Draft Budgetary Plan of the Slovak Republic for 2026

October 2025

SUMMARY

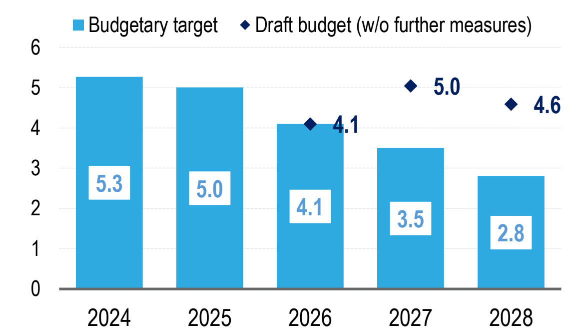
The Slovak economy will accelerate slightly in 2026, even as the external environment remains uncertain. In 2025, year-on-year economic growth slows to 0.8%, primarily due to the introduction of U.S. tariffs and weaker growth among foreign partners. Next year, a slight recovery in external demand will materialize, supported by drawing on investments from RRF. Although domestic demand will lag behind, GDP growth should reach 1.3%. A further pickup in growth is also constrained by labor-market conditions, which will hit the limits of available domestic labor, only partially offset by inflows of foreign workers. Inflation is expected to temporarily rise above 4%, but the impact on consumers will be mitigated by government energy support schemes.

Despite the slowdown in expected economic performance and other geopolitical challenges, the government has prepared another extensive consolidation package with the aim of reducing the deficit close to 4% of GDP. The real-economy shock, driven mainly by U.S. tariffs and lower external demand, has already translated into revenue shortfalls this year. Together with other external factors – most notably rising defense and interest expenditures – the effects of consolidation measures adopted so far have not fully demonstrate this year. In line with the objective of gradually reducing the deficit, the government has prepared additional consolidation measures. This simultaneously creates financing space for priorities, particularly in education and healthcare. By presenting the consolidation measures, the government is also responding to the requirements of the Excessive Deficit Procedure to set out measures ensuring the compliance with the expenditure path and a reduction in the budget deficit. The consolidation measures are not only a necessary step to maintain confidence in financial markets, but also to secure sufficient room to cope with future crises and challenges such as the ageing of Slovakia's population.

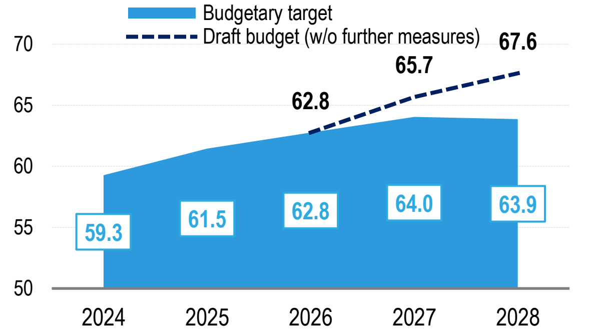
Next year's consolidation will take place on both the revenue and expenditure sides of the budget. The largest volume adjustments on the revenue side concern an increase in the health insurance contribution for employees, the elimination of contribution holidays, and higher contributions for the self-employed. Revenues will also be supported by increasing the progressivity of taxation for higher-income individuals. In line with international recommendations, negative externalities will also be taxed – such as higher taxation of gambling and royalties from the extraction of primary raw materials. The government is continuing to implement measures to combat tax evasion and limit tax optimization. Economic activity will also be supported by abolishing three public holidays and partially lifting the ban on retail sales. Savings on the expenditure side include reducing the wage bill – most notably by freezing payroll in the public administration – and cutting operating expenditures at ministries, government offices, and local governments. Additional savings will come from changes to social transfers, such as suspending the indexation of 13th-month pensions, shortening the duration of unemployment benefit payments, and tightening the conditions for the payment of sickness benefits.

In subsequent years, the government continues to plan to reduce the deficit to 3% of GDP by 2028 and to exit the Excessive Deficit Procedure. The plan to continue consolidating the public finances in 2027 and 2028 should gradually reduce the deficit to around 3% of GDP, which would stabilize the currently rising gross debt at around 64% of GDP. This strategy will require additional measures amounting to 1.5% of GDP in 2027.

