Responding to the Coronavirus Crisis
Update on the Slovak Republic (18/05/20)

Key short-term priorities
Provide liquidity to the economy, particularly SMEs, and revenue support to vulnerable workers and other individuals.

EBRD Policy Comparator

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Economic channels of disruption
Global value chains, especially automotive sector, and retail services
- Easing lockdown (reopened restaurant terraces, hotels, all shops outside large malls and other businesses);
- The homogeneity of the Slovak economy has been a risk factor, which is currently materialising.
- Car manufacturing, including smaller domestic suppliers, accounts for almost a half of industrial production and 47% of total exports. The country's four carmakers temporarily stopped production in April, and partially re-started operations in end-April.

Selected crisis impact indicators
EBRD GDP growth outlook (May 2020)
2020: -6%
2021: 7%

Economic sentiment
(April 2020): down 41.6 points m/m

Employment Expectations Index
(April 2020): down 21.6 points m/m

Bratislava SAX stock market
(end-April 2020) up 0.8% m/m

Crisis response measures to date
Support for employment and business liquidity
- The government has adopted 31 measures to prevent the economy collapse
- Eligible for ECB’s Pandemic Emergency Purchase Programme of EUR 750 bn.
- EUR 1.25 bn of EU funds are relocated to five key areas - healthcare system, jobs, SMEs, emergency rescue system and education
- Capital requirements in the financial sector have been cut.

Selected crisis response indicators
- Total value of fiscal response: EUR 1.5 billion per month (1.6% of GDP)
- Wage subsidies: 80%, also to self-employed depending on the drop in revenue
- Quarantined employees and parents caring: 55% of gross salary from the first day
- Social sec. contr. deferred: Yes, if businesses closed at least 15 days in a month
- Social sec. contr. deferred: Yes, if revenues drop by more than 40%
- Tax deferred: Possibility of offsetting losses not yet claimed since 2014 against CIT
- Guarantees: EUR 500 million per month
- Payment holidays: Loans deferral to be for up to 9 months for small companies

To learn more about EBRD's support to Slovak Republic visit: https://www.ebrd.com/slovak-republic.html

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