



Legislative and Policy Updates

JANUARY 2022



SLOVAKIA

Defense Cooperation Agreement

Slovak President Zuzana Caputova supports the conclusion of the long-discussed Defense Cooperation Agreement with the USA. However, part of the authorization to sign, which she'll give to a member of the Government within the process of its adoption, will be an interpretation statement of how Slovakia sees the agreement. She did not find any conflict with the Slovak Constitution from constitutional lawyers; therefore she won't address the Constitutional Court.

20/1/2022 <https://newsnow.tasr.sk/policy/president-supports-slovak-us-dca-doesnt-see-any-conflict-with-constitution/>

Slovak-EU politics

Slovak MEP Michal Simecka was elected one of the 14 vice-presidents of the European Parliament (EP) on January 18. He was nominated as a candidate by the Renew Europe (RE) liberal faction. Simecka garnered 494 votes and is the first Slovak to become an EP Vice-president. "I very much appreciate the trust of MEPs from all over Europe who voted for me today," said Simecka following his election.

18/1/2022 <https://newsnow.tasr.sk/foreign/michal-simecka-was-elected-one-of-ep-vice-presidents/>

Inflation and consumer prices

On 14 January, the Statistical Office of the Slovak Republic reported that in December compared with November, consumer prices increased by 0,2 % in total and compared with December 2020 they rose by 5,8 %. On average, in 2021 compared with the corresponding period in 2020, consumer prices rose by 3,2 %, in total.

14/1/2022

https://slovak.statistics.sk/wps/portal/ext/products/informationmessages/inf_sprava_detail/!ut/p/z1/tZJLc4lwFIV_iwuXMRcSSFhGpwLWcYqKj2w6IUClCr4YrP31jW03bUc7XTSb5M5858459wZLvMCyUk3xpOpiW6mNgZfSfYxYyLtdSwB0hwTCwf1kFPT6th87eP4V4KPxHYRT8eCPB9QC6mB5Wz_DEktd1bt6hZfb5KhWKKtQUeVlres2mMf2UBo3TZWh4-6gmnMbmNWr81NHTvlqcWRS1MP0VRrxHXqIpJryAhnnpfbI_Y7XaR46fCce0aCWG5rRBPNEWeZi6hWSWYpleSJ_T3OT7-XOHDICDB6-Y70fBFQNgTgQ9-BUATx2IsIAUE-gRs9PgARRdFkOJuBP7P7EBLLh1EcG0fuL8DUxUuTgI1NYTE8b4rshOPqMtsNnvxxSAHgAZZFUnZOuuxAh3EGhDFObeq5DiGXX1M87_dSmNVuqzp7qfHiP3a7K-OSkzNaj4PX7gj5c9FqvQHkDjHK/dz/d5/L2dBISEvZ0FBIS9nQSEh/

Diplomacy

Slovak diplomat and Slovakia's permanent representative at the UN Michal Mlynar became one of vice-chairs of the UNICEF Executive Board, the Slovak Foreign Affairs Ministry published on its website, adding that he was elected to the post on January 11. The Executive Board is UNICEF's governing and supervisory body. "It's a big success for Slovakia and our diplomacy, which has been attaching importance to support for and protection of children's human rights for a long time," stated the ministry.

13/1/2022

<https://newsnow.tasr.sk/foreign/slovakia-gains-vice-chair-post-on-unicefs-executive-board-for-2022/>

Slovakia – OECD Economic Survey

Slovakia's ambitious recovery and resilience plan, supported by the EU, will boost the recovery and growth, but supply chain disruptions and a low vaccination rate continue to pose risks. Over the medium to longer term - pension, labor and health care reforms are needed, to offset the pressures of an ageing population, according to a new OECD report. The latest OECD Economic Survey of the Slovak Republic says that, with less than half of the population fully vaccinated, the immediate priority must be to overcome vaccine hesitancy and raise the vaccination rate. Boosting productivity will be crucial to sustaining living standards as Slovakia is ageing rapidly and faces one of the fastest future declines in the working-age population in the OECD.

13/1/2022

<https://www.oecd.org/newsroom/slovak-republic-prioritise-reforms-to-optimize-strength-and-quality-of-recovery-and-future-growth.htm>

Employment and monthly wages

According to the Statistical Office of the Slovak Republic, in November 2021 compared to November 2020, employment recorded a more significant increase only in information and communication activities, by 7,8 %. There was an increase in accommodation (by 4,7 %), and a slight increase only in transportation and storage (by 0,7 %). In the same period of time, the average nominal monthly wage increased in all sectors monitored, the most in accommodation, by 21 % (it reached EUR 837).

