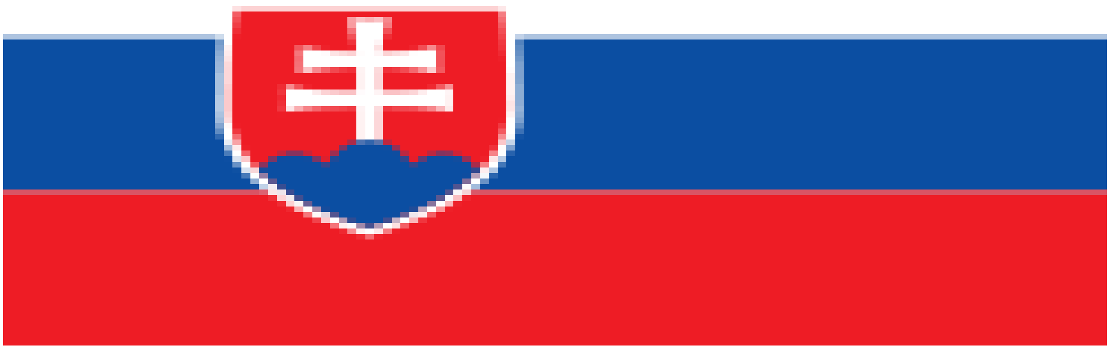
UrDu iqtisodiyot fakulteti 203-iqtisod guruhi talabasi Nurmonova Gulshodaning maroiqtisodiyot fanidan tayyorlagan

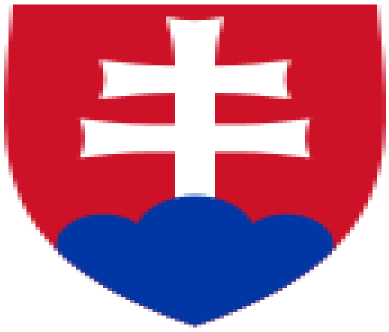
KURS ISHI



Urganch 2012-yil

THEME; Slovakia

Slovak Republic ***Slovenská republika***



Flag Coat of arms

Anthem: *Nad Tatrou sa blýska*
"Lightning Over the Tatras"

Location of **Slovakia** (dark green) – in Europe (green & dark grey)
– in the European Union (green) — [Legend]

Contents

History

Main article: History of Slovakia

Before the 5th century

A Roman inscription at the castle hill of Trenčín (178–179 AD)

Radiocarbon dating puts the oldest surviving archaeological artifacts from Slovakia – found near Nové Mesto nad Váhom – at 270,000 BC, in the Early Paleolithic era. These ancient tools, made by the Clactonian technique, bear witness to the ancient habitation of Slovakia.

Other stone tools from the Middle Paleolithic era (200,000 – 80,000 BC) come from the Prévôt (Prepoštská) cave near Bojnice and from other nearby sites.[12] The most important discovery from that era is a Neanderthal cranium (c. 200,000 BC), discovered near Gánovce, a village in northern Slovakia.

Archaeologists have found prehistoric *Homo sapiens* skeletons in the region, as well as numerous objects and vestiges of the Gravettian culture, principally in the river valleys of Nitra, Hron, Ipeľ, Váh and as far as the city of Žilina, and near the foot of the Vihorlat, Inovec, and Tribeč mountains, as well as in the Myjava Mountains. The most well-known finds include the oldest female statue made of mammoth-bone (22 800 BC), the famous Venus of Moravany. The statue was found in the 1940s in Moravany nad Váhom near Piešťany. Numerous necklaces made of shells from Cypraca thermophile gastropods of the Tertiary period have come from the sites of Zákovská, Podkovice, Hubina, and Radošinare. These findings provide the most ancient evidence of commercial exchanges carried out between the Mediterranean and Central Europe.

Left: celt coin Biatec
Right: 5 slovak crowns with Biatec in front.

The Bronze Age in Slovakia went through three stages of development, stretching from 2000 to 800 BC. Major cultural, economic, and political development can be attributed to the significant growth in production of copper, especially in central Slovakia (for example in Špania Dolina) and north-west Slovakia. Copper became a stable source of prosperity for the local population.

After the disappearance of the Čakany and Velatice cultures, the Lusatian people expanded building of strong and complex fortifications, with the large permanent buildings and administrative centers. Excavations of Lusatian hill-forts document the substantial development of trade and agriculture at that period. The richness and the diversity of tombs increased considerably. The inhabitants of the area manufactured arms, shields, jewelry, dishes, and statues.

The arrival of tribes from Thrace disrupted the people of the Calenderberg culture, who lived in the hamlets located on the plain (Sereď), and also in the hill forts located on the summits (Smolenice, Molpí). The local power of the "Princes" of the Hallstatt culture disappeared in Slovakia during the last period of the Iron Age after strife between the Scytho-Thracian people and the Celtic tribes, who advanced from the south towards the north, following the Slovak rivers.

From around 500 BC, the territory of modern-day Slovakia was settled by Celts, who built powerful oppida on the sites of modern-day Bratislava and Havránok. Biatecs, silver coins with the names of Celtic Kings, represent the first known use of writing in Slovakia. From 2 AD, the expanding Roman Empire established and maintained a series of outposts around and just north of the Danube, the largest of which were known as Carnuntum (whose remains are on the main road halfway between Vienna and Bratislava) and Brigetio (present-day Szöny at the Slovak-Hungarian border).

Near the northernmost line of the Roman hinterlands, the Limes Romanus, there existed the winter camp of Laugaricio (modern-day Trenčín) where the Auxiliary of Legion II fought and prevailed in a decisive battle over the Germanic Quadi tribe in 179 AD during the Marcomannic Wars. The Kingdom of Vannius, a kingdom founded by the Germanic Suebian tribes of Quadi and Marcomanni, as well as several small Germanic and Celtic tribes, including the Osi and Cotini, existed in Western and Central Slovakia from 8–6 BC to 179 AD.

The great invasions of the 4–7th centuries

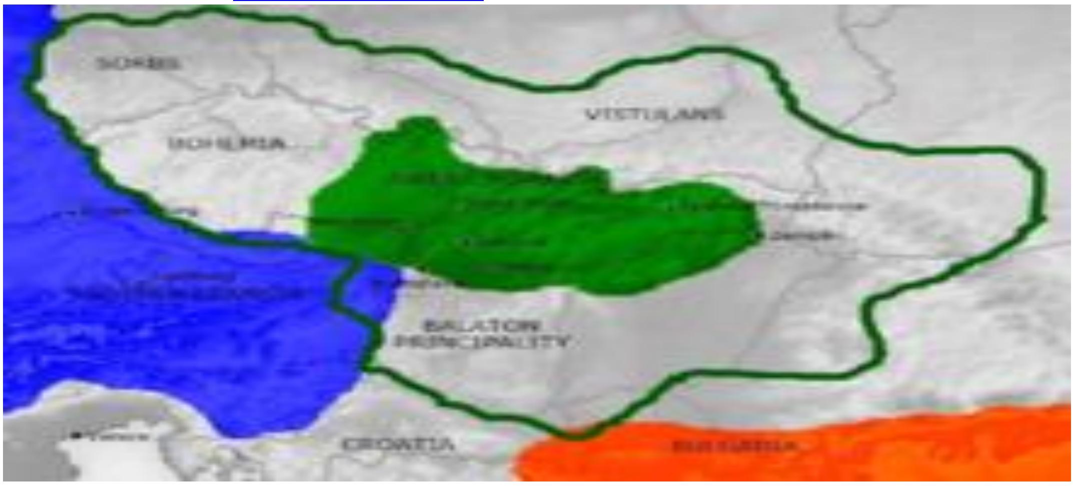
In the 2nd and 3rd centuries AD the Huns began to leave the Central Asian steppes. They crossed the Danube in 377 AD and occupied Pannonia, which they used for 75 years as their base for launching looting-raids into Western Europe. However, Attila's death in 453 brought about the disappearance of the Hun tribe. In 568 a Turko-Mongol tribal confederacy, the Avars, conducted their own invasion into the Middle Danube region. The Avars occupied the lowlands of the Pannonian Plain, established an empire dominating the Carpathian Basin. In 623, the Slavic population living in the western parts of Pannonia seceded from their empire after a revolution led by Samo, a Frankish merchant.[13] After 626 the Avar power started to gradually decline[14] but their reign lasted to 804.

Slavic states

The Slavic tribes settled in the territory of present-day Slovakia in the 5th century. Western Slovakia was the centre of Samo's empire in the 7th century. A Slavic state known as the Principality of Nitra arose in the 8th century and its ruler Pribina had the first known Christian church of Slovakia consecrated by 828. Together with neighboring Moravia, the principality formed the core of the Great Moravian Empire from 833. The high point of this Slavonic empire came with the arrival of Saints Cyril and Methodius in 863, during the reign of Prince Rastislav, and the territorial expansion under King Svätopluk I.

