

OECD SME and Entrepreneurship Outlook 2019

Full country profile: Slovak Republic



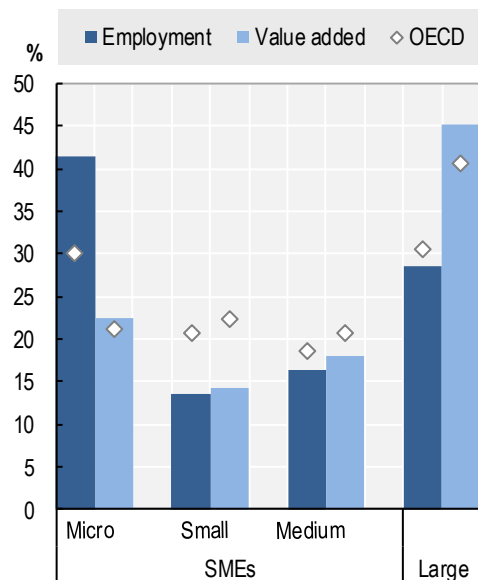


Structure of the SME sector

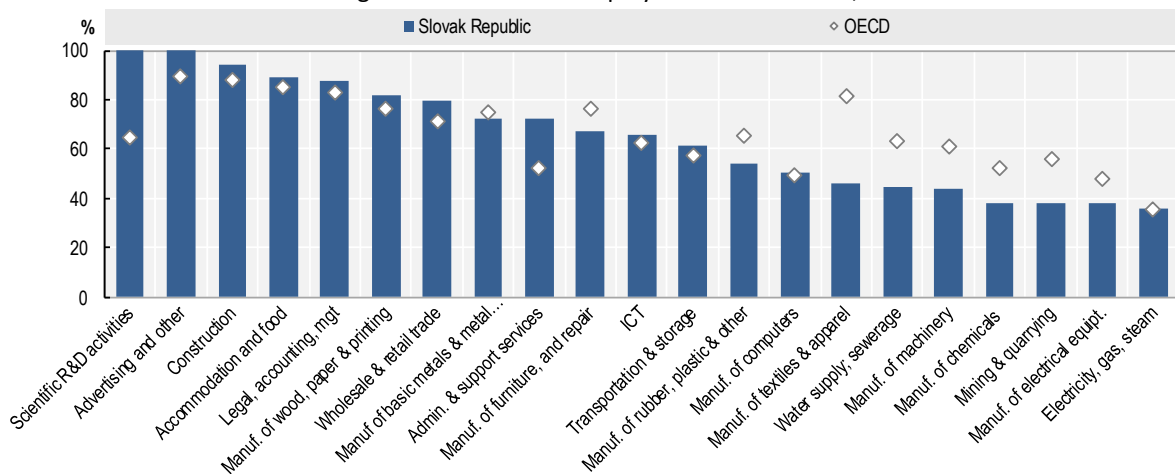
Micro enterprises in the Slovak Republic account for almost 60% (or almost 630 thousands persons employed) of SME employment, significantly above the OECD average, and contribute to 40% (EUR 7.9 billion) of the value added produced by SMEs (close to the OECD average). On the other hand, small firms account for a lesser share of both employment and value added when compared with the OECD average.

The scientific research and development activities sector comprises only SMEs, similar to the case in Latvia and Lithuania, but more so than the OECD average. Most other service sectors also hold a relatively larger share of employment in SMEs, compared with their OECD counterparts. However, in a number of manufacturing sectors, as well as water supply and sewerage, the employment share of SMEs is noticeably lower than the OECD average, especially in manufacturing of textiles and apparel.

SME employment and value added
Percentage of total business economy, 2016



SME density by sector
Percentage of total business employment in the sector, 2016



Source: OECD Structural and Demographic Business Statistics Database 2018.

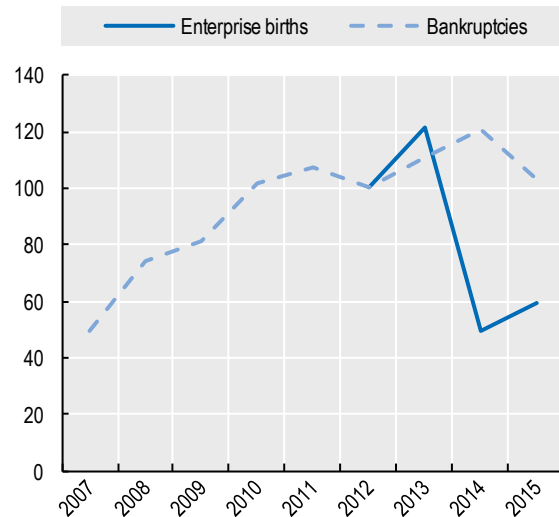
SME performance in recent years

While enterprise births in the Slovak Republic experienced marked growth in both 2013 and 2015, the approximately 70 percentage point drop in 2014 leaves the most recent data substantially below 2012 levels. Bankruptcies grew consistently following the financial crisis, reaching their peak in 2014 before dropping off in the most recent data.

Labour productivity, as measured by value added per person employed in USD terms, grew significantly among larger size classes in manufacturing and professional, scientific and technical activities sectors between 2010 and 2016. Productivity in Slovak micro enterprises grew modestly in manufacturing and declined in wholesale and retail trade, and in professional, scientific and technical activities sectors. Large firms in manufacturing, which generally benefit from economies of scale, achieved markedly greater productivity levels than smaller firms, but this was not the case for the, commonly less capital-intensive, wholesale and retail trade, and professional, scientific and technical activities sector, where medium firms were the most productive.

Looking at international competitiveness, with the necessary care to be taken with exchange rates, manufacturing enterprises became more competitive. Labour compensation in manufacturing grew in larger firms in USD terms, while decreasing in micro-enterprises, but at more modest rates when compared with labour productivity growth.

New enterprise creations and bankruptcies
Index (2012=100)

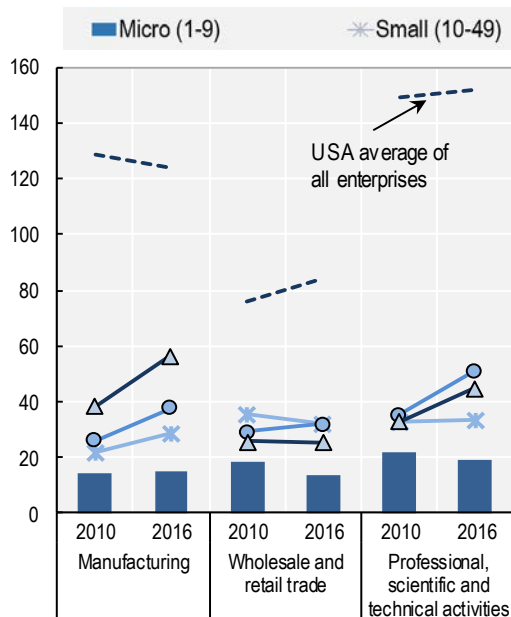


Source: Employer enterprise births, OECD Structural and Demographic Business Statistics Database 2018; and Financing SMEs and Entrepreneurs 2018: An OECD Scoreboard for bankruptcies.

