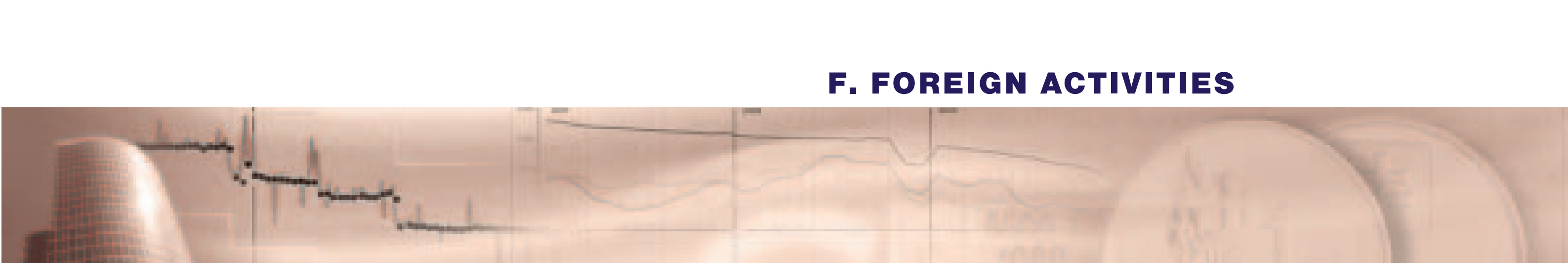
F. FOREIGN ACTIVITIES



1. NBS AND THE INTEGRATION PROCESS

Slovakia officially applied for EU membership in June 1995 at the European Council in Cannes. In December 1999, at its Helsinki summit, the Council of the European Union decided to open negotiations on Slovakia's membership in the European Union (EU).

Pre-accession negotiations with Slovakia were successfully completed on 13 December 2002, and the Treaty of Accession to the EU was signed on 16 April 2003. In a referendum held on 16–17 May 2003, the majority of citizens of the SR expressed their support for EU membership.

After signing the Treaty of Accession, the Slovak Republic, together with other accession countries, participated actively in meetings of various bodies of European institutions, and up to 1 May 2004 in the capacity of an observer (without voting right).

Slovakia's representatives were involved in working groups of the European Commission (EC) and the Council of the European Union from the expert level to ministers' participation in meetings of Councils of Ministers and the Premier's participation in European Council sessions. The NBS was represented on committees and working groups of the Council of the EU and the EC by the Governor, both Vice-Governors and experts primarily from the Banking Supervision Division, the Monetary Division, the Currency Division, the Financial Management and Payments System Division, and the Governor's Office.

The accession process for the SR to the European Union was one of the priorities for the NBS, which was actively involved in the process on a regular basis. In line with the SR Government Resolution No. 431 dated 5 June 2003, the NBS Governor was recommended to set up a departmental co-ordination group for EU affairs.

On the basis of proposals from the respective divisions, the Governor appointed members of the co-ordination group for EU affairs on 30 June 2003. The basic role of this group was to ensure, through unceasing communication with the commission for EU1 and EU2 affairs established at the Ministry of Foreign Affairs of the SR, a smooth transfer of relevant information to the NBS, with a view to its utilisation or handling by the bank's respective organisational units.

Treaty Establishing a Constitution for Europe

The work of the Convention on the Future of Europe was completed on 10 July 2003. It resulted in the draft Treaty establishing a Constitution for Europe. A declaration adopted at the Nice summit in December 2000 became a starting point for EU constitutional reform. The Nice declaration obliged both member and candidate countries to open broad-scoped discussions on the future shape of the European Union.

Over the course of 2003 the NBS participated in the commentary process in respect of the draft Treaty by filing its suggestions, as well as in preparing a comparison between the status to be introduced by the Treaty and the status in accordance with the current primary legislation pursuant to the Treaty of Nice.

An inter-governmental conference, which was intended to pass the first constitutional treaty for European integration, ended in failure in Brussels in December 2003. For the time being, this failure of negotiations on the Constitution means that starting in November 2004, decision-making mechanisms under the Treaty of Nice will be used.