The era of Great Moravia 830–896

Main article: Great Moravia



Central Europe in the 9th century. Eastern Francia in blue, Bulgaria in orange, Great Moravia under Rastislav (870) in green. The green line marks the borders of Great Moravia under Svatopluk I (894). *Please note that some of the borders of Great Moravia are under debate*

Great Moravia arose around 830 when Moimír I unified the Slavic tribes settled north of the Danube and extended the Moravian supremacy over them.[15] When Mojmír I endeavoured to secede from the supremacy of the king of East Francia in 846, King Louis the German deposed him and assisted Moimír's nephew, Rastislav (846–870) in acquiring the throne.[16] The new monarch pursued an independent policy: after stopping a Frankish attack in 855, he also sought to weaken influence of

Frankish priests preaching in his realm. Rastislav asked the Byzantine Emperor Michael III to send teachers who would interpret Christianity in the Slavic vernacular.

Upon Rastislav's request, two brothers, Byzantine officials and missionaries Saints Cyril and Methodius came in 863. Cyril developed the first Slavic alphabet and translated the Gospel into the Old Church Slavonic language. Rastislav was also preoccupied with the security and administration of his state. Numerous fortified castles built throughout the country are dated to his reign and some of them (*e.g.*, *Dowina*, sometimes identified with Devín Castle)[17][18] are also mentioned in connection with Rastislav by Frankish chronicles.[19][20]

During Rastislav's reign, the Principality of Nitra was given to his nephew Svatopluk as an appanage.[18] The rebellious prince allied himself with the Franks and overthrew his uncle in 870. Similarly to his predecessor, Svatopluk I (871–894) assumed the title of the king (*rex*). During his reign, the Great Moravian Empire reached its greatest territorial extent, when not only present-day Moravia and Slovakia but also present-day northern and central Hungary, Lower Austria, Bohemia, Silesia, Lusatia, southern Poland and northern Serbia belonged to the empire, but the exact borders of his domains are still disputed by modern authors.[15][21] Svatopluk also withstood attacks of the seminomad Magyar tribes and the Bulgarian Empire, although sometimes it was he who hired the Magyars when waging war against East Francia.In 880, Pope John VIII set up an independent ecclesiastical province in Great Moravia with Archbishop Methodius as its head. He also named the German cleric Wiching the Bishop of NitraAfter the death of King Svatopluk in 894, his sons Mojmír II (894–906?) and Svatopluk II succeeded him as the King of Great Moravia and the Prince of Nitra respectively.[18] However, they started to quarrel for domination of the whole empire. Weakened by an internal conflict as well as by constant warfare with Eastern Francia, Great Moravia lost most of its peripheral territories.In the meantime, the seminomad Magyar tribes, possibly having suffered defeat from the similarly nomadic Pechenegs, left their territories east of the Carpathian Mountains,[23] invaded the Carpathian Basin and started to occupy the territory gradually around 896.[24] Their armies' advance may have been promoted by continuous wars among the countries of the region whose rulers still hired them occasionally to intervene in their struggles.[25]

We do not know what happened with both Mojmír II and Svatopluk II because they are not mentioned in written sources after 906. In three battles (4–5 July and 9 August 907) near Bratislava, the Magyars routed Bavarian armies. Part of the historians put this year as the date of the breakup of the Great Moravian Empire, due to the Hungarian conquest other historians take the date a little bit earlier (to 902).Great Moravia left behind a lasting legacy in Central and Eastern Europe. The Glagolitic script and its successor Cyrillic were disseminated to other Slavic countries, charting a new path in their cultural development. The administrative system of Great Moravia may have influenced the development of the administration of the Kingdom of Hungary.[*citation needed*]

Kingdom of Hungary 1000–1919

Main article: Kingdom of Hungary

Ľudovít Štúr

Following the disintegration of the Great Moravian Empire at the turn of the 10th century, the Hungarians annexed the territory comprising modern Slovakia. From the 11th century, when the territory inhabited by the Slovak-speaking population of Danubian Basin was incorporated into the Kingdom of Hungary, until 1918, when the Austro-Hungarian empire collapsed, the territory of modern Slovakia was an integral part of the Hungarian state.[26][27][28] The ethnic composition became more diverse with the arrival of the Carpathian Germans in the 13th century, and the Jews in the 14th century.

A significant decline in the population resulted from the invasion of the Mongols in 1241 and the subsequent famine. However, in medieval times the area of the present-day Slovakia was characterized rather by burgeoning towns, construction of numerous stone castles, and the cultivation of the arts.[29] In 1465, King Matthias Corvinus founded the Hungarian Kingdom's third university, in Pozsony (Bratislava), but it was closed in 1490 after his death.[30]

Before the Ottoman Empire's expansion into Hungary and the occupation of Buda in 1541, the capital of the Kingdom of Hungary (under the name of Royal Hungary) moved to Pozsony (in Slovak: Presporok at that time, currently Bratislava). Pozsony became the capital city of the Royal Hungary in 1536. But the Ottoman wars and frequent insurrections against the Habsburg Monarchy also inflicted a great deal of devastation, especially in the rural areas. As the Turks withdrew from Hungary in the late 17th century, the importance of the territory comprising modern Slovakia decreased, although Pozsony retained its status as the capital of Hungary until 1848, when it

was transferred to Buda.[citation needed]Royal Hungary, Principality of Upper Hungary, Principality of Transylvania and Ottoman eyalets around 1683.

During the revolution of 1848–49 the Slovaks supported the Austrian Emperor, hoping for independence from the Hungarian part of the Dual Monarchy, but they failed to achieve their aim.[citation needed] Thereafter relations between the nationalities deteriorated (see Magyarization), culminating in the secession of Slovakia from Hungary after World War I.[31]

Milan Rastislav Štefánik

In 1918, Slovakia and the regions of Bohemia, Moravia, Silesia and Carpathian Ruthenia formed a common state, Czechoslovakia, with the borders confirmed by the Treaty of Saint Germain and Treaty of Trianon. In 1919, during the chaos following the breakup of Austria-Hungary, Czechoslovakia was formed with numerous Germans and Hungarians within the newly set borders. A Slovak patriot Milan Rastislav Štefánik (1880–1919), who helped organize Czechoslovak regiments against Austria-Hungary during the First World War, died in a plane crash. In the peace following the World War, Czechoslovakia emerged as a sovereign European nation.[citation needed]

During the Interwar period, democratic Czechoslovakia was allied with France, and also with Romania and Yugoslavia (Little Entente); however, the Locarno Treaties of 1925 left East European security open. Both Czechs and Slovaks enjoyed a period of relative prosperity. Not only was there progress in the development of the country's economy, but in culture and in educational opportunities as well. The minority Germans came to accept their role in the new country and relations with

Austria were good. Yet the Great Depression caused a sharp economic downturn, followed by political disruption and insecurity in Europe.[32]

Thereafter Czechoslovakia came under continuous pressure from the revisionist governments of Germany and Hungary. Eventually this led to the Munich Agreement of September 1938, which allowed Nazi Germany to partially dismember the country by occupying what was called the Sudetenland, a region with a German-speaking majority and bordering Germany and Austria. The remainder of "rump" Czechoslovakia was renamed Czecho-Slovakia and included a greater degree of Slovak political autonomy. Southern and eastern Slovakia, however, was claimed back by Hungary at the First Vienna Award of November 1938.[citation needed]

Rule of the Communist party

After World War II, Czechoslovakia was reconstituted and Jozef Tiso was hanged in 1947 for collaboration with the Nazis. More than 80,000 Hungarians[40] and 32,000 Germans[41] were forced to leave Slovakia, in a series of population transfers initiated by the Allies at the Potsdam Conference.[42] This expulsion is still a source of tension between Slovakia and Hungary.[citation needed] Out of about 130,000 Carpathian Germans in Slovakia in 1938, by 1947 only some 20,000 remained.[43]

Czechoslovakia came under the influence of the Soviet Union and its Warsaw Pact after a coup in 1948. The country was occupied by the Warsaw Pact forces (with the exception of Romania) in 1968, ending a period of liberalization under the leadership of Alexander Dubček. In 1969, Czechoslovakia became a federation of the Czech Socialist Republic and the Slovak Socialist Republic.[citation needed]

Slovakia (Slovak Republic) Economic Statistics and Indicators

EconomyWatch.com's Econ Stats database.

Economic Indicators For: Slovakia (Slovak Republic) › Change country
National or Regional Currency: Slovak Koruna, SKK
Year of data: 2010 › Change year
Number of Indicators Listed: 42
Full Dataset: From Year 1980 to 2016
Date of Last Update: 1st August 2011
Population: 5,477,038 (July 2011 est.)
Area: total: 49,035 sq km land: 48,105 sq km water: 930 sq km
Natural Resources: brown coal and lignite; small amounts of iron ore, copper and manganese ore; salt; arable land
Capital: name: Bratislava geographic coordinates: 48 09 N, 17 07 E time difference: UTC+1 (6 hours ahead of Washington, DC during Standard Time) daylight saving time: +1hr, begins last Sunday in March; ends last Sunday in October
Data Sources: IMF, World Bank, UN, OECD, CIA World Factbook, Internet World Statistics, The Heritage Foundation and Transparency International

Slovakia has made marked economic reform since its separation from the Czech Republic in 1993. Reforms to the tax, healthcare, pension, and social welfare systems aided Slovakia to consolidate its budget and get on track to join the European Union (EU) in 2004 and to adopt the euro in January 2009. Major privatizations are nearly complete, the banks and financial institutions and financial services sector is almost entirely in foreign hands.

