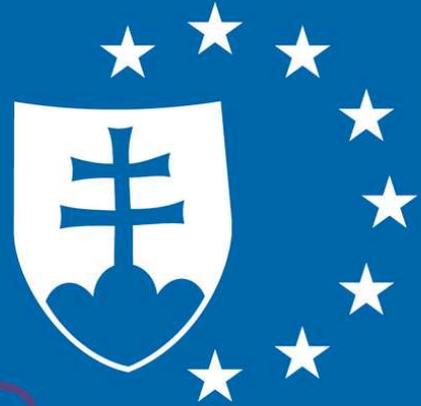


# Legislative and policy update

SEPTEMBER



## SLOVAKIA

### Nominal salary

The average nominal monthly salary in Slovakia stood at €1,088 in the second quarter of 2020, actually dropping by 1.2 percent year-on-year, the Statistics Office. Taking into account the rate of inflation, the drop in real salaries reached 3 percent. Seasonally adjusted average salaries fell by 4.9 percent quarter-on-quarter.

4/9/2020 <https://www.tasr.sk/tasr-clanok/TASR:20200904TBA01063>

### Drop of the GDP

Due to the coronavirus pandemic, real gross domestic product (GDP) dropped by 12.1 percent year-on-year at fixed prices, the Statistics Office. In terms of seasonally adjusted figures, GDP fell by 8.3 percent quarter-on-quarter. At current prices, the volume of GDP decreased by 10.4 percent to €21.2 billion.

4/9/2020 <https://www.tasr.sk/tasr-clanok/TASR:20200904TBA00968>

### Unemployment rises

The coronavirus pandemic has had an impact on Slovakia's labour market. The unemployment rate in the second quarter of 2020 rose by 14.7 percent year-on-year, which was the most significant growth since 2010. The number of unemployed amounted to 177,800 in absolute terms, up by 22,800 persons, according to the Labour Force Sample Survey.

7/9/2020 <https://spectator.sme.sk/c/22482727/statistics-office-unemployment-rate-gdp-growth-2q-2020.html>

### Financial literacy

The survey showed that in terms of finance, Slovaks believe in themselves more than they in fact know, as the TASR newswire reported. The financial literacy of people in Slovakia is only slowly improving. In the recent financial literacy index, the country scored only 62 of 100 points.

9/9/2020 <https://spectator.sme.sk/c/22484553/people-in-slovakia-dont-move-ahead-much-in-financial-literacy.html>

## **New industrial parks**

The Economy Ministry is currently holding talks on a possible location for a state-run strategic industrial parks, Economy Minister Richard Sulik added that all the locations are in the least developed districts, including four in eastern and one in central Slovakia. At the moment Slovakia has a sole strategic industrial park in Nitra where Jaguar Land Rover resides.

10/9/2020 <https://www.tasr.sk/tasr-clanok/TASR:20200910TBA01560>

## **Inflation**

The EU-harmonised inflation rate in Slovakia reached 1.4 percent year-on-year in August, while consumer prices went down by 0.1 percent compared to July. The average harmonised inflation rate for the 12-month period ending in August 2020 amounted to 2.5 percent.

17/9/2020 <https://www.tasr.sk/tasr-clanok/TASR:20200917TBB00077>

## **Investment aid**

The aim of the Economy Ministry is to offer investment aid to production plants in eastern Slovakia and, if possible, only in the form of tax reliefs. In return, Mahle Behr Senica, BHS-Sonthofen and Charvát Strojárne will create 175 jobs. In the case of investments that will result in creating highly-sophisticated jobs, the state aid will go to companies across Slovakia and it will be possible to gain a subsidy to directly create new vacancies, he added, as reported by the SITA newswire.

17/9/2020 <https://spectator.sme.sk/c/22490026/state-will-offer-stimuli-at-almost-3-million-to-three-companies.html>

## **Wage Gap**

The difference between the wages of women and men in Slovakia decreased slightly last year. According to the latest data, men earned a gross amount of 1,399 euros per month, while women earned only 1,116 euros. However, the gap between the total wages of women and men in Slovakia is narrowing, the difference decreased from 25.3 percent in 2008 to last year's 20.2 percent.

