk-europe/news/eu-countries-endorse-brexit-trade-deal/>