

Slovak EU presidency and its focus on innovation



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EU success story.

In July 2016 Slovakia will preside the Council of the European Union (EU) for the first time. The Presidency brings an unprecedented opportunity for Slovakia. It is a chance to stand in the lead and take the EU forward.

The Slovak Republic will preside over the Council of the EU at a time when the European Union is facing a number of challenges – migration, terrorism, tension in its neighbourhood, repercussions of the Eurozone crisis and a referendum on the United Kingdom's membership of the European Union. This often produces divisions within

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the EU and the questioning of joint and successful projects, including the common European currency and the Schengen Area.

As holder of the presidency, Slovakia's ambition is to be an honest broker. Whilst it is not always easy to cooperate and reach compromises, we are looking to address all challenges in a manner that maintains cohesion in the European Union and reaffirms its fundamental principles.

The Slovak Republic will take up the Council Presidency twelve years after joining the EU, membership of which has had a positive effect on developments in the country. The Presidency represents a unique opportunity for the Slovak Republic to contribute towards the way in which the EU functions more than ever before and to return something to it, while taking a greater share of responsibility for the direction in which it is headed. It also represents a singular opportunity for Slovakia to enhance its success story as an EU Member State.

For a small central European country the entry into the EU was a historic achievement. In a relatively short time Slovakia managed to join Schengen and adopt the euro which brought us into the center of European integration. A full member of the OECD, WTO, NATO, Slovakia is the only Central European and Visegrad-4 country (Czech republic, Hungary and Poland) to employ the Euro currency.

Challenges of economic transformation.

The strong industrial heritage and developed infrastructure has led to a booming manufacturing industry with Slovakia being one of the fastest growing economies in Europe. Foreign direct investment, especially in the automotive and electronic sectors, fueled much of the growth. With a production output of over a million cars per year, Jaguar Land Rover is the most recent investor to join a stack of foreign companies, including Kia, Peugeot and Volkswagen.

Although we recognize the importance of the traditional industries, we are aware of the risks of becoming too dependent on only one or few export items such as cars. In the recent years we have worked hard to reinvent the economy and focused on the potential of



innovation and technology. Therefore we push forward innovation-driven sectors and support more R&D production in our country.

It was in fact the concept of AeroMobil – the flying car that had an enormous success at the SXSW festival a year ago. This year at the same festival the Hyperloop Transportation Technologies announced the intention to start their amazing project of tube travel in Slovakia.

The ICT sector is increasingly becoming one of the pillars of Slovak economy. The city of Košice is commonly referred to as “*IT Valley*”, a cluster with almost 40 IT companies, with a top engineering talent pool, well-developed education system and workforce that is fluent in English.

Making innovation a priority in the EU.

Even though the Slovak EU presidency priorities have not been defined yet, boosting the EU potential and stimulating growth, jobs and competitiveness will be an underlying ambition.

In this context the EU single market is the key achievement of the Union and the most effective instrument for creating jobs. Therefore the digitalization of the single market, namely on cross-border e-Commerce, e-Government and support for innovations, will be the main focus.

Promoting growth in the EU would be impossible without fostering a positive climate in which small and medium businesses thrive as they are the key job creators. Therefore we believe in decreasing the regulatory and administrative measures to ease the functioning of SMEs. The establishment of an innovation ecosystem that looks to support home-grown SMEs expand globally is a complex task that will require effort and consistency beyond one EU presidency.



“The US dimension”.

As a small, open and export oriented economy, supporting trade and investment is one of the key tasks of our economic diplomacy abroad. Even though the vast majority of our export in terms of volume remains in the EU (around 85%), we see that the US market is becoming increasingly attractive for our companies, especially in the sector of innovation.

To name a few of the remarkable examples of companies that succeeded in harvesting this potential: ESET - a global success story, one of the top 5 antivirus software companies globally; Sygic - a major offline navigation; Pixel Federation – one of the top online games companies; Virtual Reality Media - military simulators and training systems and Colosseo - cutting edge technologies for sports arenas.

In order to help build even stronger economic links between Slovakia and the US a new body has recently been established – the Slovak American Business and Innovation Council (SABIC). It has sent a clear message to our US partners that we are serious in supporting business and innovation.

The formation of SABIC reflects the growing demand from US businesses active in Slovakia and Slovak businesses entering the US market for a permanent business and innovation focused platform based in the United States. Among the founding members are some of the most successful examples of Slovak – US business cooperation such as ATT, Honeywell, Virtual Reality Media and ESET. The main goals of the new organization are to promote the commercial activities and investments between the US and Slovakia, to support Slovakia's startup ecosystem by fostering bilateral exchange and to engage the Slovak-American professionals in this process.

The second half of 2016 will also be crucial in the context of finalizing the negotiations on Transatlantic Trade and Investment Partnership (TTIP). As an export oriented economy, Slovakia enjoys a high level of political and economic support for TTIP as well as relatively favorable public perception. While the mandate to negotiate on behalf of the EU lies with the European Commission, as presidency Slovakia will aspire to seek consensus among EU member states in the politically sensitive areas so that real progress can be achieved.