

# Legislative and Policy Updates

FEBRUARY 2021



## Slovakia

### First aid program

The First Aid Plus program to help maintain jobs and support the self-employed is to be expanded and its volume increased, labor minister Milan Krajniak announced at the beginning of February. According to the governmental projections, the hike is projected to cost an additional €40 million monthly.

1/2/2021 <https://www.tasr.sk/tasr-clanok/TASR:20210201TBA03419>

### Digitalization of business centers

The current crisis, caused by the COVID-19 pandemic, forces business centers in Slovakia to search for new forms of work and collaboration, and to speed up digitalization and robotization. Based on an annual Business Service Center Forum survey conducted in summer 2020, as much as 44 percent of its member companies plans to automate more than 10 percent of their processes during the following two to three years.

4/2/2021 <https://spectator.sme.sk/c/22587016/the-pandemic-drives-appetite-for-automation-and-robotisation.html>

### Labor Code

On 4 February the National Council of the Slovak Republic adopted the so-called "small amendment" of the Labor Code, introducing several sought-after changes concerning both employers and employees. The amended piece was subject to heated debate since the introduction of the preliminary information within the interdepartmental review process in summer 2020. The amendment entered into force on 1 March 2021.

4/2/2021 <https://amcham.sk/press-room/news/273462-instrumental-amendment-to-the-labor-code-adopted>

## **Nuclear treaty**

Slovakia welcomes the extension of the New START nuclear arms reduction treaty by another five years by the United States and Russia, calling it an element of transparency and trust-building, as well as a contribution towards international stability and security. This decision could improve strategic stability in the region and lay foundations for future agreements that would include a broader spectrum of arms and also other states.

4/2/2021 <https://newsnow.tasr.sk/foreign/slovakia-welcomes-extension-of-new-start/>

## **Critical infrastructure**

The state will increase its influence over companies in critical infrastructure, which means that the planned sale of shares in about 20 key companies active in the energy and industry sector will have to be reported to the Economy Ministry. This stems from an amendment to the law on critical infrastructure authored by the Economy Ministry and approved by the parliament on 5 February.

8/2/2021 <https://spectator.sme.sk/c/22591864/government-will-have-more-influence-on-critical-infrastructure-firms.html>

## **Bureaucracy**

The Investments Ministry introduced two amendments to reduce the bureaucratic burden of people dealing with the state and public offices. Changes concern the law on data, which should result in a more systematic state approach to processing data in public administration's information systems. It should specify which databases the state can gather the data, who can access it and under which conditions this data can be shared.

10/2/2021 <https://spectator.sme.sk/c/22593637/the-state-plans-further-reduction-of-bureaucratic-burden-19-documents-will-be-submitted-just-once.html>

## **GDP Growth**

After a strong rebound in the third quarter, a second wave of the COVID-19 pandemic is expected to have suppressed economic activity in Slovakia towards the end of 2020, resulting in a 5.9% contraction of GDP compared to 2019. The Slovak economy is forecasted to reach its pre-pandemic output level by the end of 2021 and to grow by about 5.4% in 2022.

11/2/2021 [https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/winter-2021-economic-forecast-challenging-winter-light-end-tunnel\\_sk](https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/winter-2021-economic-forecast-challenging-winter-light-end-tunnel_sk)

## **Population census**

On 15 February, the Statistical Office of the Slovak Republic launched the 2021 population census, which is conducted every 10 years. It is taking place from 15 February to 31 March for 6 calendar weeks. Everyone who has a permanent, temporary, tolerated or usual residence in the Slovak Republic has to be counted. The submitted data by the resident during the census,

provided for the first time in 100% digital format, relate to the decisive moment of the Census, which is 1 January 2021.

15/2/2021 <https://www.scitanie.sk/en>

### **Inflation**

Year-on-year (y-o-y) inflation in Slovakia plummeted to 0.7 percent in January, dragged down chiefly by energy and food prices. Monthly price developments were most significantly influenced by an increase in the prices of postal and telecommunications services by 7.7 percent. Prices in transport also went up significantly from December, with prices of transport facilities going up by 5.1 percent and those of fuels by 2.9 percent.

15/2/2021 <https://www.tasr.sk/tasr-clanok/TASR:20210215TBA01414>

### **Real estate market**

Rental prices in Bratislava and the surrounding area could return to the original level before the pandemic of the new coronavirus at the end of this year or at the beginning of 2022. Real estate market players expect the second half of the year to attract students and employees of companies back to the real estate market of the capital.

