



### ESTIMATION OF THE EQUILIBRIUM REAL EFFECTIVE EXCHANGE RATE FOR THE SLOVAK ECONOMY

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*The presented estimation of the equilibrium real effective exchange rate for the Slovak economy helps us to assess the overall impact of the development of nominal exchange rates in relation to the currencies of relevant trading partners of Slovakia as well as the impact of domestic and external inflation on the price competitiveness of domestic companies in terms of its historical trends. The appreciation pattern of the equilibrium exchange rate relates to the gradual nominal convergence of the Slovak economy towards developed countries. This nominal convergence is also confirmed by developments in macroeconomic fundamentals which reflect progress in real convergence. Projections of equilibrium real exchange rate, based on predicted fundamentals, suggest continued real appreciation in the future, which corresponds with the ongoing economic convergence, without threatening the economic balance. Deviations of real exchange rates from their equilibrium enable us to identify periods of the expansionary and restrictive impact of monetary policy on the economy. (p. 2)*

### IMPACT OF CRISIS ON CEE6 ECONOMIES

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*The study deals with the impact of the economic crisis on economies with different foreign exchange regimes, or economies with different levels of convergence. Several economies of Central and Eastern Europe are compared, particularly those of Hungary, the Czech Republic, Poland, Slovakia, Slovenia and Austria (CEE6). Most CEE6 economies are small and open, while the Polish and Austrian economies are rather closed. The Czech Republic, Hungary and Poland have floating exchange rate regimes, whereas Slovakia, Slovenia and Austria are members of the euro area. The selection allows for comparing a relative impact of the crisis in Slovakia (or in those CEE6 countries which have adopted the euro as their currency) with the economies with floating exchange rate regimes, represented by Hungary, the Czech Republic and Poland. The study compares the impact of the crisis in the area of foreign trade, labour market and investments, offering a closer view of residential investment, housing prices and mortgages. The impact of the crisis on public finance constitutes the final topic. (p. 6)*

### TAX CHANGES IN THE LABORATORY

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*Labour tax rates are considerably heterogeneous across the European countries. In this paper, we analyse the effects of a policy experiment in which the tax rates levied on labour are harmonised in the euro area countries. Using a four-country DSGE model, we have found that shifts in domestic tax rates are the main driver for the total outcome of the policy change, while spill-over effects are rather limited in the long run. Countries that decrease their total tax wedge boost their economies, whereas those increasing it lose a proportion of output. The adjustment process is rather complicated, as it is hampered by the fact that the country which gains in the long run may temporarily go through a period of dampened economic activity. In terms of volatility, the euro area may be better prepared for common area-wide shocks with a homogenous labour tax system. On the other hand, shocks originating outside the euro area may, under the homogenous tax regime, increase the volatility of euro area output. (p. 20)*

### SELECTED ELEMENTS OF TAX TECHNIQUES IN THE CONTEXT OF INCOME TAXATION IN THE EU COUNTRIES

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*The article presents selected elements of the tax technique applied to income taxation in the Member States of the European Union, while focusing on comparison of income taxes of natural persons and those of legal entities in all EU countries. It also presents some other elements of the tax technique, such as tax incentives applied in selected EU countries. The selected countries include the more advanced EU countries which apply high tax load (Germany, France, and Italy), as well as those which are less advanced (the Czech Republic and Hungary). Basic components of direct taxation are given for each country, namely the income tax of natural persons and legal entities, selected elements of the tax technique, or tax incentives (non-taxable parts, write-offs, amortisation of losses), or certain deductible and chargeable items. The aim is to point out the common features as well as the differences in income taxation systems which may be observed on a small sample of selected countries. (p. 26)*