



EXPECTED MACROECONOMIC DEVELOPMENTS IN SLOVAKIA

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The current macroeconomic outlook is based on expected higher growth dynamics in Slovakia's main trading partners. The major contribution to economic growth should come from foreign demand, later, however, gradually supported also by domestic demand. Growth is assumed to be more balanced in the medium term, accelerating to 2.4% this year and increasing further to 3.2% and 3.5% in 2015 and 2016, respectively. The rate of employment is expected to rise in line with these developments. Inflation should remain relatively low, however, prices may grow over the projection horizon, driven by strengthened domestic demand (p. 2).

SLOVAK FINANCIAL SECTOR: TRENDS AND RISKS IN 2013

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The Slovak financial sector, despite its current stability, may be threatened by various risks. On the one side, it is exposed to adverse effects from the external environment, while on the other, many risks are also cumulated internally. Although many indicators suggest a return to a positive trend, it has to be closely reviewed for possible hidden imbalances. This article focuses on trends and related risks relevant for internal financial stability. It draws on analyses of Národná banka Slovenska published in the Analysis of the Slovak Financial Sector for 2013 and the Financial Stability Report for May 2014 (p. 4).

SEPA MIGRATION – FURTHER WORK AFTER ITS SUCCESSFUL START

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In January 2014, European Commission published a proposal for a Regulation amending Regulation No 260/2012, bringing about an additional transition period of six months for the euro area. The Council of the EU adopted this Regulation No 248/2014 on 18 February 2014 with a retroactive effect as from 31 January 2014. This will enable an exceptional and temporary extension of the use of existing standards alongside SEPA schemes. The Slovak Republic has confirmed the migration to SEPA payment instruments from February 2014. Regarding the SEPA Governance, most countries have set up national fora at their national levels. At the European level, the ECB announced on 19 December 2013 the launch of the Euro Retail Payments Board (ERPB). This entity is to help foster the development of an integrated and innovative market for retail payments in euro. The most relevant types of retail payment innovations are: online e-payments and mobile payments, e-mandates, e-invoicing, and payment account access services (p. 10).

ELECTRONIC INDICATORS OF CONSUMER DEMAND

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Over recent years, the digitisation of information and activity has generated a vast array of timely high-frequency electronic data, which, potentially, can provide informa-

tion about current economic or consumer conditions. Some of these data cover large numbers of individuals and businesses and have the potential to be useful for monitoring, measuring or cross-checking official data on aggregate economic conditions. In particular, data on electronic transactions and internet search can be useful complements to more standard indicators of economic activity. This article examines the usefulness of electronic transactions data and internet search data in assessing households consumption. Since data on payment transactions have already provided some additional information in this regard, and internet search data also appear promising as consumption indicators, these sources are expected to become even more useful in the future (p. 13).

MORTALITY PREDICTIONS IN SLOVAKIA

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Although mortality rates in Slovakia and other relatively developed countries have fallen significantly, their future dynamics remain undermodelled in general. This article outlines two models for such rates and compares their efficacy and appropriateness for conditions in Slovakia. In so doing, it seeks not to privilege a particular model, but rather to suggest a way of advancing the market in this area (p. 18).

CURRENCY CIRCULATION 5 YEARS AFTER THE EURO INTRODUCTION IN SLOVAKIA

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The article on currency circulation in Slovakia is aimed at informing readers about developments in currency circulation indicators since the euro was introduced in the country five years ago. Aggregate net issue was €8.9 bill. on 31 December 2013, of which aggregate net issue of euro banknotes accounted for €8.8 bill., slightly exceeding (by €76 mil.) Národná banka Slovenska's share of the total euro area banknote issue. Finally, the article notes that the period during which Slovak koruna coins could be exchanged for euro at NBS ended on 2 January 2014. More than 390 million Slovak koruna coins (worth €23.8 mil.) remained unchanged. The volume of unreturned Slovak koruna banknotes and collector coins, which can be exchanged without any time limits, is approximately SKK3.1 bill., that is about 2% of their total volume issued (p. 24).

HOUSING MARKET FACTORS

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An issue of addressing housing needs relates to a certain stage of a life cycle. This process is usually affected by a variety of factors on the demand and supply side, as well as by other factors. The main determinants of housing demand are demographic developments, whereas an adequate housing supply may, to a significant extent, be supported by the state housing policy. The decision of prospective occupants as to whether to become a housing property owner or just its tenant is often influenced by their national habits and environment in which they grow up. When making a final decision, however, quantitative tools for evaluating benefits of either owning or renting a housing property should not be neglected (p. 26).