Responding to the Coronavirus Crisis
Update on the Slovak Republic (14/07/20)

**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); Borders with all European countries with low epidemic risk are now open.
- 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** (June 2020):
  - ESI 71.6 (up 12.6 points m/m)
- **Employment Expectations Index** (June 2020)
  - EEI 87.3 (up 1.5 points m/m)
- **Bratislava SAX stock market** (end-June 2020)
  - 337.4 (down 6.5% 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
  - 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

### Key short-term priorities

Provide liquidity to the economy, particularly SMEs, and revenue support to vulnerable workers and other individuals

To learn more about EBRD’s support to Slovak Republic visit: [https://www.ebrd.com/slovak-republic.html](https://www.ebrd.com/slovak-republic.html)

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