19/2/2021 <https://ekonomika.sme.sk/c/22600567/bratislavsky-trh-s-prenajmami-ocakava-zvyseny-dopyt-a-zvysenie-cien-koncom-roka.html>

### **Unemployment rate**

The registered unemployment rate in Slovakia rose to 7.81 percent in January, increasing by 0.24 percentage points (p.p.) month-on-month and by 2.83 p.p. in yearly terms, according to the Central Labor Office (ÚPSVaR). The unemployment rate calculated from the total number of jobseekers stood at 8.50 percent, growing by 0.20 p.p. m-o-m.

19/2/2021 <https://www.tasr.sk/tasr-clanok/TASR:20210219TBA03339>

### **Kurzarbeit**

The government approved the Labor Ministry's proposal concerning the permanent kurzarbeit scheme. The financial aid scheme for employers will consist of a contribution to a partial payment of salaries for employees for each hour of work that cannot be done due to hindrance on the side of employer. The maximum base for the benefit will be double the average salary in Slovakia, which is approximately €2,200 now.

24/2/2021 <https://spectator.sme.sk/c/22604519/government-greenlighted-permanent-kurzarbeit-self-employed-not-included.html>

### **Economic sentiment indicator**

In February, the economic sentiment in Slovakia was again more pessimistic than a month ago. The seasonally adjusted economic sentiment indicator (ESI), decreased by 2,9 points to

77,7. It thus reached the worst value since last June and it remains well-away from its pre-coronavirus pandemic levels. In February, the confidence indicator in industry decreased after seasonal adjustment by 1 percentage points (p. p.) to -5,3. The indicator's development was unfavorably influenced mainly by the increase of the finished goods stock.

25/2/2021 [Link](#)

# World

## Digital Health

AmCham EU published a consultation response on digital health data and services, which outlines the need to address the fragmented environment of European health data, the lack of data available for (re-)use in scientific research and the need for increased uniformity in Member States' applications of data regulations.

3/2/2021 <http://www.amchameu.eu/position-papers/digital-health-data-and-services-european-health-data-space>

## Brexit state aid

Britain wants to establish a more flexible system of subsidy rules than those in place when it was a member of the European Union. Having left the EU fully in January, Britain is reshaping its economy and fought hard in negotiations with Brussels for the right to set its own state aid rules – albeit with agreed limitations.

3/2/2021 <https://www.euractiv.com/section/economy-jobs/news/britain-sketches-out-post-brexit-state-aid-scheme/>

## Technologies

The EU continues to lag behind China and the US when it comes to investments into key technologies such as artificial intelligence and quantum computing. Speaking at the annual conference of trade group Digital Europe, EC President Ursula von der Leyen noted how the bloc is still underperforming in key areas, saying the EU executive aims to help bridge the funding vacuum.

5/2/2021 <https://www.euractiv.com/section/digital/news/eu-punching-well-below-its-weight-in-digital-technologies-von-der-leyen-warns/>

## Cancer treatment

The European Commission launched its ambitious Beating Cancer Plan. With several AmCham EU member companies contributing to the fight against cancer through innovative treatment and diagnosis solutions. With this ambitious plan, the EU devised a four-pillar approach to

overcome cancer as a leading cause of death.  
8/2/2021 <http://www.amchameu.eu/news/amcham-eu-stands-solidarity-european-commission%E2%80%99s-beating-cancer-plan-0>

### **US Chamber new CEO**

After 24 years as Chamber CEO, Tom Donohue will pass the baton to current President Suzanne Clark. Suzanne guided the Chamber through a uniquely tumultuous period over the last year, a capstone to her 16+ years with the organization. The Chamber hopes that under her leadership, Suzanne will carry the organization's mission and work into the future - and that future has never been brighter.  
10/2/2021 <http://view.uschamber.com/?qs=9f52129d2544ba6d0c7610088cd7e5dd3ced92b35c1a2a4a87aa7ed4b9b95305c96f8a0b2e160b30ebbc78447e71336da653d4a9fff9ce28d781e1928a035ece7289d0c7153bb07a9e1f9ad877d98ea0>

### **WTO General Director**

World Trade Organization (WTO) appointed Dr Ngozi Okonjo-Iweala as a new General Director on 15 February 2021. Dr Okonjo-Iweala is the first female and the first African to take up the role. Her track record in the Nigerian government and the World Bank, coupled with her reformist agenda, speak to her credentials to set in motion a modernizing program that can make the WTO fit for the 21<sup>st</sup> century.

