



Legislative and Policy Updates

SEPTEMBER 2021



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SLOVAKIA

Basel III reforms

In fall 2021 the European Commission will publish a legislative proposal to update capital adequacy requirements for banks. Národná banka Slovenska (NBS) has joined an initiative of 25 EU central banks and financial supervisory authorities aimed at supporting the implementation of the globally agreed principles known as Basel III. The initiative emphasizes the requirement that the output floor calculation applied to risk-weighted assets and the standardized approach to credit risk should be compliant with international agreements and that the EU should not introduce any EU-specific deviations from the rules. It also stresses the need to have the requirements implemented at all level of consolidation, which, from the point of view of NBS, is very important for ensuring the stability of the Slovak banking sector.

7/9/2021 <https://nbs.sk/en/press/all-press-releases/press-release/nbs-supports-the-implementation-of-the-basel-iii-reforms-into-the-eu-legislative-framework/bc>

Recovery and Resilience Facility (RRF)

International business community associated in AmCham Slovakia believes that the Recovery and Resilience Facility, which was approved by the EU Commission in June, will bring many useful reforms that would shape Slovakia as a place worth living, working, and doing business in. RRF will make €672.5 billion (in 2018 prices) in loans and grants available to support reforms and

investments undertaken by EU Member States. The aim is to mitigate the economic and social impact of the coronavirus pandemic and make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions. Please find an overview of relevant contacts and information in order to make your company able to participate in the public procurement opportunities in more than 15 transformative areas.

3/9/2021 <https://amcham.sk/press-room/news/273573-recovery-and-resilience-facility>

Police Corps president's resignation

Peter Kovařík resigned from the post of Police Corps president on August 31 and left the service altogether on September 15. "I can't imagine my future as a police chief who is being prosecuted," he told the press on August 31, stressing that the rules must apply to all equally. The Bratislava Regional Prosecutor's Office pressed charges to him last week, accusing him abusing his powers as a public official and marring justice.

31/8/2021: <https://spectator.sme.sk/c/22732537/police-chief-resigns-and-leaves-the-service.html>

Minimum wage

Minimum wage will see the year-on-year growth and is expected to reach €646 next year. Labor Minister Milan Krajniak announced the sum after tripartite negotiations, which took place between the government, trade unions and representatives of businesses in late August. The automated status quo will be upheld, which dictates that the minimum wage should be no less than 57 percent of the average wage from two months ago. Thus, the minimum wage saw a year on year growth of €23.

25/8/2021: <https://spectator.sme.sk/c/22728304/minimum-wage-sees-year-on-year-growth.html>

Industrial production

Advance indicators of industrial production in the Eurozone suggest strong productivity, but real data on production lags behind. As analysts of the National Bank of Slovakia said, industrial production has not reached the pre-pandemic level despite strong demand, more or less stagnating in 2021, the SITA newswire reported. The shortage of chips has become a real menace for manufacturers and constitutes a major part of the challenge.

25/8/2021: <https://spectator.sme.sk/c/22728147/lack-of-chips-a-menace-to-industry-say-central-bank-analysts.html>

Unemployment

The registered unemployment rate reached 7.66 percent in July. Compared to the previous month, the unemployment rate dropped by 0.10 percentage points from June's 7.76 percent. Analysts claim that such a development could be expected and the unemployment rate will continue to drop in the upcoming months. However, it is far from the pre-pandemic level.

24/8/2021: <https://spectator.sme.sk/c/22727471/unemployment-rate-will-continue-to-fall-in-the-following-months-analysts-predict.html>

Economic growth in Q2 2021

Even though Slovak economic growth accelerated to an almost record 10 percent year on year in the second quarter of 2021, it was lower than expected. The main features of the April-June period were the re-opening of the economy in mid-April following the lifting of anti-pandemic measures; and the shortage of semiconductors, which especially impacted the automotive industry.

17/8/2021 <https://spectator.sme.sk/c/22723314/economic-growth-broke-record-in-q2-yet-still-fell-behind-expectations.html>

Health care reform

The Health Ministry launched major healthcare reform, which impacts hospitals, outpatient departments and the profit of health insurance companies, which the ministry intends to regulate. The plan, presented by Minister Vladimír Lengvarský on August 10, was sent onwards to an interdepartmental review procedure.

