Slovak Republic

Key indicators, 2014

Population (millions) ........................................... 5.4
GDP (US$ billions) .................................................. 100.0
GDP per capita (US$) ........................................... 18,454
GDP (PPP) as share (%) of world total ................. 0.14

Global Competitiveness Index

<table>
<thead>
<tr>
<th>Factor driven</th>
<th>Efficiency driven</th>
<th>Innovation driven</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank (out of 140)</td>
<td>Score (1–7)</td>
<td>Rank (out of 140)</td>
</tr>
<tr>
<td>1st pillar: Institutions</td>
<td>104 ......3.4</td>
<td>2nd pillar: Infrastructure</td>
</tr>
<tr>
<td>Basic requirements (20.0%)</td>
<td>56 ......4.7</td>
<td>Efficiency enhancers (50.0%)</td>
</tr>
<tr>
<td>7th pillar: Labor market efficiency</td>
<td>100 ......3.9</td>
<td>Innovation and sophistication factors (30.0%)</td>
</tr>
<tr>
<td>10th pillar: Market size</td>
<td>62 ......4.0</td>
<td></td>
</tr>
</tbody>
</table>

The most problematic factors for doing business

<table>
<thead>
<tr>
<th>Factor</th>
<th>Score*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corruption</td>
<td>18.1</td>
</tr>
<tr>
<td>Inefficient government bureaucracy</td>
<td>16.6</td>
</tr>
<tr>
<td>Tax rates</td>
<td>11.4</td>
</tr>
<tr>
<td>Restrictive labor regulations</td>
<td>11.3</td>
</tr>
<tr>
<td>Complexity of tax regulations</td>
<td>9.5</td>
</tr>
<tr>
<td>Policy instability</td>
<td>8.8</td>
</tr>
<tr>
<td>Inadequately educated workforce</td>
<td>6.6</td>
</tr>
<tr>
<td>Inadequate supply of infrastructure</td>
<td>4.6</td>
</tr>
<tr>
<td>Insufficient capacity to innovate</td>
<td>4.0</td>
</tr>
<tr>
<td>Access to financing</td>
<td>3.5</td>
</tr>
<tr>
<td>Poor work ethic in labor force</td>
<td>3.0</td>
</tr>
<tr>
<td>Crime and theft</td>
<td>1.0</td>
</tr>
<tr>
<td>Poor public health</td>
<td>0.8</td>
</tr>
<tr>
<td>Government instability/coups</td>
<td>0.5</td>
</tr>
<tr>
<td>Foreign currency regulations</td>
<td>0.1</td>
</tr>
<tr>
<td>Inflation</td>
<td>0.0</td>
</tr>
</tbody>
</table>

* From the list of factors, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The score corresponds to the responses weighted according to their rankings.
### The Global Competitiveness Index in detail

#### 1st pillar: Institutions
- 1.01 Property rights: 4.0, 89
- 1.02 Intellectual property protection: 4.1, 56
- 1.03 Diversion of public funds: 2.3, 127
- 1.04 Public trust in politicians: 2.2, 113
- 1.05 Irregular payments and bribes: 3.5, 94
- 1.06 Judicial independence: 2.6, 125
- 1.07 Favoritism in decisions of government officials: 1.9, 138
- 1.08 Wastefulness of government spending: 2.3, 123
- 1.09 Burden of government regulation: 2.4, 132
- 1.10 Efficiency of official framework in settling disputes: 2.2, 138
- 1.11 Efficiency of legal framework in challenging regs: 2.4, 132
- 1.12 Transparency of government policymaking: 3.9, 79
- 1.13 Business costs of terrorism: 5.8, 58
- 1.14 Business costs of crime and violence: 4.8, 62
- 1.15 Organized crime: 4.8, 70
- 1.16 Reliability of police services: 3.6, 105
- 1.17 Ethical behavior of firms: 3.3, 117
- 1.18 Strength of auditing and reporting standards: 5.3, 32
- 1.19 Efficacy of corporate boards: 4.8, 73
- 1.20 Protection of minority shareholders’ interests: 3.7, 125
- 1.21 Strength of investor protection, 0-10 (best): 5.1, 88

#### 2nd pillar: Infrastructure
- 2.01 Quality of overall infrastructure: 4.5, 49
- 2.02 Quality of roads: 4.0, 66
- 2.03 Quality of railroad infrastructure: 4.6, 21
- 2.04 Quality of port infrastructure: 3.2, 107
- 2.05 Quality of air transport infrastructure: 3.5, 108
- 2.06 Available airline seat km/week, millions*: 30.2, 112
- 2.07 Quality of electricity supply: 6.2, 26
- 2.08 Mobile telephone subscriptions/100 pop.: 116.9, 61
- 2.09 Fixed-telephone lines/100 pop.: 16.8, 67

#### 3rd pillar: Macroeconomic environment
- 3.01 Government budget balance, % GDP*: −3.0, 67
- 3.02 Gross national savings, % GDP*: 21.2, 62
- 3.03 Inflation, annual % change*: 0.1, 67
- 3.04 General government debt, % GDP*: 54.0, 89
- 3.05 Country credit rating, 0-100 (best)*: 74.7, 30

