Slovakia

BUDGET: This year's budget may end up nearly 900 million euros in the red instead of the projected zero-deficit. The Council for Budget Responsibility highlights the risk in May's Budgetary Traffic Lights. Unless the Cabinet adopts additional measures, the deficit may reach 899 million euros, i.e., 0.93% of GDP. The Council identified the greatest risk in non-tax revenue of 311 million euros. SITA

3/6/2019 SITA

CENTRAL BANK: Former Finance Minister Peter Kazimir officially became governor of the National Bank of Slovakia on June 3. Currently, the central bank is working intensively on innovative tools, fin-techs, and other progressive measures. Peter Kazimir confirmed that he would also focus on new digital payment platforms. "But in first place has always been and always will be stability of the financial sector, increasing financial literacy of our population, and of course, consumer protection," he said.

4/6/2019 SITA

VOUCHERS: Slovak recreational vouchers have increased labor costs for companies, reduced other benefits, and frozen wage growth, according to analysis of consulting company Grant Thornton. Obligatory recreational vouchers are not recognized by legislation of any of Slovakia's neighboring countries or Germany. Most of the surveyed companies must reduce existing benefits because of the mandatory holiday vouchers.

4/6/2019 SITA

UNEMPLOYMENT: Unemployment rate in Slovakia in the first quarter of this year dwindled 1.3 percentage points to 5.8%. The number of people without a job thus dropped 34,300 y-o-y to 159,800 persons, informed the Statistics Office based on selective labor force surveys.

7/6/2019 SITA

ECONOMY: Interest in starting a business in Slovakia is growing in yearly terms. This confirms an analysis of the consulting company Bisnode, according to which in the first three months of this year, 3,029 business entities were newly registered in Slovakia. By the end of March 2019, 723,960 businesses were registered in Slovakia according to Bisnode databases. Of this, the largest number was represented by natural persons (449,428 entrepreneurs) and the remaining 277,561 were limited liability companies and joint stock companies.

11/6/2019 SITA

LABOR: Job relocation allowance introduced since the beginning of May last year by parliament, was used by 108 unemployed people in eight months. To pay out this contribution, which can reach up to 4,000 euros and in the case of a married couple up to 6,000 euros, labor offices spent over 105,000 euros. This results from an evaluation of active labor market policy for 2018 from the workroom of the Central Office for Labor, Social Affairs, and Family.

17/6/2019 SITA

PRESIDENT: Zuzana Caputova has become the president of the Slovak Republic. She took the presidential oath during the meeting of the Slovak Parliament at the Slovak Philharmonic on Saturday. "I did not come to rule, but to serve citizens and inhabitants of Slovakia," she said in her inauguration speech delivered at Reduta.

17/6/2019 SITA

PRICES: In May, the growth of prices in Slovakia accelerated, according to the Statistics Office. The year-on-year inflation rate measured by the national methodology reached 2.7%, while in April it was 2.3%. Thus, on average for the first five months of the year, consumer prices in Slovakia increased by 2.4%. In May, compared to April, prices increased by 0.3%, while in the previous month they grew by 0.2%.

17/6/2019 SITA

LABOR: The hourly labor costs in Slovakia in the first quarter of this year grew nominally by 8.7% in annual terms, according to Eurostat. Hourly wages and salaries in Slovakia increased by the same 8.7% y-o-y in Q1 this year and other labor cost components soared by 8.8%. Labor costs in Slovakia thus grew faster than the average for the euro area and the whole of the European Union.

18/6/2019 SITA

ECONOMY: Last year, the number of criminally prosecuted companies increased by 220%. The statistics of the Interior Ministry show a dramatically rising trend in the number of prosecuted legal entities. While in 2017, when the law on criminal liability of legal entities was amended, there were 62 such cases in Slovakia, last year this number increased to 199 cases. Most of the cases involved corruption, tax crime, and environmental crime.

19/6/2019 SITA

eKASA: Entrepreneurs will not be sanctioned this year for a late introduction of online cash registers. The Parliament approved the bill on using online cash registers. This proposal postponed the sanctions from Sept 30 to the end of 2019. At the same time, the condition of ordering the cash register not to pay the sanctions will be removed. However, the deadline (July 1, 2019) for introduction of eKasa remains unchanged.

20/6/2019 SITA

LABOR: Foreign employees posted to Slovakia should be entitled to additional mandatory wage components as Slovak employees. These include, for example, wage surcharges for work, meal and per diem for business travelers. The posted employees should be entitled to these wage components to the extent and under the conditions as these are paid also to Slovak employees. This stems from the draft amendment to the Labor Code, which Parliament has moved to the second reading

21/6/2019

DEBT: Enforced debt collection proceedings that are over five years old will be legally stopped. The measure is intended to speed up the completion of enforcement proceedings where only small amounts are actually recovered. Creditors will not lose their money because they can apply for a new enforced debt collection from the debtor. By this measure, the state will only intervene in enforced collection of debts that citizens have toward public institutions, such as the social security agency Socialna Poistovna. The law will enter into force on January 1, 2020.

27/6/2019 SITA

ENERGY: Energy-intensive businesses in Slovakia may soon receive money from the state as compensation for the tariff to operate the system that they pay in the electricity price. This year, the Ministry of Economy will distribute a total of 40 million euros to businesses eligible to compensation. "The goal is to reduce the costs of energy-intensive businesses due to high payments for the price of electricity," the ministry said. Companies must send their compensation applications to the Economy Ministry until the end of August this year.