Economic Indicator Listing

For Slovakia in year 2010	Indicator Value
Growth (Constant Prices, National Currency)	%
(Current Prices, National Currency)	65.906 Billion.
(Current Prices, US Dollars)	37.45 Billion
Deflator	72 (Index, Base Year ountry's accounts = 10
Per Capita (Constant Prices, National Currency	9,168.54 .
Per Capita (Current Prices, National Currency)	12,136.60 .
Per Capita (Current Prices, US Dollars)	16,103.99

For Slovakia in year 2010	Indicator Value
ıt Gap, Percent of Potential GDP	
(PPP), US Dollars	ı20.166 Billion
Per Capita (PPP), US Dollars	22,128.61
Share of World Total (PPP)	%
ed PPP Conversion Rate	
tment (% of GDP)	%
National Savings (% of GDP)	8 %
ion, Average Consumer Prices (Indexed to Year)	11 (Index, Base Year = 100)
ion (Average Consumer Price Change %)	%
ion, End of Year (Indexed to Year 2000)	6 (Index, Base Year = 100)
ion (End of Year Change %)	%
Import Volume of All Items Including Goods and Services (Percent Change)	14.89 %
Import Volumes of Goods Only (Percent Change)	18.96 %
Export Volume of All Items Including Goods and Services (Percent Change)	16.399 %
Export Volumes of Goods Only (Percent Change)	18.816 %
Value of Oil Imports	US$ 7.2 Billions
Value of Oil Exports	US$ 2.786 Billions
Unemployment Rate (% of Labour Force)	14.375 %
Employment	2.317 Million
Population	5.43 Million
General government revenue (National Currency)	SKK 20.719 Billions.
General government revenue (% of GDP)	31.437 %
General government total expenditure (National Currency)	SKK 26.1 Billions.
General government total expenditure (% of GDP)	39.601 %
Total Government Net Lending/ Borrowing (National Currency)	SKK -5.381 Billions.
Total Government Net Lending/ Borrowing (% of GDP)	-8.164 %

For Slovakia in year 2010	Indicator Value
General Government Structural Balance (National Currency)	SKK -4.759 Billion.
General Government Structural Balance (% Potential GDP)	-7.005 %
General Government Balance (National Currency)	SKK -4.628 Billion.
General Government Balance (% of GDP)	-7.022 %
Total Government Gross Debt (National Currency)	SKK 27.711 Billion.
Total Government Gross Debt (% of GDP)	42.046 %
Fiscal Year Gross Domestic Product, Current Prices	SKK 65.906 Billions.
Current Account Balance (US Dollars)	US$ -3.013 Billion
Current Account Balance (% GDP)	-3.446 %

Economic Indicators for Slovakia 2010

GDP (Constant Prices, National Currency) for Slovakia in year 2010 is SKK 49.788 Billion. Real GDP is expressed in billions of national currency units; the base year is country-specific.

GDP Growth (Constant Prices, National Currency) for Slovakia in year 2010 is 4.021 %. Annual percentages of constant price GDP are year-on-year changes; the base year is country-specific.

GDP (Current Prices, National Currency) for Slovakia in year 2010 is SKK 65.906 Billion. GDP is expressed in billions of national currency units.

GDP (Current Prices, US Dollars) for Slovakia in year 2010 is US$ 87.45 Billion. Values are based upon GDP in national currency and the exchange rate projections provided by country economists for the group of other emerging market and developing countries. Exchanges rates for advanced economies are established in the WEO assumptions.

GDP Deflator for Slovakia in year 2010 is 132.372 (Index, Base Year as per country's accounts = 100). The GDP deflator is derived by dividing current price GDP by constant price GDP and is considered to be an alternate measure of inflation. Please note: Data are expressed in the base year of each country's national accounts.

GDP Per Capita (Constant Prices, National Currency) for Slovakia in year 2010 is SKK 9,168.54 . GDP is expressed in constant national currency per person. Data are derived by dividing constant price GDP by total population.

GDP Per Capita (Current Prices, National Currency) for Slovakia in year 2010 is SKK 12,136.60 . GDP is expressed in current national currency per person. Data are derived by dividing current price GDP by total population.

GDP Per Capita (Current Prices, US Dollars) for Slovakia in year 2010 is US$ 16,103.99 . GDP is expressed in current U.S. dollars per person. Data are derived by first converting GDP in national currency to U.S. dollars and then dividing it by total population.

Output Gap, Percent of Potential GDP for Slovakia in year 2010 is -3 %. Output gaps for advanced economies are calculated as actual GDP less potential GDP as a percent of potential GDP. Estimates of output gaps are subject to a significant margin of uncertainty.

GDP (PPP), US Dollars for Slovakia in year 2010 is US$ 120.166 Billion. Gross domestic product based on purchasing-power-parity (PPP) valuation of country GDP. These data form the basis for the country weights used to generate the World Economic Outlook country group composites for the domestic economy. Please note: The IMF is not a primary source for purchasing power parity (PPP) data. WEO weights have been created from primary sources and are used solely for purposes of generating country group composites.

GDP Per Capita (PPP), US Dollars for Slovakia in year 2010 is US$ 22,128.61 . Gross domestic product based on purchasing-power-parity (PPP) per capita GDP. These data form the basis for the country weights used to generate the World Economic Outlook country group composites for the domestic economy. Please note: The IMF is not a primary source for purchasing power parity (PPP) data. WEO weights have been created from primary sources and are used solely for purposes of generating country group composites.

GDP Share of World Total (PPP) for Slovakia in year 2010 is 0.163 %. Gross domestic product based on purchasing-power-parity (PPP) share of world total. These data form the basis for the country weights used to generate the World Economic Outlook country group composites for the domestic economy. Please note: The IMF is not a primary source for purchasing power parity (PPP) data. WEO weights have been created from primary sources and are used solely for purposes of generating country group composites.

Implied PPP Conversion Rate for Slovakia in year 2010 is 0.548 . These data form the basis for the country weights used to generate the World Economic Outlook country group composites for the domestic economy. Please note: The IMF is not a primary source for purchasing power parity (PPP) data. WEO weights have been created from primary sources and are used solely for purposes of generating country group composites.

Investment (% of GDP) for Slovakia in year 2010 is 22.35 %. Data are based on individual countries' national accounts statistics. For many countries, the estimates of national saving are built up from national accounts data on gross domestic investment and from balance of payments-based data on net foreign investment.

Gross National Savings (% of GDP) for Slovakia in year 2010 is 20.228 %. Data are based on individual countries' national accounts statistics. For many countries, the estimates of national saving are built up from national accounts data on gross domestic investment and from balance of payments-based data on net foreign investment.

Inflation, Average Consumer Prices (Indexed to Year 2000) for Slovakia in year 2010 is 112.211 (Index, Base Year 2000 = 100). Data for inflation are averages for the year, not end-of-period data. The index is based on 2000=100.

Inflation (Average Consumer Price Change %) for Slovakia in year 2010 is 0.697 %. Data for inflation are averages for the year, not end-of-period data.

Inflation, End of Year (Indexed to Year 2000) for Slovakia in year 2010 is 113.46 (Index, Base Year 2000 = 100). Data for inflation are end of the period, not annual average data. The index is based on 2000=100.

Inflation (End of Year Change %) for Slovakia in year 2010 is 1.34 %. Data for inflation are end of the period, not annual average data.

Import Volume of All Items Including Goods and Services (Percent Change) for Slovakia in year 2010 is 14.89 %.

Import Volumes of Goods Only (Percent Change) for Slovakia in year 2010 is 18.96 %.

Export Volume of All Items Including Goods and Services (Percent Change) for Slovakia in year 2010 is 16.399 %.

Export Volumes of Goods Only (Percent Change) for Slovakia in year 2010 is 18.816 %.

Value of Oil Imports for Slovakia in year 2010 is US$ 7.2 Billions. Value is equal to the price per unit of quantity of oil imports multiplied by the number of quantity units.

Value of Oil Exports for Slovakia in year 2010 is US$ 2.786 Billions. Value is equal to the price per unit of quantity of oil exports multiplied by the number of quantity units.

Unemployment Rate (% of Labour Force) for Slovakia in year 2010 is 14.375 %.

Employment for Slovakia in year 2010 is 2.317 Million .

Population for Slovakia in year 2010 is 5.43 Million .

General government revenue (National Currency) for Slovakia in year 2010 is SKK 20.719 Billions. Revenue consists of taxes, social contributions, grants receivable, and other revenue. Revenue increases government?s net worth, which is the difference between its assets and liabilities (GFSM 2001, paragraph 4.20). Note: Transactions that merely change the composition of the balance sheet do not change the net worth position, for example, proceeds from sales of nonfinancial and financial assets or incurrence of liabilities.

General government revenue (% of GDP) for Slovakia in year 2010 is 31.437 %. Revenue consists of taxes, social contributions, grants receivable, and other revenue. Revenue increases government?s net worth, which is the difference between its assets and liabilities (GFSM 2001, paragraph 4.20). Note: Transactions that merely change the composition of the balance sheet do not change the net worth position, for example, proceeds from sales of nonfinancial and financial assets or incurrence of liabilities.

