

Legislative and Policy Updates

APRIL 2023



SLOVAKIA

Corruption

National Bank Governor Petr Kažimír was found guilty of bribery and ordered to pay a €100,000 fine or risk prison for two years, according to a court order from the Specialised Criminal Court that prompted President Zuzana Čaputová and Prime Minister Eduard Heger to call for his resignation. Kažimír was sentenced based on a court order, meaning that his guilt was ruled only based on the submitted case file and the evidence that emerged from it. There has not yet been a proper hearing with the testimony of witnesses or the defendant.

14/4/2023 <https://www.euractiv.com/section/politics/news/national-bank-of-slovakias-chief-found-guilty-of-corruption/>

Inflation

In March 2023, inflation dropped to the level of October last year, to 14.8%. It has grown year-on-year since the beginning of 2021, in this February it reached its current maximum of 15.4% for the third time in the previous four months. Consumer prices of goods and services rose by 1.2% month-on-month in March. Inflation growth slowed significantly, reaching a value of 14.8%. Despite the slowdown in the growth rate of overall inflation, food prices again approached the previous maximum from December at the level of 29%. The cost of housing, energy and housing-related items slightly decreased reaching the

levels recorded at the beginning of 2022. Fuel prices dropped year-on-year to deflation value for the first time in two years.

14/4/2023

https://slovak.statistics.sk/wps/portal/ext/products/informationmessages/inf_sprava_detail!/ut/p/z1/tVHBUsIwEP0ajplsm4Q0x8JgW0RGwArNxQkhIQgkBTJV_t7geFEHHA_uZXdn3tt5bx-WeiGIVW31rFxFVW7X1eyG7TxOeRb1eEAP0RgSy4e1snPZvwiRneP4VEI2nA8ge4vtkOqQBUIbldf4jllhq6xq3xkW9PKo1MhZVtkRq4zrgh_qw82paa9CxOaj21IH2aNzG93AJAEILpEptEFVclcU0RQoCEdIVLYHq8_IGVytcmK4CQXiEDBMrjy4JijQIFDjtQrYELsrudz_9Z7twlWKwfPIB6SfxCnll4BoI4jSfigkhEJNPwJUbhdfAL2oIOJ63IXnFuT1_Zotnf7SYAh7-loqPvXrZ72Xss6mtM28OL_4jnGaX7yJyQpvybkCoLN4BAprd4w!!/dz/d5/L2dBISEvZ0FBIS9nQSEh/

Rule of Law

Representatives of business and employers' associations and chambers of commerce united under the Rule of Law Initiative presented the position of the wide business community on the current status quo of the legislation process to the President H.E. Zuzana Čaputová. A transparent, predictable, and participative legislative process forms the foundation of a healthy business environment, where companies may focus on their core tasks without wasting too much time and energy on bureaucracy and constant legislative changes.

13/4/2023 <https://amcham.sk/press-room/news/273901-meeting-the-president-of-the-slovak-republic-madam-president-zuzana-caputova>

Employment

In February, employment rose in most of the monitored sectors, but as many as four sectors recorded a decrease of employees. The largest number of employees decreased in selected market services. Despite the rapid growth of nominal wages, only employees of the three industries with the lowest wages earned more in real terms. In February 2023, the number of employed persons increased in 6 of the 10 monitored sectors of the economy. Employment rose most significantly in accommodation, by more than 8%.

13/4/2023

https://slovak.statistics.sk/wps/portal/ext/products/informationmessages/inf_sprava_detail!/ut/p/z1/tVHBUsIwEP0ajplsmqYNx8JgW0RGwArNxUlplhVIC2Sg_L2p40UdcDy4I92deW_nvX1Y4BUWRrbVs7RVbeT_O7bkInmZhygcDEgEMJhTS8e1imgxvDhjePkVwKfzEaQP0X08H_sEflbFdf4jFlisjW3sBud1cZlbpAyqjEZya3vg_hvq4d2pao9CpOcr23IP2pOzWdRIGjPpEI8U1R77ur1FRkACxgmugQakZ87rzzboqcU4VAQYIQ6EChXxeAule1wgKVRDmSaWD_nc7P_V2duBCReD44gMyjKPEDycAfBlzSKMkm_dnlEJEPwFXbuROQ3hRAwnxsq3UK85_M95kdXvzRYgJ4_FsqLvbq5XAQkcumNla9Wbz6j3Cafbbn9Iy2-m5EfzG_A3AGOzE!/dz/d5/L2dBISEvZ0FBIS9nQSEh/

