



Slovakia

University act

The Education Ministry-sponsored draft amendment to the University Act and new funding policies, which have been lambasted by several universities, will be adjusted. According to the state secretary, the meeting made it clear that the Education Ministry has never aimed to politicize the country's universities.

2/3/2021 <https://www.tasr.sk/tasr-clanok/TASR:20210301TBB00076>

Logistic real-estate

While logistics real estate used to be less attractive compared to retail or office sectors, the Covid-19 pandemic and subsequent lockdowns accompanied by a surge of online shopping has increased demand for logistics real estate. During the summer of 2020, the demand for real estate rose significantly. This was caused by the rising demand of e-commerce companies and retail companies responding to the surge in online shopping, as well as industrial companies.

4/3/2021 <https://spectator.sme.sk/c/22610479/pandemic-has-made-logistics-real-estate-attractive-for-investors.html>

Construction act

Talks on the new Construction Act made progress in March, with self-governing regions promoting specific proposals to improve the bill. Vice-premier for Legislation Stefan Holy held talks with chairs of the eight regions of Slovakia on the bill aimed at governing land planning and construction. The regions should mostly attach cardinal importance particularly to land planning.

4/3/2021 <https://www.tasr.sk/tasr-clanok/TASR:20210304TBB00468>

Inflation

The anti-pandemic measures adopted just before Christmas had a significant impact on consumer prices. Although they did not drop, the inflation tempo was the lowest in the past four years. The annual inflation rate fell to a four-year minimum in January 2021. It amounted to only 0.7 percent in total, while in December 2020, the annual inflation rate was as high as 1.6 percent.

7/3/2021 <https://spectator.sme.sk/c/22610176/macroeconomic-statistics-february-2021-hospitality-sector-kept-falling-industry-showed-resistance.html>

Costs of pandemic

The cost of fighting the coronavirus pandemic this year might reach up to €2 billion and the amount of the state budget reserve would thus be insufficient. The budget included a reserve of some €1 billion for the case that the pandemic situation becomes more complicated or other unforeseen circumstances arise. The Budgetary Responsibility Council (RRZ) estimates that up to € 1.5 billion will be spent on supporting the economy and social measures, in particular maintaining jobs via the so-called Kurzarbeit scheme.

8/3/2021 <https://www.tasr.sk/tasr-clanok/TASR:20210308TBA01737>

Recovery plan

The Recovery plan, finalized by the Finance Ministry, underwent an interdepartmental review process in March. The deadline for sending it to the European Commission is April 30. The plan is divided into 18 parts, so-called components, that include reforms and investments of an overall value of €6 billion, which could be used in fields like green economy, healthcare, education and digitalization.

9/3/2021 <https://spectator.sme.sk/c/22613417/recovery-plan-has-five-priorities-green-economy-will-get-the-most-money.html>

Wagegap

Women in Slovakia still earn less than their male counterparts. This stems from the information reported by profesia.sk and platy.sk. Profesia reported that women in Slovakia have an average gross salary of €1,230. Study says job-choice, maternity leave and gender roles are to blame. The site has long observing that sectors dominated by women tend to have lower wages. This fact is corroborated by information from platy.sk.

9/3/2021 <https://spectator.sme.sk/c/22613430/women-in-slovakia-still-have-lower-average-pay-than-their-male-counterparts.html>

Industrial Output

The decline seen in Slovak industry in January was mainly due to its key component - car production. According to analysts, the decline in the automotive industry can be attributed to a large degree to temporary technical factors resulting from tightening regulation of CO2 emissions. The Statistics Office reported that industrial production in January 2021 decreased by 3.9 percent year-on-year.

10/3/2021 <https://www.tasr.sk/tasr-clanok/TASR:20210310TBB00173>

Anti-pandemic strategies

Under the pending hard lockdown, Slovak virologists prepared anti-pandemic strategies for companies to protect their employees from contracting the coronavirus. They recommend the following: creating, if possible, stable and closed teams at companies, eliminating a greater concentration of people, creating barriers to the entry of at-risk people, testing at least once a week using the most sensitive Ag tests, verifying positive cases with RT PCR tests, isolating positive cases and identifying their close contacts, as well as conducting preventive programs and a vaccination campaign.