Labour productivity

Thousand USD

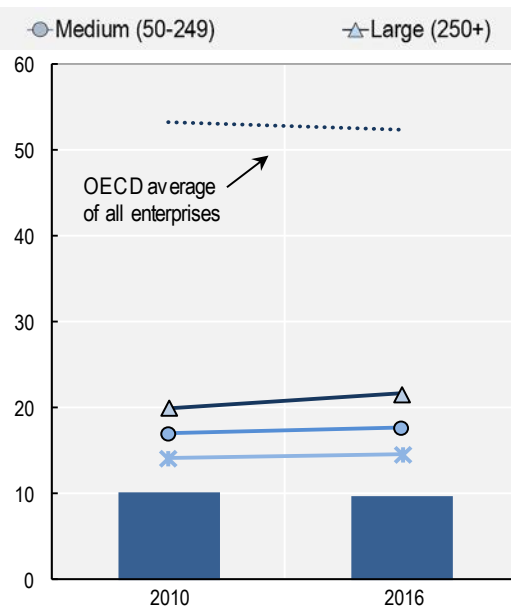
(at constant exchange rate, 2010 base year)



Compensation per employee

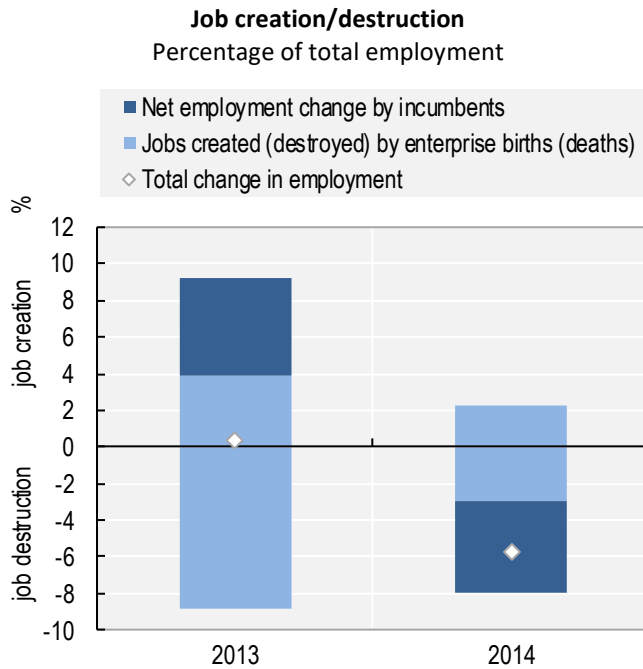
Manufacturing

Thousand USD (at current exchange rate)



Source: OECD Structural and Demographic Business Statistics Database 2018.

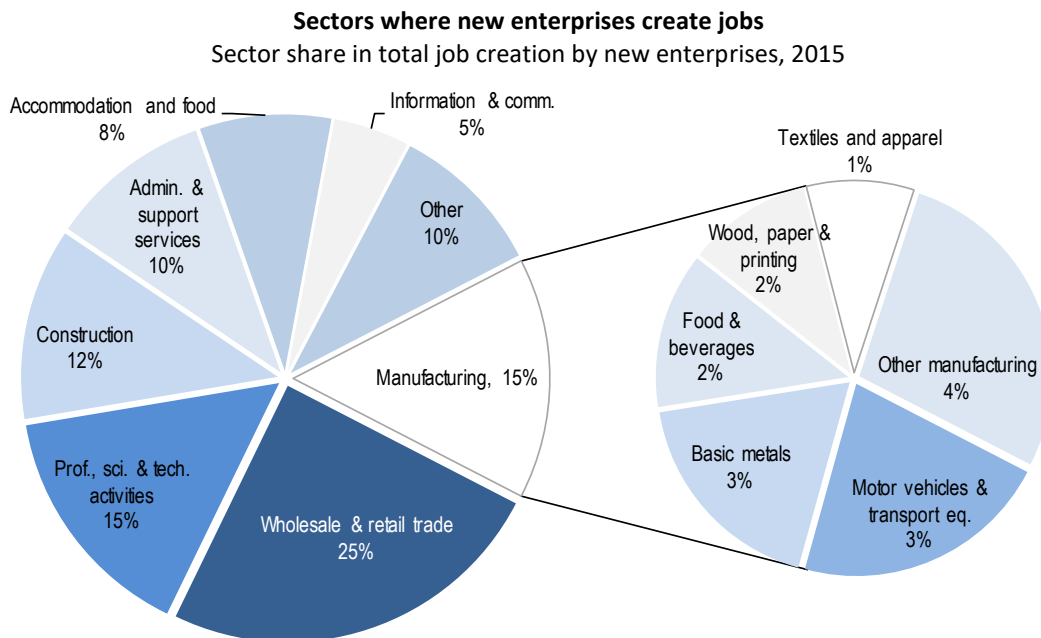
SMEs and job creation



In 2013 and 2014 enterprise deaths destroyed more jobs than created by enterprise births, particularly pronounced in the former. The net positive job creation by incumbent firms tipped the scale in 2013, but flipped to equal and opposite territory in 2014.

The professional, scientific and technical activities sector, with generally higher productivity and wages, was the joint (with manufacturing) second largest job creator (15%, or almost 5 thousand jobs) among new enterprises, after wholesale and retail trade (25%, or 8 thousand jobs) in 2015. These two sectors, along with Construction, created more than half of the jobs by start-ups in the Slovak Republic.

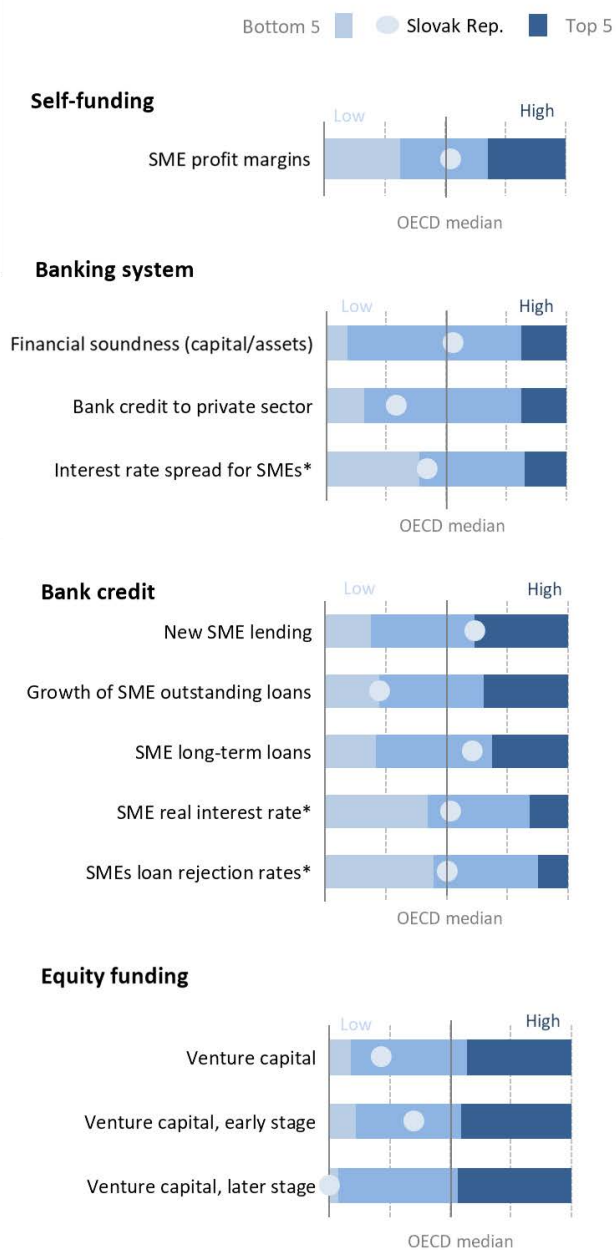
The motor vehicles sector created one fifth of all new jobs within manufacturing (3%), as did the basic metals sector, together making up a greater percentage of job creation than ICT services as a whole (5%).