General government total expenditure (National Currency) for Slovakia in year 2010 is SKK 26.1 Billions. Total expenditure consists of total expense and the net acquisition of nonfinancial assets. Note: Apart from being on an accrual basis, total expenditure differs from the GFSM 1986 definition of total expenditure in the sense that it also takes the disposals of nonfinancial assets into account.

General government total expenditure (% of GDP) for Slovakia in year 2010 is 39.601 %. Total expenditure consists of total expense and the net acquisition of nonfinancial assets. Note: Apart from being on an accrual basis, total expenditure differs from the GFSM 1986 definition of total expenditure in the sense that it also takes the disposals of nonfinancial assets into account.

Total Government Net Lending/ Borrowing (National Currency) for Slovakia in year 2010 is SKK -5.381 Billions. Net lending (+)/ borrowing (?) is calculated as revenue minus total expenditure. This is a core GFS balance that measures the extent to which general government is either putting financial resources at the disposal of other sectors in the economy and nonresidents (net lending), or utilizing the financial resources generated by other sectors and nonresidents (net borrowing). This balance may be viewed as an indicator of the financial impact of general government activity on the rest of the economy and nonresidents (GFSM 2001, paragraph 4.17). Note: Net lending (+)/borrowing (?) is also equal to net acquisition of financial assets minus net incurrence of liabilities.

Total Government Net Lending/ Borrowing (% of GDP) for Slovakia in year 2010 is -8.164 %.

General Government Structural Balance (National Currency) for Slovakia in year 2010 is SKK -4.759 Billion. Data are on a national income accounts basis. The structural budget position is defined as the actual budget deficit (or surplus) less the effects of cyclical deviations of output from potential output. Because of the margin of uncertainty that attaches to estimates of cyclical gaps and to tax and expenditure elasticities with respect to national income, indicators of structural budget positions should be interpreted as broad orders of magnitude.

General Government Structural Balance (% Potential GDP) for Slovakia in year 2010 is -7.005 %. Data are on a national income accounts basis. The structural budget position is defined as the actual budget deficit (or surplus) less the effects of cyclical deviations of output from potential output. Because of the margin of uncertainty that attaches to estimates of cyclical gaps and to tax and expenditure elasticities with respect to national income, indicators of structural budget positions should be interpreted as broad orders of magnitude.

General Government Balance (National Currency) for Slovakia in year 2010 is SKK -4.628 Billion. Primary net lending/borrowing is net lending (+)/borrowing (?) plus net interest payable/paid (interest expense minus interest revenue).

General Government Balance (% of GDP) for Slovakia in year 2010 is -7.022 %. Primary net lending/borrowing is net lending (+)/borrowing (?) plus net interest payable/paid (interest expense minus interest revenue).

Total Government Gross Debt (National Currency) for Slovakia in year 2010 is SKK 27.711 Billion. Gross debt consists of all liabilities that require payment or payments of interest and/or principal by the debtor to the creditor at a date or dates in the future. This includes debt liabilities in the form of SDRs, currency and deposits, debt securities, loans, insurance, pensions and standardized guarantee schemes, and other accounts payable. Thus, all liabilities in the GFSM 2001 system are debt, except for equity and investment fund shares and financial derivatives and employee stock options. Debt can be valued at current market, nominal, or face values (GFSM 2001, paragraph 7.110).

Total Government Gross Debt (% of GDP) for Slovakia in year 2010 is 42.046 %. Gross debt consists of all liabilities that require payment or payments of interest and/or principal by the debtor to the creditor at a date or dates in the future. This includes debt liabilities in the form of SDRs, currency and deposits, debt securities, loans, insurance, pensions and standardized guarantee schemes, and other accounts payable. Thus, all liabilities in the GFSM 2001 system are debt, except for equity and investment fund shares and financial derivatives and employee stock options. Debt can be valued at current market, nominal, or face values (GFSM 2001, paragraph 7.110).

Fiscal Year Gross Domestic Product, Current Prices for Slovakia in year 2010 is SKK 65.906 Billions. Gross domestic product corresponding to fiscal year is the country's GDP based on the same period during the year as their fiscal data. In the case of countries whose fiscal data are based on a fiscal calendar (e.g., July to June), this series would be the country's GDP over that same period. For countries whose fiscal data are based on a calendar year (i.e., January to December), this series will be the same as their GDP in current prices.

Current Account Balance (US Dollars) for Slovakia in year 2010 is US$ -3.013 Billion. Current account is all transactions other than those in financial and capital items. The major classifications are goods and services, income and current transfers. The focus of the BOP is on transactions (between an economy and the rest of the world) in goods, services, and income.

Current Account Balance (% GDP) for Slovakia in year 2010 is -3.446 %. Current account is all transactions other than those in financial and capital items. The major classifications are goods and services, income and current transfers. The focus of the BOP is on transactions (between an economy and the rest of the world) in goods, services, and income.

Airport Statistics (Paved Runway Airports, Unpaved

er between 1994 and 1998 and from 2006 to 2010. The consequence of this attitude towards managing the economy and public finances was steep rise in the national debt, huge inefficiency and overall stagnation of the economy. Politicians representing this type of government manage to get elected by giving populist pledges, performing rule of one strong, charismatic leader, pretending to be tough and decisive and often by exploiting nationalism. After couple of years public tends to change their mind, wake up to the catastrophic reality and in the next general election give mandate to the second group of Slovak political parties.

The second type of government rule in Slovakia is associated with **neoclassical free-market reforms**, such as privatisation, deregulation, flat tax, attempts to improve business environment and reduce bureaucracy, very friendly attitude to foreign investors, attempts to improve perception of the country abroad. This type of political parties were in power from 1990 to 1992, between 1998 and 2006 and from 2010 onwards. These politicians are associated with continuous push to transform former communist economy into a capitalist free-market economy and with introduction of market mechanism into increasing number of areas. Politicians and economists representing this approach to economic policy have undoubtedly achieved considerable success. There was a great progress in economic transformation between 1990 and 1992 and the period of 1998-2006 was associated with accelerating economic growth, falling unemployment, improvement in the state of public finances and falling inflation. Especially the years 2004-2006 and also 2007 showed remarkable export-led boom with the economy peaking at the rate of growth of GDP of 10% in 2007. On the other hand, these astonishing economic indicators were achieved as a result of tough structural reforms which had negative effect on the people with average incomes in the short run and made government at the time very unpopular. It must be said that many of the reforms undertaken at that time would be unimaginable in the USA or countries of Western Europe due to their unpopularity and toughness. It is important to realise that these reforms were much more radical than anything undertaken by either Margaret Thatcher's government in Britain or Ronald Reagan's administration in America.

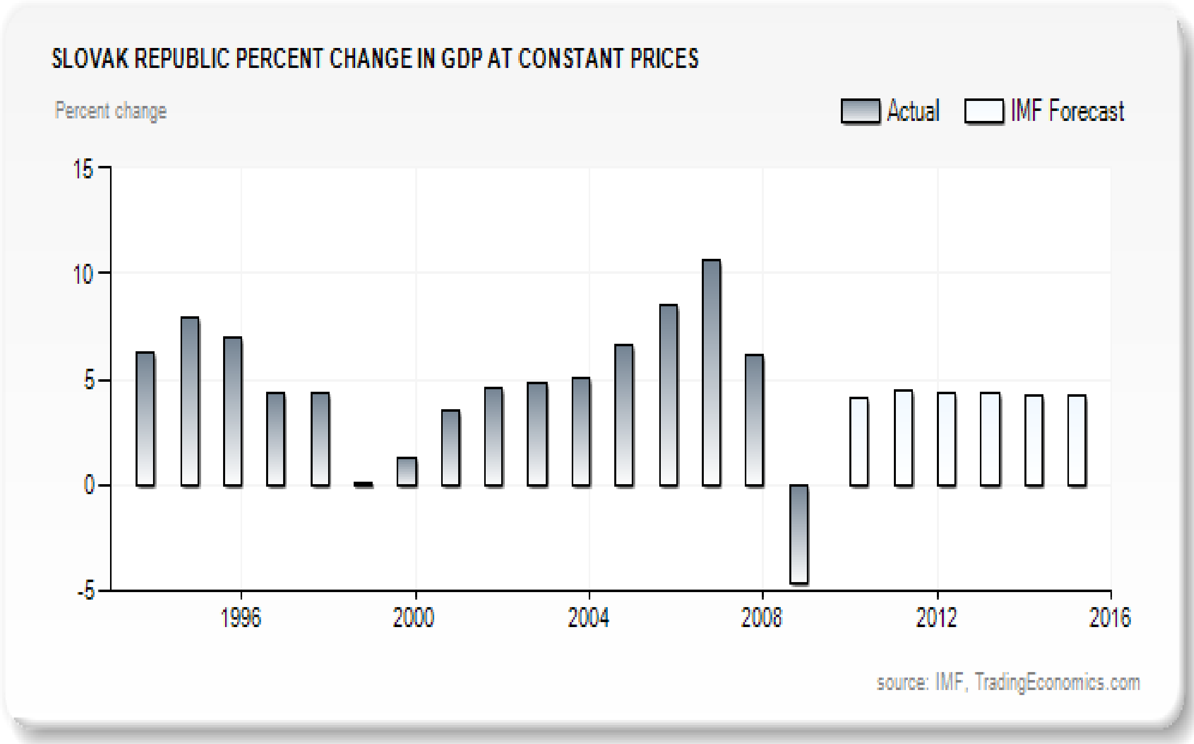
These **structural reforms** included flat tax with a single 19% rate for income tax, VAT and corporation tax. Flat tax made tax code much simpler which reduced the administration costs of companies and also helped to reduce tax avoidance, as a great deal of exceptions were abolished. The success of the tax reform can be illustrated by the fact that tax revenues increased in the following years despite the fact that tax rates were lowered. This is a perfect example of Laffer curve situation when cutting taxes led to higher tax revenues, as more people preferred to legalise their income and pay the taxes and also because lower taxes stimulated the economy and led to higher economic growth.