General Government headline deficit in % of GDP*



General Government gross debt in % of GDP*



Note: The years 2024 and 2025 correspond to the outturn and the expected outturn, respectively. *Source: MoF SR*

CONTENT

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I. MACROECONOMIC ASSUMPTIONS OF THE DRAFT BUDGET

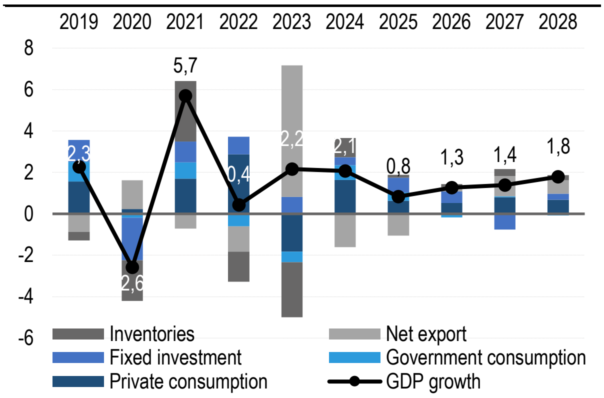
The Slovak economy is expected to slow its growth to 0.8% in 2025 due to weaker foreign demand, reflecting high uncertainty in global trade following the introduction of tariffs in world trade. Domestic demand will remain stable, supported by household consumption driven by real wage growth and investment, although investment sentiment will continue to be constrained by global uncertainty. In 2026, GDP is projected to increase by 1.3% as export activity gradually recovers and the use of funds from the Recovery and Resilience Plan reaches its peak. Although labour demand is expected to cool down slightly, the labour market will remain stable. The main risks to the forecast stem from uncertain developments in global trade and the potential underutilisation of resources from the Recovery and Resilience Plan.

I.1. Macroeconomic Forecast[1]

Economic development of the actual year (2025)

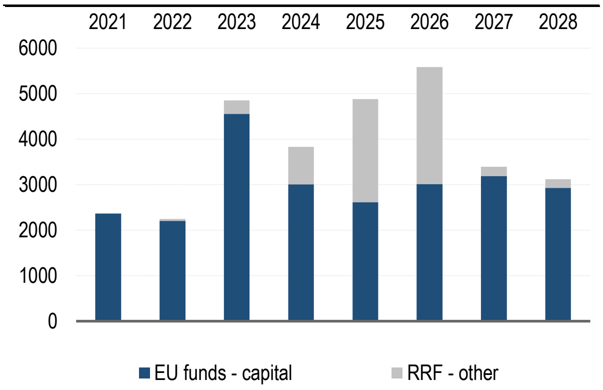
In 2025, the Slovak economy will grow by 0.8%, reflecting weaker performance in foreign trade but continued resilience of domestic demand. Household consumption will remain stable, supported by strong wage growth exceeding 6%. Both private and public sector wages will contribute to this dynamic, thanks to the largest increase in the minimum wage since 2020 and a one-off €800 bonus in the public sector. Investment activity will benefit from inflows of capital from the Recovery and Resilience Plan (RRP), while a reduction in global uncertainty in the second half of the year will provide an additional boost to private investment in Slovakia. On the other hand, foreign trade will slow the economy, as lower demand for Slovak products in EU countries and reduced car exports to the USA, caused by newly introduced tariffs, will weaken net exports. Inflation will accelerate to 4.1%, partly due to adjustments in indirect taxes as part of the necessary fiscal consolidation. Price growth, however, will be moderated by lower fuel prices and energy subsidies. The strongest price increase will be recorded in services, as wage growth passes through into their costs.

FIGURE 1 – Contribution to GDP growth – forecast (p. p.)



Source: MF SR

FIGURE 2 – Abosrption of EU and RRF funds (EUR million)

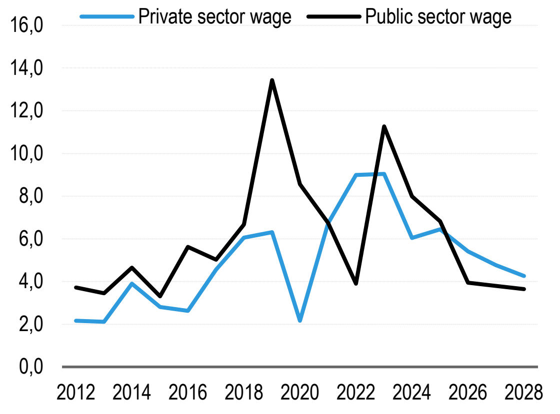


Source: MF SR

In 2025, the Slovak labour market will stagnate, constrained mainly by unfavourable demographic trends that reduce the available labour supply. Although the second quarter saw the strongest job growth in the past three years, this only offset previous losses, leaving overall employment unchanged. The number of self-employed persons is expected to decline significantly, while early retirements have fallen back to pre-2023 levels, easing pressure on labour supply.