Science and Research

The research is multidisciplinary, follows the latest scientific trends, with a number of collaborations with important foreign, domestic scientific and research workplaces as well as industry, consults findings with neighboring countries, tries to acquire high-quality scientific workers and doctoral students, carries out regular evaluations. These are just a few reasons why the Polymer Institute of the Slovak Academy of Sciences (SAV) has long been regarded as one of its best. As a result of an accreditation for the years 2016—2021, it was evaluated with the highest ranking and its research characterized as "internationally leading within the European context".

8/4/2023 <https://spectator.sme.sk/c/23154781/slovak-polymer-institute.html>

Regional Transformation

The Upper Nitra valley, brown coal region, halts mining, but funds for transformation are delayed. The tradition of lignite (brown coal) mining in Prievidza and its vicinity will end this year after more than 110 years, but the future of the mining towns there does not look very bright at present. More than 2 000 miners will have to find new jobs, and the region will have to switch to other energy sources to produce electricity and heat. Thanks to the EU, Upper Nitra can claim more than half of €450 million allocated for the transformation of heavily industrialised Slovak regions.

7/4/2023 <https://spectator.sme.sk/c/23154415/brown-coal-region-halts-mining-but-funds-for-transformation-are-delayed.html>

Energy Security

The €40 million project to build an LNG terminal in the port of Bratislava to refuel cargo ships while reducing greenhouse emissions and pollutants for river transport has been approved by the Environment Ministry, but activists have vowed to appeal and stop the project. The LNG terminal will be built by the state-owned company Verejné prístavy (Public Ports) and may be ready in 2026 at the earliest. In the meantime, the Economy Minister declared that it is already likely Slovakia will survive next winter even if Russian natural gas imports to Europe stop completely. The reason is the continuing efforts of Slovak suppliers to diversify the imports.

6/4/2023 <https://www.euractiv.com/section/politics/news/slovakias-decision-to-build-first-lng-terminal-in-bratislava-port-faces-criticism/>

Recovery and Resilience Facility

Slovakia's progress in accessing funds from the EU's Recovery Plan is at risk due to the Parliament's failure to approve two essential laws - an amendment to the Law on Bankruptcy and Restructuring and the Law

on Landscape Planning, which are vital for Slovakia's third and fourth payment requests. The interim PM Eduard Heger expressed disappointment and warned of harm to the public interest. Still, he believes these proposals will be included in other amendments to be approved later. Despite the setback, Slovakia remains on track with its recovery plan and received 815 million euros as the second payment from the Recovery Plan. Currently, it is even among the best countries in the region in terms of drawing money from the recovery plan, but its politics is making it difficult to achieve its goals. Further obstacles remain, including more support for an education law. In addition, the country risks losing millions of euros if conditions for releasing individual payments still need to be met.

22/3/2023 <https://pamatters.sk/en/home/>

EUROPE

EU relations with China

Against the backdrop of China's continued rise as a political and economic powerhouse on the world stage, MEPs discussed the need for a coherent strategy on the superpower. EU Foreign Policy Chief Josep Borrell stressed the need for a united EU approach to China. We cannot speak with one voice as there are multiple voices within the EU, but at least we need to be on the same wavelength, he said. Recalling that EU relations with China have worsened recently due to EU sanctions, difficulties with Lithuania and Chinese military exercises in the Strait of Taiwan, he stressed that although the EU and China are in rival mode the EU needs to keep talking to China.

18/4/2023 <https://www.europarl.europa.eu/news/en/press-room/20230414IPR80115/meps-call-for-clarity-and-unity-in-policy-on-china>

Data and Privacy

The Data Protection and Digital Information Bill, which will introduce an array of changes to the UK version of the EU General Data Protection Regulation (GDPR) put in place by the UK in 2018, reached its second reading in the House of Commons, the stage before it proceeds to scrutiny by a Parliamentary committee. This stage was originally scheduled for September last year but was postponed following the resignation of Boris Johnson as Prime Minister and the subsequent takeover by Liz Truss. The bill is now back on the legislative table, having been reintroduced to Parliament in March. London's planned reform of its data protection regime has attracted considerable attention in Brussels, given its potential implications for the EU-UK data adequacy agreement reached in 2019, which facilitates ongoing data transfers between the two.