11/8/2021: <https://spectator.sme.sk/c/22719151/launch-of-healthcare-reform-ministry-wants-to-solve-doctor-shortage-in-five-years.html>

Energy networks

For the first time in history, the Slovak and Polish gas transmission networks were directly interconnected in early August. The new gas pipeline will become an important part of the European energy North-South gas interconnections infrastructure priority corridor. The investment will be finished and the gas pipeline launched on the market in compliance with the announced deadlines, i.e. in the first quarter of 2022.

9/8/2021: <https://spectator.sme.sk/c/22717737/slovak-and-polish-gas-transmission-networks-connected.html>

EUROPE & WORLD

Climate change and migration

The World Bank's updated Groundswell report released on 13 September finds that climate change, an increasingly potent driver of migration, could force 216 million people across six world regions to move within their countries by 2050. Hotspots of internal climate migration could emerge as early as 2030 and continue to spread and intensify by 2050. The report also finds that immediate and concerted action to reduce global emissions, and support green, inclusive, and resilient development, could reduce the scale of climate migration by as much as 80 percent.

13/9/2021 <https://www.worldbank.org/en/news/press-release/2021/09/13/climate-change-could-force-216-million-people-to-migrate-within-their-own-countries-by-2050>

EU Future

Attitudes towards the EU remain positive and broadly stable, according to the latest Standard Eurobarometer conducted in June-July 2021. Optimism about the future of the EU has reached its highest level since 2009 and trust in the EU remains at its highest since 2008. Support for the euro remains stable at its highest since 2004. The survey also indicates a significant improvement in the perception of the state of national economies.

10/9/2021 https://ec.europa.eu/commission/presscorner/detail/en/IP_21_4610

Data sharing

The American Chamber of Commerce to the EU (AmCham EU) shares the objectives of the European Commission to increase access to and further the use of data through the proposed 'Data Act'. In its response provided to the European Commission's consultation, AmCham EU argues that the Data Act should promote more data sharing in order to boost economic growth, research and innovation, competitiveness, and job creation.

6/9/2021 <https://amchameu.eu/news/data-sharing-boosting-economic-growth-research-and-innovation-competitiveness-and-job-creation>

Coal production and consumption

Coal production and consumption decreased by a third in 2 years, Eurostat figures show. The decreasing trend observed in coal statistics in the EU continued in 2020. It affected both hard coal and brown coal, and both the production and the consumption of each. Following a consistent decline since 1990, the decrease of the consumption of both types of coal accelerated in 2019. Compared to 2018, hard coal consumption decreased by 35% in 2020 and brown coal

(mostly lignite) consumption by 33%. The 2020 monthly figures show that the COVID-19 pandemic had effects on coal production and consumption, but the full extent of the influence of the pandemic on coal production and consumption will be clearer in the following years.

10/8/2021 <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20210810-1>

OECD growth and economic well-being

Real household income per capita, which provides a better picture of people's economic well-being than GDP, grew by 5.8% in the OECD area as a whole over the first quarter of 2021. The rise, the largest since 2008, is largely due to the United States' significant increase in real household income, which is a direct result of the government's recent fiscal support, including transfer payments made to households. This exceptional rise in incomes was much higher than the 0.5% increase in GDP per capita recorded in the OECD area during the first quarter of 2021.

5/8/2021 <https://www.oecd.org/newsroom/growth-and-economic-well-being-first-quarter-2021-oecd.htm>

Trade and Investment to the U.S.

BritishAmerican Business launched the latest edition of its bi-annual [Trade and Investment Guide to the U.S.](#) Updated for 2021/22, BAB's Trade and Investment Guide for the U.S. is a key resource for ambitious companies to find practical advice, guidance and insight when expanding and growing within the transatlantic corridor. The publication informs about the taxes, the types of visas you may need to move workers across the Atlantic, or great places to do business.

2/8/2021 <https://amcham.sk/press-room/news/273568-britishamerican-business-launches-the-2021-22-trade-and-investment-guide-to-the-u-s>

Batteries regulation

The European Commission's Proposal for a Batteries Regulation will be one of the key legislative proposals to meet the ambitious climate goals set out in the European Green Deal, and should support and facilitate the uptake of the battery industry as well as the use of batteries in different applications. AmCham EU supports the proposal and in a new paper offers areas where the Regulation could be improved to best move towards the targets whilst ensuring clarity and coherence for industry.

23/7/2021 <https://amchameu.eu/news/batteries-regulation-key-stop-road-net-zero>