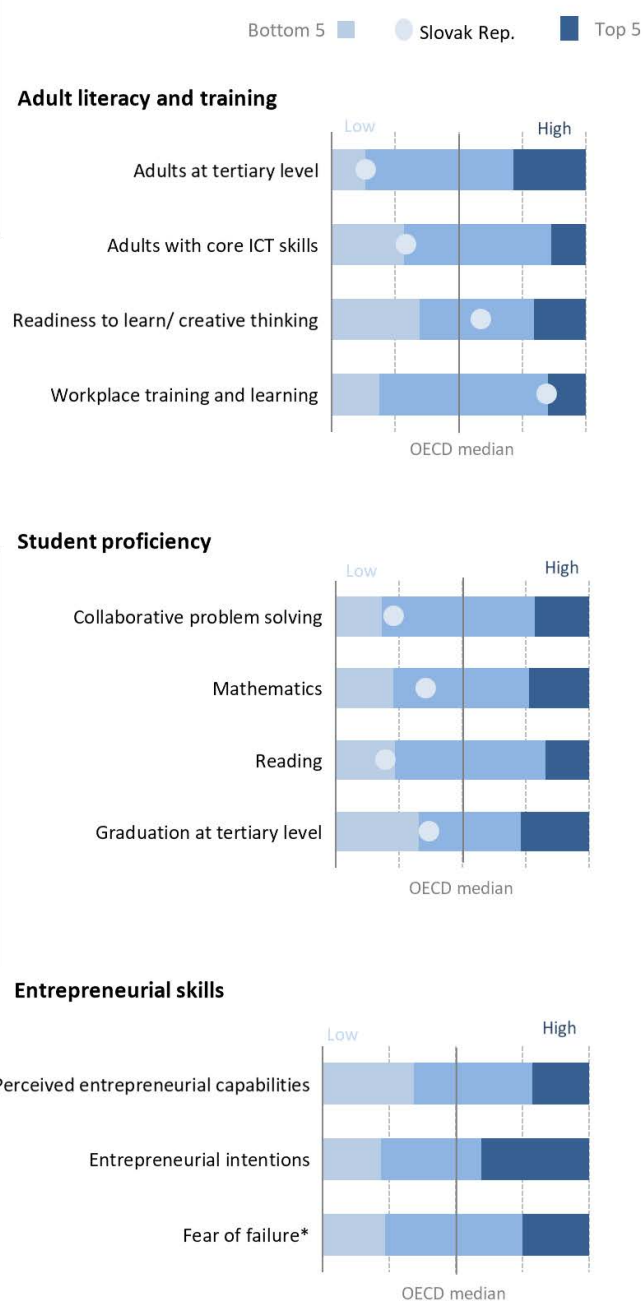
Source: OECD Structural and Demographic Business Statistics Database 2018, Employer Business Demography dataset.

SME access to strategic resources

Finance



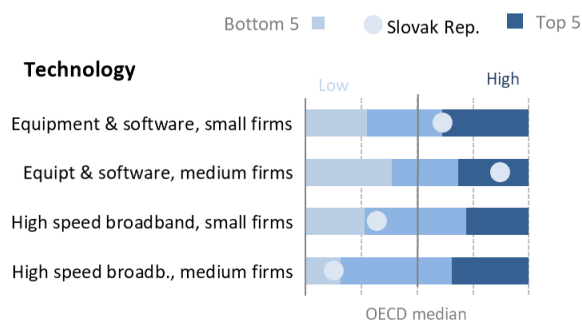
Skills



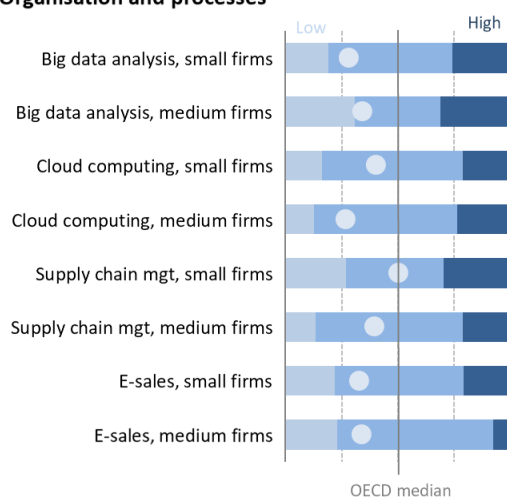
Note: index of benchmark (OECD median = 100), from lower resource availability or accessibility (low) to higher resource availability or accessibility (high). Indicators that reflect potential barriers to SME performance are marked with * and are reversed, so that, when a country ranks high, it effectively performs well as compared to the OECD median.

SME access to strategic resources

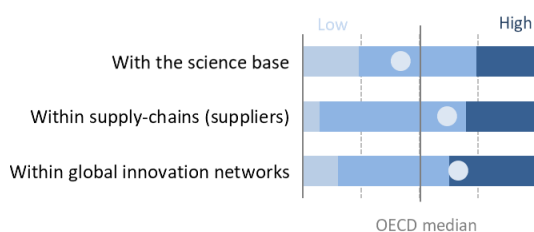
Innovation assets



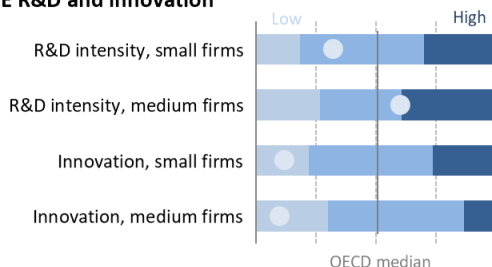
Organisation and processes



SME collaboration networks



SME R&D and innovation



Access to finance

Total SME lending has been on an upward trend since 2012 and credit conditions for SMEs have been gradually improving. Government policies supported this trend by providing loans and guarantees for SMEs through specialised state banks and through the Slovak Business Agency (SBA), such as with the micro-loans programme. Other financing instruments targeted at SMEs are being backed by the EU structural and investment funds (ESIF). These include the ESIF disbursement to support SMEs in the 2014-2020 period. The closure of the funding support from JEREMIE was a major cause of the reduction by 83% of venture and growth capital in 2017, as SMEs being funded under the 2014-2020 programme have not yet received support.

Access to skills

In the OECD area, the Slovak Republic ranks relatively low in terms of adult tertiary education and core ICT skills. At the same time, with the unemployment at historical lows, labour shortages are pushing up wages and attracting foreign workers, and in particular skilled workers. To enhance skills development, in 2015, the government put in place a reform, which introduces the provision of VET in a dual system based on collaboration between employers and vocational schools. It has also launched a pilot national project to collect data about graduates' labour market performance.

