SLOVAKIA

Annual harmonized inflation

Following the European harmonized methodology, consumer prices in April 2023 rose by 14,0% annually, in March 2022 this value was 14.8%. The month-on-month HICP inflation reached 0.6% in April. The average annual rate of HICP inflation in April 2023 reached a value of 14.0%, whereas the annual HICP inflation (comparing the price level in a given month against the price level in the same month of the previous year) reached the same value of 14.0% in April 2023 as the average annual rate of HICP inflation. On the other hands, the harmonized consumer price indices grew by 0.6% month-on-month in total. The month-on-month increase in the price level was most affected by the increase in prices in the transport division.

17/05/2023
https://slovak.statistics.sk/wps/portal/ext/products/informationmessages/inf_sprava_detail/!ut/p/z1/tVHBTsJAEP0ajpuZtlu6e1wItkUkAlboXsy23UoFtgWaKn_vYryoAePBucxM8t7kvXkgYQXSqK56Vm1VG7W1eyr7T7MgZoOBIxAHEw_j8e1iGg1v3DDxYfkVwKbzEcYP4j6cj6mD1Ad5nf8IEmRu2qZdQ1pnR7Um2pDKlERt2h7aoT7srJrOaHJsDqo79bA76nZje-BQ9DlHwnipCXULS8r6BSkDVToMi7KfsfP5Jq8KSHPuaTfXnLAMOaF2JawINCkzl2e8KBzM2Xc7P_We7eCFEmj58gMyDEVEgwkim4Q-xiJK5nzmeSi8T8CVG6nVEFzU4ASw7Cr9Cok5f2YLiz9ajBDGv6ViY69e9nspbDa1afVbC6v_CKfZJTvmncimvBt5VKbvxE9zIw!!/dz/d5/L2dBISEvZ0FBIS9nQSEh/

Gross Domestic Product

The Slovak economy kept growing in the 1st quarter of 2023, however the growth was more moderate than at the end of 2022. The Gross domestic product in chain-linking volumes increased in the first quarter of 2023 by 0.9 % year-on-year. After seasonal adjustments, the GDP increased by 0.9 % year-on-year and by 0.2 % quarter-on-quarter. High inflation caused a more significant difference between the value of GDP at current and constant prices. In the current prices, the first quarter of 2023 the GDP amounted to EUR 27.7 billion, representing in comparison with first quarter of 2022 increase by EUR 3.2 billion. After recalculation to constant prices, GDP reached EUR 21.4 billion.

16/05/2023
https://slovak.statistics.sk/wps/portal/ext/products/informationmessages/inf_sprava_detail/!ut/p/z1/tVHBUsIwEP0ajpls04Smx8BgW0RGwArNxUmbVCqQFuhU-XuD40UdcDy4l92deW_nvX1Y4hWWVnXVs2qr2qqt2zPZf5oFCR8MPAEwmPiQjG8X03h4Q6KU4eVXAJ_OR5A8iPtoPqYeUIbldf4jllgWtm3aNc7q_KjWyFhU2RKpTdsDN9SHnVPTWYOOzUF1px50R9NuXM9Jqb0SGIKSG0RDqpDqa4YUBFwREpCc5-fzTVFpnFFG-lSbEBkGClGjcxRypZH2cl5w5RFNi-92fuo924ELJcDx5QdkGImYBhMAPokYJCJO5-HM90H4n4ArNzKnIbiowQvwsqvMK07t-TNbvPijxRjw-LdUXOzVy34vhcumtq15a_HqP8JpdumO-ye0Ke9GPpXZO2ia8b0!/dz/d5/L2dBISEvZ0FBIS9nQSEh/

Caretaker Government

H.E. Zuzana Čaputová, President of the Slovak Republic, appointed the first-ever caretaker government in the history of independent Slovakia on 15 May. The new government, led by Ľudovít Ódor, an economist and former Deputy Governor of the National Bank of Slovakia, is expected to lead the country until the fall general election. The new caretaker government was appointed in response to the resignation of former Prime Minister Eduard Heger and two ministers. It is the culmination of a long-standing crisis, as the former government lost majority in September and fell after a no-confidence vote in December 2022.

15/05/2023 https://sita.sk/prezidentka-caputova-vymenuje-clenov-uradnickej-vlady-video/

Economic Forecast

Slovak GDP is expected to grow by 1.7% in 2023, supported by a strong expansion of investment and by 2.1% in 2024 mainly due to a recovery in exports as supply chain bottlenecks are expected to disappear. Since the energy prices were mostly fixed in 2022, convergence with the market prices is set to push the inflation to 10.9% in 2023 and 5.7% in 2024. Core inflation remains strong, fueled by rising prices of food and services. New measures, including those aimed at mitigating high energy prices, are projected to lead to an increase in the public deficit to 6.1% of GDP in 2023. It is then set to decrease to 4.8% as most of the measures are expected to be phased out.