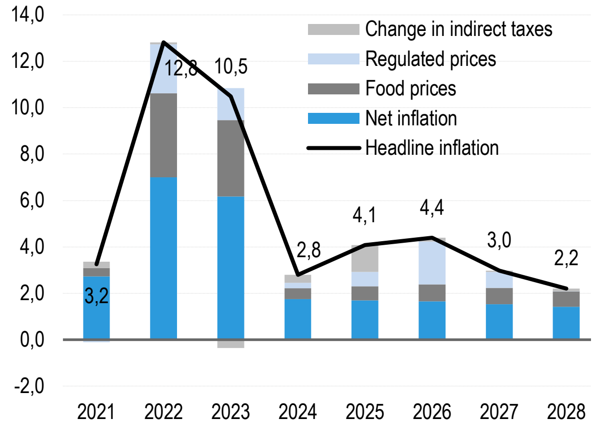
[1] The forecast includes an assumption of a reduction in the nominal public budget deficit by an average of 1.0% of GDP each year during 2025-2028.

FIGURE 3 – Public wages will frow slowly than private wages due to consolidation (%)



Source: SO, SR, MF SR

FIGURE 4 – Contributions of components to inflation (p. p.)



Source: SO, SR, MF SR

Economic development in the next year (2026)

In 2026, a moderate recovery of the Slovak economy is expected, with GDP growth accelerating to 1.3% as external demand begins to revive following the easing of trade tensions. The strength of foreign demand will rise alongside the gradual recovery of the German economy. Investment will be supported by the full use of funds from the Recovery and Resilience Plan, helping to maintain the high investment activity seen in the previous year. Household consumption, however, will weaken due to ongoing fiscal consolidation, forcing households to rely more on savings.

Inflation will increase to 4.4%, but the return of energy prices to market levels will be partly offset by targeted measures. The introduction of targeted energy assistance—such as heating vouchers—will help mitigate the impact on households, while electricity and gas prices should remain subsidised based on income levels. Besides energy, food and tradable goods prices are expected to normalise toward pre-pandemic growth rates, while service prices will rise faster, reflecting growing wage pressures. Despite this dynamic, overall inflation will remain contained to some extent by fiscal consolidation, which will dampen domestic demand and limit stronger price growth.

The labour market will continue to stagnate as demographic trends remain unfavourable. Employment will show little change, as negative demographic factors continue to reduce the available workforce. Labour demand will decline slightly due to slower economic growth, leading to a modest increase in the unemployment rate to 5.6%, though overall labour market conditions will remain relatively tight. Labour shortages will continue to act as a structural constraint on the economy, maintaining upward pressure on wages despite government austerity measures limiting wage growth in the public sector. As a result, wage dynamics will be shaped by opposing forces: labour shortages will drive growth in the private sector, while fiscal consolidation will restrain the public sector.

Economic developments from 2027 onwards

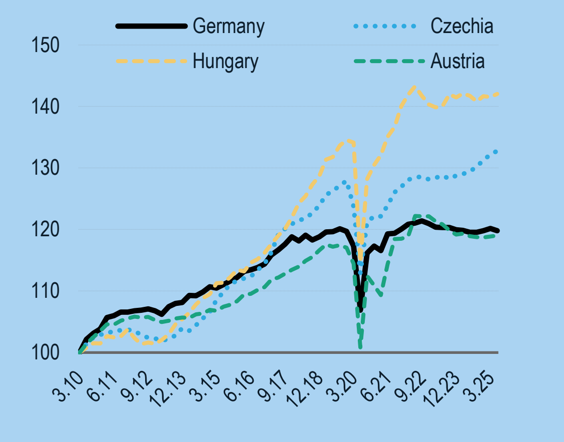
From 2027, the Slovak economy will be supported by the launch of Volvo car production and, later in the forecast horizon, by faster utilisation of EU structural funds. The conclusion of the Recovery and Resilience Plan, however, will lead to a decline in investment, partially offset by continued hospital construction financed from national sources in 2027–2028. Demographic pressures will continue to weigh on employment and growth potential, while ongoing fiscal consolidation will further constrain domestic demand. Consequently, the economy will grow below 2% per year in terms of potential output.