The Treaty of Nice guarantees an advantageous position for Slovakia, and in the newly composed EC, Slovakia will be represented by a fully-fledged Commissioner, like larger and economically stronger Member States. After EU entry the SR will possess seven votes in the Council of Ministers. Vote weighting will provide Slovakia with a stronger position than the double majority, as was one of the proposals made by the European Convention.

Liberalisation of the Foreign Exchange Regime in the SR

An important area covered in adapting Slovakia's legislation to that of the EU was liberalisation of the foreign exchange regime. It consisted of two stages. During the first stage, all current payments and long and medium-term capital movements (maturing in over one year) were liberalised. The second stage concerned the movement of short-term capital and was implemented in the final leg of transformation. When the SR fulfilled Article VIII of the IMF Articles of Agreement on 1 October 1995, the Slovak koruna became convertible within the current account of the balance of payments.

1 February 1995

- direct investments in European Union member countries.

1 December 1996

- direct investments in OECD countries
- acquisition of real estate in OECD member states by Slovakia's residents
- export and import of banknotes and coins denominated in Slovak or a foreign currency –reporting obligation: over Sk 150,000 (tourism) or Sk 20,000 (postal money orders, mail deliveries)
- financing loans provided by residents to non-residents based in an OECD member state repayable over 5 years
- financing loans received by residents from non-residents repayable over 3 years.

1 April 1998

- issues of foreign securities for domestic trading or for placement on the domestic market when issued by entities based in an OECD member state whose securities are already traded on the main market of a foreign stock exchange, or when government bonds issued by OECD member states are involved
- residents permitted to trade in the above securities
- mandatory conversion of foreign exchange abolished
- branches of foreign banks – acquisition of titles to domestic real estate required as business premises for their operation under a contract for work (subject to a 10-year transfer ban running from the date of acquisition).

1 January 2000

- extension of operations involving foreign securities specified in the liberalisation step of 1 April 1998 to include non-OECD countries
- foreign issues of domestic bonds maturing in 1 year or more
- financing loans provided by residents to non-residents based in an OECD member state repayable over 1 year
- financing loans received by residents from non-residents repayable over 1 year
- sureties, guarantees and financial support instruments maturing over 1 year
- financial institutions (branches of foreign banks, foreign insurance companies, foreign securities brokers and foreign asset management companies) – acquisition of titles to domestic real estate required as business premises for their operation.

1 January 2001

- receiving and providing financing loans repayable within 1 year
- sureties, guarantees and financial support instruments maturing within 1 year
- non-residents based in an EU or OECD member state operating a domestic organisation unit for business – acquisition of titles to domestic real estate required as business premises for the organisation unit
- extension of operations in foreign securities to include those that are not traded on the main market of a foreign stock exchange.

1 January 2002

- liberalisation of domestic transactions in foreign securities.

1 January 2003

- liberalisation of financial derivatives and remaining restrictions on securities.

1 January 2004

- abolition of the repatriation obligation, liberalisation of foreign operations in residents' deposit accounts and liberalisation of foreign currency operations performed both domestically and internationally
- liberalisation of direct investments outside OECD and European Economic Area countries, and of portfolio investments
- acquisition of titles to real estate outside OECD and EEA countries.

Upon Slovakia's accession to the European Communities and the EU

- non-residents: the acquisition of ownership rights to real estate, except for real estate acquisition of which is restricted by special regulations and the acquisition of farming land by persons other than Slovak citizens and EU member state citizens who have farmed the land for at least 3 years following the Treaty of Accession of the SR to the EU coming into force.

European System of Central Banks and the European Central Bank

The European System of Central Banks (ESCB) is composed of the European Central Bank (ECB) and the national central banks of 15 European Union Member States. The ECB and the national central banks of the Member States, which have already introduced the euro, together form the Eurosystem. The Eurosystem and the ESCB are governed by ECB's decision-making bodies, i.e. the Executive Board and the Governing Council. Apart from the two above, the General Council was set up as a third temporary decision-making body, due to the existence of EU Member States which have not yet adopted the euro (Denmark, Sweden, Great Britain). All three bodies are headed by the ECB President. This office was held by Willem F. Duisenberg until 31 October 2003, and starting from 1 November 2003, Jean-Claude Trichet was appointed as ECB President.