15/05/2023 https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/slovakia/economic-forecast-slovakia_en

Electric mobility

Slovakia tops the list of countries with the lowest share of electrically chargeable vehicles (ECVs) in the European Union. The European Automobile Manufacturers' Association (ACEA) cites the local annual net income as one reason, since the high price of such cars is an important factor that discourages people in the European Union from buying them. Its interactive map shows, that the market uptake of electrically chargeable cars is directly correlated to a country's national income (GDP per capita), affordability remaining a major barrier to consumers in the EU. In Slovakia, the share of ECVs was 3.7 percent of all new registrations in 2022. The average annual net income for 2021 was €10,985.

10/5/2023 https://spectator.sme.sk/c/23166411/slovaks-cannot-afford-electric-cars-like-their-peers-in-western-europe.html

Slovakia and Ukraine

Slovakia has strong proficiency in demining technologies, which are now needed in Ukraine with the spread of landmines in the war-torn country, said Slovak President Zuzana Čaputová at a press briefing after a visit to Kyiv with Czech President Petr Pavel. According to the Slovak President, demining is potentially an area of interest in the Slovak aid to Ukraine. At the same time, the President stated that the renewal of Ukraine has already started. Where there is no fighting, streets, roads, bridges and buildings are being reconstructed. The Head of State considers the reconstruction an opportunity for Slovak companies and entrepreneurs.

2/5/2023 https://www.euractiv.com/section/politics/news/president-caputova-slovakia-can-aid-ukraine-in-demining-efforts/

Recovery Plan

The Slovak government agreed on an updated national recovery and resilience plan with a revamped REPowerEU chapter due to the increase in costs, particularly for construction materials, and sent it to the European Commission for approval. Under the updated REPowerEU chapter, the Commission's plan to reduce the bloc's dependence on Russian fossil fuels and diversify supplies, Slovakia is asking for an additional €403 million to implement six reforms and eight investments, divided into four areas – energy and permitting, building renovation and management, sustainable transport, and green skills development. As part of the Commission's plan to reduce the bloc's dependence on Russian fossil fuels and diversify supplies, Slovakia is looking to speed up the Environmental Impact Assessment processes, prepare two areas for wind energy development or invest in public transport and building decarbonization.

28/04/2023 https://www.euractiv.com/section/politics/news/slovakia-sends-updated-recovery-plan-to-commission-for-approval/

Investments

A future industrial park in Rimavská Sobota, central Slovakia, will become an expansion site for the Winkelmann Group. The German group plans to build a plant focused on the production of hot water storage tanks, especially for heat pumps. The expected investment amount is at least €110 million. The group should create 450 new jobs. Based on the market's development, up to a two-fold increase in the number of jobs in the new plant can potentially be expected by 2030. The company plans to start production at the beginning of 2025. The memorandum of understanding on the planned investment was signed on April 27 in Rimavská Sobota by acting PM Eduard Heger, acting Economy Minister Karel Hirman and the head of the company Heinrich Winkelmann.

27/4/2023 https://spectator.sme.sk/c/23162585/germany-winkelmann-group-investment-slovakia.html

EUROPE

Council of Europe summit

Historical Council of Europe Summit creates register of damage for Ukraine as first step towards an international compensation mechanism for victims of Russian aggression. 43 countries and the European Union have joined or indicated their intention to join the Register set up by the participants to the Summit of the Heads of State and Government of the Council of Europe held in Reykjavik on 16-17 May 2023. The Register is supposed to support victims in recording their losses and is vital for any compensation mechanism. Supported by a very large coalition of member and non-member states, and by the EU, it is one of the first legally binding decisions to hold Russia accountable for its acts.

17/5/2023 https://www.coe.int/en/web/presidency/news-presidency-of-iceland/-/asset_publisher/55j4vk8GJgIf/content/council-of-europe-summit-creates-register-of-damage-for-ukraine-as-first-step-towards-an-international-compensation-mechanism-for-victims-of-russian-aggression/16695?_com_liferay_asset_publisher_web_portlet_AssetPublisherPortlet_INSTANCE_55j4vk8GJgIf_assetEntryId=223735040&_com_liferay_asset_publisher_web_portlet_AssetPublisherPortlet_INSTANCE_55j4vk8GJgIf_redirect=https%3A%2F%2Fwww.coe.int%2Fen%2Fweb%2Fpresidency%2Fnews-presidency-of-iceland%3Fp_p_id%3Dcom_liferay_asset_publisher_web_portlet_AssetPublisherPortlet_INSTANCE_55j4vk8GJgIf%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26_com_liferay_asset_publisher_web_portlet_AssetPublisherPortlet_INSTANCE_55j4vk8GJgIf_cur%3D0%26p_r_p_resetCur%3Dfalse%26_com_liferay_asset_publisher_web_portlet_AssetPublisherPortlet_INSTANCE_55j4vk8GJgIf_assetEntryId%3D223735040%23p_com_liferay_asset_pub

lisher_web_portlet_AssetPublisherPortlet_INSTANCE_55j4vk8GJgIf#p_com_liferay_asset_publisher_web_portlet_AssetPublisherPortlet_INSTANCE_55j4vk8GJgIf

EU Customs Reforms

The EU Commission put forward proposals for the most ambitious and comprehensive reform of the EU Customs Union since its establishment in 1968. The measures proposed today present a world-leading, data-driven vision for EU Customs, which will massively simplify customs processes for business, especially for the most trustworthy traders. Embracing the digital transformation, the reform will cut down on cumbersome customs procedures, replacing traditional declarations with a smarter, data-led approach to import supervision. At the same time, customs authorities will have the tools and resources they need to properly assess and stop imports which pose real risks to the EU, its citizens and its economy.