27/6/2019 SITA

ECONOMY: Growth of the Slovak economy is expected to slow down to 3.4% at the end of this year, shows the latest survey which the National Bank of Slovakia conducted among analysts of commercial banks in June. Analysts slightly revised the growth estimate downward by 0.1 percentage points from May. In January, they forecast GDP growth of 4.3%

28/6/2019 SITA

Europe

BUDGET: EU budget 2020 proposal is focused on jobs, growth and security. The Commission has proposed an EU budget of €168.3 billion for 2020 for a more competitive European economy, and for solidarity and security in the EU and beyond. This budget is the last one under the current 2014-2020 long-term EU budget. It seeks to continue supporting EU's priorities (jobs, growth, young people, climate change, security & solidarity) and to prepare the transition to the next cycle.

5/6/2019 European Commission

EUROPEAN SEMESTER: The European Commission presented the 2019 country-specific recommendations (CSRs), giving economic policy guidance to all EU Member States for the next 12 to 18 months. The Commission also recommended closing the Excessive Deficit Procedure for Spain and adopted several documents under the Stability and Growth Pact.

5/6/2019 European Commission

DIGITAL: Results of the 2019 Digital Economy and Society Index (DESI) show that targeted investment and robust digital policies boost Member States' performance. However, the fact that the largest EU economies are not digital frontrunners indicates that the speed of digital transformation must accelerate, for the EU to stay competitive at world level.

11/6/2019 European Commission

ONLINE PLATFORMS: The EU is introducing new transparency obligations for online platforms which will provide businesses with a more transparent, fair and predictable online business environment, as well as an efficient system for seeking redress. The regulation adopted by the Council addresses relations between online platforms and businesses. Its aim is to establish a legal framework that guarantees transparent terms and conditions for business users of online platforms, as well as effective possibilities for redress when these terms and conditions are not respected.

14/6/2019 Council of the EU

SOCIAL: The European Labor Authority (ELA) will be based in Bratislava. ELA will provide necessary assistance for citizens, businesses, and governments for cross-border labor mobility. It can prevent abuse of rules and protect employees from unfair employer practices. Its main mission will be to improve the implementation of EU law in the area of cross-border labor mobility and coordination of social security.

14/6/2019 SITA

INNOVATION: According to the 2019 Innovation Scoreboard the innovation performance of the EU and its regions is increasing. Innovation leaders are Denmark, Finland, the Netherlands, and Sweden which perform 20% or more above the EU average. Compared to last year's edition, Estonia (previously a Moderate Innovator) joins the group of Strong Innovators. Luxembourg and the United Kingdom (both previously Innovation Leaders) drop to the group of Strong Innovators, and Slovenia (previously a Strong Innovator) drops to the group of Moderate Innovators.

17/6/2019 European Commission

CLIMATE: All parts of Europe's energy system, from availability of energy sources to energy consumption, are potentially vulnerable to climate change and extreme weather events, according to a European Environment Agency report. To secure reliable supply of clean energy, Europe's energy system needs to adapt and become more climate resilient, the report states.

18/6/2019 European Environment Agency

EXPORTS: Euro area international trade in goods was in surplus €15.7 bn. The first estimate for euro area (EA19) exports of goods to the rest of the world in April 2019 was €192.9 billion, an increase of 5.2% compared with April 2018 (€183.4 bn). Imports from the rest of the world stood at €177.2 bn, a rise of 6.6% compared with April 2018 (€166.3 bn).

18/6/2019 European Commission

INVESTMENTS: As of June 2019, the deals approved under the Juncker Plan amount to €75 billion in financing and are located in all 28 Member States. Some 952,000 start-ups and small and medium-sized businesses (SMEs) are expected to benefit from improved access to finance. Currently, the top five countries ranked in order of investment triggered relative to GDP are Greece, Estonia, Bulgaria, Portugal and Latvia.

20/6/2019 European Commission

SR-EU: Slovakia will again nominate Maros Sefcovic to the next European Commission. He is currently Vice-President of the European Commission for the Energy Union. Sefcovic has served on the European Commission since 2009. The term of the emerging new European executive is 2019 - 2024. The Cabinet approved Sefcovic's nomination on June 19.

20/6/2019 SITA

ENERGY: The Council adopted a set of conclusions on the future of energy systems in the Energy Union. They identify priorities and principles for future policy-making aimed at ensuring the energy transition towards an affordable, safe, competitive, secure and sustainable energy system. The conclusions are set against the background of the recently completed 'Clean Energy for all Europeans' legislative package which sets out a strategic vision for the EU's future climate policy.

25/6/2019 Council of the EU

EU-RUSSIA: On 27 June 2019, the Council prolonged economic sanctions targeting specific sectors of the Russian economy until **31 January 2020**. The measures target the **financial, energy and defence sectors, and the area of dual-use goods**. They were originally introduced on 31 July 2014 for one year in response to Russia's actions destabilising the situation in Ukraine and strengthened in September 2014.

27/6/2019 European Commission

TRADE: The EU and Mercosur reached a political agreement for an ambitious, balanced and comprehensive trade agreement. The new trade framework (part of a wider Association Agreement between the two regions) will consolidate a strategic political and economic partnership and create significant opportunities for sustainable growth on both sides, while respecting the environment and preserving interests of EU consumers and sensitive economic sectors.

28/6/2019 European Commission