



November 12, 2010

Dear Members,

Please find below an e-mail update highlighting major news at both national and EU level of decision-making.

Should you have any suggestions on the format or content of the update, do not hesitate to contact the AmCham office at policy@amcham.sk.

SLOVAK REPUBLIC

ACQUISITION: According to Antitrust Office of the Slovak Republic (PMU), Penta Investments Limited and Tadeusz Wlodarczyk gained indirect control over the Polish company Iglotex. For more information click [here](#).

BUSINESS: According to the Slovak Business Alliance, there was a slight improvement of the business environment in Slovakia in the third quarter of 2010. The current value of the Business Environment Index is 91.9 points, which is 0.39 % more than in the previous quarter. For more information click [here](#).

ECOLOGY: Ministry of Agriculture and Environment gave green light to a joint project of gas carriers and Eustream FGSZ link to the Slovak and Hungarian gas pipeline. The shortest out of three routes was recommended 18.8 kilometers long through Glabušovce, Olováry and Želovce. For more information click [here](#).

ECONOMY: Universal Media Corporation producing LCD monitors and optical data carriers in Slovakia plans to expand its plant area and create 20 new jobs. The firm intends to build new storage capacities, offices and parking lots in the premises of its plant in Nové Mesto Nad Váhom in western Slovakia. For more information click [here](#).

ECONOMY: According to Reuters, Slovak economy slowdown in the third quarter and gross domestic product (GDP) rose by about four percent. Economy was according to economists pulled mainly by foreign demand where the domestic consumption was still hindered by the negative impacts of the global economic crisis. For more information click [here](#).

ECONOMY: According to the Doing Business 2011 Study which monitors development of economics from June 2009 to end of May 2010 and released by the World Bank, Slovakia has the best conditions for doing business among the countries of Visegrad Group (V4). Slovakia is ranked 41st out of 183 economies, which represents a lower position in comparison to last year. Though other V4 countries as the Czech Republic improved its ranking from 82nd to 63rd place. Hungary moved upwards from 52nd to 46th place. Poland also progressed from 73rd position to the 70th. For more information click [here](#).

EDUCATION: American Chamber of Commerce and Center for North-American Studies organized on University of Economics in Bratislava a meeting of business and academic sectors with the participation of representatives of the Ministry of Education. Main issues as how to motivate high school and universities to obtaining funding from the

EUROPEAN UNION

ACQUISITION: One billion acquisition between BHP and Potash was blocked by the Canadian government. The union of the biggest mining company in the world, Anglo-Australian group BHP Billiton and one of the largest fertilizer manufacturers in the world, the Canadian Potash Corporation, may not eventually happen. Canadian government but the Canadian government believes that a country that does not bring any benefits. For more information click [here](#).

ACQUISITION: The European Commission has approved under the Merger Regulation the acquisition of the retail bank Cassa di Risparmio della Spezia SpA of Italy and a number of other retail bank branches of Intesa San Paolo in Italy by Crédit Agricole of France. The Commission concluded that the transaction would not significantly impede effective competition in the European Economic Area (EEA) or any substantial part of it. For more information click [here](#).

ACQUISITION: The European Commission approves proposed acquisition of Philips branded color TVs in China by display manufacturer TPV. The European Commission under the EU Merger Regulation the proposed acquisition of the sale and distribution activities of branded color TVs in China of the Dutch company Koninklijke Philips Electronics N.V. by TPV Technology Limited, a manufacturer of monitor displays and color TVs based in Bermuda. For more information click [here](#).

AIRLINES: Niki Lauda, the majority owner of the charter lowcost company Niki Luffahrt, has threaten the Austrian government that if they will implement "green" tax on airline tickets, he will transfer its cheap charter flights into Bratislava. "It's half an hour from Vienna, so no problem," said N. Lauda. For more information click [here](#).

AIRLINES: The European Commission fined 11 airlines a total of €799m (\$1.1 billion) for operating a cartel in air-cargo tariffs between 1999 and 2006. Air France-KLM received the biggest penalty, of €340m. British Airways was fined €104m, though this is less than the amount it had set aside in anticipation of the charge. For more information click [here](#).