18/3/2021 <https://spectator.sme.sk/c/22619542/anti-pandemic-strategies-help-companies-remain-in-operation.html>

Unemployment rate

The unemployment rate in Slovakia in February stood at 8.5 percent, after rising continuously since September. February saw a reduction in the flow of new jobless to labor offices, but at the same time the market was also less able to absorb new unemployed. Relatively few people lost jobs in industry, the public sector, some segments of the tertiary economic sector, sales, IT and finance.

22/3/2021 <https://www.tasr.sk/tasr-clanok/TASR:20210322TBB00187>

Economic growth

In recent macroeconomic prognosis, the IFP predicts that the second pandemic wave will bring lower losses, while the export and labor market will remain stable. Slovakia's economy should grow by 3.3 percent in 2021. The milder GDP growth in 2021 is mostly expected due to the fact that the country had managed to catch up with a great portion of the losses generated in the first pandemic wave already last year.

25/3/2021 <https://spectator.sme.sk/c/22624932/the-end-of-the-pandemic-and-eu-money-should-stimulate-the-economic-growth.html>

Work capacity

The average temporary incapacity for work (PN) in Slovakia in February this year reached 6.14 percent. This was the highest rate of a temporary PN in February in the last fifteen years. The average temporary PN is based on the share of incapacitated persons in relation to the total number of people with sickness insurance in a given period.

28/3/2021 <https://ekonomika.sme.sk/c/22626828/miera-praceneschopnosti-na-slovensku-zostava-na-rekordnych-urovniach.html>

Geothermal plant

The Žiar nad Hronom district in central Slovakia will accommodate the first geothermal power plant in Slovakia. The geothermal power plant will use the binary cycle, in which the depleted hot water circulates in a closed system without coming into contact with the environment.

31/3/2021 <https://spectator.sme.sk/c/22629052/first-geothermal-power-plant-in-slovakia.html>

World

Competition

On March 5, the European Commission launched a public consultation to gather views and evidence from citizens, businesses, social partners, academia, government bodies and all interested parties as part of an initiative to ensure that EU competition rules do not stand in the way of collective bargaining. According to EU competition law, self-employed are considered 'undertakings' and thus risk infringing competition rules when they bargain collectively.

5/3/2021 https://ec.europa.eu/commission/presscorner/detail/en/ip_21_988

DORA

The European Commission tabled its proposal for a Digital Operational Resilience Act (DORA). This Act represents a good step towards a harmonized EU framework for digital resilience in financial operations. AmCham EU outlines key recommendations in the implementation of the EU's digital operational resilience to set the right framework for continued growth and innovation in a secure environment.

8/3/2021 <http://www.amchameu.eu/position-papers/digital-operational-resilience-act-dora>

EU jobs program

The European Union issued a €9 billion single tranche bond due in June 2036 under its EU SURE program to protect jobs and workers, and to mitigate the severely negative socio-economic consequences of the coronavirus pandemic. The bond is attracting a strong interest by investors, thanks to which the Commission once again obtained very good pricing conditions, which are being passed on directly to the EU Member States.

10/3/2021 https://ec.europa.eu/commission/presscorner/detail/en/ip_21_1063

European aid

Coordination is the main challenge in ensuring European aid gets to where it is needed, said the study commissioned by the left-wing GUE/NGL Group in the EU Parliament and conducted by the European Policies Research Center. The study looked at the impact of the so-called CRII and CRII+ programs, under which local governments are able to access the surplus €37 billion from the 2014-2020 EU cohesion budget that would otherwise have had to be repaid to the Commission.

10/3/2021 <https://www.euractiv.com/section/economy-jobs/news/local-politics-needs-coordination-in-the-fight-against-covid-a-study-from-the-eu-leftists-finds/>

Humans rights

MEPs urged the European Commission to table an ambitious due diligence law obliging EU companies to address all aspects of their value chains that could affect human rights, the environment and good governance. The Parliament's proposal would require firms to analyze risks among their suppliers and to publish a due diligence strategy covering the whole value chain.

11/3/2021 <https://www.euractiv.com/section/economy-jobs/news/meps-demand-ambitious-law-on-human-rights-due-diligence/>

OECD

The United States Council for International Business (USCIB), which represents many of the world's leading companies and which serves as the U.S. Member Organization of Business at OECD, welcomed the announcement of Mathias Cormann. Cormann will succeed Ángel Gurría following his 15-year tenure with the Organization.

