

# Legislative and Policy Updates

FEBRUARY 2023



## SLOVAKIA

### Rating

Fitch Ratings, an international economic rating agency, has affirmed Slovakia's A-rating with a negative outlook. The rating, published on February 17, was not downgraded thanks to Slovakia being a European Union member and a member of the eurozone area, which both continue to perform economically well. At the same time, the agency drew attention to Slovakia's weaker structural indicators, a large net external debt position, and the country's high dependence on the car industry.

21/2/2023 <https://spectator.sme.sk/c/23138692/fitch-warns-against-potential-anti-western-government-in-slovakia-after-early-elections.html>

### Flying car

The flying car designed by Slovaks and presented on October 29, 2014 at the Pioneer Festival in Vienna had been a sensation. Its Slovak fathers, Juraj Vaculík and Štefan Klein, had believed that it could be the first step to "changing passenger transport on a global scale". This never happened. Almost nine years later the company management, after failing to acquire fresh money to continue with R&D, resolved to file for bankruptcy.

20/2/2023 <https://spectator.sme.sk/c/23138229/dream-of-a-flying-car-comes-to-an-end-aeromobil-fails-to-acquire-new-financing-and-closes-down.html>

## New EU Funds

Slovakia does not fulfil the basic criteria for the absorption of EU funds targeting social inclusion and poverty from the new programming period, meaning it will not be eligible for reimbursement, according to the European Commission. This is because the Slovak government lost a crucial no-confidence vote in December, ensuring it could not push through its crucial strategy towards ending homelessness through the National Council, despite this being one of the requirements agreed upon with the Commission.

14/2/2023 <https://www.euractiv.com/section/politics/news/slovakia-sees-new-eu-funds-blocked-as-it-lacks-crucial-strategy/>

## Economic forecast

The Slovak economy is projected to grow faster than previously expected thanks to government measures to reduce the impact of rising energy prices on households and businesses, and an improved economic outlook in Slovakia's major export destinations. After an estimated growth of 1.7% in 2022, real GDP is forecast to increase by 1.5% in 2023 and by 2.0% in 2024. Although the weakening of global demand is still expected to weigh on economic activity, subsidized energy prices should support both households and energy-intensive exporters in 2023.

13/2/2023 [https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/slovakia/economic-forecast-slovakia\\_en](https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/slovakia/economic-forecast-slovakia_en)

## Turnover

In 2022, Slovakia's industry turnover maintained positive values, only construction was in negative values. Total turnover for the year 2022 increased by double digits year-on-year in transportation and storage, as well as in information and communication activities. Industry also maintained growth at the annual level. Selected market services were just above zero. Only the construction industry decreased year-on-year in 2022. Industry, as an important sector of the economy, recorded a year-on-year (i.e. compared to 2021) turnover increase by 6.8% for the entire year 2022.

10/2/2023 [https://slovak.statistics.sk/wps/portal/ext/products/informationmessages/inf\\_sprava\\_detail!/ut/p/z1/tVHBUslwEP0ajplsSEqXY2CwLSIjYIXm4qQ0IQqkBTpV\\_t7U8aIOOB7cy-7OvLfz3j6q6loqq5viWddFafXO7YnqPc38CAcDjgEGEw7R-HYxDYc33SD26PIrAKfzEUQP8j6YjwUD4VF1nf9IFVvRw1f1hiZletIbYiwpbE70tu6AG8rj3qlprCGn6qjbcweak6m3rrOU6UwAI1ogI4LxHkFMNRGgEbvYhUzr9ny1LjKaGGO8Xl8D4RwNEZ7JSF\\_kOVn7yDBNgaGnv9v5qbe1AxdKguOrD8gwkKHwJwA4CTyIZBjP-zPOQfJPwJUbidPgX9TAfLpsCvNKY9t-ZkcXf7QYAh3\\_loqLvXg5HJR02ZS2Nm81Xf1HONU-3iM\\_k21-N-JCJe\\_4mvKV/dz/d5/L2dBISevZ0FBIS9nQSEh/](https://slovak.statistics.sk/wps/portal/ext/products/informationmessages/inf_sprava_detail!/ut/p/z1/tVHBUslwEP0ajplsSEqXY2CwLSIjYIXm4qQ0IQqkBTpV_t7U8aIOOB7cy-7OvLfz3j6q6loqq5viWddFafXO7YnqPc38CAcDjgEGEw7R-HYxDYc33SD26PIrAKfzEUQP8j6YjwUD4VF1nf9IFVvRw1f1hiZletIbYiwpbE70tu6AG8rj3qlprCGn6qjbcweak6m3rrOU6UwAI1ogI4LxHkFMNRGgEbvYhUzr9ny1LjKaGGO8Xl8D4RwNEZ7JSF_kOVn7yDBNgaGnv9v5qbe1AxdKguOrD8gwkKHwJwA4CTyIZBjP-zPOQfJPwJUbidPgX9TAfLpsCvNKY9t-ZkcXf7QYAh3_loqLvXg5HJR02ZS2Nm81Xf1HONU-3iM_k21-N-JCJe_4mvKV/dz/d5/L2dBISevZ0FBIS9nQSEh/)