Simple and very low taxes made Slovakia attractive place for foreign investment and helped to grow entrepreneurism.

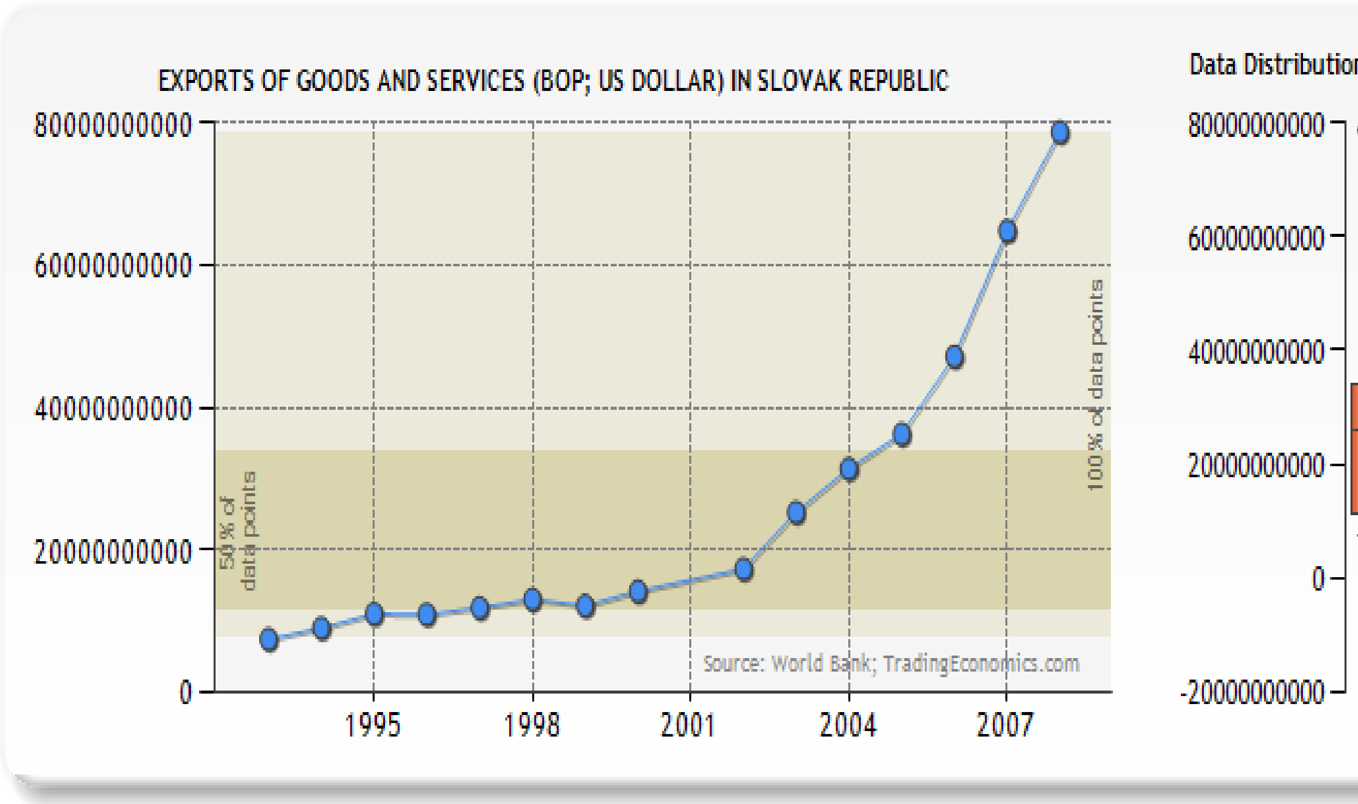
The reforms also included pension reform based on saving on personal accounts. This idea was first implemented by Chicago economists in Chile in 1980s. The main change is that national insurance contributions are not used solely to pay out pensions to current pensioners. Instead half of the national insurance contributions are invested into pension funds. These special pension funds then invest the money into bonds and shares, savers can choose whether the fund should invest their money into more risky assets or into safer bonds. Contributions to these private pension funds are compulsory to all young people, but also many older people joined. The main benefit of this reform is that it should help to solve demographic problems. There are fewer children and more pensioners which means that the old system would eventually break down.

Another reform occurred in health care provision, for example many hospitals were converted into public companies owned by the state and local government which was supposed to improve managing of their finances. Furthermore, there were introduced small payments for basic services within the health care system. For example a patient would pay about 1 pound every time he visited local doctor. These small payments were supposed to reduce inefficiency by putting pressure on people to avoid unnecessary visits to their doctor. Before the reform many old people used to go to the doctor even when they had no health problem, because they had lots of time and nothing to do. Going to the doctor became sort of hobby for Slovak pensioners. These small payments did not make health care unaffordable, but they were high enough to reduce unnecessary use of the health care. There were further reforms in the structure of civil service which were intended to cut costs, there were many attempts to improve business environment, make it easier to start a new company, simplify the laws. A big reform was liberalising the employment laws which made hiring and firing workers easier and therefore made labour markets much more flexible.

The success of these supply-side reforms can be clearly demonstrated using basic economic indicators. First of all, implementation of these structural changes in the years 2002-2005 was followed by very fast and accelerating economic growth. Real GDP growth was just 3.5% in 2001, it was 6.6% in 2005 and it peaked at 10% in 2007. This rapid economic growth would continue if there was no world recession in 2008-09.

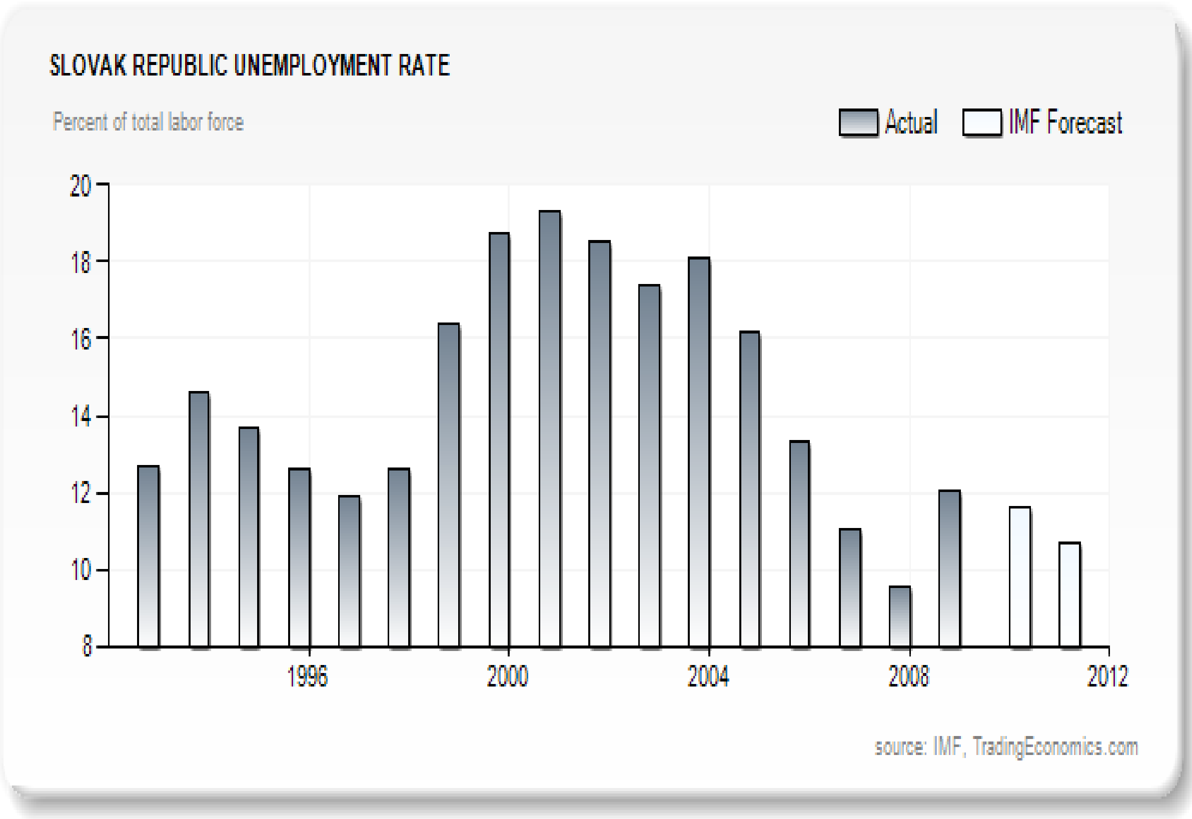


The main drive of this rapid economic growth were exports. Slovak export-led boom can be demonstrated by following graph. The free-market reforms made Slovakia very attractive place for foreign investment. These foreign companies built production plants in Slovakia which then started to export goods, especially cars and electronics abroad. Examples of these foreign companies who built huge factories in Slovakia and drove up exports are Volkswagen, Peugeot, Kia Motors and Samsung. Exports quadrupled between 2002 and 2008 and were the main driving force of growth of GDP in this period.