18/9/2020 <https://ekonomika.sme.sk/c/22490893/zeny-zarabaju-o-patinu-menej-ako-muzi-rozdiel-sa-zmensuje.html>

## **New Hydrogen technologies centre**

Scientists and rectors have signed a memorandum on setting up a Centre for Research into Hydrogen Technologies, which will also deal with the use of hydrogen in transport. The centre will focus on research and development in the field of hydrogen technologies, as well on training and education in the fields of hydrogen technology.

18/9/2020 <https://www.tasr.sk/tasr-clanok/TASR:20200918TBB00159>

## **Demand for IT positions**

The coronavirus crisis has accelerated the transformation of the labour market in Slovakia. Two main trends can be observed: while the number of IT-related job offers is growing, the number of offers not requiring some previous experience has been in retreat, according to the Profesia.sk job portal. The latest data show that the share of IT-related job ads is growing every year.

24/9/2020 <https://spectator.sme.sk/c/22495249/coronavirus-speeds-up-changes-to-labour-market-more-it-positions-are-sought.html>

### **The changes of business plans**

While the list of US investments and companies active in Slovakia is not very long, numbering about 90, it includes some big technological companies. The COVID-19 pandemic has impacted US companies in Slovakia differently, depending on the sector in which they operate. Business service centres have faced the challenge of securing a full-fledged operation from home office.

28/9/2020 <https://spectator.sme.sk/c/22495223/business-focus-pandemic-changes-plans-of-american-investors-in-slovakia.html>

### **Adaptation to covid-crisis**

Business service centres (BSCs) and shared service centres (SSCs) have shown flexibility and resistance towards the crisis. As much as 97 percent of them continued in their activities while keeping high labour productivity during the coronavirus crisis without any significant restrictions. At the same time, up to 84 percent of them have not asked for any state aid.

28/9/2020 <https://spectator.sme.sk/c/22497777/bscf-2020-survey-the-situation-in-business-and-service-shared-centres.html>

### **Growth of Economy**

The Slovak economy should drop in constant prices by 7 percent. However, it should rise again next year. This stems from the recent macroeconomic prognosis of selected banks, published by the National Bank of Slovakia (NBS). But analysts are more optimistic. They revised their forecast of the economic drop for this year, from the original 7.6 percent to 7 percent. In addition, the economy should grow by 5.8 percent in 2021.

29/9/2020 <https://spectator.sme.sk/c/22499062/slovak-economy-should-fall-by-7-percent-this-year.html>

# WORLD

## **EU Commission**

European Commission President Ursula von der Leyen proposed Ireland's Mairead McGuinness to become financial services Commissioner, taking over from executive vice-president Valdis Dombrovskis. This election will help to progress toward the gender parity in the college of Commissioners,

8/9/2020 <https://www.euractiv.com/section/economy-jobs/news/von-der-leyen-proposes-mcguinness-as-financial-services-commissioner/>

## **EU's online marketplace**

Europe's online marketplaces should not be controlled by a handful of dominant gatekeeper platforms, marketplaces should be vibrant ecosystems, where startups have a real chance to blossom. They shouldn't be closed shops, stated the EU's digital chief Margarethe Vestager.

8/9/2020 <https://www.euractiv.com/section/digital/news/vestager-gatekeeper-platforms-shouldnt-control-europes-online-marketplaces/>

## **Education**

Two European lawmakers set out their plans for how a European Education Alliance can help advance education across the bloc. European Education Alliance would be a platform bringing together eager minds and creative ideas in support of advancing education across the EU.

11/9/2020 <https://www.euractiv.com/section/economy-jobs/opinion/a-european-education-alliance-for-the-future-of-education/>

## **Inflation**

European Central Bank (ECB) officials warned against accepting low inflation and stressed the risks posed by a strong euro. The pace of price growth remains well below the inflation target and progress in combating the negative effects of the pandemic on the projected inflation rate is only partial

11/9/2020 <https://ekonomika.sme.sk/c/22486391/predstavitelia-europskej-centralnej-banky-varovali-pred-silnym-eurom.html>

## **Cryptocurrencies**

The finance ministers of France, Germany, Italy, the Netherlands and Spain expressed their concerns about cryptocurrencies. The draft cryptocurrency proposal, published by Euractiv, includes stricter requirements for more risky digital tokens, especially for asset-backed cryptocurrencies

11/9/2020 <https://www.euractiv.com/section/economy-jobs/news/big-euro-economies-push-for-strong-cryptocurrency-rules/>

## **ETS**

The European Commission plans to withdraw free allowances given to polluting industries under the EU's emission trading system (ETS). A CO<sub>2</sub> levy on importers of goods from countries with lower environmental standards is one of the new 'own resources' being considered to finance the EU's €750 billion recovery fund.

