

## **ECONOMIC UPDATE** (March 2005)

### **Property transfer tax abolished**

The Slovak transfer tax – equivalent to stamp duty – which had already been reduced (from a progressive 6-20%) to 3% in 2004, has been completely abolished, effective 1 January 2005.

*Source: MF SR*

### **NBS cuts base rate to 3%**

National Bank of Slovakia (NBS) has further cut its base rate, which is now down to 3%. Following this development mortgages became up to 1% cheaper, with rates now starting at just over 4.5% p.a.

*Source: NBS*

### **S&P's and Moody's upgrade Slovakia's rating**

As expected, following Fitch Ratings, Standard & Poor's also upgraded Slovakia's rating to A-. Slovakia is now equally rated as Hungary and Czech republic, and one notch above Poland. However, while the three countries have a stable outlook, Slovakia was given a positive one, in expectation of further upgrade.

Moody's followed suit and upgraded Slovakia's rating to A2 with a positive outlook, praising the country's structural reforms and 'one of the strongest business environments in Central and Eastern Europe'.

*Source: Standard & Poor's, Moody's*