



Legislative and Policy Updates

NOVEMBER 2021



SLOVAKIA

Anti-pandemic measures

Employers can demand to see proof of Covid vaccination from their employees and impose a regime that allows only the vaccinated and those who have recently recovered from Covid to enter the workplace. Everyone else will need to get regularly tested under such a regime. Businesses who decide to follow these rules will need to provide and pay for regular tests for their unvaccinated employees. MPs approved this set of measures after the cabinet of Eduard Heger put it forward last week to mitigate the third wave of the coronavirus pandemic in Slovakia. The number of infected people and hospitals admissions have been on a steady rise over the past weeks.

12/11/2021 <https://spectator.sme.sk/c/22782820/employers-can-demand-green-pass-so-can-restaurants.html>

Global Corruption Index

Slovakia ranks on the 5th lowest place amongst members of the European Union in the newly published Global Corruption Index 2021, scoring 42nd globally. Only Croatia, Bulgaria, Hungary and Romania are lagging behind us. The 4th edition of the Global Corruption Index (GCI) covers 196 countries and territories and provides a comprehensive overview of the state of corruption around the world based on 43 variables based on datasets that are exclusively borrowed from internationally recognized entities.

11/11/2021 <https://risk-indexes.com/global-corruption-index/>

Hospitals optimisation

Members of parliament put forward the proposed optimisation of hospitals network in Slovakia into second hearing on 12 November. As inevitable part of the country's competitiveness, the proposed reform by the Ministry of Health is also closely tied with the approved Recovery and Resilience Facility. The aim of the law is to secure quality and affordable constitutional health care for patients.

12/11/2021 <https://spravy.pravda.sk/domace/clanok/606863-premier-vyzval-poslancov-na-podporu-reformy-nemocnic/>

Public Procurement Changes

To eliminate the speculative behavior of bidders, the lawmakers reintroduced a concept of "an apparently ungrounded challenge" which was already proposed in 2019 but did not make it into law because of a presidential veto. If an ungrounded challenge is filed, the remedy procedure will be stopped, and the authority and another entity hurt by such a challenge may claim damages from the challenger which shall also cover the costs of the procedure

11/11/2021 <https://britcham.sk/changes-to-the-system-of-remedies-under-the-amendment-to-the-public-procurement-law/>

European Labor Authority

On 9 November the Prime Minister of the Slovak Republic Eduard Heger and European Commissioner for Jobs and Social Rights Nicolas Schmit participated on the European Labor Authority (ELA) inauguration opening of its newly premises in Bratislava – the first ever permanent location of the EU agency on the territory of Slovakia. ELA ensures that EU rules on labor mobility and social security coordination are enforced in a fair and effective way and makes it easier for citizens and businesses to reap the benefits of the internal market.

9/11/2021 <https://www.ela.europa.eu/en>

Labor market scheme

The International Organization for Migration in cooperation with the European Commission provided technical support to the Ministry of Labor, Social Affairs and Family of the Slovak Republic for the development of a Labor Mobility Scheme for Slovakia. The Scheme aims to facilitate and accelerate the employment of foreign workers from non-EU/EEA countries in Slovakia, mainly in the shortage occupations as it has been prepared in close cooperation with

the representatives of key government authorities, employers, social partners and local governments. The Scheme is an expert document and is of recommendatory nature. It is based on the 2018 Strategy for Labor Mobility of Foreigners in the Slovak Republic and reflects the Slovakia Recovery and Resilience Plan mainly in the field of attracting the needed foreign labor force.

8/11/2021 <https://iom.sk/en/activities/cooperation-and-partnership/labour-mobility-scheme-for-slovakia.html>

Space industry

Slovakia globally presented its potential in the field of space technologies in Dubai. SARIO agency together with Slovak businesses and academia represented the Slovak space sector at two major events of this year. Within the project of the Slovak Space Office, SARIO prepared plentiful international program during the EXPO Space Week, showcasing the potential of our country in this dynamically growing sector. This fully presented our country's potential in this dynamically growing sector.

4/11/2021 <https://www.exposlovakia2020.sk/en/slovakia-has-presented-its-space-technology-potential-to-the-world/>

Universities reform

Slovak universities oppose the planned reform as their representatives disagree with more powers to the management board, among others. The Education Ministry introduced university reform exactly one year after the Academic Senate of the Slovak University of Technology (STU) in Bratislava removed its then rector, Miroslav Fikar, after long-lasting tensions. The reform should change conditions between the rectors and the deans, as well as the management boards and the academic senates. At the moment, it is not clear whether the reform will be passed in the end.