## Industrial production

The performance of the Slovak industry decreased by 4.7% year-on-year in 2022. Last year the overall lower performance was recorded by almost all special groupings of industrial sectors, including sectors decisive in terms of share, such as manufacture of transport equipment as well as manufacture of metals and fabricated metal products. In the last month of the year, the performance of the industry decreased by more than 10% year-on-year.

10/2/2023

[https://slovak.statistics.sk/wps/portal/ext/products/informationmessages/inf\\_sprava\\_detail!/ut/p/z1/tVHBUsIwEP0ajpndkLQNxxS1LTKMgBWai5NCKhVIC3Sq\\_L2B8aIOOB7cy-7OvLfz3j5QMAdIdVu-6KasrN64PVP-8zhIRBhSiRgOGSaD--ko7t91o9SD2VeAGE1uMXmUD9FkwClyD9R1\\_hMoUAvb1M0Ksio\\_6BUxlpS2IHrddNAN1X7r1LTWkEO91-2xg-3BNGvXA7roGs4CkntFTjj1KRHa04QVPvVF4ecFp6fz9aJcQsa9XtFFIYhY-oZwbZZEC4OEUUTqMQxEj36381PvyQ5eKImOr86QfiRjHgwRxTDyMJFxOumNGUPJPgFXbkyNhcZpCC7qoAHM2tK8QWpP39nA9I82Y4TBb8m46MvX3U5JI09IG\\_PewPw\\_Aqq36VawI1kXN-GIRLMPGEEFbA!!/dz/d5/L2dBISEvZ0FBIS9nQSEh/](https://slovak.statistics.sk/wps/portal/ext/products/informationmessages/inf_sprava_detail!/ut/p/z1/tVHBUsIwEP0ajpndkLQNxxS1LTKMgBWai5NCKhVIC3Sq_L2B8aIOOB7cy-7OvLfz3j5QMAdIdVu-6KasrN64PVP-8zhIRBhSiRgOGSaD--ko7t91o9SD2VeAGE1uMXmUD9FkwClyD9R1_hMoUAvb1M0Ksio_6BUxlpS2IHrddNAN1X7r1LTWkEO91-2xg-3BNGvXA7roGs4CkntFTjj1KRHa04QVPvVF4ecFp6fz9aJcQsa9XtFFIYhY-oZwbZZEC4OEUUTqMQxEj36381PvyQ5eKImOr86QfiRjHgwRxTDyMJFxOumNGUPJPgFXbkyNhcZpCC7qoAHM2tK8QWpP39nA9I82Y4TBb8m46MvX3U5JI09IG_PewPw_Aqq36VawI1kXN-GIRLMPGEEFbA!!/dz/d5/L2dBISEvZ0FBIS9nQSEh/)

## RRF second payment

The European Commission published a positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the second payment of Slovakia's RRF request submitted by Slovakia on 25 October 2022, transmitted to the Economic and Financial Committee by the European Commission. By the transmission of this positive preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones and targets.

8/2/2023

[https://commission.europa.eu/publications/preliminary-assessment-second-payment-request-slovakia\\_en](https://commission.europa.eu/publications/preliminary-assessment-second-payment-request-slovakia_en)

## Nuclear energy

A third reactor block at Mochovce nuclear power plant was connected to Slovakia's energy grid for the first time on 31 January - 11 years later than originally planned. Electricity producer Slovenské Elektrárne phased in the first of its two turbine-generators at the plant in the Nitra Region shortly before midnight on 31 January, with the third unit beginning to deliver electricity. The reactor is currently at 20 percent of nominal power.