15/3/2021 <https://www.uscib.org/new-oecd-head-cormann/>

Import

On March 15, the European Commission launched its new import control system (ICS2), a major reinforcement of the Customs Union's "first line of defense" against security and safety threats posed by illicit traffic in goods across the EU's external borders. In its first phase, ICS2 will focus on postal and express consignments coming to or through the EU by air.

15/3/2021 https://ec.europa.eu/commission/presscorner/detail/en/ip_21_1134

Taxes

The competitiveness of European businesses is at risk if the EU introduces unilateral public country-by-country reporting. Earlier in March, member states' ambassadors tasked the Portuguese EU presidency with negotiating the swift adoption of the country-by-country reporting directive. Businesses are, of course, in favor of transparency and the European Commission's objective to combat tax fraud and evasion.

18/3/2021 <https://www.euractiv.com/section/competition/opinion/dont-impose-new-tax-reporting-burden-on-eu-businesses/>

EU-ASEAN trade

Under the German Presidency of the Council of the European Union, Brussels tightened relations with ASEAN agreeing on a Strategic Partnership. Current trade agreements negotiations with several ASEAN countries and the EP push for a region-to-region FTA give a glimpse of EU multilateral agenda. In line with the Council, right after the in-principle agreement on the EU – China Comprehensive Agreement on Investment (CAI), the European Parliament approved, during the January Plenary, a resolution on connectivity and EU-Asia relations, advocating for “a regional EU-ASEAN free trade agreement”.

18/3/2021 https://ec.europa.eu/commission/presscorner/detail/en/ip_21_1063

European innovation council

On March 18, the European Commission launched the European Innovation Council for the period 2021-2027 to develop and expand breakthrough innovations. The European Innovation Council is a key novelty of Horizon Europe and represents the most ambitious innovation initiative that Europe has taken, with a budget of €10 billion. The first annual work program of the council is published, opening funding opportunities of more than €1.5 billion this year.

18/3/2021 https://eic.ec.europa.eu/index_en

Research cooperation

Universities should promote interdisciplinary thinking, engagement in public debates and applied research to support meaningful policymaking. After months of haggling, the European Parliament and the Council agreed to increase the budget of the EU's main research funding source, Horizon Europe, from €65.5 billion in the previous seven-year budget to €84.9 billion, a 29.6% bump.

22/3/2021 <https://www.euractiv.com/section/economy-jobs/news/eu-calls-for-universities-science-to-be-more-interconnected/>

Industrial strategy

The current political debate on industrial policy lacks an honest acknowledgement of how much is already decided – from EU recovery budgets to the 2030 climate targets. European leadership on industrial policy must be anchored in designing and investing in an Industry 5.0 approach – building economic, social, and environmental resilience at the same time. This entails a systems approach that looks beyond merely saving certain economic activities at the expense of building future resilience.

24/3/2021 <https://www.euractiv.com/section/circular-materials/opinion/recover-today-lead-for-2030-a-future-fit-industrial-strategy-for-europe/>

Transatlantic ties

US-EU economic relations are poised to bounce back from the COVID-19 pandemic and the tensions caused by the Trump administration, could include a reset on transatlantic trade ties, according to a new report by the American Chambers of Commerce. Despite difficult political relations between the US and EU leadership, described by the Amcham paper as “four years of tumult, uncertainty, and antagonism,” the European market was still comfortably the US's largest.

25/3/2021 <https://www.euractiv.com/section/economy-jobs/news/transatlantic-economic-ties-face-rare-opportunity-for-reset/>

Digital markets act

Forty pan-European tech companies penned a letter to MEPs calling for support for bolstered interoperability requirements in the Digital Markets Act (DMA) while stressing the importance of keeping the rules aligned to developments in the area across EU nations. The interoperability can help to improve innovation and offer a wider range of services for end-users to choose from.

30/3/2021 <https://www.euractiv.com/section/digital/news/eu-smes-in-bid-for-greater-interoperability-in-digital-markets-act/>

Capital markets

The second Capital Markets Union (CMU) action plan represents a crucial step towards further unlocking the potential of capital markets across Europe by addressing fragmentation and making the EU a safe place to invest for the long term. Five years on, in its second CMU action plan, the European Commission outlines a comprehensive strategy to further unlock the potential of capital markets across Europe.

31/3/2021 <http://amchameu.eu/news/capital-markets-union-20-priority-actions-functioning-eco-systems>

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