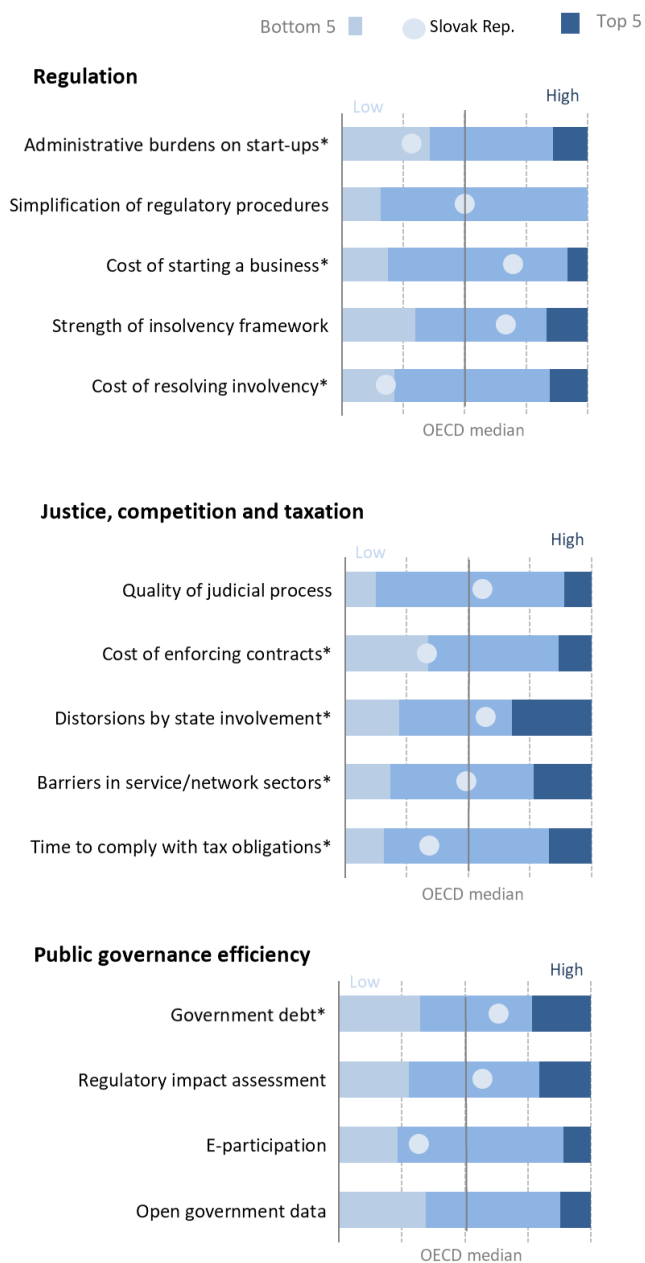
Access to innovation assets

Affiliates of multinational companies in Slovakia favour technology import, while innovation and R&D investments remain weak in local SMEs, with medium- to low-tech manufacturing industries making larger contributions to BERD than high-tech, knowledge-intensive firms. Policies to support innovation in SMEs range from loans, guarantees and risk-sharing mechanisms offered by the Slovak Investment Holding, to competitive grants managed by the EU's Operational Programme Research and Innovation (OPRI). Moreover, in 2016 the government introduced tax incentives on corporate income for business R&D and for intellectual property revenues and other profits (i.e. a patent box).

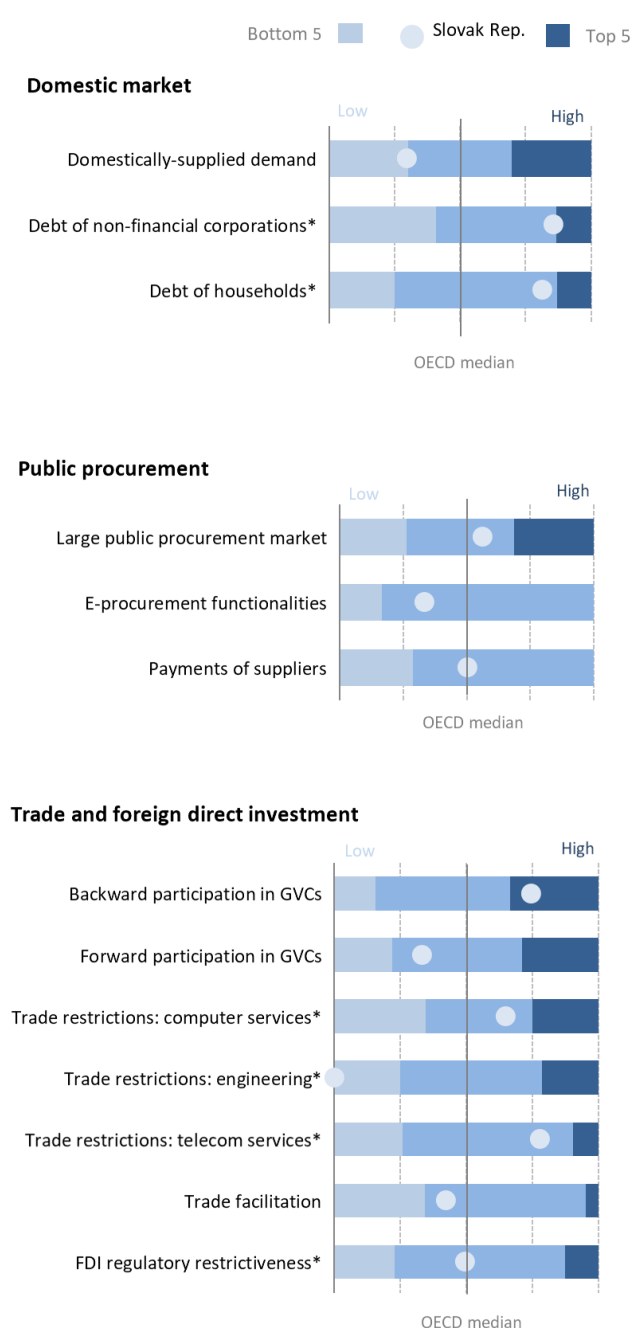
Note: See the methodological annex of the country profiles for more detailed information on sources and methods.

SME business environment

Institutional and regulatory framework



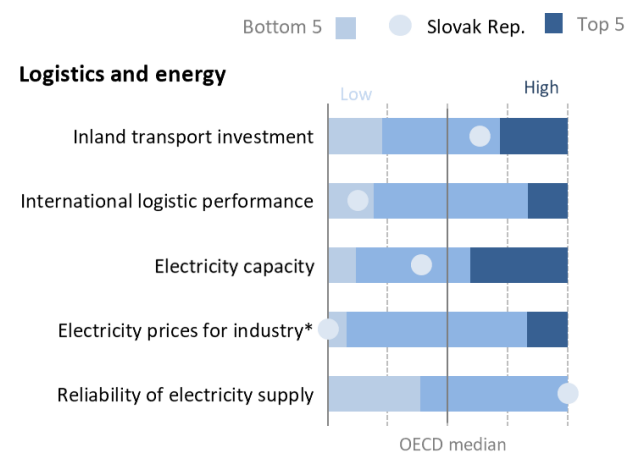
Market conditions



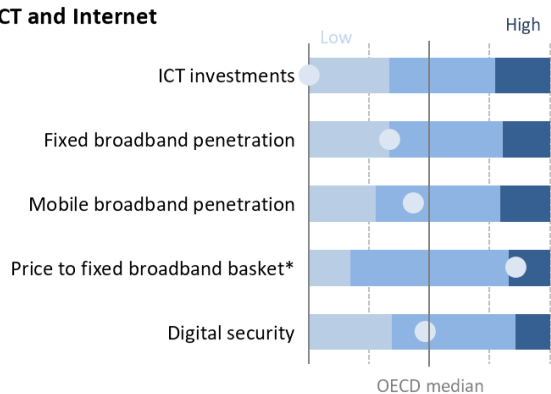
Note: index of benchmark (OECD median = 100), from more stringent or less supportive framework conditions or lower country value (low) to less stringent or more supportive framework conditions or higher country value (high). Indicators that reflect potential barriers to SME performance are marked with * and are reversed, so that, when a country ranks high, it effectively performs well as compared to the OECD median.

