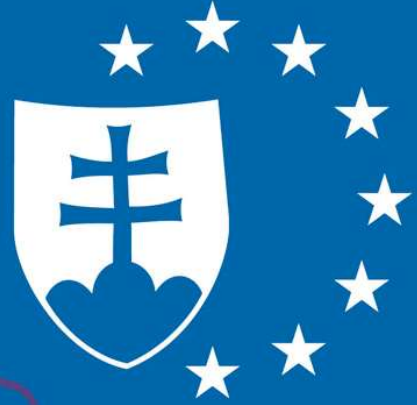


Legislative and policy update

NOVEMBER



Slovakia

Artificial Intelligence

The newly established Standing Committee on Ethics and Regulation of Artificial Intelligence, whose members were appointed by the Deputy Prime Minister and Minister for Informatization Veronika Remišová on 3 November, will deal with issues of its functioning for the benefit of wider society and competitiveness of the Slovak economy.

3/11/2020 <https://ekonomika.sme.sk/c/22526020/remisova-vymenovala-clenov-stalej-komisie-pre-etiku-a-regulaciu-umelej-inteligencie.html>

Government deficit

The Slovak general government deficit reported in the uniform methodology for EU member states (ESA2010) reached the level of 1.4 percent of GDP in 2019, which represents approximately 1.27 billion euros. The general government deficit-to-GDP ratio increased slightly year-on-year by 0.4 percentage point and by more than 382 million euros in absolute terms.

3/11/2020 <https://ekonomika.sme.sk/c/22526268/schodok-verejnej-spravy-dosiahol-minuly-rok-uroven-14-percenta-hdp.html>

Trade balance

Slovakia posted a trade-balance surplus of €310.3 million in August, the Statistics Office revealed in its detailed report. The country exported goods worth €6.209 billion in August, up by 5.4 percent y-o-y. Imports reached €5.899 billion, decreasing by 2.7 percent y-o-y. Meanwhile, Slovakia reported a trade-balance surplus of €827.6 million in the January-August period, up by €343.7 million y-o-y.

9/11/2020 <https://www.tasr.sk/tasr-clanok/TASR:20201109TBB00069>

Economic growth

Slovakia's economy was more efficient than expected in the third quarter of the pandemic-stricken year 2020. Economists see the economic recovery in the third quarter as a "very pleasant surprise", but note that the Slovak economy has not yet returned to its pre-crisis levels.

13/11/2020 <https://spectator.sme.sk/c/22534472/slovakias-gdp-flash-estimate-for-third-quarter-is-good-news.html>

Tax Havens

Despite the crisis caused by novel coronavirus, the interest of Slovak companies in moving their headquarters to tax havens continues. According to the current analysis, there are 5,298 Slovak firms based in such countries, an increase of 30 companies compared to the second quarter.

14/11/2020 <https://www.tasr.sk/tasr-clanok/TASR:20201114TBB00122>

Universities

Symbolically on 17 November rectors of nine universities and colleges in Slovakia created an alternative platform to discuss less popular yet pressing issues in the Slovak university system. It should serve as an alternative to the officially presented line of the Slovak Rectors' Conference (SRK).

17/11/2020 <https://spectator.sme.sk/c/22537349/rectors-create-an-alternative-platform-to-discuss-less-popular-yet-pressing-issues.html>

Tax officials

The Finance Ministry took one month to select the new head of the Financial Administration, the authority overseeing taxes in Slovakia. A selection commission proposed three nominees to Finance Minister Eduard Heger to choose from. After negotiations, Heger chose a Czech expert, former head of the Czech Financial Administration, Jiří Žežulka.

19/11/2020 <https://spectator.sme.sk/c/22538219/tax-officials-have-a-new-head-he-is-not-a-slovak.html>

2021 Budget

The parliamentary financial committee approved the Government-sponsored bill on the state budget for 2021, which means that the bill will be submitted to Parliament without any changes, TASR learnt from the committee head Marián Viskupič.

20/11/2020 <https://www.tasr.sk/tasr-clanok/TASR:20201120TBB00408>

New court system

With polls showing a dramatic lack of public faith in the Slovak judiciary, the Justice Ministry Mária Kolíková announced plans for the biggest shake up to the country's court system for more than two decades on 23 November. The changes, which will see the number of courts drastically reduced, is aimed at breaking corruption chains at lower levels of the court system, improving the quality of rulings and speeding up the decision-making process, by allowing judges to specialize in a particular area.