3/11/2021 <https://spectator.sme.sk/c/22775547/universities-protest-not-wanting-to-grant-more-power-to-management-boards.html>

Macroprudential Policies

As of 2021, the National Bank of Slovakia (NBS) is publishing a new quarterly Macroprudential Commentary, which replaces its Quarterly Commentary on Macroprudential Policy. The purpose of the Macroprudential Commentary is to provide substantive and timely information on the current nature and evolution of systemic risks that have cyclical and structural dimensions. As the need arises, the Macroprudential Commentary will also present the grounds for changes in the setting of macroprudential policy instruments. Each edition is subject to approval by the NBS Bank Board. The part of the commentary consists of an overview of key indicators broken down

by the risk type, NBS's assessment of those indicators, and an overview of domestic and relevant foreign decisions in this field.

29/10/2021 <https://nbs.sk/en/publications-issued-by-the-nbs/publications-of-financial-market-supervision/macprudential-commentary>

Labor Code amendment

On 26 October, members of parliament approved amendment to the Labor Code featuring new rules for meal plans of employees in Slovakia. Taking into consideration reservations of the Ministry of Labor, Social Affairs and Family and the Ministry of Finance of the Slovak Republic, the amendment stipulates that 55% of the meal value (currently max. 2,81 EUR) to be tax-deductible for employees concerning all forms of employer contributions (financial contribution, meal vouchers or own cantina). At the same time, social fund contribution to meal value remain tax free for employers. The agreed Labor Code amendment is subject to signing by the President of the Slovak Republic and is expected to enter into force as of 1 January 2022.

26/10/2021 <https://amcham.sk/press-room/news/273611-employees-meals-will-again-feature-new-rules>

EUROPE & WORLD

Climate change

COP26 Reached Consensus on Key Actions to Address Climate Change. Deliberations under the current session of the COP, CMP and CMA came to an end on 13 November in Glasgow, one day after their scheduled conclusion. The wide-ranging set of decisions, resolutions and statements that constitute the outcome of COP26 is the fruit of intense negotiations over the past two weeks, strenuous formal and informal work over many months, and constant engagement both in-person and virtually for nearly two years. The package adopted is a global compromise that reflects a delicate balance between the interests and aspirations of nearly the 200 Parties to the core instruments on the international regime that governs global efforts against climate change.

13/11/2021 <https://unfccc.int/news/cop26-reaches-consensus-on-key-actions-to-address-climate-change>

EU exports and trade

One of the many figures in a new report released on 12 November by the European Commission shows just how important an open trade policy is for European employment. The Trade and Jobs Report provides a host of statistics on European jobs connected to European trade. It shows that over 38 million jobs in the EU are supported by EU exports, 11 million more than a decade ago.

These jobs are on average 12% better paid than those of the economy as a whole. The increase in export-supported jobs follows an even stronger increase in EU exports: alongside a 75% increase in export-related jobs between 2000 and 2019, total exports increased by 130%. The data indicate clearly that more trade means more jobs, and the best way to increase this is through securing new opportunities through trade agreements and diligently enforcing them. Given that 93% of all EU exporters are small and medium-sized companies (SMEs), it is also vital to help them understand opportunities and terms offered by a comprehensive network of 45 trade agreements concluded by the EU.

12/11/2021 https://ec.europa.eu/commission/presscorner/detail/en/ip_21_5904

Tax transparency

The European Parliament adopted on 11 November a provisional agreement with the Council that will oblige companies with annual revenue of more than €750 million and with operations in more than one country to declare the profits they have made, the corporate income tax paid and the number of employees in each EU country for the previous financial year. The companies will also have to publish details about their profits, staff and taxes in some non-EU countries, including countries that do not cooperate with the EU on tax matters and those that do not meet all standards but have committed to reform. The EU keeps lists of the jurisdictions in the two categories, which it reviews regularly. The aim of the new rules is to shed more light on where multinationals pay taxes and make it more difficult for them to avoid paying their fair share.

11/11/2021

<https://www.europarl.europa.eu/news/en/headlines/society/20211104STO16610/eu-rules-force-more-tax-transparency-on-multinationals>

European Citizen's Prize

The winners of the 2020 and 2021 Citizen's Prize received their awards in a ceremony at the European Parliament in Brussels on 9 November. Awarded by the European Parliament since 2008, the European Citizen's Prize recognizes initiatives showing solidarity, European cooperation and the promotion of common values. "Our winners might not be celebrities, might not be people with millions of followers on social media," said Dita Charanzová, MEP and Chancellor of the European Citizen's Prize, "but each winner is proof that real heroes can be any ordinary person who cares enough to do something extraordinary."

