

## Study visit report\_Business Alliance of Slovakia

*Business Alliance of Slovakia (BAS) is a professional association representing selected entrepreneurs and employers operating throughout Slovakia. It is established on principles of ethics, transparency, consistency, solidarity and legitimacy in business. The main objective of BAS is the improvement of formal and informal business environment rules in Slovakia within the broader context of society development. The Alliance underscores that a business-friendly environment is an imperative for boosting economic activities and thus the growth of prosperity of the country. At the same time, the Alliance is aware that along with the new laws and other regulatory measures the inner approach of entrepreneurs must change as well and therefore BAS underlines transparency and ethical behaviour as one of the main tenets of healthy business environment.*

TÜRKONFED's delegation met with President of BAS Mr. Ivan Kosalko. BAS was founded on 15 November 2001 by the Centre for Economic Development and the Institute for Economic and Social Reforms (INEKO). Unique merger of profit and non-profit sector guaranteed that intellectual capacities of the non-governmental organisations together with practical experience of business sector was used to achieve major business reforms in Slovakia, which made the country a very attractive investment destination before the global economic crisis. The main feature of BAS activities is that they do not follow individual interests of businesses or branches, but interests of the business sector as a whole, with the principal aim to improve the conditions of doing business for everybody who operates on the market.

In this endeavour, BAS regularly engages in several activities. In addition to ad hoc press releases and statements for media regarding current state of business environment in the country, BAS continuously works on systematic mapping of business environment in Slovakia. **Since 2001, BAS has been issuing a unique Index of Business Environment, mapping opinions of businesses over time in Slovakia and giving them voice to comment on adopted legislation. Since 2006, the index has mostly been declining, indicating worsening perception of business environment. As the main barriers for doing business, Slovak companies, including SMEs, identified efficient use of state expenses, access to state aid, bureaucracy, rule of law and stability of legislation.** In second half of 2018, however, businesses appreciated improvement in accessibility of production inputs and workforce as well as functioning of state institutions. **Nevertheless, lack of qualified workforce in vocational jobs or increased administration burdening company budgets still remain a problem for Slovak businesses.**

Furthermore, since 2003 **BAS has been an exclusive partner of World Economic Forum for its Global Competitiveness Report**, where Slovakia placed on 42<sup>nd</sup> place in 2019, dropping one place downwards. Moreover, since 2010, BAS combines four renowned global economic indices of World Economic Forum, World Bank, Heritage Foundation and Transparency International, eliminating their deficiencies and thus providing the most objective view on business environment in Slovakia compared to other countries. **Overall, its main conclusion is that Slovakia experienced a “lost decade” where it did not radically improve its business environment and stagnated on roughly the same level.** BAS also conducts and publishes specific surveys and commentaries on current topics (e.g. related to tourism vouchers, minimum wage, profit regulation in retail), thus providing an almost instant feedback of business environment to government representatives on their current legislative intentions.

Finally, regarding Customs Union, as with any trade liberalization, BAS welcomes every activity, which could lead to more frictionless trade and new business opportunities for both Slovak and Turkish SMEs.