23/11/2020 <https://spectator.sme.sk/c/22543354/slovak-court-system-gets-shake-up-as-justice-ministry-looks-to-root-out-corruption.html>

Development

Members of the National Council approved the abolition of the bank levy. Finance Minister Eduard Heger called it a very good step. According to him, Slovakia will receive one billion euros for the development of the country.

24/11/2020 <https://ekonomika.sme.sk/c/22541576/zrusenie-bankoveho-odvodu-je-podla-hegera-velmi-dobry-krok.html>

Green electricity

The current Minister of Finance, Eduard Heger, presented the repayment of a debt for the support of green electricity as a third aid for citizens, for electricity consumers. If the Ministry of Finance did not deduct the mentioned amount from the budget, it would have to be reflected in the final prices of electricity, which are paid by all electricity customers.

24/11/2020 <https://ekonomika.sme.sk/c/22541174/distribucne-spolocnosti-dostanu-zo-statneho-rozpoctu-162-milionov-eur.html>

Financial discipline

Fines for uneconomical use of public resources will be several times higher from the beginning of next year than at present. The parliament approved an amendment to the law on budgetary rules of public administration. From January 2021, the upper limit of the fine for breach of financial discipline in dealing with public finances will rise from the current 40,000 euro to 500,000 euro.

27/11/2020 <https://ekonomika.sme.sk/c/22543519/nr-sr-schvalila-novelu-o-rozpoctovych-pravidlach-verejnej-spravy.html>

Investor Park

New state strategic industrial park spanning about 65 hectares is to be built near the town of Rimavská Sobota (Banská Bystrica region), according to a motion that the Economy Ministry submitted for comments. The costs attached to the project will equal 11.8 million euro, including the drafting of technical documentation, landscaping and the land buy-outs.

30/11/2020 <https://www.tasr.sk/tasr-clanok/TASR:20201130TBB00244>

Brain drain

The best secondary school graduates continue in their studies at schools abroad. Moreover, most of them decide not to return after they finish school, which results in the Slovak labor market losing qualified workforce and Slovak science potential PhD students and scientists. This can eventually have a negative impact on economic growth, according to the latest analysis on brain drain published by the Institute for Educational Policy, running under the Education Ministry, on 30 November.

30/11/2020 <https://spectator.sme.sk/c/22545410/slovakia-keeps-losing-its-best-talents-leaving-for-schools-abroad.html>

PPA Director

Jaroslav Janos will become interim general director of the Agricultural Payment Agency (PPA). Janos, who served as the PPA's internal audit department director up to now, assumed his duties at the agency on 1 December, following his predecessor Tibor Gunis leaving the post on the last day of November.

30/11/2020 <https://www.tasr.sk/tasr-clanok/TASR:20201130TBB00190>

EU & World

Oil prices

After a previous sharp decline, oil prices returned to rising as market sentiment was boosted by favorable news of activity in the US manufacturing sector. The oil market was under pressure in recent months, as the mood was mainly affected by the rapidly increasing number of new coronavirus infections in the United States and European countries.

2/11/2020 <https://ekonomika.sme.sk/c/22525540/ceny-ropy-sa-po-prudkom-poklese-vratili-k-vyraznemu-rastu.html>

US President-elect

Joe Biden was elected the 46th President of the United States after piling up electoral votes following the general presidential election on November 3rd. President-elect and Kamala Harris, who will be the nation's first Black and South Asian vice president, and first woman to hold that office, delivered remarks to unify citizens of the USA in times of severe societal animosity.

8/11/2020 <https://edition.cnn.com/politics/live-news/trump-biden-election-results-11-07-20/index.html>

Budget veto

The European Council declared that “provisional agreement” had been reached between Germany, which holds the rotating EU presidency, and the European Parliament over the seven-year 1.1-trillion-euro budget as well as a €750-billion virus relief package. Hungarian Prime Minister Viktor Orbán continued to veto an EU accord linking the bloc's long-term budget to a mechanism requiring countries to uphold Europe's democracy rules.

9/11/2020 <https://www.euractiv.com/section/justice-home-affairs/news/hungarys-orban-threatens-eu-budget-veto-over-rule-of-law/>

Digital transition and Pact for Skills

The European Commission staged its Vocational Education and Training (VET) week as a means to foster the uptake of skills that can aid in the executive's twin ambitions of the green and digital transitions. Commission launched its Pact for Skills on 10 November — a shared engagement and approach to skills development. The Pact aims to mobilize and incentivize private and public stakeholders to take concrete action for the upskilling and reskilling of people of working age, and, when relevant, pool efforts in the partnerships.

