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Need to route investments towards new trends for economic development

Looking to the coming future, fourth Industrial revolution will shape economy landscape and our daily lives. Beside opportunities it brings along threats if we are caught vulnerable. Therefore, we need to prepare and think carefully about stack of investment policies which would mitigate weaknesses and fully exploit favourable circumstances.

Immense challenge emerges from the backbone of Slovak economy, particularly our historically strong automotive industry. Ignoring ongoing transformation from traditional car industry and fossil fuels to eVehicles and sustainable energy sources may endanger vast labor force – according the OECD 40% of jobs are in Slovakia at risk of automatisisation while e.g. only 4% in Norway – thus, investments to innovation, R&D, digital infrastructure, energy efficiency and education are necessary.

Having proper access to – supply side – finance is one prerequisite to succeed. EU cohesion funds, European Fund for Strategic Investments, the EIB and national promotional bank provide enough resources to fulfil reforms. However, we identified bottlenecks on demand side – lack of high-quality projects and know-how which match current needs.

What can policy makers do to unlock full potential of financing and keep up with recent development trends?

One does not need to start from scratch, Commission's country report caters solid proposals:

- increase attractiveness, efficiency and competitiveness of the research and innovation system;
- attracting and retaining qualified researchers in the smart specialization areas;
- increase cooperation between the business and academia;
- mobilizing knowledge and technology transfer;
- support companies to move up in global value chains;

- increase productivity facilitating participation in industry led and research driven international clusters;
- training and reskilling for smart specialization areas at all levels;
- improve energy efficiency in public and residential buildings and small and medium sized enterprises.

We should react promptly, change is at horizon otherwise we might find ourselves in productivity trap with high social costs. ●