17/5/2023 https://ec.europa.eu/commission/presscorner/detail/en/ip_23_2643

EU-US Health Task Force

On May 17, EU Commissioner for Health and Food Safety, Stella Kyriakides, and US Department of Health and Human Services Secretary, Xavier Becerra, met in Brussels to launch the EU-US Health Task Force. The Task Force, set up to expand the EU-US partnership in the area of health, will focus on cooperation under three strands: priorities in the area of cancer, global health threats, and strengthening the global health architecture. Technical working groups on these priority areas are being established. The discussion also included an exchange on Ukraine, where the EU and US reaffirmed their solidarity in the face of the Russian aggression and committed to continue supporting Ukraine for as long as it takes.

17/5/2023 https://ec.europa.eu/commission/presscorner/detail/en/ip_23_2771

2024 European Elections

Following confirmation by EU Ambassadors at the Council on setting 6 to 9 June 2024 as the dates for the next European Parliament elections, EP President Roberta Metsola said: “The European Union is evolving continuously. The world is changing and we must change with it. We need reform. We cannot be afraid of change. The EU is not perfect. We must embrace it as we keep listening, keep explaining and keep delivering. I encourage everyone to recapture the sense of hope and possibility that the European Union offers. To vote. Do not let someone else choose for you. Be part of the largest democratic exercise in Europe.” The elections will take place on 8 June 2024 in Slovakia.

17/5/2023 https://www.europarl.europa.eu/news/en/press-room/20230424IPR82001/2024-elections-president-metsola-vote-do-not-let-someone-else-choose-for-you

EU Economic Forecast

The European economy continues to show resilience in a challenging global context. Lower energy prices, abating supply constraints and a strong labor market supported moderate growth in the first quarter of 2023, dispelling fears of a recession. This better-than-expected start to the year lifts the growth outlook for the EU economy to 1.0% in 2023 (0.8% in the Winter interim Forecast) and 1.7% in 2024 (1.6% in the winter). Upward revisions for the euro area are of a similar magnitude, with GDP growth now expected at 1.1% and 1.6% in 2023 and 2024 respectively. On the back of persisting core price pressures, inflation has also been revised upwards compared to the winter, to 5.8% in 2023 and 2.8% in 2024 in the euro area.

15/5/2023 https://ec.europa.eu/commission/presscorner/detail/en/ip_23_2723

AI Act

To ensure a human-centric and ethical development of Artificial Intelligence in Europe, MEPs endorsed new transparency and risk-management rules for AI systems. On 11 May, the Internal Market Committee and the Civil Liberties Committee adopted a draft negotiating mandate on the first ever rules for Artificial Intelligence with 84 votes in favour, 7 against and 12 abstentions. In their amendments to the Commission's proposal, MEPs aim to ensure that AI systems are overseen by people, are safe, transparent, traceable, non-discriminatory, and environmentally friendly. They also want to have a uniform definition for AI designed to be technology-neutral, so that it can apply to the AI systems of today and tomorrow. MEPs include bans on biometric surveillance, emotion recognition, predictive policing AI systems. Once approved, they will be the world's first rules on AI.

11/5/2023 https://www.europarl.europa.eu/news/en/press-room/20230505IPR84904/ai-act-a-step-closer-to-the-first-rules-on-artificial-intelligence

Investments

Low-cost economies in eastern and southern Europe are being increasingly favored for investment as companies around the world revamp supply chains to make them more resilient and cost-efficient, a study by professional services group EY found. The finding came as foreign direct investment (FDI) into Europe as a whole last year stalled, with inflation, soaring energy costs and the aftershocks of the Ukraine war dampening interest. The EY study, based on its in-house project tracker and a field survey carried out earlier this year, found the number of investments launched in Portugal during 2022 jumped 24%, with Poland up 23%, Italy up 17% and Romania up 86%.

11/5/2023 https://www.euractiv.com/section/economy-jobs/news/low-cost-eastern-europe-wins-as-firms-rethink-supply-chains/

EU Budget

EU lawmakers expressed concerns over the EU budget's capacity to repay the funds borrowed for the coronavirus recovery plan without new sources of income, calling on the European Commission to consider new streams of revenue. In a resolution adopted on 10 May, MEPs said the EU budget urgently needs new 'own resources' – streams of income directly assigned to the EU – in order to repay the debt incurred for the €800 billion pandemic recovery fund. In the resolution, the Parliament called on the European Commission to take into consideration new sources of revenue in its upcoming proposal for a new batch of own resources, to make sure the EU budget is fit to repay the debt, estimated to be at least €15 billion per year until 2058.

19/5/2023 https://www.euractiv.com/section/economy-jobs/news/european-parliament-calls-for-new-sources-of-revenue-for-eu-budget/