Co-operation between the National Bank of Slovakia and the European Central Bank reached a qualitative new standard in 2003. The NBS Governor became an observer to ECB General Council meetings held in Frankfurt am Main four times a year. There are twelve committees, composed of representatives of the central banks of EU Member States, working within the ESCB. They are charged with specific tasks of the ESCB. Following ECB's request, the central banks of accession countries, including the National Bank of Slovakia, appointed their representatives to ESCB committees, who during the year acted in the capacity of observers. Other NBS experts participated in the work of internal subdivisions of individual committees (working groups, task forces).

In 2003 the NBS Governor participated in three meetings of the ECB General Council as an observer. The first time he took part was at the 23rd meeting of the ECB General Council held on 26 June 2003. The main topics covered at this session concerned macroeconomic, monetary and financial developments in the euro area, Member States outside the euro area, as well as in accession countries. Also subject to discussion was a semi-annual report on the monetary policy co-ordination, which in addition to evaluation of the previous year also gave a macroeconomic outlook for countries both inside and outside the euro area up to 2005. A separate part of the discussion was devoted to the development of the real exchange rate of the Danish koruna, Swedish krona and British pound. Another report presented at the meeting was an annual report on public finances, which was compiled of contributions from EU Member States concerning the development of public finances on a national level.

The agenda also included organisational issues in connection with the EU enlargement from 1 May 2004, which will witness the extension of the ECB General Council membership for 10 new members, i.e. to 13 members outside the euro area.

On 18 September 2003, the NBS Governor attended the 24th meeting of the General Council of the ECB. In addition to evaluation of macroeconomic, monetary and financial developments in EU member and accession countries, discussions were also held on the strategy of accession countries striving to take part in the ERM II mechanism, the introduction of the euro, the Treaty establishing a Constitution for Europe and other issues. In the context of ERM II entry, when deciding on future membership in the euro area, account must be taken of the differing income standard of the population, the structure of sectors of the economy, the risk of lowered external competitiveness of the country due to the process of convergence to the economic standard of the euro area, differing flexibility of the labour market, interest rates, the country's external position, as well as the implementation of fiscal policy. The ECB challenged accession countries to take a cautious approach in determining the deadline for entry into the euro area. In their common position, the SR Government and the NBS on this account, state that the SR should introduce the euro as early as possible on the fulfilment of Maastricht criteria.

The last meeting of the General Council of the ECB, held on 18 December 2003, had a similar agenda. With regards to the evaluation of macroeconomic, monetary and financial developments in accession countries, the assessment of Slovakia over the most recent period corresponded with analyses made by the NBS. It was the first time that the ECB had drawn up a report on the stability of EU financial system, which aimed to provide an easy-to-comprehend evaluation of risks and potential sources of vulnerability in the financial system. Accession countries found a quite important statement that financial stability monitoring will gradually be extended so as to include their countries.

Also of relevance to accession countries was a negotiation on changes in the ECB key for allocation of capital subscriptions due to EU enlargement, according to which the central banks concerned will pay their capital subscriptions, and on participation of new Member States in the ERM II mechanism (the SR enters the EU in the position of a member state with derogation). This means that on fulfilment of convergence criteria, the SR will be committed to strive to finally adopt the euro. In this context, the Governing Council of the ECB released on 18 December 2003 a policy position on exchange rates in accession countries, stating criteria for participation by new Member States in the ERM II mechanism.

EU Structural Funds and Cohesion Fund

Through its representation in the Preparatory Committee for Structural Funds, the NBS was involved in the creation of conditions for an special institutional system, the development of programming documents, the implementation of procedures meeting European Commission requirements on drawing funding under EU structural funds and the Cohesion Fund. This system builds on experience gained in the implementation of pre-accession funds under the Phare, ISPA and SAPARD programmes, and in the period 2004 to 2006, will address disparities across regions, their development and ways of avoiding social tensions.

NBS' part in drafting and approval of structural and regional policy documents facilitated the streamlined utilisation of allocated EU funding in a period following EU entry, thus contributing towards the development of a concept for the financial management system of structural funds in the SR, which envisages the involvement of commercial banking entities and international financial institutions. The NBS was also involved in the maintenance of accounts of beneficiaries of aid from European funds, and pursuant to a new concept will continue to do so until the State treasury opens for operations.