Inflation will ease from 2027 onward, as the impact of rising energy prices subsides, allowing for faster real wage growth. Later in the forecast horizon, price growth will return closer to long-term averages, with services showing relatively stronger dynamics. However, the overall inflation outlook will be tempered by weaker domestic demand and the effects of fiscal consolidation.

BOX 1 – External environment assumptions

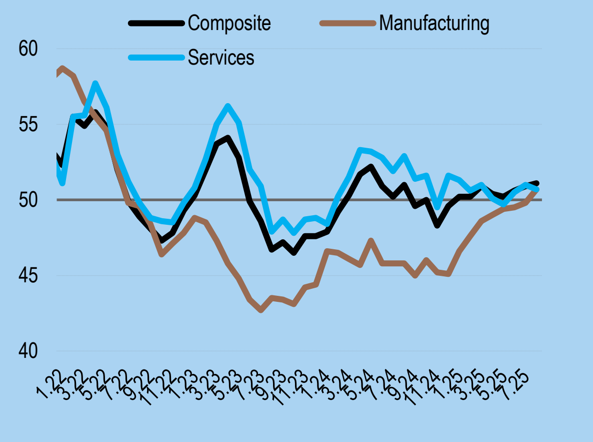
The subdued performance of Slovakia's main trading partners continues. The German and Austrian economies have not grown for the third consecutive year; compared with their 2022 peaks, Germany's economy has contracted by about 1% and Austria's by 2.6%. A similar situation exists in Hungary, where the economy has also fallen by 1% since 2022. Nevertheless, the euro area has maintained a stable average annual growth rate of around 1% over the past two years, despite a sharp rise in protectionist measures from the United States. Outside the monetary union, Slovakia's close partners are performing better – Czech households have revived consumption after the inflation shock, with GDP growth returning to 2%, while Poland benefits from robust investment activity and higher government spending.

FIGURE 5 – Development of the real GDP of trade partners (indexed, 100 = 1st quarter 2010)



Source: Eurostat, MF SR

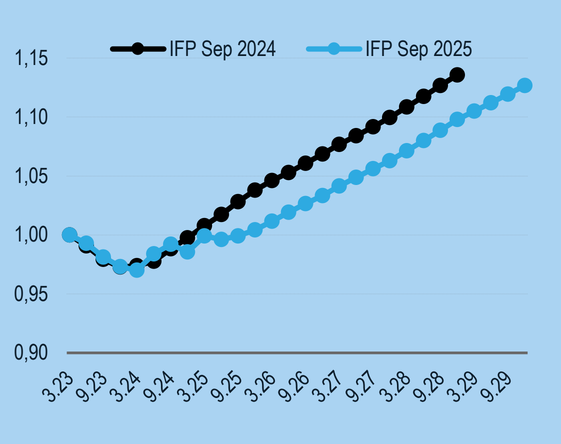
FIGURE 6 – Purchasing Managers´ Index (readings above 50 = expansion)



Source: Bloomberg, MF SR

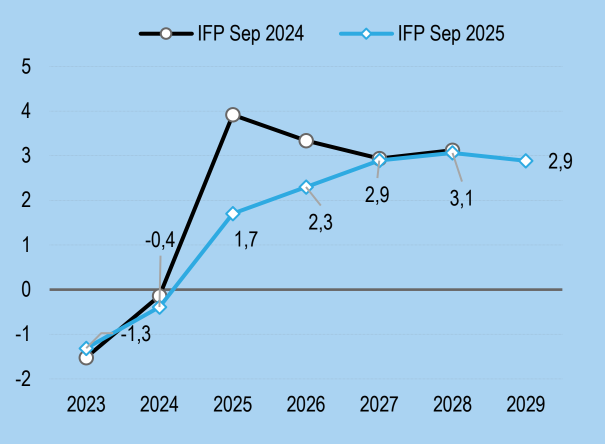
The euro area's industry is showing the first positive signs after three years of stagnation. The PMI for manufacturing, both in the euro area and in Germany and France, has been rising since the start of the year and in August surpassed 50 points for the first time in three years, signalling mild expansion. The improvement reflects greater managerial optimism and increasing orders, though these are not yet confirmed by similar European Commission surveys. A similar improvement is visible in the global manufacturing index, despite persistent uncertainty caused by recurring trade tensions with the US. A new EU-US trade agreement is easing tensions, but the effective tariff rate for all EU countries will rise significantly.