AUTOMOTIVE: The European Commission has asked the CARS 21 High Level Group to develop a common action plan and a vision for "a competitive EU automotive industry and sustainable mobility and growth in 2020 and beyond. The "Competitive Automotive Regulatory System for the 21st century" (CARS 21) played an active but informal role in advising on European legislation for the automotive

private sector, as well as issues concerning technology transfer between business environment and academia were part of the discussion. For more information click [here](#).

EMPLOYMENT: The Universum Company ranks the most attractive employers according to the survey addressed to 130-thousand students from the twelve largest economies of the world in their last year of study. For this year it seems that students prefer to start their full time job in Google, KPMG, Ernst&Young, PricewaterhouseCoopers or Deloitte. For more information click [here](#).

ENERGY: The project to interconnect Slovak and Hungarian natural gas transport systems will be build on the Slovak side and will not have a negative impact on the environment. The Ministry of Agriculture, Environment and Regional Development issued a recommendation to carry out the project in its Environmental Impact Assessment before the end of October. For more information click [here](#).

ENERGY: According to the spokesman of the Regulatory Office for Network Industries, Mr. Miroslav Luptak, after a series of audits, not all energy distributors operating on the Slovak market keep energy prices set by the regulatory office. For more information click [here](#).

ENERGY: Regulatory Office for Network Industries should decide on electricity prices for next year by the end of November. All three biggest regional power distributors supplying electric energy to households have already submitted their proposals. For more information click [here](#).

HEALTHCARE: In the Operational Program Health Care there were 44 projects contracted for almost EUR 278 million for this year. This number represents 94.45 percent of the financial resources of the program. According to the data from the Health Ministry of the Slovak Republic more than EUR 50 million were drawn, which represents 17.2 percent. the program. For more information click [here](#).

INVESTMENT: Cinema & Cinema Company, an Italian investor plans to produce kitchen furniture and wooden pallets in the industrial zone in Poltar. Apart from kitchen furniture, the company plans to produce also different home accessories. Cinema & Cinema intends to invest EUR 30 million in this region, building a new plant for zinc-coating of metals and also to use the former brick plant. It plans to create around 80 jobs. For more information click [here](#).

INVESTMENTS: Minister of Economy Juraj Miskov wants to support regions with high unemployment through acquiring foreign investments. It is one of the main priorities of this government and Ministry of Economy as Minister Miskov said. For more information click [here](#).

INVESTMENTS: According to the Slovak Agency for Investment and Trade Development (SARIO), Chinese investors confirmed its interest in investing in Slovakia. According to the Slovak Economy Ministry pharmaceutical industry, electrical engineering, mechanical engineering, farming sector, transport infrastructure projects and electricity generation. For more information click [here](#).

INVESTMENTS: German supplier for carmakers, Getrag Ford Transmissions Slovakia plans to expand the annual production of gearboxes to 200,000 in the industrial park Kechnec and to create several hundreds of new job positions in the industrial park Kechnec. The company plans to continue expanding in two years while the total

sector in the years following its creation in 2005. For more information click [here](#).

BUSINESS: The European Commission prepares a Danube Strategy, which should be finalised on December 8, 2010. The draft version set highly ambitious goals. Within 10 years, this should be a truly competitive region, one of the most attractive in Europe for investors, with stronger transport links and a well-protected environment. The strategy also aims to double average income in the area by 2020. The Danube Strategy includes mainly: Germany, Austria, the Slovak Republic, the Czech Republic, Hungary, Slovenia, Romania and Bulgaria. For more information click [here](#).

BUSINESS: The Euro-Mediterranean Free Trade Area was on the agenda of a meeting between EU Trade Commissioner and Trade Ministers of the Union for the Mediterranean (UfM) in Brussels. Participants discussed how to enhance economic integration and how to boost Euro-Mediterranean trade and investment. They agreed to focus on initiatives that can bring the partnership closer to economic operators, such as a Trade and Investment Facilitation mechanism to provide centralised information on trade and investment flows, regulations and conditions in the Euro-Mediterranean region. For more information click [here](#).

BUSINESS: The European Commission has launched a public consultation on the successor to the Competitiveness and Innovation Framework Programme 2007-2013 (CIP). The CIP is the main EU budgetary instrument targeting competitiveness outside the research and skills areas. Its main priorities are SMEs, access to finance, innovation (including eco-innovation), take-up and use of information and communication technologies (ICT), energy efficiency and renewables. Through the consultation, the public is invited to have its say on what the priorities of future competitiveness and innovation EU funding should be. The consultation will remain open until 4 February 2011. For more information click [here](#).