Phare Programme

As part of the accomplishment of the government programme for Slovakia's banking sector's restructuring and privatisation, the project called „Bad Debt Recovery" was implemented in Slovenská konsolidačná, a. s., financed under the Phare 2000 programme prepared and supervised by the NBS. This project aimed to provide Slovenská konsolidačná with technical assistance in disposing part of the portfolio of classified loans transferred to it by the Ministry of Finance of the SR within revitalisation of selected commercial banks. In 2003 a team of foreign and local experts contracted by the CA IB consortium, the winner in the tender, helped to analyse the loan portfolio of Slovenská konsolidačná, prepare due diligence, aid the restructuring of selected claims and compose a package of claims for public sale. The project was successfully completed when a package of claims worth SKK 42.9 billion was realised via an international tender, whilst observing the transparency of the whole process of preparation and ensuring competitive conditions for the sale. The project ended in December 2003.

In 2003, the NBS has concurrently prepared another project under the Phare programme based on the Financial Memorandum 2002, in order to support supervision of the financial market, which is intended for both the NBS and the Financial Market Authority (FMA) as preparation for their integration. The project will be implemented in 2004 and 2005.

At the end of October 2003, a small twinning project under Phare 2001 for the Banking Supervision Division of the NBS was commenced with a focus on improving measures in place against money laundering. It is scheduled for completion in May 2004.

Foreign technical assistance

In December 2003, Edward Nolan, an adviser to the NBS Vice-Governor for Banking Supervision, completed his two-year mission. His stay was financed from a Japanese grant arranged by the IMF.

2. COOPERATION BETWEEN THE NBS AND INTERNATIONAL INSTITUTIONS

International Monetary Fund (IMF)

The National Bank of Slovakia has undergone a gradual transformation in regards to its relations with the International Monetary Fund. In recent years their co-operation has reached a qualitatively new level. Thanks to its good results in the economic policy area the Slovak Republic ranks among the countries that have settled all their financial obligations to the IMF and do not draw any loans. That is why co-operation between the two institutions in 2003 mainly took the form of missions and technical assistance.

In a concluding statement on IMF Article IV Consultations with the Slovak Republic, which are held once a year with each member country, it was noted that in terms of economic growth Slovakia is one of the fastest developing EU accession countries. This is an outcome of capital expenditure projects implemented in the previous period, notably of foreign direct investments, successful management of macroeconomic processes, but also important steps taken in the financial sector's privatisation and reform. Nevertheless, the IMF mission's recommendation was to remove structural deficiencies showing in a persistently large fiscal deficit, high unemployment and a correspondingly significant external imbalance, and to continue to reduce inflation. As regards monetary policy, the mission considered the direction taken as adequate. It however recommended that in the future, the central bank should direct inflationary expectations more accurately and proactively. The next IMF mission focusing on the fiscal policy area concluded that the dynamic economic growth continues, unemployment falls and core inflation remains low.

The 12th revision of quotas for IMF member countries was completed with no recommendations for their increase. Such quotas express the economic position of the countries concerned. Slovakia's membership quota therefore continues to be SDR 357.5 million, on which basis the Slovak Republic has 3,825 votes in the IMF, accounting for 0.18% of the total number of votes.

The spring meeting of committees of the International Monetary Fund and the World Bank in Washington and the annual meeting in Dubai mainly focused on issues relating to the outlook of the global economy and financial markets, strengthening the Fund's oversight function for crisis prevention and progress made in crisis resolution. The discussions also covered combating money laundering and financing terrorism, the Fund's role in low-income countries, as well as other topical issues. In its final communiqué, the IMF noted the strengthening of the global economy and called on both developed and developing countries to increase their efforts to cope with medium-term fiscal pressures. The Fund's oversight will have to continue to pay attention to factors influencing the long-term outlook of member states focusing on healthy economic growth, as well as policies required to reveal the obstacles to this growth.

Following the spring meeting of the IMF and the World Bank, a meeting of representatives of the Belgian group (Constituency) of the IMF and the World Bank was held in April 2003 at the deputy level of central bank governors and finance ministers, which was organised by the National Bank of Slovakia. Apart from conclusions from the spring meeting, participants at this meeting also discussed fiscal sustainability in the medium and long run, pension reform with a focus on its goal, objectives and current trends and also agreed on a strategy for countries in the Belgian group in the framework of IMF and World Bank policies.