FIGURE 7 – Weighted index of external demand (level)



Source: MoF SR

FIGURE 8 – Annual growth of weigh. ext. demand ind. (%)



Source: MoF SR

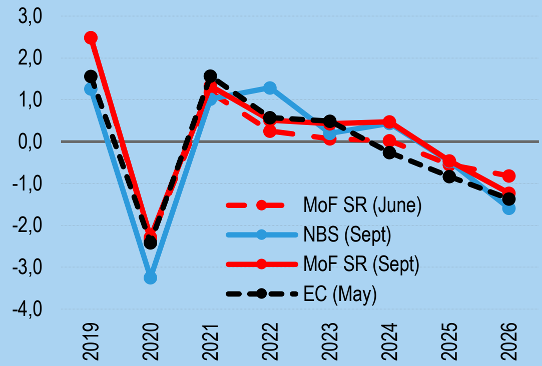
Stabilisation of trade relations in 2026 and 2027 may reduce uncertainty and help exporters navigate the new realities of international trade and pursue investment plans. The gradual recovery of external demand in later years will also be supported by an accommodative monetary policy. Risks to the outlook remain high uncertainty about future developments and geopolitical risks. The expected fiscal stimulus in Germany could, depending on its structure, positively affect foreign demand dynamics, while political instability in France may act as a headwind to recovery.

BOX 2 – Output gap estimates

Since 2023, EU funds have supported the growth of Slovakia's potential output, which hovers around 2%. In 2023, potential GDP growth was driven by the investment impulse from the final year of the EU programming period, while since 2024 capital inflows from the Recovery and Resilience Plan have been increasing. Growth in total productivity will also support potential output, while the smallest contribution comes from potential employment, which may even act negatively due to demographic trends and retirements. Economic demand strength will be supported by investment and, from 2027, by a revival in exports, especially in the automotive industry linked to the start of Volvo's production.

According to the national methodology of the Ministry of Finance, the Slovak economy in 2025 operates slightly below potential, with the gap expected to widen thereafter. Unfavourable demographic factors have reduced the supply of available workers, exacerbated by early retirements in 2023. The labour market will remain under increasing pressure due to demographics, limiting the economy's performance potential. The economic recovery from 2026, driven by EU funds and improving external conditions, will not be sufficient to close the negative output gap within the forecast horizon.

FIGURE 9 – Output gap (% pot. GDP) – comparing MoF SR, NBS, EC



Source: MF SR, NBS, AMECO

TABLE 1 – Output gap and factor contributions to potential growth – national methodology

	Output gap (% pot. GDP)	Pot. GDP {%)	TFP*	Capital	Labour
2022	0.5	1.3	0.6	0.6	0.1
2023	0.4	2.3	1.6	0.7	-0.1
2024	0.5	2.0	1.2	0.9	-0.1
2025F	-0.5	1.8	1.2	0.7	-0.1
2026F	-1.2	2.0	1.3	0.8	-0.2
2027F	-1.6	1.7	1.2	0.8	-0.4
2028F	-1.4	1.6	1.2	0.7	-0.5

*Total factor productivity

Source : MF SR

II. CURRENT POSITION OF THE PUBLIC FINANCES AND BUDGETARY OBJECTIVES

The government is targeting a deficit of 4.1% of GDP next year, with the aim of gradually stabilizing the debt path. The shock in the real economy, driven mainly by U.S. tariffs, has already translated into revenue shortfalls in the current year. As a result of these shortfalls and other external factors – most notably rising defence and interest expenditures – the effect of consolidation measures adopted to date has had to offset negative impacts and has therefore not yet fully materialized. Nevertheless, the government is continuing its consolidation effort by preparing additional remedial measures. This also creates sources of financing for government priorities, particularly in education and healthcare. In a challenging environment of a slowing economy, Slovakia is thus continuing the set trajectory of reducing the deficit toward 3% of GDP by 2028. By presenting the measures, the government is also responding to the requirement under the Excessive Deficit Procedure to present, every six months, measures to ensure adherence to the expenditure path and to reduce the deficit.