BUSINESS: Vodafone decided to sell back its interests in Japan's SoftBank for £3.1 billion (\$5 billion), as it continues to review the minority stakes it holds in various telecoms companies. For more information click [here](#).

ECOLOGY: EU nuclear waste proposals include export ban. New European Commission proposals will require EU member states to bury their radioactive waste deep underground, with overseas exports of the toxic byproduct also set to be banned. Though it seems that it can cause problems for countries that lack the suitable geological substrate for underground burial, while the export ban to non-EU countries may also run into government opposition. For more information click [here](#).

ECOLOGY: The last oil-restraining booms have been removed from the waters of the Gulf of Mexico, but the oil spill at the Macondo well will be a stain on BP for a long time yet. The company showed a profit in its third quarter, it reported on November 2nd, with underlying profits up 18% year-on-year. However, it also took a large charge against further losses due to the disaster. For more information click [here](#).

ECOLOGY: Average CO² emissions from new cars sold in the EU dropped by 5% last year. According to European Commission report, this seems to be the biggest annual fall

employment could then exceed 2,000 people. New investors should come from Denmark, Great Britain or Ireland. The contract with one of them will be sealed within a month. For more information click [here](#).

INVESTMENTS: An American investor Honeywell that could employ 900 people in Presov region is close to its arrival to Slovakia in autumn 2011. The investor is waiting whether the Slovak Ministry of Economy approves similar stimuli as promised by Poland. For more information click [here](#).

LOANS: According to etrend.sk portal people in Slovakia pay on average 15.88 percent interest. People in Slovakia pay more for a consumer loan than people in the rest of the eurozone. Ministry of Finance seems to have tied hands as they cannot interfere into terms for setting the volume of rewards on the basis of banks and other non-banking institutions decisions. For more information click [here](#).

MARKETING: A Circulator project is an AD contest for university students, who deal with the problems of media, marketing communications and advertising during their studies, not only in Slovakia. The competition aims to create a competitive environment and to point out the work of individual students. For more information click [here](#).

MORTGAGE: After two years from the child birth, young parents will be able to reduce the subsidized mortgage payment or by the principal. Those young parents who will subsidized mortgage repayments, will be able to choose how the installment will fall. This is what the Ministry of Finance wants to put into the Banking Act and to enabled to pay less. For more information click [here](#).

REAL ESTATES: Prices of residential real estate in Slovakia in the third quarter of this year declined in a year-on-year comparison by an average of 1.4 %. Last year, residential real estate prices shrank over 11 percent from 2008. For more information click [here](#).

RETAIL: Even though the retail sales in Slovakia has been declining, the German Saller Group plans to build a shopping mall in the north-eastern part of the Trnava in two years. The shopping center should stand on an area of nearly 11,000 square meters having approximately 448 parking spots. For more information click [here](#).

RETAIL: Tesco Stores SR plans to build a new hypermarket in Velky Meder till end of next year offering 65 jobs and approximately 15 seasonal jobs. The company also plans to build a parking lot for 130 cars. The whole construction should cost about EUR 5 million. For more information click [here](#).

RETAIL: According to the head of the board of directors of Coop Jednota Slovensko Gabriel Csollar, the only thing state will get from new electronic cash registers with fiscal memory, will be the value-added tax for purchasing them. For more information click [here](#).

SALARY: The Slovak Government approved a draft regulation on a new minimum wage. From January 1, 2011 the monthly minimum wage will increase from the current EUR 307, 70 to EUR 317,00 and also the minimum hourly wage will increase from the current 1,768 to EUR 1,822. For more information click [here](#).

SOCIAL: The Minister of Labor, Social Affairs and Family agreed that employees should no longer be given a 2-month

ever recorded. The Commission has also adopted detailed rules to harmonize the monitoring of CO² emissions from cars across the EU. The rules include instructions to Member States, and provide car industry with a time table for the delivery of data. For more information click [here](#).

ECONOMY: G20 leaders gathered in Seoul to discuss rising tensions surrounding global fiscal and currency imbalances. The Federal Reserve's recent decision to buy \$600 billion in Treasury bonds came in for particular criticism from Germany and other export-dependent countries that worry about a weaker dollar. For more information click [here](#).