1/2/2023

<https://spectator.sme.sk/c/23124577/third-mochovce-reactor-connects-to-grid-11-years-late.html>

## **Inflation**

According to the Statistical Office of the Slovak Republic, in 2022, the average inflation reached a level of 12.8%. The high price increases were mainly influenced by the rise in energy prices and the record increases in food and fuel prices in the recent history of the Slovak Republic. The increase in prices of selected foods for daily consumption - bread, dairy products, eggs, as well as vegetables - exceeded 20%, and oils and fats, which are less important by weight, exceeded 40%.

13/1/2023

[https://slovak.statistics.sk/wps/portal/ext/aboutus/office.activites/officeNews!/ut/p/z1/tVHLb slwEPwajsZr4ucxIERCoSppKcSXynIQXEgCxQ3I72uqHvpQkXqoD-vd1ezujAZrvMS6Nq19NM42tdn6OtX8YSzi2e-TEGB6NYA4iKNZP0wIJT28-AgQ18kQ4rvwZpSMKQHksL48f4811nntdm6N0yY7mDUqa2TrFTIb1wEfbGvdyf8vZuuTDrSH0m0-N2TOMi6LHAIhSkQZMSgTGUcqJ3kRsJ7i1Jyv7HJb4NQQw4OyYAgYJhBdEYZUqRji0ANKhGJUzd9V\\_aR9VgW\\_vBD8vH6HDEZhrMUEQE5GDOlwmidqFgQQBh-ACztSz0H8yiEieNHa8ojndfNceadu\\_ygxAjzG2mZV95hXXegSKbmkwAljVBAF\\_Oy9fdrvdegNampXvj q8\\_EeHdtW8ksEJbVbTYUB1-gYhrezz/dz/d5/L2dBISEvZ0FBIS9nQSEh/](https://slovak.statistics.sk/wps/portal/ext/aboutus/office.activites/officeNews!/ut/p/z1/tVHLb slwEPwajsZr4ucxIERCoSppKcSXynIQXEgCxQ3I72uqHvpQkXqoD-vd1ezujAZrvMS6Nq19NM42tdn6OtX8YSzi2e-TEGB6NYA4iKNZP0wIJT28-AgQ18kQ4rvwZpSMKQHksL48f4811nntdm6N0yY7mDUqa2TrFTIb1wEfbGvdyf8vZuuTDrSH0m0-N2TOMi6LHAIhSkQZMSgTGUcqJ3kRsJ7i1Jyv7HJb4NQQw4OyYAgYJhBdEYZUqRji0ANKhGJUzd9V_aR9VgW_vBD8vH6HDEZhrMUEQE5GDOlwmidqFgQQBh-ACztSz0H8yiEieNHa8ojndfNceadu_ygxAjzG2mZV95hXXegSKbmkwAljVBAF_Oy9fdrvdegNampXvj q8_EeHdtW8ksEJbVbTYUB1-gYhrezz/dz/d5/L2dBISEvZ0FBIS9nQSEh/)

# **EUROPE & WORLD**

## **Next Generation EU**

The European Commission marked the two-year anniversary of the creation of the Recovery and Resilience Facility (RRF), the key instrument at the heart of the EUR 800 billion NextGenerationEU recovery plan for Europe. The adopted Communication takes stock of the concrete results achieved so far through the RRF's unprecedented double-push for green and digital reforms and investments in Member States. It also outlines further steps for supporting the continued successful implementation of national recovery and resilience plans. The annexes to the Communication clarify certain technical aspects of the way in which the Commission assesses Member States' progress.

21/2/2023 [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_23\\_992](https://ec.europa.eu/commission/presscorner/detail/en/ip_23_992)

## **US President visit to Ukraine and Poland**

In an impassioned speech outside Warsaw's Royal Castle, US President Joe Biden reiterated his commitment to Ukraine and to NATO on Tuesday, telling the crowd that had gathered to see him, "freedom is at stake". "Hard and bitter days" are ahead, Biden warned, but stressed that "Ukraine will never be a victory for Russia, never". Biden was speaking during a two-day visit to Poland, just days ahead of the first anniversary of Russia's full-scale invasion of Ukraine. He arrived in Warsaw on Monday evening after paying an unannounced visit to Kyiv.