II.1. Developments in the public finances in 2025 and the current position

The general government deficit will fall to 5.0% of GDP this year, representing a year-on-year decrease of 0.3 p.p. For 2025, the government has adopted an extensive set of consolidation measures, although their full impact on deficit reduction is offset by certain negative factors. These are primarily external shocks that are reflected in higher defence spending and interest expenditures. The effect of consolidation is also dampened by the spending priorities of previous governments and the current one. The decline in the deficit has also been significantly slowed by the external shock associated with the introduction of tariffs by the U.S. administration. Absent this shock, the budgetary target of 4.7% of GDP would have been achieved.

FIGURE 10 – Development of the nominal balance in % of GDP

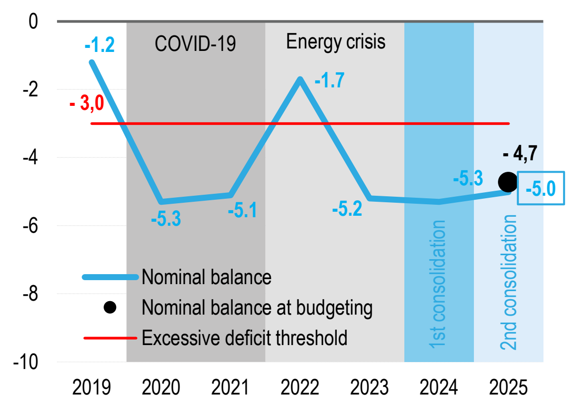
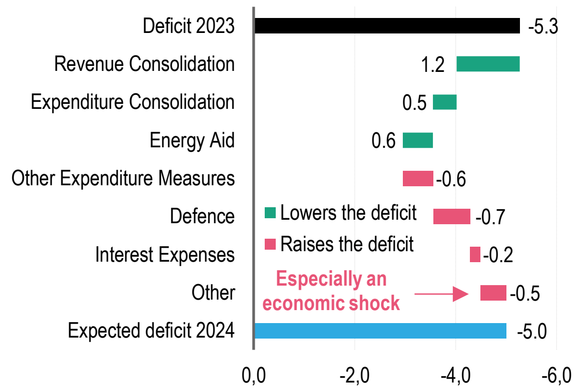


FIGURE 11 – Main contributions to the year-on-year change in the 2025 deficit (p.p., ESA 2010)



Source: MoF SR

The deficit is decreasing thanks to revenue-side consolidation measures, although their effect is muted mainly by the external shock from abroad. Revenue growth is driven chiefly by consolidation measures amounting to 1.2% of GDP. The largest contributions come from the VAT reform, the increase in corporate income tax for larger enterprises, and the transactions tax – albeit with a slightly smaller impact than planned in the budget. The revenue side was also strengthened by a new tax on sugar-sweetened beverages and a higher excise duty on tobacco. In addition, several sectoral taxes were broadened. The positive impact of the measures was partly dampened by the U.S. administration's tariffs, which significantly reduced macroeconomic bases such as household consumption and employment[2]. Moreover, tax collection is weaker than would correspond to the evolution of the relevant macroeconomic bases.

FIGURE 12 – Revision to the projected yield of taxes and social contributions relative to the 2025 budget (as % of GDP)

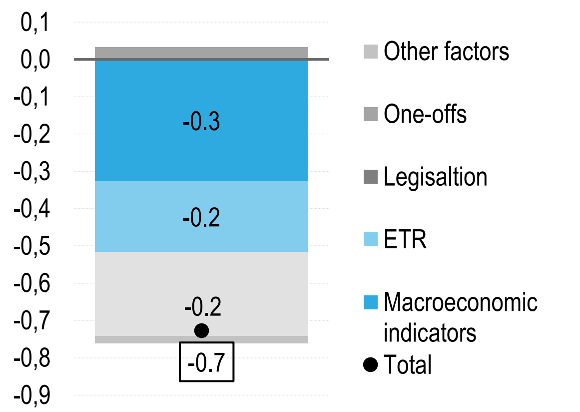
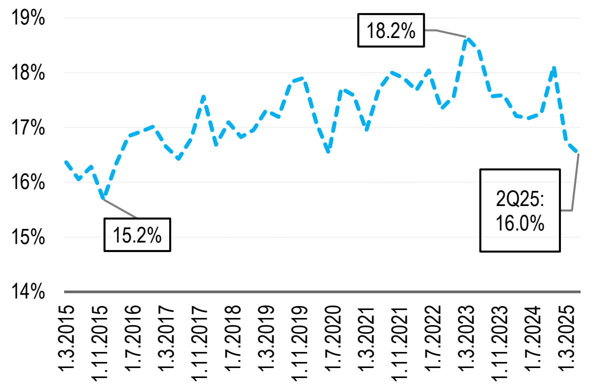