12/1/2022

https://slovak.statistics.sk/wps/portal/ext/products/informationmessages/inf_sprava_detail/!ut/p/z1/tVHBcolwEP0ajzEbkpBwRMcC1jpVS5VcOgGhUiWgMlj_vrHTS9vRmR66l90383bnvX1Y4RVWRnflq27L2uidxYlyX2YikoMB8QEGEwrR-H4xDYd3ThBzvPxOkNP5CKIn_zGYjxBxrG6vf-MFVaZaZt2g5M6PeoNyg0qTYH0tu2BHepDZdV0JkfH5qC7cw-6Y95ubc80Y67rUiTTCNwKax5uZeh1KUOpaRIOxEu55usXONEEJ65DByk05whZiGSUKRoTUFznRIuqfxp57feix24Uj7YffVJGQZ-yMQEQE4CDpEfxnNvRin49Itw40ZiNYirGojAy67MTzg2l8_s8OKPFkPAY6zKtOqfsqoPfSEFUCEkc5jnckovmZdv-73ybTC1afP3Fq_-l5mmitJz2hbPlwoU8kH7HCyTw!!/dz/d5/L2dBISevZ0FBIS9nQSEh/

Court map

A new court map that was approved by the Government at its session on January 12 envisages the scrapping of four district courts. Municipal courts are to be set up in Kosice and Bratislava. In addition, there will be three areas covered by regional courts based in Trnava, Zilina and Presov. The remaining courts will function as workplaces and headquarters. The reform proposal will now be passed to Parliament for debate.

12/1/2022

<https://newsnow.tasr.sk/policy/govt-approves-court-map-reform-envisages-scrapping-of-4-district-courts/>

Foreign nationals

Almost 153 000 foreign nationals have a residence permit in Slovakia, according to the official statistics. This accounts for about 2.8 percent of the country's population. In addition, altogether 69,172 foreigners were working in Slovakia in October 2021, the statistics of the Central Office of Labour, Social Affairs and Family show. Of them, 39,000 came from non-EU countries. These foreigners fill gaps in Slovakia's labor market, said Zuzana Vatráľová, head of the Bratislava office of the International Organisation of Migration (IOM) on the occasion of International Migrants Day, which falls on December 18.

4/1/2022

<https://spectator.sme.sk/c/22814636/almost-3-percent-of-slovakias-population-are-foreigners.html>

Automotive industry

The four carmakers operating in Slovakia should have manufactured at least 900,000 vehicles this year, the Slovak Automotive Industry Association (ZAP) estimates. In the first half of the year, the Bratislava-based Volkswagen Slovakia, Kia Slovakia near Žilina, the Nitra-based Jaguar Land Rover and the Trnava-based Stellantis produced more than 555,000 vehicles. At the beginning of 2021, ZAP predicted that full-year production would again exceed 1 million units. Last year, carmakers in Slovakia produced about 985,000 cars.

29/12/2021 <https://spectator.sme.sk/c/22812025/car-production-in-slovakia-should-not-fall-below-900000-vehicles-this-year.html>

Financial stability

According to the National Bank of Slovakia, country's financial sector has so far managed to cope with the pandemic situation, even becoming stronger in several respects. Throughout the pandemic, the sector has maintained financing to the economy, and financial stability has not been disrupted. Thanks to its responsible behavior, the banking sector has come through this period with its capital position actually strengthened.

23/12/2021 <https://www.nbs.sk/en/publications-issued-by-the-nbs/financial-stability-report/november-2021>

EUROPE & WORLD

Digital Services Act

A large majority of MEPs voted in favor of the Digital Services Act on January 20, after plenary amendments introduced important changes to the text. The DSA is horizontal legislation for the digital single market, with transparency requirements and due diligence obligations proportionate to the size of the service provider. "We have an opportunity to create a new global golden standard for tech-regulation that will inspire other countries and regions," said Christel Schaldemose, the leading MEP on the file. While the compromise text brokered in the leading parliamentary committee introduced some significant new elements to the original proposal, further modifications were introduced via last-minute amendments in the plenary vote.

20/1/2022 <https://www.euractiv.com/section/digital/news/meps-adopt-digital-services-act-with-significant-last-minute-changes/>

Future of the EU

A plenary session of the Conference on the Future of Europe (CoFoE) will review the recommendations of the first two citizens' panels. It is being held at the European Parliament (EP) in Strasbourg on January 21-22 and will discuss 90 final recommendations. Participants in the plenary meeting will address not only the recommendations made so far, but also the related contributions received on the multilingual digital platform. The plenary will agree on proposals that will be submitted to the CoFoE Executive Board.