10/11/2021

<https://www.europarl.europa.eu/news/en/headlines/eu-affairs/20211104STO16611/award-ceremony-european-citizen-s-prize-2020-and-2021>

Global health

COVID-19 contributed to a 16% increase in the expected number of deaths in 2020 and the first half of 2021 across OECD countries, while life expectancy fell in 24 of 30 OECD countries with

comparable data, OECD Health at a Glance 2021 report unveils. The pandemic highlights the persistent shortage of health workers stressing the importance of investing more in the years ahead on improving primary care and disease prevention and strengthen the resilience and preparedness of health systems. Indeed, the report says that health spending continues to focus mainly on curative care rather than disease prevention and health promotion, and much more is spent on hospitals than on primary health care.

9/11/2021 <https://www.oecd.org/newsroom/covid-19-pandemic-underlines-need-to-strengthen-resilience-of-health-systems-says-oecd.htm>

Growth and economic well-being

Real household income per capita fell by 3.8% in the OECD area in the second quarter of 2021 following growth of 5.2% in the first quarter. The fall was driven by a sharp drop in household income in the United States, as fiscal support provided by the government during the COVID-19 pandemic began to be withdrawn. The decline in real household income per capita occurred despite the rise of 1.6% in GDP per capita across the OECD area in the second quarter of 2021, which included increases in GDP per capita in all but three OECD countries.

8/11/2021 <https://www.oecd.org/newsroom/growth-and-economic-well-being-second-quarter-2021-oecd.htm>

US opened its borders to foreigners

After more than a year and a half, the United States decided to lift its ban on foreigner national air travelers coming to the country. Starting on November 8, every foreigner fully vaccinated against Covid is able to travel to the country. This includes visitors from the European Union, the United Kingdom, China, Iran, South Africa, Brazil and India, by showing a confirmation of vaccination. The country committed to accept vaccines recognized by the United States Food and Drug Administration (FDA) or the World Health Organisation (WHO).

8/11/2021 <https://spectator.sme.sk/c/22775721/united-states-opens-its-borders-to-foreigners-but-only-the-vaccinated.html>

EU-US tariff disputes

On Sunday, 31 October, the EU and the US announced a pause in the transatlantic trade dispute over steel and aluminum tariffs. The US will partially remove Section 232 tariffs (up to historic trade volumes), while the EU will suspend its retaliatory measures. Both sides also agreed to start negotiations on a Global Arrangement on Sustainable Steel and Aluminum. The deal demonstrates the crucial role the EU and the US can play when they work together, fighting climate change and addressing unfair trading practices. The fact that other like-minded countries will be able to join this initiative also shows how transatlantic leadership can be an engine for multilateralism.

3/11/2021 <https://amchameu.eu/news/eu-and-us-reach-deal-steel-and-aluminium-tariff-dispute>

Financial access survey

On 1 November, the International Monetary Fund released the results of the twelfth annual Financial Access Survey (FAS). The survey results reveal considerable expansion in the usage of digital financial services during the pandemic, while the usage of traditional financial services remained stable. Social distancing and lockdowns have reinforced the use of digital financial services, and the latest FAS data confirm this development. Mobile money usage increased significantly in low- and middle-income economies, with the value of mobile money transactions as a share of GDP increasing by 2 percentage points on average for low- and lower middle-income economies in 2020. The number and the value of mobile and internet banking transactions also grew for all country income groups, most notably among upper middle- and high-income economies.

1/11/2021 <https://www.imf.org/en/News/Articles/2021/10/28/pr21315-imf-releases-the-2021-financial-access-survey-results>

Global data

As of now, global data flows contribute more to world-wide growth than global trade in goods. By the end of 2021, around 60% of the world's GDP will be digitalized. Data is becoming increasingly essential for doing business, a pattern observed in particular for small and medium-sized enterprises (SMEs). They currently make up 99% of all business in the EU and contribute to half of the Union's total GDP; data-reliant manufacturing SMEs alone are worth EUR 280 billion in the EU. If such data flows are restricted, corresponding exports could fall by EUR 14 billion, while – if encouraged – we could see them grow by EUR 8 billion.

28/10/2021 <https://www.amchameu.eu/blog/data-key-success-digital-age>

Sakharov Prize 2021

MEPs awarded Russian opposition politician and anti-corruption activist Alexei Navalny the European Parliament's 2021 Sakharov Prize for Freedom of Thought. Parliament Vice-President Heidi Hautala announced the 2021 laureate in the Strasbourg plenary chamber on 20 October afternoon, following an earlier decision by the Conference of Presidents (President and political group leaders).

20/10/2021 <https://www.europarl.europa.eu/news/en/headlines/priorities/sakharov-2021/20211014IPR14915/alexei-navalny-awarded-the-european-parliament-s-2021-sakharov-prize>

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