FIGURE 13 – VAT effective tax rate (in %)



Source: MoF SR

The decline in the deficit was also supported by expenditure-side consolidation measures, whose effect was. However, moderated by other spending measures of the current and previous governments. The backbone of consolidation on the expenditure side is the reform of the parental pension replacing tax assignation (earmarking), complemented by an adjustment to the child tax credit[3]. The withholding of certain wage expenditures in budget chapters has only a marginal effect in restraining expenditure growth, given their narrower share in the general government wage bill. At the same time, these savings are offset by measures to improve remuneration conditions in the armed forces. Upward pressure on spending also came from the government-approved €800 bonuses and the increase in wages in education from September of this year. Spending pressures are further reinforced by an increase in normative funding for kindergartens and their transfer under the central government, as well as changes to care-giving allowances for persons with disabilities. Other government priorities included higher allocations to funds supporting the arts and the audiovisual industry. Expenditures are also affected by measures of previous governments, such as the amendment to the Schools Act or higher spending on research and development.

In addition to the above direct measures, the fiscal balance was influenced by factors that go beyond the scope of the government's direct impact or are not fully under its control. Energy aid has had a positive effect on reducing expenditures thanks to the decline in market energy prices. Conversely, higher defence spending has had a negative effect on the deficit, as a large share of military equipment paid for in the past is being delivered this year. The deficit is also adversely affected by another external shock – higher interest expenditures due to the increase in bond yields[4].

II.2. Budgetary targets

With the aim of gradually stabilizing the debt path, the government is targeting a 2026 deficit close to 4% of GDP. Absent consolidation, the general government deficit would continue to rise next year and debt would keep increasing. The budgetary target therefore aims at reducing the deficit from this year's level of 5.0% to 4.1% of

[2] Compared with the budget, some legislative measures also underperformed, such as the financial transactions tax.
[3] In the ESA 2010 balance, reported on the expenditure side.
[4] At present, roughly half of the increase in interest expenditures is due to refinancing old debt and the other half to the high deficit.

GDP. The government's target also fully respects the binding trajectory for the growth of net expenditure laid down by the EU fiscal rules. General government expenditure (after adjusted for discretionary revenue measures)[5] will grow at a pace of 0.9% next year (BOX 3 and Annex 4).

The government has approved a substantial package of consolidation measures for next year. A larger volume of consolidation than the planned reduction in the deficit – similarly to previous years – creates financing buffers for adverse external developments, such as the continued rise in interest expenditures or an increase in the contribution to the EU budget. At the same time, revenue performance remains weaker due to economic growth running below potential. Consolidation measures are also used to finance new government spending priorities, such as higher wages in education. Other factors negatively affecting the deficit include, for example, developments in healthcare[6], driven mainly by the automatic payroll mechanism.

FIGURE 14 – Projected general government deficit (% of GDP)