SME business environment

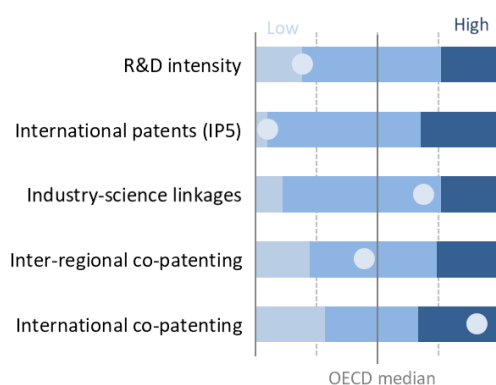
Infrastructure



ICT and Internet



R&D and scientific networks



Institutional and regulatory framework

Starting a business in the Slovak Republic is less costly than in most OECD countries, but burden on firms remain due to administrative requirements and the complexity of rules. In 2016, the government introduced the “Act on the Promotion of Small and Medium Enterprises” which includes specifications on SME coverage in regulatory impact assessment. Furthermore, since the beginning of 2017, a new corporate structure is in place, the “simplified joint stock company”, with minimum share capital of EUR 1. This company form is particularly well suited for venture capital and private equity investments as it enables to issue various classes of shares and agree beforehand on the exit from the company.

Market conditions

Almost half (45%) of the Slovak GDP depends on foreign markets, but exports are relatively concentrated and smaller SMEs are less trade oriented than in most other OECD countries. Under the EU OPRI, a national project to support SME internationalisation is in place. In 2015 the reform of the “Public Procurement act” became effective, with the objective of ensuring more fair and objective procurement and introduce Most Economically Advantageous Tender (MEAT). Additionally, the Public Procurement Office organises training for contracting authorities that also cover SME facilitation.

Infrastructure

While Slovak investments in transport infrastructure are relatively high, ICT investments are low by OECD standards. The Strategic Transport Development Plan (2016-30) – Phase II focuses on providing an even access to settlements and industrialised zones and supporting inclusive growth in all regions with the development of an integrated multimodal transport system. The government has also set the long-term objective of achieving access to high-speed internet connection with at least 30 Mbps for all households by the end of 2020. As of 2018, the European Investment Bank, through the European Fund for Strategic Investments, planned to finance EUR 475 million for transport infrastructure projects, set to trigger EUR 1.2 billion in investments.

StatLink  <http://dx.doi.org/10.1787/888933925502>

Note: See the methodological annex of the country profiles for more detailed information on sources and methods.

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Data sources and definitions

SME structure and performance

Employment	Share of SMEs in total employment (%)	Employment by enterprise size as a percentage of all persons employed in business economy. Micro firms include firms with 1-9 persons employed; small firms: 10-49 persons employed; medium-sized firms: 50-249 persons employed; and large firms: more than 250 persons employed.	OECD Structural and Demographic Business Statistics database (SDBS)
Value added	Share of SMEs in total value added (%)	Value added by enterprise size as a percentage of total business economy value added. Micro firms include firms with 1-9 persons employed; small firms: 10-49 persons employed; medium-sized firms: 50-249 persons employed; and large firms: more than 250 persons employed.	OECD SDBS database
SME employment by activity	Share of SME employment in business employment by sector (%)	Employment in SMEs as a share of the total business employment by sector.	OECD SDBS database
New firm creations	Index, new enterprises creations in 2012=100	New enterprise creation, index 2012 =100. For the definition of enterprise creation see methodology in primary source.	OECD Timely Indicators of Entrepreneurship (TIE) database
Bankruptcies	Index, bankruptcies in 2012=100	Bankruptcies, index 2012='100.' For the definition of bankruptcies see methodology in primary source.	OECD TIE database
Labour productivity	Thousand USD, at constant exchange rate, 2010 base year	Value added by enterprise size per person employed, as a percentage of large enterprises; business economy.	OECD SDBS database
Compensation per employee	Thousand USD, at current exchange rate	Compensation of employees per employee, by enterprise size class; manufacturing.	OECD SDBS database
Job creation / destruction	Net job creation or destruction (% total employment)	Net change in employment by enterprise births and enterprises deaths and in incumbent firms. It is expressed as a percentage of total business economy employment.	OECD SDBS database
Job creation by births of enterprises, by sector	Sector share of job creation by enterprise births (%)	Distribution of employment created by enterprise births across main sectors.	OECD SDBS database
Top ten sectors by the SME exports	Share of SME exports in the sector (%)	Share of SME exports as a percentage of exports by all firms in the activity sector. (graph shown only for Canada)	OECD Trade by Enterprise Characteristics (TEC) database
SME exports in Canada and the United States	Share of SME exports in the sector (%)	Share of SME exports as a percentage of exports by all firms in the activity sector. (graph shown only for Canada)	OECD TEC database

Access to finance

Self-funding

SME profit margins	Net operating surplus (% value added)	Net operating surplus of firms with less than 250 employees as a percentage of their value added. Industry (excluding construction) only. Data refer to 2016.	Structural Business Statistics - Business Demography Indicators
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Banking system

Financial soundness (capital/assets)	Regulatory capital to risk-weighted assets	This FSI is calculated using total regulatory capital as the numerator and risk-weighted assets as the denominator. Data are compiled in accordance with the guidelines of either Basel I or Basel II. It measures the capital adequacy of deposit takers. Capital adequacy and availability ultimately determine the degree of robustness of financial institutions to withstand shocks to their balance sheets. Data refer to 2017 or nearest year available.	IMF Financial Soundness Indicators
Domestic credit to private sector by banks	Domestic credit to private sector by banks (% of GDP)	Domestic credit to private sector by banks refers to financial resources provided to the private sector by other depository corporations (deposit taking corporations except central banks), such as through loans, purchases of non-equity securities, and trade credits and other accounts receivable, that establish a claim for repayment. For some countries these claims include credit to public enterprises. Data refer to 2017 or nearest year available.	WB Data Bank on Development Indicators
Interest rate spread for SMEs*	Interest rate spread, small firms versus large firms (%)	Measures the tightness of the market and the (positive or negative) correlation of interest rates with firm size. Increasing interest rate spread is likely to reduce SME access to finance. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2017.	Financing SME and entrepreneurship SB