A separate part of this meeting of the Belgian group was devoted to the issue of a new Constituency Agreement, which will govern the relations of ten states of the Belgian Constituency. The new agreement was signed by authorised representatives of countries belonging to the Belgian group in Brussels on 8 October 2003. It draws upon the agreement of 1994, capturing changes in internal relations and a new division of posts across the Constituency; especially a change in the rotation of elected executive directors of the World Bank and their alternats at four-year intervals instead of the original 2-year intervals and an account of already implemented changes in the positions of certain countries. The Slovak Republic has the position of adviser to the IMF executive director. The agreement was signed for a period of ten years, with each country having the right to ask for its re-evaluation after five years in the event of a significant change in the amount of its IMF quota or the developments in its foreign monetary relations.

World Bank

The World Bank, which in the nineties helped Slovakia to bring its economic transformation to completion, has provided the Slovak Republic with support in its reform of the financial and enterprise sector since 2001. The Enterprise and Financial Sector Adjustment Loan (EFSAL) has been gradually released. In 2003, on the basis of recommendations from World Bank experts, measures focused on bank restructuring, banking supervision, enhancement of creditor rights, insolvency area and debt restructuring were implemented, thereby meeting conditions for the release of the second EFSAL tranche in an agreed-upon amount of USD 70 million.

The World Bank focuses on closer co-operation with individual sectoral ministries, providing them with support in ongoing reforms. In 2003, the Ministry of Health Care of the SR signed the Health Sector Modernisation Project, on the basis of which a technical assistance loan of USD 12.38 million and a sector adjustment loan of USD 62.92 million were approved. As regards public finance reform, in 2003 the World Bank approved a technical assistance loan of USD 5.45 million to the Ministry of Finance of the SR for the Public Finance Management Project.

In October 2003 the World Bank issued a ROSC report to assess corporate governance (the Corporate Governance Country Assessment). It noted that the Slovak Republic improved its legislation and regulatory framework in this area. At the same time, it pointed to deficiencies in banking supervision, the absence of protection for shareholders of companies in the open market, as well as unsatisfactory powers and institutional capacities of the Financial Market Authority. In July 2003 the World Bank, in co-operation with the Ministry of Justice of the SR, issued a report to assess the country's legal and judicial environment (the Legal and Judicial Sector Assessment Report). These assessments will become a basis for activities focused on the enhancement of legislation, the improvement of judiciary performance and of the availability of legal services.

By paying a contribution towards the 13th replenishment of IDA at the amount of SDR 660,000 (USD 906,035) in 2003, the Slovak Republic became one of the donor countries of the International Development Organisation (IDA), thus taking part in development aid within the World Bank group.

Bank for International Settlements (BIS)

In 2003 the National Bank of Slovakia continued to carry out its duties as a shareholder in the Bank for International Settlements. In accordance with a resolution of the 73rd Annual General Meeting of the BIS, held on 30 June 2003, the Bank for International Settlements paid the National Bank of Slovakia dividends of CHF 400 per share for the financial year 2002/2003 ended 31 March 2003. The total dividends remitted amounted to CHF 1,068,000.

An extraordinary general meeting of the Bank for International Settlements held on 10 March 2003 confirmed changes in the BIS Articles. The most important change was to replace gold franc with a SDR (Special Drawing Rights) unit of account, due to which the bank's share capital and the nominal value of each share were redenominated in this new unit. This change reflects an effort to minimise exchange rate risks.

The Governor of the National Bank of Slovakia took part in regular bi-monthly meetings of the Bank for International Settlements. In 2003, these meetings concentrated on relevant issues of banking in conjunction with the pending enlargement of the European Union. In relation to the impact on monetary policy and financial stability, governors discussed, among others, issues of capital markets, prices of residential property and the importance of transparency of monetary policies of central banks.

The Bank for International Settlements fosters professional co-operation between banks through regular surveys of foreign market developments and analyses of financial markets, as well as through the activities of the Basle Committee on Banking Supervision, the Committee on Payment and Settlement Systems, the Committee on the Global Financial System, the Markets Committee and other expert groups.