20/1/2022 <https://newsnow.tasr.sk/foreign/plenary-session-will-evaluate-recommendations-of-citizens-panels/>

Tax Treatment of the Foreign Aid

On January 19, the OECD launched a new digital hub to improve transparency around the taxation of development aid by presenting approaches taken by participating donor countries to claiming tax exemptions on goods and services funded by official development assistance (ODA). The new hub compares policies for how ODA is taxed from 12 members of the OECD Development Assistance Committee (DAC), who voluntarily provided details on their tax approaches of foreign aid (Australia, European Commission, France, Greece, Hungary, Japan, Netherlands, Norway, Poland, Spain, Sweden and the US). It aims to help both donors and recipient countries clarify the tax status of ODA, which totalled USD 161 billion in 2020.

19/1/2022 <https://www.oecd.org/newsroom/new-oecd-hub-to-boost-transparency-on-the-tax-treatment-of-foreign-aid.htm>

European Medicines Agency

European lawmakers gave their final go-ahead to the much-awaited reform of the European Medicines Agency (EMA) that will broaden its mandate. During the Strasbourg plenary session on January 19, MEPs adopted by 655 votes to 31 with 8 abstentions the interinstitutional agreement reached last year with the EU ministers to reinforce EMA's powers. The proposal was presented by the Commission in November 2020 as part of the efforts to ensure better preparedness for future health emergencies.

19/1/2022 <https://www.euractiv.com/section/health-consumers/news/meps-give-green-light-to-strengthen-powers-of-eus-medicines-agency/>

EU Agency for Asylum

On January 19, the new European Union Agency for Asylum started work with its reinforced mandate, building on the achievements of its predecessor, the European Asylum Support Office. The new agency is a key deliverable under the New Pact on Migration and Asylum. It will help ensure that asylum decisions are taken in a fast and fair manner and that reception standards

converge across the EU, bringing more uniformity in decision making and alignment between Member States' asylum systems.

19/1/2022 https://ec.europa.eu/commission/presscorner/detail/en/IP_22_414

European Parliament President

Roberta Metsola became the youngest ever president of the European Parliament. After the election on January 18, she stressed the need to strengthen the European project. Metsola said many challenges were facing Europe, including disinformation, external pressure, the need for economic recovery, green and digital transition. “Our European way of open economies and open societies is a model that I am proud of. It is a model that must be given support to withstand the pressure it comes under,” she said.

18/1/2022 <https://www.europarl.europa.eu/news/en/headlines/eu-affairs/20220113STO20905/roberta-metsola-europe-is-about-standing-up-for-one-another>

Global Perspectives for Business

For international business, the ongoing pandemic and geopolitical uncertainty are conflicting with very strong economic growth and exciting technological progress in ways that present a sweet-and-salty mix of challenges and opportunities. U.S. Chamber of Commerce President and CEO Suzanne Clark highlighted many of these issues in her State of American Business address on January 11. AmCham Slovakia took liberty to re-publish the supplement to those remarks with some observations on the biggest global trends currently facing our members. Read the Ten Trends in '22: Global Perspectives for Business on AmCham website.

17/1/2022 <https://amcham.sk/press-room/news/273650-ten-trends-in-22-global-perspectives-for-business>

French Presidency

On January 1, France took over the rotating Presidency of the Council of the European Union. Despite impressive efforts to get vaccines into the arms of the majority of citizens, Europe now finds itself in the midst of a fresh wave, which is further complicated by the emergence of the new Omicron variant of the virus. As Member States begin to obtain disbursements of the historic NextGenerationEU recovery instrument, the French Presidency is taking on a critical task in overseeing the substantive rebuild of Europe's economy around the twin transitions of environmental protection and digitalisation. Read AmCham's EU recommendations to the French Presidency aiming to ensure we reach our common goals of a more prosperous and more competitive EU.

14/1/2022 <https://amchameu.eu/news/recommendations-french-presidency>

Minimum Tax

The European Commission published the directive implementing the global rules on a minimum effective tax rate of 15%. The American Chamber of Commerce to the EU believes the directive should be fully aligned with the international agreement and consistently applied across the EU. Will Morris, Chair, Tax Committee, AmCham EU, said: “We welcome the Commission's desire to create a consistent and harmonized minimum tax across the EU. However, we believe it is very important for business to be involved in designing the implementing structure of these rules in order to ensure that complexity in the rules is reduced wherever possible to help both administration by tax authorities and compliance by taxpayers.”

22/12/2021 <https://amchameu.eu/news/minimum-tax-consistent-implementation-will-be-critical>

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