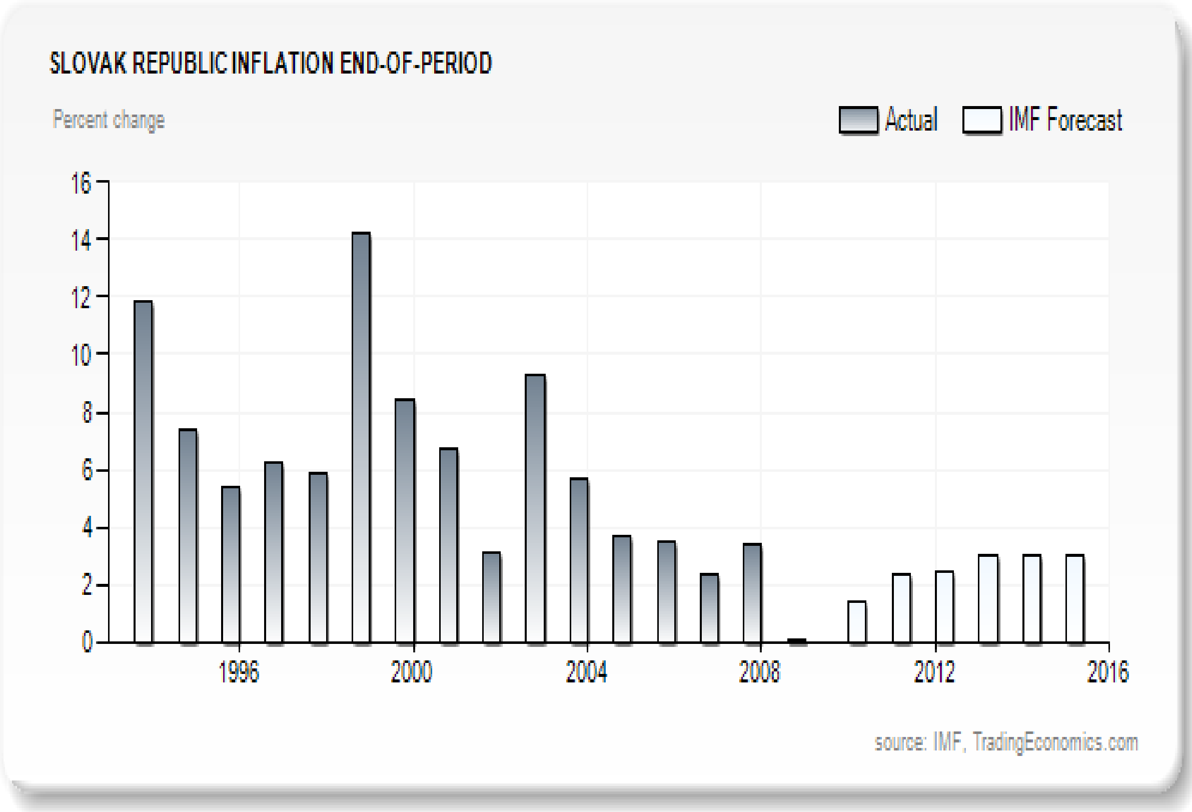


The rise in exports proved to be considerable injection of income into the Slovak economy and it led to higher employment and real wages. This resulted in higher consumption of households which was accommodated with rising imports. Therefore dramatic rise in exports was mirrored by rapid rise in imports.

New production plants built by foreign investors directly created tens of thousands of new jobs, but they also created tens of thousands jobs indirectly through their demand for goods and services of local suppliers. The multiplier effect meant that there were many more jobs created in the areas where new production plants were built though extra spending. The rapid economic growth coincided with falling unemployment. Unemployment rate fell from just below 20% in 2001 to about 9% in 2008.



However, rapid economic growth and boom in exports between 2002 and 2007 did not lead to overheating of the economy and rising inflation. Instead there was generally falling trend in the rate of inflation with occasional hikes of cost-push inflation caused by rising petrol, gas and electricity prices.



On the other hand, there were also **significant costs associated with undertaking reforms**. The main problem was that there were many fast and substantial reforms taking place at the same time. People generally don't like change and therefore it is very difficult for any government to push forward structural reforms. In the case of Slovakia the reforms were wide-ranging and were put forward very quickly, people did not have enough time to get used to the changes. Politicians at the time also failed to sufficiently explain the reforms to the public. Another negative consequence of the reforms was the affect they had on people on lower incomes, unemployed, old people and public sector workers. The reforms provided perfect environment for entrepreneurial people, individuals who had enough energy and passion to start a business and benefit from low taxes. However, the reforms were associated with tough fiscal discipline which meant cuts to public sector pay and social benefits and slower increases in the level of pensions. The period was associated with rising inequality between businessmen and employees and between those regions benefiting from high foreign investment and those less fortunate to attract investment. The benefit of reforms, prosperity in the long run, was paid for by a fall in the living standards of some people in the short run . The consequence of that was defeat of right-wing parties which pushed forward these reforms at the next general election.

Still, it seems that supply-side reforms were fundamentally right and necessary and eventually did bring considerable benefits in the form of rising GDP and falling unemployment. Economic growth helped to create jobs, increase real wages and also led to a rise in government's tax revenue which enabled increases in the spending on public services and public sector workers in the future. However, politicians who implemented the reforms failed to properly explain them to the public and get the public support.

It is worth noticing that there have been **no Keynesian economists shaping government economic policies in Slovakia.** So far there have only been periods of free-market supporters and incompetent and corrupt populists. There may be political reasons for that, for example there is no tradition of western-style social-democratic parties in Slovakia, but there is a long tradition of right-wing Christian-Democratic parties. However, the crucial reason may be the basic characteristic of Slovak economy, its small size and great openness and dependance on international trade. Keynesian style of management of aggregate demand through small changes in taxation and government spending would certainly not work in Slovakia, as exports and imports form such a large part of the economy. Exports are injection into the circular flow of income and imports are leakage and both can significantly affect the level of aggregate demand. Slovak government cannot influence them and it is also unable to offset their changes, as they are so large as % of GDP. If there is a world recession like in 2008-2009 there is a great fall in demand for Slovak exports which should lead to a fall in the rate of GDP growth and quite likely to recession. If Slovak government tried to stimulate the economy by cutting taxes and increasing government spending it would not achieve a rise in the GDP, as most of this extra money would quickly leave the economy in the form of imports and shopping of Slovaks in neighbouring countries, such as Hungary, Poland or Ukraine.

To sum up, **the Slovak economy is hugely dependent on external demand for its goods and services** and therefore the government has almost no chance to determine the level of aggregate demand and avoid recession by using fiscal stimulus. Therefore Slovak government has very limited options in determining the state of its economy in comparison with big countries like the USA, Britain or France. The economy depends on exports and therefore it is very important for the government to improve international competitiveness of Slovakia, so that foreign investors will perceive Slovakia as good investment opportunity and big multinational companies will move their production plants there. For this to occur the country needed to implement supply-side reforms. Their implementation proved to be highly successful, although not without problems and some costs. **The need to maintain and improve international competitiveness** of Slovak economy is the reason why supply-side approach to running the economy has been so important and why it will continue to be so.