Japan Bank for International Cooperation (JBIC)

During 2003, there was a gradual accumulation of the Two Step Loan funds in intermediary Slovak banks: instalment repayments of the principal from the Two Step Loans from the Japan Bank for International Cooperation. Interest in further use of the mentioned funds markedly diminished as a result of changed conditions in the credit and money markets, especially a decrease in interest rates. Some intermediary banks gradually repaid the funds to the NBS account. On the basis of a decision by the NBS Bank Board, in April 2003 the National Bank of Slovakia prepaid in advance of maturity a portion of the Two Step Loan in favour of the JBIC equivalent to the amount repaid by intermediary banks.

European Investment Bank (EIB)

On EU entry the SR will become a member of the EIB, which is also linked to the scheduled subscription of EUR 408,489,500 worth of its capital, and will become entitled, via its representative nominated to the Board of Governors, to take part in profiling of lending policy, approval of the rules of procedure, annual reports, financial statements, decision-making on share capital and special loans. In line with the policy of EU bodies, the EIB gets into a key position in funding development programmes of member and accession countries, and recently a special call from the Council of Europe to support the programme: "European Action for Growth" came to the forefront, which is currently coupled with the process of creating technical, legal, administrative and accounting prerequisites for the implementation of infrastructure and innovation projects. Within the facilities provided by the EIB to commercial banks of member and accession states, the project financing mechanism also comprises sovereign guarantees, with the contracting party represented by the relevant finance ministry, the accounts of which, in Slovakia's case, shall be kept by the NBS until the State treasury opens for operations.

European Bank for Reconstruction and Development (EBRD)

In 2003 the European Bank for Reconstruction and Development financed activities in the Slovak Republic in line with a strategy approved in April 2002. The largest volume of funding so far was invested in 2001, when projects worth EUR 340 million were signed, and in 2002 the volume of investments dropped to EUR 120 million. In 2003, the value of approved projects grew to EUR 138 million. During ten-years of co-operation between the Slovak Republic and EBRD, projects worth more than EUR 3.3 billion in total were signed, with EBRD exposure due to these projects being more than EUR 1 billion.

EBOR activities are gradually concentrated in poorer countries of the Commonwealth of Independent States, including the Middle Asian region. This trend was also confirmed by the 12th annual meeting of the Board of Governors of member states in Tashkent, the capital of Uzbekistan, held on 4 to 5 May 2003.

With regard to Slovakia's positive rating and good availability of loan capital for the government sector, EBRD investments in the Slovak Republic were in recent years prevailingly channelled into the private sector. In conformity with the approved strategy, the EBRD targeted its activities in 2003 notably to the power and financial sector. In 2003, the bank acquired a 9% stake in Západoslovenská energetika (western Slovakia's power company) and a 15% stake in Allianz – Slovenská poisťovňa (insurance company). The EBRD continued to support small and medium-sized enterprises through the second credit line to VÚB (in the amount of EUR 20 million) and Tatra leasing (in the amount of EUR 5 million), and became a shareholder of SkyEurope Holding airlines via two private funds.

International Investment Bank (IIB) and International Bank for Economic Cooperation (IBEC)

The International Investment Bank and the International Bank for Economic Cooperation headquartered in Moscow were founded by member states of the former Council for Mutual Economic Cooperation. After the partition of the Czech and Slovak Federal Republic in 1993, Slovakia became a member of the IIB and IBEC as an independent country. The Slovak Republic's paid-up share is EUR 10.4 million in the IIB, and EUR 8.6 million in the IBEC.

The top governance bodies of both banks are the bank boards, which meet twice a year. Spring meetings are usually held in Moscow (the seat of both banks) and autumn meetings are hosted by one of the member states. In 2003, the autumn meetings of the IIB and IBEC bank boards took place in Poland.

In 2003, the spring meetings of IIB and IBEC bank boards discussed and approved annual reports on the banks' activities in 2002, dealt with the issue of settlement of debts owed to the banks by the Russian Federation, and discussed reports on fulfilment of the banks' budgets of general operating costs in 2002.