11/11/2020 <https://www.euractiv.com/section/digital/interview/commission-targets-eu-skills-boost-for-green-and-digital-transitions/>

Funding gap and regional development

The European Parliament and the Council representing the EU's 27 member states negotiated a range of legislative proposals regulating the flow of European money to regions, known as the “cohesion package.” EU lawmakers want to ensure there is no financing gap between the next budgetary period for the policy that aims to reduce disparities between European regions.

11/11/2020 <https://www.euractiv.com/section/economy-jobs/news/meps-worry-about-funding-gap-for-eu-regions-as-talks-press-ahead/>

REACT EU

The European Commission welcomed the political agreement between the European Parliament and EU Member States in the Council on the Recovery Assistance for Cohesion and the Territories of Europe package (REACT-EU). This is the first cohesion policy file whose trilogue negotiations are concluded pending the final approval of the legal texts by the European Parliament Plenary and the Council.

18/11/2020 https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2140

Autumn economy package

The European Commission presented the autumn economic policy package, including opinions on draft budget plans for the euro area for 2021 and policy recommendations for the euro area. This is the second phase of the 2021 European Semester cycle, which began in September with the publication of the Annual Sustainable Growth Strategy, which provided EU Member States with strategic guidelines for developing their recovery and resilience plans.

18/11/2020 <https://ekonomika.sme.sk/c/22537157/hospodarska-politika-eu-sa-sustredi-najma-na-obnovu.html>

Antitrust fines

EU auditors have questioned the effectiveness of antitrust fines dished out by the European Commission, as part of a landmark audit of the EU executive's role as an enforcer of competition rules. The probe, notes that over the past decade, the Commission has failed to assess whether any of the fines it has imposed for antitrust violations have had any deterrence effect at all on the behavior of those accused of infringements.

19/11/2020 <https://www.euractiv.com/section/digital/news/commission-has-never-evaluated-deterrence-effect-of-antitrust-fines-auditors-say/>

G20

European Council President Charles Michel called on G20 leaders to create "a new model of sustainable finance" to avoid sovereign defaults in the wake of the COVID-19 crisis. While 43 countries have signed up to the DSSI, private creditors have so far resisted involvement, and the G20 lacks a mechanism to force them.

20/11/2020 <https://www.euractiv.com/section/global-europe/news/michel-g20-must-move-on-debt-restructuring-programme/>

Intellectual property

The European Commission published a new Action Plan on Intellectual Property to help companies, especially small and medium-sized companies (SMEs), to make the most of their inventions and creations and ensure they can benefit our economy and society. The Action Plan aims at enabling the European creative and innovative industry to remain a global leader and at speeding up Europe's green and digital transitions.

25/11/2020 https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2187

Digital tax in EU

France confirmed on 25 November it will levy its tax on digital giants for 2020, following a warning by Economy Minister Bruno Le Maire in October that it would do so. With this decision, however, it risks

US countermeasures at a time when it is scrambling for public money amid a devastating pandemic. Paris and Washington concluded a truce in January 2020 based on a tax freeze in exchange for a freeze on sanctions, but France no longer considers itself bound by this agreement.

26/11/2020 <https://www.euractiv.com/section/digital/news/france-to-levy-tax-on-digital-giants-before-biden-administration-takes-office/>

Cryptocurrencies

The European Central Bank issued a warning against financial market activities in cryptocurrencies. Cryptocurrencies planned by global technology giants such as Facebook could damage Europe's financial system, warned Fabio Panetta, a member of the Executive Board of the European Central Bank.

27/11/2020 <https://ekonomika.sme.sk/c/22543891/kryptomeny-technologickych-koncernov-ohrozuju-financny-system.html>

Clean energy

The European Commission is coming up with a new investment program in the field of clean energy. It adopted EU strategies for the integration of the energy system and hydrogen, based on two parallel goals of a cleaner planet and a stronger economy. The strategies aim to build a more efficient and interconnected energy sector.

27/11/2020 <https://ekonomika.sme.sk/c/22544012/v-energetickej-strategii-eu-sa-rata-aj-s-vodikom.html>

Brexit

EU chief negotiator Michel Barnier negotiated face-to-face in London on 27 November with UK counterpart David Frost with trade talks still deadlocked and both sides once again arguing that the other must compromise in order to reach an agreement. The so-called brinkmanship policy underlines the ongoing substantial and important differences to be bridged until the year end when Britain leaves the EU also “de iure”, not only “de facto”.

27/11/2020 <https://www.euractiv.com/section/uk-europe/news/more-brexit-brinkmanship-as-barnier-heads-for-london/>