14/9/2020 <https://www.euractiv.com/section/energy/news/commission-to-withdraw-ets-exemptions-to-clear-path-for-carbon-border-tax/>

## **US Stock market**

The US stock market has risen due to the growth of technology and healthcare companies. Technology companies grew after Nvidia agreed to buy its \$ 40 billion stake in arm chip maker Arm from Japan's conglomerate Softbank.

15/9/2020 <https://ekonomika.sme.sk/c/22488704/akciovy-trh-usa-stupol-vdaka-rastu-technologickych-a-zdravotnickych-firiem.html>

## **Confidence in German investments**

Investor confidence in the German economy and the euro area as a whole rose unexpectedly in September. A survey by the Center for Research on the European Economy (ZEW) showed that the key index of German investor confidence, which expresses their expectations for the next six months, rose to 77.4 points in September, from 71.5 points in the previous month.

15/9/2020 <https://ekonomika.sme.sk/c/22488790/dovera-investorov-v-ekonomiku-nemecka-aj-eurozony-necakane-vzrastla.html>

## **EU recovery fund**

The approval process for the EU's €750 billion recovery funds may take longer than foreseen, and it would be optimistic to expect the first disbursements by mid-2021. The European Parliament and the Council, have yet to agree on the own resources that would allow for increasing the EU budgetary threshold and borrow the €750 billion from the markets.

17/9/2020 <https://www.euractiv.com/section/economy-jobs/news/it-is-optimistic-to-expect-recovery-funds-by-mid-2021-says-eu-official/>

## **Brexit**

Brexit without an agreement could be up to three times more expensive for the British economy in the long run than a coronavirus outbreak. The organization, which collaborated with the London School of Economics in the study, adds that Brexit will affect the growth of the British economy much more in the coming years than if the United Kingdom remained part of the EU.

23/9/2020 <https://ekonomika.sme.sk/c/22494317/brexit-bez-dohody-moze-byt-trikrat-nakladnejsi-ako-pandemia-uvadza-studia.html>

## **Green projects aid**

European Union governments may be allowed to grant more state aid to projects that help the bloc achieve its climate goals. In contrast, polluting factories or power plants may be rebuffed when they seek state aid. This plan undergoes the European Commission's efforts to cut greenhouse gas emissions by at least 55% by 2030.

23/9/2020 <https://www.euractiv.com/section/energy-environment/news/eu-considers-allowing-more-state-aid-to-boost-green-projects/>

## **Warsaw Digital Declaration**

Many European representatives of the NGO digital sectors signed a document called the Warsaw Digital Declaration, which petitions governments to provide more extensive support to the innovative economy and digital technologies,

25/9/2020 <https://www.tasr.sk/tasr-clanok/TASR:20200925TBB00190>

## **Future of payments**

The European Commission has developed a comprehensive legislative payment framework aimed at keeping up with the rapid evolution of the sector while also preserving financial stability. The revised Payment Services Directive (PSD2) and the Interchange Fee Regulation (IFR) aimed to contribute to a more competitive European payment ecosystem.

26/9/2020 <https://www.euractiv.com/section/economy-jobs/video/the-future-of-payments-what-next-for-competition-and-innovation-in-payments/>

## **US economy**

The US economy weakened to a record high in the second quarter, but is heading for a record recovery in the third quarter. According to the final estimate, the country's gross domestic product (GDP) decreased by 31.4 percent between April and June.

30/9/2020 <https://ekonomika.sme.sk/c/22500109/americka-ekonomika-v-druhom-kvartali-rekordne-klesla.html>