21/2/2023 <https://www.euronews.com/2023/02/21/us-president-joe-biden-in-poland-after-a-surprise-visit-to-ukraine>

### **EU-New Zealand trade agreement**

The EU-New Zealand trade agreement has today taken a big step towards ratification, with the Commission sending it to Council for signature. Sending the draft decisions to the Council on the signature and conclusion of the agreement is a major step: once the Council gives its green light, the EU and New Zealand can sign the agreement and it can be sent to the European Parliament for its consent. Following approval, the deal can enter into force. The agreement is expected to deliver major gains for the EU. Bilateral trade is expected to grow by up to 30% thanks to this deal, with EU annual exports potentially growing by up to €4.5 billion. EU investment into New Zealand has a potential to grow by up to 80%. The deal can cut some €140 million a year in duties for EU companies from the first year of application.

17/2/2023 [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_23\\_921](https://ec.europa.eu/commission/presscorner/detail/en/ip_23_921)

### **Military help to Ukraine**

MEPs call for serious consideration to be given to delivering fighter jets, helicopters, appropriate missile systems and a substantial increase in munitions to Ukraine. In a resolution marking one year of Russia's war against Ukraine, MEPs strongly condemn Moscow's aggression and reiterate their unwavering solidarity with the people and leadership of Ukraine. They reaffirm their support for providing military assistance to Ukraine for as long as is necessary and call for serious consideration to be given to delivering Western fighter jets and helicopters, appropriate missile systems and substantial increases in munitions delivery to Kyiv. Ukraine must not only be able to defend itself, but also to regain full control of its entire internationally recognized territory.

16/2/2023

### **Green Deal Industry Plan**

MEPs say the EU must lead in clean energy technologies, improve its industrial base, and produce high quality jobs and economic growth to reach the Green Deal goals. Responding to the Commission's "Green Deal Industrial Plan for the Net-Zero Age" MEPs call on the Commission to work on plans to redeploy, relocate and re-shore industries in Europe. They stress the importance of enhancing the EU's manufacturing strength in strategic technologies like solar and wind energy, heat pumps, and batteries. They demand the scaling-up, and improved commercialization of, strategic technologies to bridge the gap between innovation and market deployment. Fast and predictable permitting procedures to set up new projects to deploy renewable energy sources as quickly as possible are also needed, according to MEPs.

16/2/2023 <https://www.europarl.europa.eu/news/en/press-room/20230210IPR74806/green-deal-industrial-plan-securing-the-eu-s-clean-tech-leadership>

## EU Winter 2023 Economic Forecast

This Winter interim Forecast lifts the outlook for growth and slightly lowers the inflation projections. Growth for 2022 is now estimated at 3.5% in both the EU and the euro area. GDP is projected to expand by 0.8% in 2023 and 1.6% in 2024 (0.9% and 1.5% in the euro area). Headline inflation is forecast to fall from 9.2% in 2022 to 6.4% in 2023 and 2.8% in 2024 in the EU. In the euro area, it is projected to decelerate from 8.4% in 2022 to 5.6% in 2023 and to 2.5% in 2024.

13/2/2023 [https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/winter-2023-economic-forecast-eu-economy-set-avoid-recession-headwinds-persist\\_en](https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/winter-2023-economic-forecast-eu-economy-set-avoid-recession-headwinds-persist_en)

## Earthquake in Turkey and Syria

On 9 February, the World Bank announced \$1.78 billion in assistance to help relief and recovery efforts following devastating earthquakes and aftershocks in Turkey that had resulted in massive loss of life, injuries, and very significant damages in and around southeastern Turkey. The World Bank also commenced a rapid damage assessment to estimate the magnitude of the disaster and identify priority areas for recovery and reconstruction support, building on its extensive experience in disaster risk management from around the world. [AmCham Slovakia also contributed to the assistance for those who need it by most.](#)

9/2/2023 <https://www.worldbank.org/en/news/press-release/2023/02/09/world-bank-announces-initial-1-78-billion-for-turkiye-recovery-reconstruction-efforts-after-earthquake-disaster>

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