ECOLOGY: Russian TVEL company won a tender for construction of a plant to produce nuclear fuel in Ukraine. For more information click [here](#).

ENERGY: An EU target to produce 10 percent of transport energy needs from renewable sources by 2020 will actually increase the level of greenhouse gas emissions produced by the bloc unless changes are made, an independent study has said. Use of additional conventional biofuels up to 2020 would lead to between 80.5 percent and 167 percent more greenhouse gas emissions than meeting the same need through fossil fuel use. For more information click [here](#).

ENERGY: Commission presents its new strategy towards 2020. For more information click [here](#).

EMPLOYMENT: It emerged that Google is to give all its staff a basic 10% salary increase next year in an effort to stop talented workers being poached by Facebook and other Silicon Valley rivals. Each employee will also receive a \$1,000 bonus, on which Google will pay the tax. For more information click [here](#).

EMPLOYMENT: America saw a net gain in jobs in October for the first time since May, with employers adding 151,000 workers to the payrolls. The new jobs were concentrated in just a few sectors such as retail, which is gearing up for the Christmas shopping season. For more information click [here](#).

INDUSTRY: The EU launched a major reform of its sugar sector in 2006 in order to increase market orientation and to stabilise the market while complying with international commitments. With regard to the competitiveness of the EU sugar industry, the Court concludes that overall the reform process has not fully ensured the future competitiveness of the EU sugar industry via a selective reduction of unprofitable production capacity. For more information click [here](#).

INNOVATION: In the EU27, 52% of enterprises from industry and services reported innovation activity between 2006 and 2008. Among the EU27 Member States, the highest proportions of enterprises with innovation activity in this period were recorded in Germany (80% of enterprises), Luxembourg (65%), Belgium and Portugal (both 58%) and Ireland (57%). The lowest rates were observed in Latvia (24%), Poland (28%), Hungary (29%), Lithuania (30%) and Bulgaria (31%). For more information click [here](#).

LEGISLATION: European Commission statement at the occasion of the European Parliament vote on the directive on hedge funds and private equity. That means that hedge funds and private equity will no longer operate in a

notice period along with severance payment. The amendment to the Labor Code concerning this issue is planned to come into force soon. Employers believe that above mentioned protection of employees is not essential as the state takes care of unemployed people through unemployment insurance. For more information click [here](#).

SOCIAL: According to Eurostat, the unemployment rate in Slovakia was in September bit worse than in the previous month. The jobless rate in Slovakia increased by 0.01% to 14.7 % in September in comparison to August when it was 14.6 %. For more information click [here](#).

SOCIAL: Analysts do stress out that the number of long-term unemployed people is growing. According to the statistics from the Central Office of the Labor, Social Affairs and Family, there are more than 39,000 of nearly 350,000 unemployed people that could start a job instantly, but they better receive unemployment benefits. All in all this form of social assistance get every 9th unemployed person. For more information click [here](#).

SOCIAL: Trade Unions and Associations of Employers have agreed to preserve the so-called flexi-account during a meeting dedicated to forthcoming changes in the Labor Code. The flexi-account system allows a worker to remain at home with a full wage, which the worker can settle later by overtime work. For more information click [here](#).

SOCIAL: The discussion about the regional differentiation of wages in the public sphere was open within the Slovakia's National Reform Program 2010. The minimum wage would not have to be the only item which might in the future be determined in Slovakia depending on the region. Regionally differentiated wages would increase flexibility of employers upon determining wages and boost employment. For more information click [here](#).

TRANSPORT: Tatravagonka Poprad, the Slovak rolling stock manufacturer, successfully entered the Serbian market. Serbian Minister of Economy and Regional Development believes that Tatravagonka Poprad is the strategic partner which will help to increase exports to some European countries. Apart from that on November 5, 2010, he signed the respective privatization deal with Slovakia's Finance Minister Ivan Mikloš. For more information click [here](#).

TOURISM: As of next year the Ministry of Culture and Tourism plans an amendment to the law on support for tourism, which would change the way how the state subsidies will be calculated and divided among organizations active in tourism. The Association of Towns and Villages (ZMOS) strongly disagrees with the amendment to the law as they believe it is non-systematic. For more information click [here](#).

TOURISM: According to the Economy Ministry the Australian tourists are attracted by Slovakia's spa centers, castles and chateaus. At the event organized by the Australian company European Spa Tours, Australians showed interest in Slovak spa treatment facilities and water parks which cannot be found in Australia. For more information click [here](#).