The autumn meetings discussed and approved both banks' activity reports for the first half of 2003, a progress report on the settlement of the debts of the Russian Federation and Cuba to the IIB and IBEC. The IIB Bank Board also approved a progress report on the settlement of mutual obligations of both banks with the Russian Federation in the matter of IIB and IBEC titles to premises they are seated in, a progress report on the settlement of mutual obligations and liabilities with Hungary and Poland, its former member states, the fulfilment of the budget of general operating costs of the bank for the eight months of 2003 and the plan for 2004, as well as the working plan of the IIB Revision Commission for 2004. The IBEC Bank Board meeting approved a list of member states, which are to nominate their candidates to the bank's revision commission.

Regarding the recovery of the IIB's and IBEC's receivables from the Russian Federation, the Russian side informed that its government had passed a resolution whereby Russia's liabilities due to both banks should be discharged in two stages. At the first stage, Russia should pay off the IIB's and IBEC's liabilities to London Club creditors, with the paid amount reducing the sum of Russia's arrears to both banks. The rest of Russia's debt is to be paid off during the second stage. As Russia informed, the first stage should be completed by the end of 2003.

World Trade Organisation (WTO)

In connection with liberalisation of services under the auspices of the World Trade Organisation, consultations between the European Commission and candidate countries took place in Brussels on 18 February 2003. This consultation, in which the NBS was also represented, aimed to provide the latest confidential information on an initial schedule of specific commitments of the European Commission for the service sector that is under preparation.

On 10–14 September 2003, the Fifth WTO Ministerial Conference was held in Cancun, Mexico, which was to evaluate progress made in the new round of multilateral trade negotiations. This ministerial conference session ended in failure, only adopting a very brief ministerial statement, which does not contain assessment of the negotiations held so far, but just an expression of interest in continuing the negotiations.

The reasons for the failure of this ministerial conference are manifold: from an unwillingness to undertake new commitments through to an effort to obstruct further liberalisation and globalisation of world trade. The failure in Cancun presents the risk of potentially slowing down the new round of trade negotiations, but also the risk of the multilateral trade system starting to recede under the impact of bilateral agreements.

During the Ministerial Conference in Cancun, the SR delegation actively co-operated with EU representation, pursuing its trade policy interests in close co-operation with the latter. Slovak delegates regularly attended meetings of Committee 133 (an advisory body of the Council of the EU for common trade policy issues), as well as sessions of the Council of Ministers of the EU.

Also, multilateral trade negotiations under WTO auspices significantly influenced the process of accession of candidate countries to the EU, and their overall outcome will have a significant impact on the EU 25 common trade policy.

Currently, EU Member States and the majority of accession countries, including the SR, present their views on events in the WTO solely through the European Commission. The European Commission gathers the opinions and positions of member and accession countries at meetings of

Committee 133 of the Council of the EU (held in Brussels). Representatives of all member and accession countries come together at this forum to discuss the current WTO situation, submissions made and foreign trade policy issues. This trend, as it stands now, will continue after Slovakia's entry into the EU.

Organisation for Economic Co-operation and Development (OECD)

As in the previous period, the NBS took again an active part in the work of 140 OECD committees and working groups. An active participation by NBS representatives could be seen especially in the Committee on Financial Markets (CFM), in the Economic Policy Committee (EPC), in the Committee for Capital Movements and Invisible Transactions (CMIT), and in the Economic and Development Review Committee (EDRC). Contributions of NBS representatives, their professional competence and commitment, strengthened the presentation of the programme of economic reforms ongoing in the Slovak Republic. As part of OECD regular periodic activities, the NBS took active part in the preparation of the Economic Survey of the SR in 2003. A representative from the NBS also attended a meeting of the OECD regional round table in Istanbul in 2003, in which the process and methods for liberalisation of the capital account were presented. An activity of special importance for the SR was the hosted session of the OECD Council in the High Tatras on 18-20 September 2003, during which the report "Slovak Republic: Examination of Position on Liberalisation Commitments on Capital Movements and Current Invisible Transactions and the National Treatment Institute" was approved. The adoption of this report by the OECD Council not only marked the completion of Slovakia's post-accession process in CIME/CMIT committees, but also the completion of the whole post-accession process of Slovakia's reviews, taking place on the premises of the DAFFE Financial Directorate.

List of tables

List of charts