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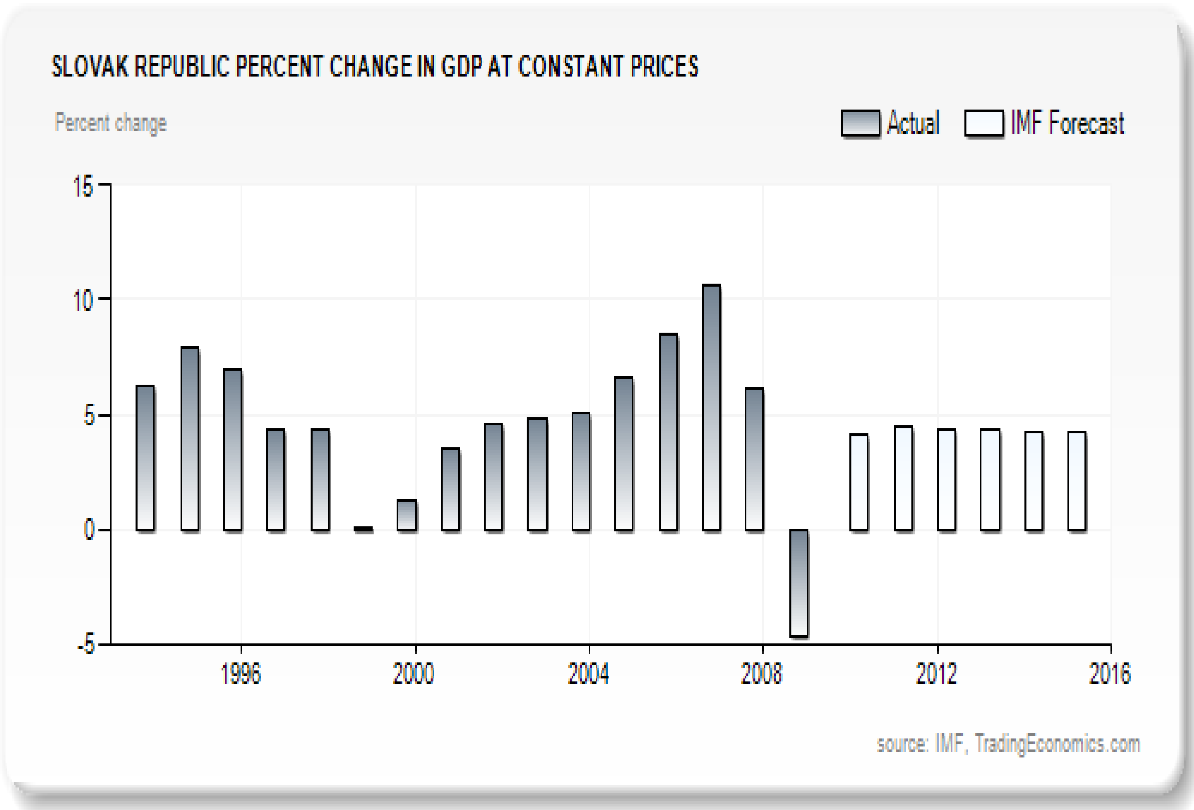

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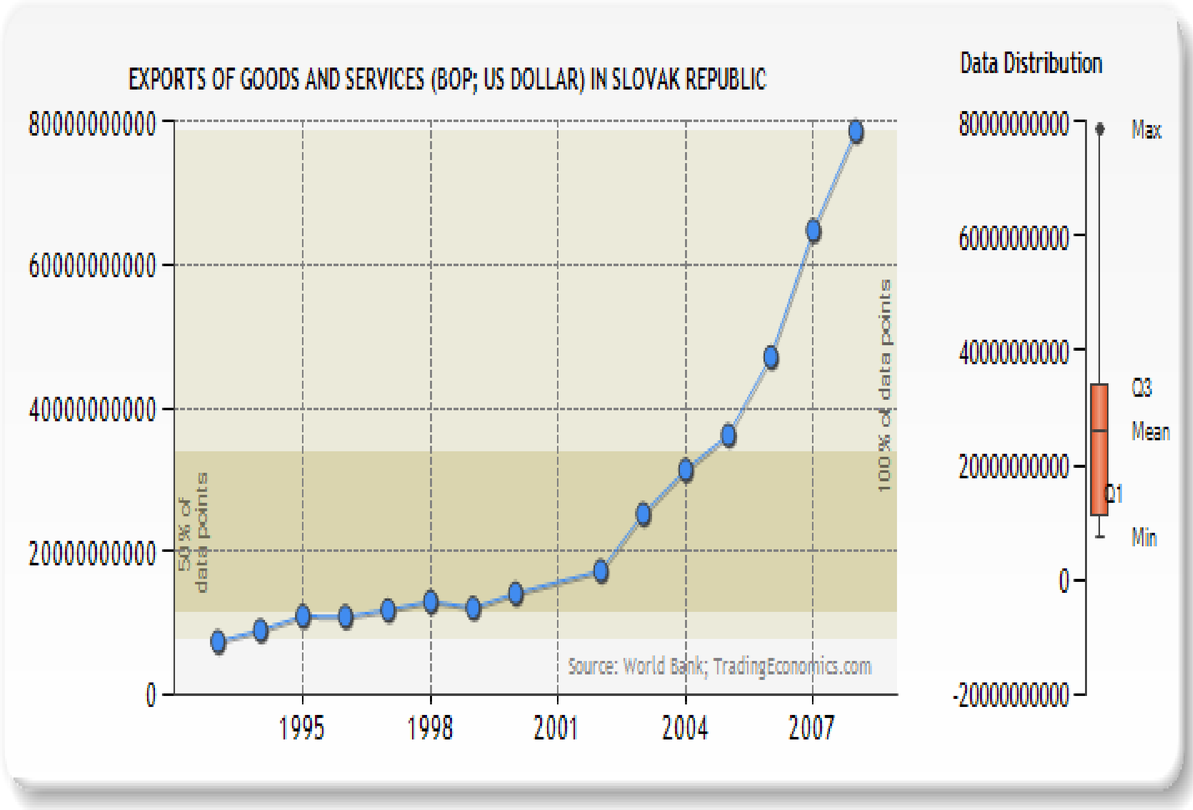

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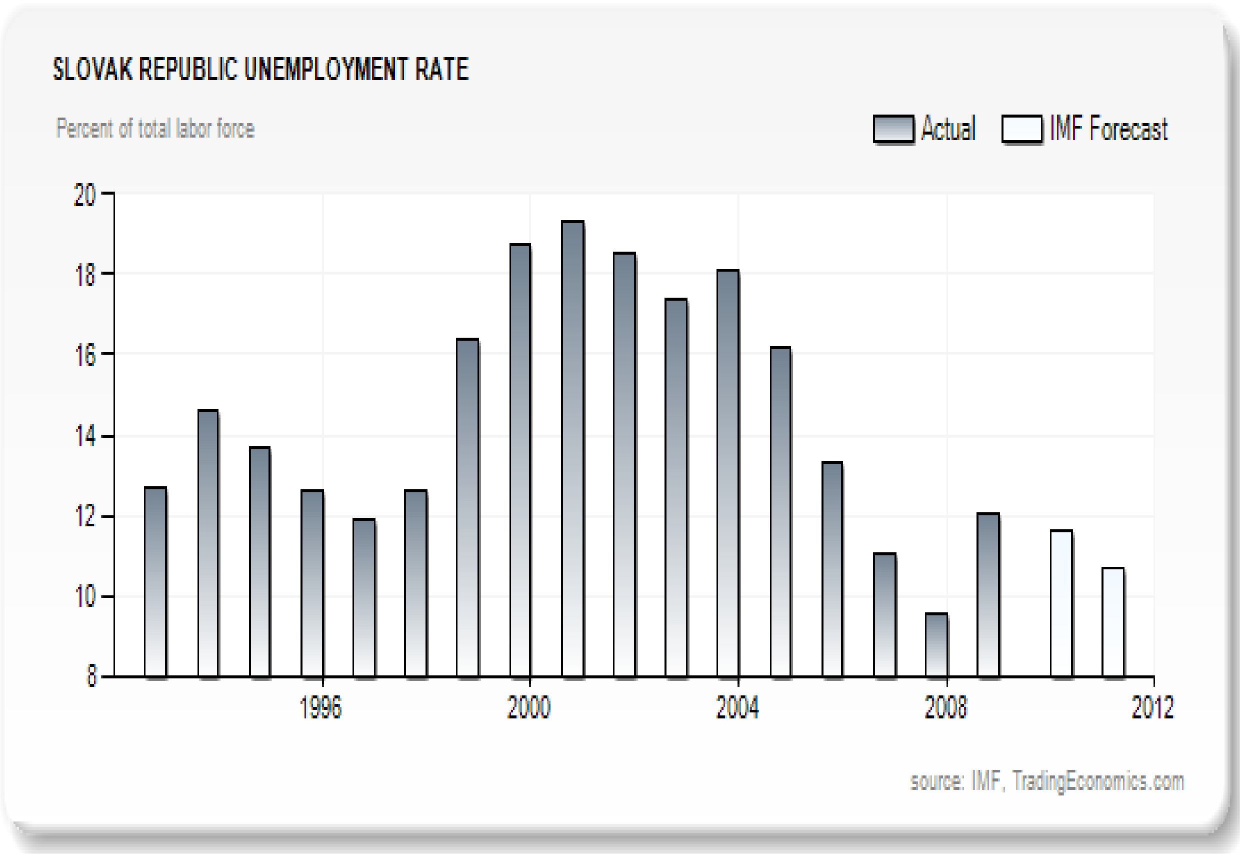