TOURISM: Slovakia as a holiday destination – with this term there are nearly two thirds of people abroad not familiar. Only 38.4 percent of respondents do consider Slovakia as an suitable holiday destination. Survey was done on a sample of approximately four thousand randomly selected

regulatory void outside the scope of supervisors. The new regime brings transparency and security to the way these funds are managed and operate, which adds to the overall stability of our financial system. The Directive should come into force in early 2011 and be transposed into national law and applied by Member States by 2013. For more information click [here](#).

LEGISLATION: Directive on Alternative Investment Fund Managers which encompasses a wide range of investment funds that are not already regulated at European level by the UCITS Directive (IP/10/869). They include hedge funds, private equity funds, real estate funds and a wide range of other types of institutional fund. The overarching objective of the AIFMD is to create, for the first time, a comprehensive and secure framework for the supervision and prudential oversight of AIFM in the EU. Once the AIFMD enters into force, all AIFM will be required to obtain authorisation and will be subject to ongoing regulation and supervision. For more information click [here](#).

LEGISLATION: Part of Competitiveness Council on the issue of the European patent was the fact that the absence of a European patent hinders EU competitiveness, hinders European innovation, research and development. The current system for the patent is too expensive, it costs 10 times more than the United-States. It impedes growth. For more information click [here](#).

MEDIA: The European Commission's enlargement report has criticised the lack of media freedom in Balkan countries. For more information click [here](#).

SECURITY: After the security gaps revealed in recent weeks by the Yemeni and Greek bomb plots, German interior minister has set a five-point plan on how to enhance air cargo security on board passenger planes crossing the EU. A working group of EU interior and transport ministers are set to come up with a proposals in December. Before that the interior ministers are going to discuss this question and German interior minister is going to present his proposal. For more information click [here](#).

STATISTICS: A Eurostat regional yearbook 2010 has been published. A wide range of statistics on the diversity of the 271 regions of the EU gives an overview of the most recent economic, social and demographic developments. For more information click [here](#).

TECHNOLOGY: A new Eurobarometer survey on life sciences and biotechnology shows that Europeans are optimistic about biotechnology. 53% of respondents believe biotechnology will have a positive effect in the future, and only 20% believe in a negative effect. The survey also reveals important knowledge gaps, pointing to a need for more communication: a majority of respondents had never heard of some of the areas covered by the survey, such as nanotechnology (55% unaware), biobanks (67% unaware) and synthetic biology (83% unaware). The Eurobarometer, carried out in February 2010, is the seventh in a series since 1991 and is based on representative samples from 32 European countries. For more information click [here](#).

TECHNOLOGY: The European Commission launches a major investment programme for innovative low-carbon technologies. It is a first call for proposals for the world's largest programme of investment in low carbon and renewable energy demonstration projects. For more information click [here](#).

residents from seven EU countries, Russia and USA. In each country, the survey was made on approximately 400 respondents. All in all Slovakia got a mark for brand image 3.58, for attractiveness 3.45 and 3.22 for differentiation from other countries. Countries which ranked Slovakia the worst were Germany and Austria - 4.05. For more information click [here](#).

UNIVERSITY: New Rector of Comenius University has become Karol Mičieta. After eight years he replaced former CU rector František Gahér. New rector apart from other goals, wants to promote and support uniqueness of University, increase international cooperation and encourage mobility of students, teachers and researchers. For more information click [here](#).

TRANSPARENCY: The European Parliament and the European Commission concluded its discussions on a joint "Transparency Register". It reached consensus on a draft inter-institutional agreement for a common register for organisations and individuals engaged in EU policy making and policy implementation. The agreement is now subject to formal adoption by both institutions. For more information click [here](#).

TRADE: A renewed trade strategy on EU trade policy is up to help to revitalise Europe's economy. It proposes a strategy to reduce trade barriers, to open global markets and to get a fair deal for European businesses. The overarching aim is to take a more assertive approach to ensure the benefits of trade reach European citizens. For more information click [here](#).

US ELECTIONS: Most pundits are predicting strained times in EU-US relations after crushing losses by Barack Obama's Democratic Party in midterm elections. But the centre-right European People's Party has congratulated the US Republican opposition party on its victory. For more information click [here](#).

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