#### 4th pillar: Health and primary education
- 4.01 Malaria cases/100,000 pop.*: S.L., na/a
- 4.02 Business impact of malaria*: N/A, na/a
- 4.03 Tuberculosis cases/100,000 pop.*: 7.7, 21
- 4.04 Business impact of tuberculosis: 6.5, 23
- 4.05 HIV prevalence, % adult population*: <0.1, 1
- 4.06 Business impact of HIV/AIDS: 6.6, 13
- 4.07 Infant mortality, deaths/1,000 live births*: 6.0, 43
- 4.08 Life expectancy, years*: 78.3, 49
- 4.09 Quality of primary education: 4.3, 53
- 4.10 Primary education enrollment, net %*: 94.5, 69

#### 5th pillar: Higher education and training
- 5.01 Secondary education enrollment, gross %*: 93.9, 60
- 5.02 Tertiary education enrollment, gross %*: 55.1, 50
- 5.03 Quality of the education system: 2.8, 121
- 5.04 Quality of math and science education: 4.0, 76
- 5.05 Quality of management schools: 3.8, 96
- 5.06 Internet access in schools: 5.3, 32
- 5.07 Availability of specialized training services: 4.3, 58
- 5.08 Extent of staff training: 3.9, 82

#### 6th pillar: Goods market efficiency
- 6.01 Intensity of local competition: 5.5, 27
- 6.02 Extent of market dominance: 3.6, 76
- 6.03 Effectiveness of anti-monopoly policy: 3.6, 94
- 6.04 Effect of taxation on incentives to invest: 3.2, 107
- 6.05 Total tax rate, % profits*: 48.6, 106

#### 7th pillar: Labor market efficiency
- 7.01 Cooperation in labor-employer relations: 4.1, 98
- 7.02 Flexibility of wage determination: 4.5, 102
- 7.03 Hiring and firing practices: 2.9, 128
- 7.04 Recrudescence costs, weeks of salary*: 18.8, 85
- 7.05 Effect of taxation on incentives to work: 2.7, 132
- 7.06 Pay and productivity: 4.4, 38
- 7.07 Reliance on professional management: 4.7, 62
- 7.08 Country capacity to retain talent: 2.5, 127
- 7.09 Country capacity to attract talent: 2.3, 129
- 7.10 Women in labor force, ratio to men*: 0.80, 73

#### 8th pillar: Financial market development
- 8.01 Availability of financial services: 3.4, 76
- 8.02 Affordability of financial services: 5.2, 25
- 8.03 Financing through local equity market: 3.2, 86
- 8.04 Ease of access to loans: 3.3, 40
- 8.05 Venture capital availability: 2.9, 57
- 8.06 Soundness of banks: 6.0, 14
- 8.07 Regulation of securities exchanges: 4.1, 73
- 8.08 Legal rights index, 0-12 (best)*: 7, 24

#### 9th pillar: Technological readiness
- 9.01 Availability of latest technologies: 5.5, 37
- 9.02 Firm-level technology absorption: 4.8, 55
- 9.03 FDI and technology transfer: 5.3, 10
- 9.04 Individuals using Internet, %*: 80.0, 26
- 9.05 Fixed-broadband Internet subscriptions/100 pop.: 21.8, 41
- 9.06 Int’l Internet bandwidth, kbs per user*: 11.5, 96
- 9.07 Mobile-broadband subscriptions/100 pop.: 59.5, 46

#### 10th pillar: Market size
- 10.01 Domestic market size index, 1-7 (best)*: 3.7, 66
- 10.02 Foreign market size index, 1-7 (best)*: 5.1, 48
- 10.03 GDP (PPP billions)*: 152.6, 66
- 10.04 Exports as a percentage of GDP*: 95.2, 10

#### 11th pillar: Business sophistication
- 11.01 Local supplier quantity: 4.6, 57
- 11.02 Local supplier quality: 4.8, 40
- 11.03 State of cluster development: 3.9, 56
- 11.04 Nature of competitive advantage: 3.1, 98
- 11.05 Value chain breadth: 4.0, 50
- 11.06 Control of international distribution: 3.5, 94
- 11.07 Production process sophistication: 4.6, 33
- 11.08 Extent of marketing: 4.5, 53
- 11.09 Willingness to delegate authority: 3.5, 93

#### 12th pillar: Innovation
- 12.01 Capacity for innovation*: 3.8, 77
- 12.02 Quality of scientific research institutions: 3.9, 62
- 12.03 Company spending on R&D: 3.3, 63
- 12.04 University-industry collaboration in R&D: 3.4, 84
- 12.05 Gov’t procurement of advanced tech products: 3.1, 87
- 12.06 Availability of scientists and engineers: 3.8, 80
- 12.07 PCT patents, applications/million pop.*: 9.2, 39

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**Notes:** Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*). For further details and explanation, please refer to the section “How to Read the Country/Economy Profiles” on page 89.