18/4/2023 <https://www.euractiv.com/section/data-privacy/news/uk-data-reform-bill-revived-after-lengthy-legislative-delay/>

Platform Work Rules

The Swedish presidency circulated a compromise text on the EU platform workers' directive with only minor changes, signaling that after months of stalled negotiations in the EU Council of Ministers, a political deal could be within reach. Negotiations have made little ground recently as EU governments were split over the ambition of the text, notably the legal presumption of employment. The Directive, first proposed by the Commission in December 2021, introduces a legal presumption of employment reclassifying platform workers from self-employed to employees under certain conditions. It also seeks to regulate algorithmic management in the workplace – a first at the EU level.

18/4/2023 <https://www.euractiv.com/section/gig-economy/news/eu-council-tries-again-to-close-in-on-platform-work-rules/>

2030 Climate target

MEPs adopted the reform of the EU's Emissions Trading System including for aviation and maritime, the Carbon Border Adjustment Mechanism and a new Social Climate fund. The EU Parliament approved the deals reached with EU countries in late 2022 on several key pieces of legislation that are part of the "Fit for 55 in 2030 package". This is the EU's plan to reduce greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels in line with the European Climate Law.

18/4/2023 <https://www.europarl.europa.eu/news/en/press-room/20230414IPR80120/fit-for-55-parliament-adopts-key-laws-to-reach-2030-climate-target>

Technology

The proposal of the so-called Product Liability Directive is intended to bring the EU product liability regime, which dates back to the mid-80s, up to speed with technological developments. The new regime would cover digital products like software, which includes Artificial Intelligence. The Swedish presidency has circulated three compromise texts so far, meant to clarify the text rather than modify it substantially. The Product Liability Directive aims to provide a legal framework to sue the manufacturer for people who suffered material damage, like a physical injury or damage to property, while using a certain product.

18/4/2023 <https://www.euractiv.com/section/digital/news/eu-council-clarifies-liability-rules-for-software-updates-machine-learning/>

Ukraine and the EU

Leading MEPs reiterated the European Parliament's intention to continue to do its utmost to assist Ukraine in its EU integration process. During the first Inter-Committee Meeting between the European Parliament and the Ukrainian Verkhovna Rada, they debated the nature and challenges of the EU accession process and stated their firm condemnation of the illegal and unjustified Russian war of aggression. The EU as well as the European Parliament remain strong allies of Ukraine and will continue to stand with the country and its people in their fight for freedom.

12/4/2023 <https://www.europarl.europa.eu/news/en/press-room/20230412IPR79602/leading-meps-reaffirm-their-strong-support-for-ukraine-s-path-to-the-eu>

Finland joining NATO

Finland became NATO's newest member on 4 April 2023 upon depositing its instrument of accession to the North Atlantic Treaty with the United States at NATO Headquarters in Brussels. NATO Allies signed Finland's Accession Protocol on 5 July 2022, after which all 30 national parliaments voted to ratify the country's membership.

4/4/2023 https://www.nato.int/cps/en/natohq/news_213448.htm

Green transition

The EU Commission launched an EU-wide exchange program to strengthen the capacity of Member States' administrations to engage in green budgeting reforms and to further develop the use of green budgeting tools, in line with the EU Reference Framework for Green Budgeting. The program consists in an exchange among civil servants, technical staff and managers dealing with green budgeting practices, mainly working for Ministries of Finance, Environment, Climate Change, and National Statistical Offices. The exchange will allow participants to share good practices and to keep up to date with the latest policy developments. It will consist in peer learning, knowledge transfer and on-the-job training. Participants will acquire new skills and build a network of green budgeting practitioners in the EU.

3/4/2023 https://commission.europa.eu/news/commission-launches-exchange-programme-help-member-states-civil-servants-go-green-2023-04-03_en

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