15/2/2021 <http://www.amchameu.eu/news/dr-ngozi-okonjo-iweala%E2%80%99s-appointment-makes-history-wto>

### **Nuclear industry**

The European Commission's in-house research body, the Joint Research Centre (JRC), is putting the finishing touches to a report about the safe handling of radioactive waste that could be fateful for the future of Europe's nuclear industry. The report could end up recognizing nuclear power as a "transition fuel" under the EU's green finance rulebook, or on the contrary irreversibly stigmatize it as a polluting form of energy that does "significant harm" to the environment.

16/2/2021 <https://www.euractiv.com/section/energy-environment/news/nuclear-faces-a-lot-of-uncertainty-as-eu-green-evaluation-looms/>

### **Bio-defense**

The European Commission presented a communication for the proposed launch of a European bio-defense preparedness program called "HERA Incubator" to address the emerging threat of coronavirus variants. The new program will provide the means to detect and counter further coronavirus mutations and help ensure access to effective vaccines when a new virus or variant has emerged.

17/2/2021 [https://ec.europa.eu/info/news/eu-invest-eu150-million-research-counter-coronavirus-variants-2021-feb-17\\_sk](https://ec.europa.eu/info/news/eu-invest-eu150-million-research-counter-coronavirus-variants-2021-feb-17_sk)

## **LIFE program**

On February 17, the European Commission announced an investment of €121 million for new integrated projects under the LIFE program for the Environment and Climate Action. New and increased LIFE funding will support 12 large-scale environment and climate projects in 11 Member States, including Slovakia. Program supports plans required to implement environmental and climate legislation in a coordinated manner and on a large territorial scale.

17/2/2021 [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_501](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_501)

## **Federal bond**

The creation of a federal bond will pave the way for a treasury and common EU taxation. However, this ad-hoc financial union agreed by the European Council is mostly an intergovernmental affair and a stronger role of the European Parliament is necessary to reach a stronger and more social political community. For the first time, a large bond issuance by the European Union will partly finance budgetary expenses and direct transfers to the Member States and sectors most in need of assistance due to the economic and social consequences.

18/2/2021 <https://www.euractiv.com/section/economy-jobs/opinion/from-financial-solidarity-to-a-social-and-federal-union/>

## **Paris Climate agreement**

One of US President Joe Biden's first executive orders was to revoke Donald Trump's decision to abandon the Paris Climate Agreement in 2017. Biden is also pledging to reach net-zero emissions no later than 2050, ensuring the US achieves a 100% clean energy economy.

18/2/2021 <https://www.euronews.com/2021/02/18/climate-change-us-to-formally-rejoin-2015-paris-agreement-on-friday>

## **EU Trade strategy**

On 18 February, the European Commission presented its renewed trade strategy. This latest communication charts a positive path for European trade policy, embracing the EU's leadership role in a changing multipolar world. The strategy puts a strong emphasis on the EU's relationship with the United States. The EU and the US should indeed seize the current momentum to refresh, reset and rekindle their relationship.

19/2/2021 <http://www.amchameu.eu/news/new-eu-trade-strategy-charts-positive-path>

## **Economic vitality**

The Covid-19 pandemic has presented employers with an unprecedented opportunity to hit the reset button on pre-pandemic working norms and shape their practices in a way that better supports workforce wellness, which could lead to greater productivity, better business

performance and ultimately economic recovery and growth. In order to achieve this, however, employers must understand and navigate the ongoing evolution of employee needs and expectations to truly impact the bottom line and drive growth in the future.

19/2/2021 [Link](#)

### **Recovery and Resilience Facility**

Not all EU countries will recover from the economic losses of 2020 at the same pace. Since last year, the EU executive has been in intensive dialogue with all member states to discuss the preparation of their national recovery plans, which are a precondition to tap into the EU's €750 billion recovery fund.

23/2/2021 <https://www.euractiv.com/section/eu-council-presidency/news/eu-commission-warns-of-disorderly-recovery-from-2020-crisis/>

### **Space programs**

The EU Council and Commission approved plans establishing the EU's space program for 2021-27 and the European Union Agency for the Space Program. The European Parliament is expected to vote on the €14.8 billion space program in March 2021. The program brings all space-related activities together and covers Galileo, Copernicus and Space Situational Awareness.

23/2/2021 <https://www.europarl.europa.eu/news/en/headlines/economy/20210128STO96608/covid-19-recovery-how-the-main-eu-instrument-will-work>

WE FOCUS OUR ADVOCACY EFFORTS ON THE FOLLOWING FOUR PILLARS:



[www.amcham.sk](http://www.amcham.sk)