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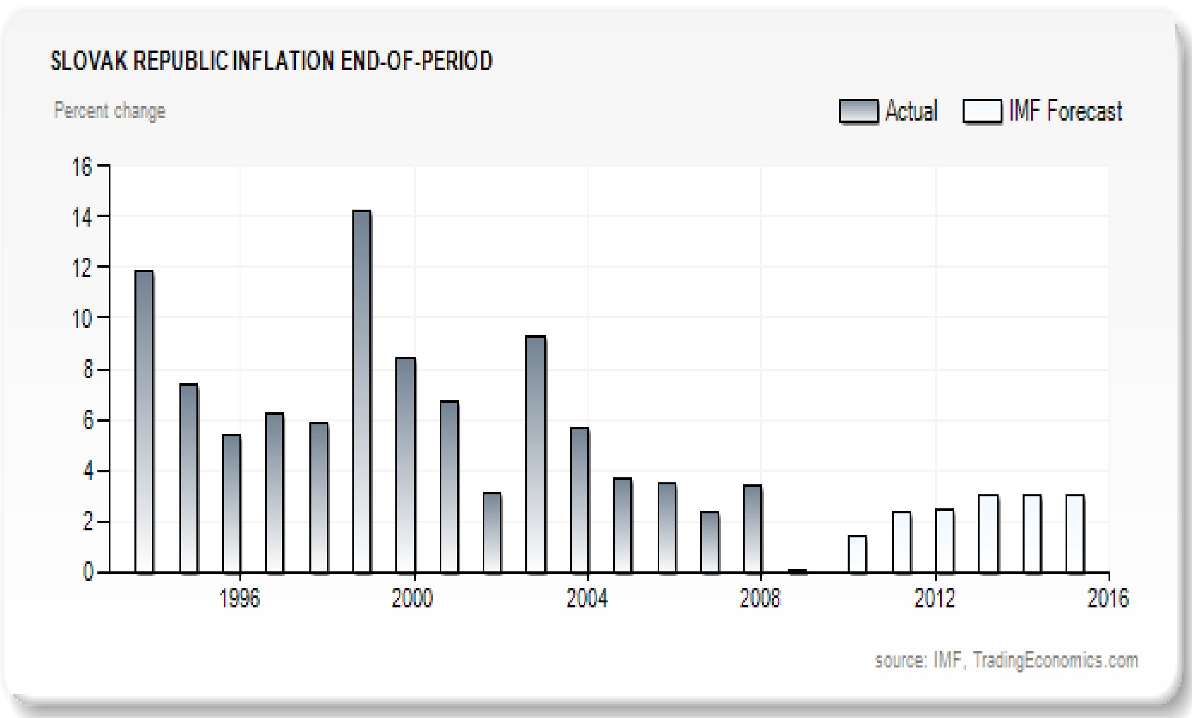

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Economic growth

In 2007, Slovakia reached the highest economic growth among the members of OECD and the EU. The annual GDP growth was 10.4% at constant prices, with the record level of 14.3% reached in the fourth quarter.[11] In 2010, Slovakia grew by 4.0% which was the highest growth among new EU member states.
[edit]
Fiscal policy

National Bank of Slovakia with euro sign, November 2008

Central business district in Bratislava, Mlynské Nivy

The current account deficit from its recent peak at $1.9 billion (8.8%) of GDP in 2001 shrank to $1.4 billion (3.4%) of GDP in 2004. A drop in the trade deficit accounted for most of the improvement. The foreign trade balance is now largely influenced by strong growth in capital good imports related to foreign investments in the country. Slovakia’s total foreign debt was $23.7 billion at the end of 2004, up $5.4 billion from the 2003. The increase in the level of debt was caused largely by exchange rate losses of the dollar. Budget performance in 2005 was strong, as the government aimed to implement fiscally responsible policies to drive the budget deficit below the Maastricht-defined ceiling of 3% of GDP by 2007 in order to qualify for euro adoption. The government's budget for 2006 targets a general government deficit of 2.9% of GDP.
[edit]

Foreign investments

Foreign direct investment (FDI) in Slovakia has increased dramatically. Cheap and skilled labor, a 19% flat tax rate for both businesses and individuals, no dividend taxes, a weak labor code, and a favorable geographical location are Slovakia’s main advantages for foreign investors. FDI inflow grew more than 600% from 2000 and cumulatively reached an all-time high of, $17.3 billion USD in 2006, or around $18,000 per capita by the end of 2006. The total inflow of FDI in 2006 was $2.54 billion. In October 2005 new investment stimuli introduced – more favorable conditions to IT and research centers, especially to be located in the east part of the country (where is more unemployment), to bring more added value and not to be logistically demanding.

Origin of foreign investment 1996-2005 – the Netherlands 24.3%; Germany 19.4%, Austria 14.1%; Italy 7.5%, United States (8th largest investor) 4.0%. Top investors by companies: Deutsche Telekom (Germany), Neusiedler (Austria), Gaz de France (France), Gazprom (Russia), U.S.Steel (U.S.), MOL (Hungary), ENEL (Italy), E.ON (Germany)...Foreign investment sectors - industry 38.4%; banking and insuranc

Labour

The minimum wage in Slovakia is set at 307,- € per month,[13] the average salary for year 2010 is 769 € per month.[14] The level of unemployment in 2009 rose to 12.1% after a period of decreasing unemployment.[15]

[edit]

Statistics

Graphical depiction of Slovakia's product exports in 28 color coded categories.

Exchange rates [16]Year	2008	2009
EUR/SKK	30.13	
USD/SKK	21.39	

Foreign Trade [16]Year	2008	2009	2010
Exports € bn	49.5	39.7	35.0
Imports € bn	50.3	38.8	34.6

Currency	Euro (EUR)
Fiscal year	Calendar year
Trade organisations	WTO, EU, OECD, NATO

Statistics

GDP	$127.1 billion (2011 est.)
GDP growth	3.3% (2011)
GDP per capita	$23,400 (2011 est.)
GDP by sector	agriculture: 2.7%; industry: 35.6%; services: 61.8% (2010 est.)
Inflation (CPI)	3.6% (2011 est.)

Population

below poverty line 1.9% (2009)[1]
Gini coefficient 26 (2005)
Labour force 2.673 million (2010 est.)
Labour force
by occupation agriculture: 3.5%; industry: 27%; services: 69.4% (December 2009)
Unemployment 13.4% (2011 est.)
Average gross salary 803 € / 1,084 $, monthly (2009)[2]
Average net salary 635 € / 857 $, monthly (2009)[2]
Main industries metal and metal products; food and beverages; electricity, gas, coke, oil, nuclear fuel; chemicals and manmade fibers; machinery; paper and printing; earthenware and ceramics; transport vehicles; textiles; electrical and optical apparatus; rubber products
Ease of Doing Business Rank 48th[3]
External
Exports €39.7 billion (2009)[4]
Export goods vehicles 25.9%, machinery and electrical equipment 21.3%, base metals 14.6%, chemicals and minerals 10.1%, plastics 5.4%
Main export partners Germany 20%, Czech Republic 13.1%, France 6.7%, Poland 6.6%, Hungary 6.3%, Austria 5.9%, Italy 5.8%, United Kingdom 4.7% (2008)
Imports €38.7 billion (2009)[5]
Import goods machinery and transport equipment 41.1%, intermediate manufactured goods 19.3%, fuels 12.3%, chemicals 9.8%, miscellaneous manufactured goods 10.2%
Main import partners Germany 20%, Czech Republic 17.8%, Russia 10.6%, Hungary 6.9%, South Korea 5.2%, Austria 5%, Poland 4.9%, China 4.2% (2008)
FDI stock $45.75 billion (31 December 2009 est.)
Gross external debt $52.53 billion (31 December 2008)
Public finances
Public debt 34.6% of GDP (2009 est.)
Revenues $28.31 billion
Expenses $32.94 billion (2009 est.)
Economic aid $235 million in available EU structural adjustment and cohesion funds (2004)
Credit rating Standard & Poor's:[6]
A+ (Domestic)
A+ (Foreign)

AAA (T&C Assessment)
Outlook: Stable[7]
Moody's:[7]
A1
Outlook: Stable
Fitch:[7]
A+
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Foreign reservesUS$2.443 billion (March 2011)[8]
Main data source: CIA World Fact Book
All values, unless otherwise stated, are in US dollars
GDP - per capita (PPP): $22,000 (2010 est.)
$21,100 (2009 est.)
$22,200 (2008 est.)
note: data are in 2010 US dollars
Definition: This entry shows GDP on a purchasing power parity basis divided by population as of 1 July for the same year.
Source: CIA World Factbook - Unless otherwise noted, information in this page is accurate as of January 9, 2012
See Also
GDP - per capita (PPP) by year chart
GDP - per capita (PPP) rank chart
GDP - per capita (PPP) - comparative map
GDP per capita, PPP (current international $) - thematic map - World Bank indicator
GDP per capita, PPP (current international $) - country comparison - World Bank indicator
GDP (purchasing power parity)
GDP - real growth rate
GDP - composition by sector
GDP (official exchange rate)
Related Data From the International Monetary Fund
Variable: Gross domestic product based on purchasing-power-parity (PPP) per capita GDP
Note: Expressed in GDP in PPP dollars per person. Data are derived by dividing GDP in PPP dollars by total population. These data form the basis for the country weights used to generate the World Economic Outlook country group composites for the domestic economy. The IMF is not a primary source for purchasing power parity (PPP) data. WEO

weights have been created from primary sources and are used solely for purposes of generating country group composites. For primary source information, please refer to one of the following sources: the Organization for Economic Cooperation and Development, the World Bank, or the Penn World Tables. For further information see Box A2 in the April 2004 World Economic Outlook, Box 1.2 in the September 2003 World Economic Outlook for a discussion on the measurement of global growth and Box A.1 in the May 2000 World Economic Outlook for a summary of the revised PPP-based weights, and Annex IV of the May 1993 World Economic Outlook. See also Anne Marie Gulde and Marianne Schulze-Ghattas, Purchasing Power Parity Based Weights for the World Economic Outlook, in Staff Studies for the World Economic Outlook (Washington: IMF, December 1993), pp. 106-23.