Bank credit

New SME lending	New SME lending (% of total new firm lending)	Measures the flow of bank loans and bank repayments over one year. As a percentage of total new lending, all firms. Data refer to 2016.	Financing SME and entrepreneurship SB
Growth of SME outstanding loans	Yearly growth rate of SME outstanding loans (%)	Measures trends in SME demand for and access to bank credit. SME outstanding loans are a stock indicator reflecting both new lending and bank loans that have accumulated over time along with loan repayments. Growth is calculated as yearly rate. Data refer to 2016-17.	Financing SME and entrepreneurship SB
SME long-term loans	Share of long-term loans for SMEs	Measures the debt structure of SMEs and whether loans are used to fund current operations rather than investment and growth needs. Long-term loans are loans for more than one year. Data refer to 2017.	Financing SME and entrepreneurship SB
SME real interest rate*	SME real interest rate, %	Captures the real interest rate paid by SMEs considering the impact of the inflation rate. Increasing SME real interest rate is likely to signal more difficult SME access to finance. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2017.	Financing SME and entrepreneurship SB
SMEs loan rejection rates	SMEs loan rejection rates (%)	Measures the relative number of SME credit applications who have not received the requested amount in full. Increasing SME loan rejection rates are likely to signal more difficult SME access to finance. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2017.	Financing SME and entrepreneurship SB

Equity funding

Venture capital	Venture capital (% of GDP)	Venture capital investments (seed/start-up/other early stage and later stage venture) as a percentage of GDP. It excludes buyouts, turnaround and replacement capital, as these are directed at restructuring and generally concern larger enterprises. Data refer to 2016.	OECD Entrepreneurship Financing Database
Venture capital, early stage	Venture capital, early stage (% of GDP)	Venture capital investments at seed/start-up/other early stage as % of GDP. Data refer to 2016.	OECD Entrepreneurship Financing Database
Venture capital, later stage	Venture capital, later stage (% of GDP)	Venture capital investments at later stage as % of GDP. Data refer to 2016.	OECD Entrepreneurship Financing Database

Access to Skills

Adult literacy

Adults at tertiary education level	Adults at tertiary education level (%)	Measures the percentage of adult population (25-64 years) having completed a tertiary level of education. Excludes vocational programmes. Data refer to 2017 or the nearest year available.	OECD Education Database - UNESCO
Adults with core ICT skills	Adults without computer experience or core ICT skills (%)	Percentage of 25-65-year-old adults with no computer experience or failing the ICT core in the PIIAC survey (%). The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2015 or the nearest year available.	OECD Survey of Adult Skills in OECD Skills report 2016
Readiness to learn and creative thinking	Adult readiness to learn and creative thinking (%)	Captures the readiness of working-age adults (16-65 years old) to learn and for creative thinking. It relies on six items related to openness to new experiences and creative thinking. See Grundke et al 2017 for detailed methodology. Data refer to 2015 or the nearest year available.	OECD STI Scoreboard 2017 based on OECD Survey of Adult Skills data
Workplace training and learning	Job strain, training and learning, all workers (%)	Refers to the number of workers that reported receiving training in their jobs. Job quality database focuses on three key dimensions: i) earnings quality, ii) labour market security and iii) quality of the working environment. Job strain is defined as jobs where workers face more job demands than the number of resources they have at their disposal (as described in Chapter 5 of How's Life 2013). Two types of job demands are identified: i) time pressure which encompasses long working hours, high work intensity and working time inflexibility; and ii) physical health risk factors, such as dangerous work (i.e. being exposed to noise, vibrations, high and low temperature) and hard work (i.e. carrying and moving heavy loads, painful and tiring positions). Similarly, two types of job resources are considered, namely: i) work autonomy and learning opportunities which include workers' freedom to choose and change their work tasks and methods, as well as formal (i.e. training) and informal learning opportunities at work; and ii) Social support at work which measures the extent of which workers receive social support from colleagues and supervisors. The composite Job Strain index, thus, refers to those jobs where the workers face one demand but have no resources, or face two demands but have one or no resource. Data refer to 2015 or the nearest year available.	OECD Job Quality Database

Student proficiency			
Collaborative problem solving	Top performing students in collaborative problem solving (%)	Captures the capacity of students (15 years old) to engage in cognitive processing to understand and resolve problem situations where a method of solution is not immediately obvious. Scores from 0 (worst performance) to 600 (best performance). Share of top performers (i.e. students that achieved the highest level of proficiency - 5 and 6-) in total 15 year-old students. Data refer to 2017.	OECD Pisa (Programme for International Student Assessment)
Mathematics	Top performing students in mathematics (%)	Captures the capacity of students (15 years old) in mathematics. Scores from 0 (worst performance) to 600 (best performance). Share of top performers (i.e. students that achieved the highest level of proficiency - 5 and 6-) in total 15 year-old students. Data refer to 2015.	OECD Pisa (Programme for International Student Assessment)
Reading	Top performing students in reading (%)	Captures the capacity of students (15 years old) in reading. Scores from 0 (worst performance) to 600 (best performance). Share of top performers (i.e. students that achieved the highest level of proficiency - 5 and 6-) in total 15 year-old students. Data refer to 2015.	OECD Pisa (Programme for International Student Assessment)
Graduation at tertiary level	Graduation rate at tertiary level (%)	Graduation/entry rates represent an estimated percentage of an age group expected to graduate/enter a certain level of education at least once in their lifetime. Data are first-time graduation rates of less 30-year-olds and exclude internationally mobile students. Tertiary level includes both short- and long-cycle programmes at ISCED levels 5 to 8 (ISCED 2011). Data refer to 2016 or the nearest year available.	OECD Education Database - UNESCO
Entrepreneurial skills			
Perceived entrepreneurial capabilities	Perceived capabilities among adult population (%)	Percentage of 18-64 population (individuals involved in any stage of entrepreneurial activity excluded) who believe they have the required skills and knowledge to start a business. Scoring from 0 (low) to 100 (high). Data refer to 2017.	Global Entrepreneurship Monitor (GEM) - Adult Population Survey
Entrepreneurial intentions	Entrepreneurial intentions among adult population (%)	Percentage of 18-64 population (individuals involved in any stage of entrepreneurial activity excluded) who are latent entrepreneurs and who intend to start a business within three years. Scoring from 0 (low) to 100 (high). Data refer to 2017.	Global Entrepreneurship Monitor (GEM) - Adult Population Survey
Fear of failure*	Fear of failure among adult population (%)	Percentage of 18-64 population (individuals involved in any stage of entrepreneurial activity excluded) who indicate that fear of failure would prevent them from setting up a business. Scoring from 0 (low) to 100 (high). The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2017.	Global Entrepreneurship Monitor (GEM) - Adult Population Survey

