



## THE ECB'S EXTRAORDINARY MEASURES IN RESPONSE TO THE GLOBAL CRISIS

Roman Kostelný, Národná banka Slovenska

At several press conferences, the current President of the European Central Bank has repeatedly referred to the possibility of implementing various instruments, which are at the ECB's disposal, in addition to the frequently used LTRO operations. The article summarises several measures taken by the Bank, as the euro area monetary authority, since the outbreak of the crisis in August 2007 in order to address weaknesses in the euro money market, while also taking into account broader headwinds in the real economy (p. 2).

## THE IMPACT OF QUALITATIVE FACTORS ON THE COMPETITIVENESS OF SLOVAK ENTERPRISES

Tibor Lalinský, Národná banka Slovenska

The article summarises the main findings of the competitiveness factors analysis recently presented in an NBS research paper. It also focuses on the quantitative verification of the impact that several internal, sectoral and macro-level factors (identified in the research) have had on the competitiveness of Slovak enterprises. Estimates confirm the statistically significant effect of most examined factors, while results indicate that macro-level qualitative factors dominate (p. 7).

## ANALYTICAL BACKGROUND FOR COUNTER-CYCICAL CAPITAL BUFFER DECISIONS IN SLOVAKIA

Štefan Rychtárik, Národná banka Slovenska

Recent regulatory changes at the European level driven by the Basel III concept introduced the macro-prudential policy as a standard tool in the hands of national authorities. The new toolkit includes a fistful of instruments with an objective to mitigate cyclical or structural systemic risk that threatens financial stability. Most of the tools, including a counter-cyclical capital buffer, are in some way related to capital requirements. This is to increase the probability that banks will be able to face future unexpected losses stemming from the emerging systemic risk. Although capital buffers are undoubtedly a strong mitigating tool for systemic risk, history teaches us that financial stability is not only about ever higher buffers. A crucial role is played by sound incentives as well (p. 10).

## EXTERNAL DEBT OF SLOVAKIA BETWEEN 1993 AND 2012

Pavol Kyjac, Národná banka Slovenska

Since the establishment of the Slovak Republic in 1993, developments in the country's external debt have been balanced, without any dramatic changes. Despite relatively high gross external debt at the end of 2012 (at €53.8 billion or US\$70.9 billion), the situation has been satisfactory in general, given the structure of foreign liabilities. Looking ahead, Slovak gross external debt is expected to pick up further as long as the strengthening of Slovak exports continues, while all received funds are effectively used. Accentuated by the crisis, the ongoing task of the financial system (which is based on debt) is to maintain marginal external debt. Its volume and tolerable extent can be measured by very basic ratios (p. 16).

## COUNTERFEITS SEIZED IN THE SLOVAK REPUBLIC

Dušan Rojek, Gabriel Schlosser,  
Národná banka Slovenska

In 2013, as many as 35,288 counterfeit banknotes and coins were seized in the Slovak Republic, which is the highest number since the establishment of the country in 1993. The reason behind such a significant increase compared with the previous years was a case of counterfeit coins, when 26,735 counterfeit €2 coins were detected by law enforcement authorities before they were put into circulation (p. 21).

## EU ENLARGEMENT – INSTITUTIONAL ASPECTS AND THE ECB'S ROLE (PART I)

Lucia Országhová

With the accession of Croatia in July 2013, the European Union expanded to 28 Member States. A number of other countries are on a formal path towards EU membership or have been offered the prospect of joining in the future, subject to the fulfilment of certain criteria. This article describes the EU enlargement policy, the steps and criteria for EU accession as well as the role of the European Central Bank in the enlargement process. It also presents the current status of countries in the accession process. In Part II we will take stock of the recent economic and financial developments in EU candidate and potential candidate countries and discuss possible challenges remaining ahead on their road to EU membership (p. 26).