Access to Innovation			
Technology			
Equipment & software, small firms	Acquisition of machinery, equipment and software, small firms (%)	Share of innovative firms with [10-49] employees engaged in acquisition of machinery, equipment and software (%). Data refer to 2016.	Eurostat CIS survey + national innovation surveys
Equipment & software, medium firms	Acquisition of machinery, equipment and software, medium-sized firms (%)	Share of innovative firms with [50-249] employees engaged in acquisition of machinery, equipment and software (%). Data refer to 2016.	Eurostat CIS survey + national innovation surveys
High speed broadband, small firms	Fixed broadband connection, high speed, small firms (%)	Share of firms with [10-49] employees with a fixed broadband connection with at least a 100 Mbit/s download speed. All activities in manufacturing and non-financial market services. Data refer to 2018.	OECD ICT usage by businesses database
High speed broadband, medium firms	Fixed broadband connection, high speed, medium-sized firms (%)	Share of firms with [50-249] employees with a fixed broadband connection with at least a 100 Mbit/s download speed. All activities in manufacturing and non-financial market services. Data refer to 2018.	OECD ICT usage by businesses database
Organisation and processes			
Big data analysis, small firms	Firms having performed big data analysis, small firms (%)	Share of firms with [10-49] employees that have performed big data analysis. All activities in manufacturing and non-financial market services. Data refer to 2018.	OECD ICT usage by businesses database
Big data analysis, medium firms	Firms having performed big data analysis, medium-sized firms (%)	Share of firms with [50-249] employees that have performed big data analysis. All activities in manufacturing and non-financial market services. Data refer to 2018.	OECD ICT usage by businesses database
Cloud computing, small firms	Cloud computing services, small firms (%)	Share of firms with [10-49] employees that use cloud computing services. Cloud computing refers to ICT services over the Internet to access server, storage, network components and software applications. All activities in manufacturing and non-financial market services. Data refer to 2018.	OECD ICT usage by businesses database
Cloud computing, medium firms	Cloud computing services, medium-sized firms (%)	Share of firms with [50-249] employees that use cloud computing services. Data refer to 2018.	OECD ICT usage by businesses database

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Supply chain management, small firms	Supply chain management, small firms (%)	Share of firms with [10-49] employees that share electronically supply-chain management (SCM) information with suppliers and customers. SCM information with suppliers and customers refer to the use of automated data exchange (ADE) applications. All activities in manufacturing and non-financial market services. Data refer to 2017.	OECD ICT usage by businesses database
Supply chain mgt, medium firms	Supply chain management, medium-sized firms (%)	Share of firms with [50-249] employees that share electronically supply-chain management (SCM) information with suppliers and customers. Data refer to 2017.	OECD ICT usage by businesses database
E-sales, small firms	E-sales, small firms (%)	Share of firms with [10-49] employees that sell goods or services over computer networks by methods especially designed for the purpose of receiving orders (i.e. webpages, extranet or electronic data interchange -EDI- but not orders by telephone, fax or manually types emails. Payments and delivery methods are not considered. All activities in manufacturing and non-financial market services. Data refer to 2018.	OECD ICT usage by businesses database
E-sales, medium firms	E-sales, medium-sized firms (%)	Share of firms with [50-249] employees that sell goods or services over computer networks. Data refer to 2018.	OECD ICT usage by businesses database
Innovation-collaboration networks			
With the science base	SMEs collaborating on innovation with higher education or public research institutions (% SMEs)	Innovation collaboration involves active participation with other organisations in joint innovation projects (i.e. those aimed at introducing a new or significantly improved product or process), but excludes pure contracting out of innovation-related work. It can involve the joint implementation of innovations with customers and suppliers, as well as partnerships with other firms or organisations. Measured as a percentage of product and/or process innovative SMEs. Data refer to 2016 for EU countries and 2014 for non-EU countries.	Eurostat CIS survey + national innovation surveys and OECD STI Scoreboard 2017
Within supply chains	SMEs collaborating on innovation with suppliers (% SMEs)	Innovation collaboration involves active participation with other organisations in joint innovation projects (i.e. those aimed at introducing a new or significantly improved product or process), but excludes pure contracting out of innovation-related work. It can involve the joint implementation of innovations with customers and suppliers, as well as partnerships with other firms or organisations. Measured as a percentage of product and/or process innovative SMEs. Data refer to 2016 for EU countries and 2014 for non-EU countries.	Eurostat CIS survey + national innovation surveys and OECD STI Scoreboard 2017
Within international networks	SMEs engaged in international collaboration for innovation (% SMEs)	International collaboration on innovation refers to active cross-border participation in innovation collaborations. Measured as a percentage of product and/or process innovative SMEs. Data refer to 2014.	OECD STI Scoreboard 2017
R&D and innovation			
R&D intensity, small firms	SMEs performing R&D, small firms (% all firms)	Business enterprise R&D expenditure (BERD) by size class, expressed as a % of total BERD. Small firms include firms with [10-49] employees. Data refer to 2017 or nearest year available.	Research and Development Statistics Database
R&D intensity, medium firms	SMEs performing R&D, medium-sized firms (% all firms)	BERD by size class, expressed as a % of total BERD. Medium-sized firms include firms with [50-249] employees. Data refer to 2017 or nearest year available.	Research and Development Statistics Database
Innovation, small firms	Innovative firms, small firms (%)	Share of innovative firms with [10-49] employees that have introduced any type of innovation (%). Data refer to 2016.	Eurostat CIS survey + national innovation surveys
Innovation, medium firms	Innovative firms, medium-sized firms (%)	Share of innovative firms with [50-249] employees that have introduced any type of innovation (%). Data refer to 2016.	Eurostat CIS survey + national innovation surveys

Institutional and regulatory framework

Regulations

Administrative burdens on start-ups*	Administrative burdens on start-ups (index)	Component of the composite index "Barriers to domestic and foreign entry". Covers the administrative burden on joint-stock companies and personally-owned enterprises, as well as administrative burden related to licenses and permits procedures. Scores from 0 - least restrictive - to 6 - most restrictive. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2018.	OECD Product Market Regulation Indicators
Simplification of regulatory procedures	Complexity of regulatory procedures (index)	Composite index "Complexity of regulatory procedures". Captures the government's communication strategy and efforts to reduce and simplify the administrative burden of interacting with the government. Scores from 0 - least restrictive - to 6 - most restrictive. Data refer to 2018.	OECD Product Market Regulation Indicators
Cost of starting a business*	Starting a business (cost in % of income per capita)	Captures the cost (in % of income per capita) for starting a business, registering property and to prepare, file and pay taxes. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2018.	World Bank Doing Business Indicators
Strength of insolvency framework	Strength of insolvency framework (index)	Measures the insolvency law de jure. Calculated as the sum of the scores on 4 other indices: i) commencement of proceedings index (with a range of 0–3), ii) management of debtor's assets index (0–6), iii) reorganization proceedings index (0–3) and iv) creditor participation index (0–4). The strength of insolvency framework index ranges from 0 to 16, with higher values indicating insolvency legislation that is better designed for the rehabilitation of viable firms and the liquidation of nonviable ones. Data refer to 2018.	World Bank Doing Business Indicators
Cost of resolving insolvency*	Resolving insolvency (cost, % of estate)	Indicator on the actual cost (in % of estate) to close a business. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2018.	World Bank Doing Business Indicators

Justice, competition and taxation

Quality of judicial process	Quality of judicial process (index)	The quality of judicial processes index measures whether each economy has adopted a series of good practices in its court system in four areas: court structure and proceedings, case management, court automation and alternative dispute resolution. The index ranges from 0 to 5, with higher values indicating a more sophisticated and streamlined court structure. Data refer to 2018.	World Bank Doing Business Indicators
Cost of enforcing contracts*	Enforcing contracts (cost, in % claims)	Resources required to enforce contracts, in terms of costs in % of claim. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2018	World Bank Doing Business Indicators
Distortions by state involvement*	Distortions by state involvement (index)	Composite index covering 1) public ownership, i.e. scope of state-owned enterprises (SOEs), government involvement in network sectors, direct control over business enterprises and governance of SOEs, 2) involvement in business operations, i.e. price controls and command and control regulation, and 3) design and assessment of regulations, i.e. assessment of regulations, stakeholder engagement and complexity of regulatory procedures. Scores from 0 - least restrictive - to 6 - most restrictive. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2018.	OECD Product Market Regulation Indicators

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Barriers in service/network sectors*	Barriers in service/network sectors (index)	Component of the composite index "Barriers to domestic and foreign entry", measuring the regulatory protection of incumbents, e.g. legal barriers to entry or antitrust exemptions. Scores from 0 - least restrictive - to 6 - most restrictive. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2018.	OECD Product Market Regulation Indicators
Time to comply with tax obligations*	Time to comply with tax obligations (hours per year required)	Hours per year required to comply with corporate income tax, labour taxes and mandatory contributions and VAT or sales tax) for a standardised medium-sized domestic company. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2018.	World Bank Doing Business Indicators
Public-governance efficiency			
Government debt*	Government debt (% of GDP)	General government gross debt (i.e. across levels of government) as percentage of GDP. Debt is generally defined as all liabilities that require payment or payments of interest or principal by the debtor to the creditor at a date or dates in the future. All debt instruments are liabilities, but some liabilities such as shares, equity and financial derivatives are not debt. Debt is thus obtained as the sum of these liability categories, whenever available/applicable in the financial balance sheet of the general government sector: currency and deposits; debt securities; loans; and other liabilities (i.e. insurance, pension and standardised guarantee schemes, other accounts payable as well as, in some cases special drawing rights). The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2016 or nearest year available.	OECD Government at a Glance
Regulatory impact assessment	Regulatory Impact Assessment (index)	Composite indicator covering primary laws along: 1) methodology of RIA, 2) systematic adoption of RIA, 3) transparency of RIA, and 4) oversight and quality control of RIA. Scores from -0 (low) to 4 (high). Data refer to 2014.	OECD Measuring Regulatory Performance
E-participation	E-participation (EPI index)	Composite index that is derived as a supplementary index to the UN E-Government Survey. It extends the dimension of the Survey by focusing on the use of online services to facilitate provision of information by governments to citizens ("e-information sharing"), interaction with stakeholders ("e-consultation"), and engagement in decision-making processes ("e-decision making"). Qualitative assessment based on the availability and relevance of participatory services available on government websites. Score 0 (low) to 1 (high). Data refer to 2018.	UN E-Participation Survey 2018
Open government data	Open government data (index)	Open useful and reusable government data index. Composite index that measures government efforts in promoting data availability and accessibility and in stimulating data re-use outside and inside government. Based on the International Open Data charter principles and on the methodology described in Ubaldi, 2013 (http://dx.doi.org/10.1787/5k46bj4f03s7-en). Data refer to 2017.	OECD Government at a Glance

Market conditions

Domestic market

Domestically-supplied demand	Domestic demand, share that is domestically supplied (%)	Domestic value-added embodied in domestic demand. Estimates of final demand in country c for industry i final goods and services, broken down by the value added originating from source industry j in source country s (based on TiVA: Origin of value added in final demand). Data refer to 2011.	OECD Trade in Value Added
Debt of non-financial corporations*	Debt of non-financial corporations (% of GDP)	Liabilities of non-financial corporations, including special drawing rights, currency and deposits, debt securities, loans, insurance, pension, and standardized guarantees, and other accounts payable, expressed as a % of GDP. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2016 or the nearest year available.	OECD National Accounts
Debt of households*	Debt of households and NPISHs (% of GDI)	Liabilities of households and the non-profit institutions serving households (NPISHs) sector, including special drawing rights, currency and deposits, debt securities, loans, insurance, pension, and standardized guarantees, and other accounts payable as a percentage of its gross disposable income. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2016 or the nearest year available.	OECD National Accounts

Public procurement

Large public procurement market	Size of public procurement (% of GDP)	General government procurement spending as a percentage of GDP. Data refer to 2016 or the nearest year available.	OECD Government at a Glance
E-procurement functionalities	E-procurement functionalities (index)	Composite indicator covering the following areas: 1) Announcing tenders, 2) Electronic submission of bids (excluding by e-mails), 3) e-tendering, 4) Notification of award, 5) Electronic submission of invoices (excluding e-mails), 6) Ex post contract management. Scores from -0 (low) to 6 (high). Data refer to 2016 or the nearest year available.	OECD Government at a Glance
Payments of suppliers	Payment of suppliers (index)	Composite indicator that examines: 1) the procedure regarding suppliers' request for payment, 2) the time frame for the purchasing entity to process payment, 3) the time frame for suppliers to actually receive payment, 4) the interests or penalties available to suppliers in case of payment delays. Score from 0 (regulatory framework that shows significant room for improvement) to 100 (regulatory framework that closely aligns with internationally recognized good practices). Data refer to 2016 or the nearest year available.	WB Benchmarking Public Procurement

Trade and foreign direct investment			
Backward participation in GVCs	Backward participation in GVCs	Measured as foreign value-added embodied in a country's exports, as % of total gross exports of the exporting country. Data refer to 2009 or the nearest year available.	OECD STI Scoreboard 2017
Forward participation in GVCs	Forward participation in GVCs	Measured as domestic value-added embodied in partner countries exports, as % of domestic gross exports. Data refer to 2009 or the nearest year available.	OECD STI Scoreboard 2017
Trade restrictiveness: computer services*	Services Trade Restrictiveness (STRI), computer services (index)	Composite index that quantifies restrictions on trade in services across five standard categories: 1) restrictions on foreign entry, 2) restrictions on the movement of people, 3) barriers to competition, 4) regulatory transparency, and 5) other discriminatory measures. Scores from 0 - completely open - to 1 - completely closed. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2018 or the nearest year available	STRI Database (OECD, 2014, 2015)
Trade restrictiveness: engineering*	STRI, engineering services (index)	id.	STRI Database (OECD, 2014, 2015)
Trade restrictiveness: telecom services*	STRI, telecom services (index)	id.	STRI Database (OECD, 2014, 2015)
Barriers to trade facilitation*	Barriers to trade facilitation (index)	Captures the recognition of foreign regulations, use of international standards and international transparency of domestic regulation. Scores from 0 - least restrictive - to 6 - most restrictive. The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2013 or the nearest year available	OECD Trade Facilitation Indicators
FDI regulatory restrictiveness*	FDI regulatory restrictiveness (index)	Measures statutory restrictions on foreign direct investment. The FDI Index focuses on four types of measures: i) equity restrictions, ii) screening and approval requirements, iii) restrictions on foreign key personnel, and iv) other operational restrictions (such as limits on purchase of land or on repatriation of profits and capital). Score from 0 (no regulatory impediments to FDI in the sector) to 1 (restricts foreign investment in the sector). The indicator is treated as a potential barrier to SME performance and country benchmark has been reversed (and marked with *). Data refer to 2017 or the nearest year available	OECD FDI Regulatory Restrictiveness Index



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