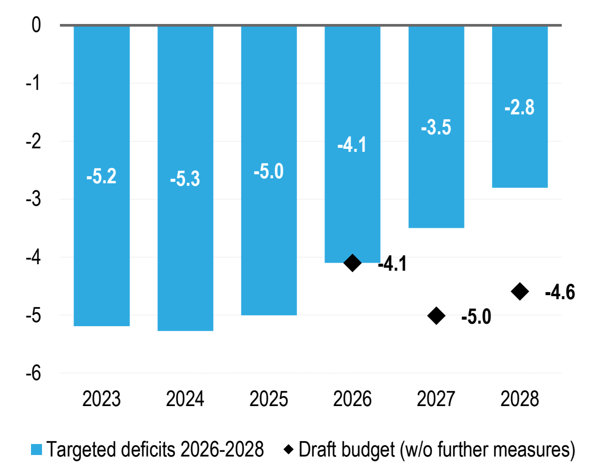
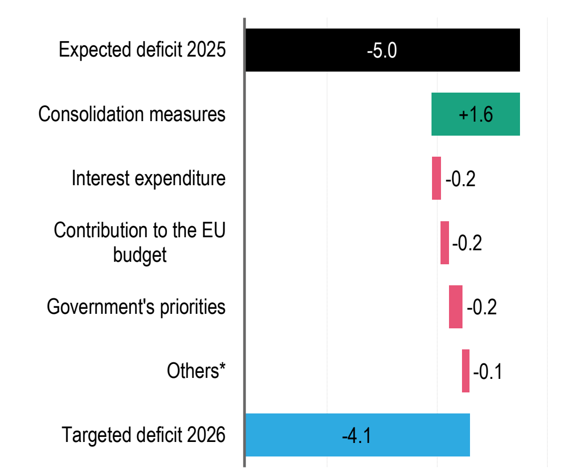


FIGURE 15 – Main contributions to the year-on-year change in the deficit in 2026 (p.p., ESA 2010)



Note: Particularly factors such as the set-up of the tax-and-contribution system, the evolution of non-tax revenues, or the shock induced by higher tariffs.
Source: MoF SR

In subsequent years, the government plans to continue its consolidation effort with the objective of reducing the deficit below 3% of GDP, which will, however, require additional measures. The trajectory of bringing the deficit below 3% of GDP by 2028 remains more ambitious than required by the EU rules, in the context of stabilizing the debt dynamics (BOX 3). Under the current draft budget, this strategy will require additional measures amounting to 1.5% of GDP in 2027.[7]

BOX 3 – The government's fiscal strategy versus the EU budgetary rules

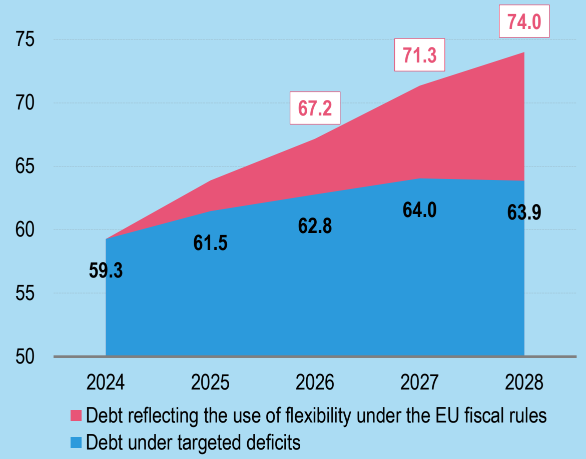
The EU fiscal rules have recently undergone substantial changes. The reform of the European fiscal framework sets a fixed ceiling for expenditure growth over a multi-year horizon[8] for each Member State, while the corresponding reduction in the deficit and debt is a more secondary objective. The new expenditure-focused fiscal rule is more counter-cyclical. In the event of favourable economic developments and revenues overperformance, it does not allow for higher spending; consequently, the deficit and debt are reduced faster. Conversely, in the event of worse development and a subsequent fall in revenues, debt may not stabilize at all over the next few years despite compliance with the expenditure rule. The rules were also further relaxed recently through the possibility to increase expenditures in the event of higher defence spending compared with 2021,

[5] Total general government expenditure excluding interest expenditure, EU-financed expenditure (including the Recovery and Resilience Plan), national co-financing, one-off expenditure under the European Commission methodology, and cyclical component of unemployment benefits.
[6] The Draft Budgetary Plan reflects the draft general government budget approved by the Government of the Slovak Republic and does not include subsequent amendments adopted by the committees and the plenary of the National Council of the Slovak Republic (NR SR).
[7] This scenario also assumes that, in the course of 2026, the Constitutional Act on Budgetary Responsibility (the "debt brake rule") will be amended. Under otherwise unchanged conditions, the government would have to submit to the NR SR a proposal for a fully balanced budget for 2027.
[8] Total general government expenditures net of EU-funded expenditure, interest expenditures, national co-financing, cyclical unemployment-related expenditures and one-off expenditures, and after accounting for the government's revenue measures.

which further weakens the focus on the debt-reduction objective.

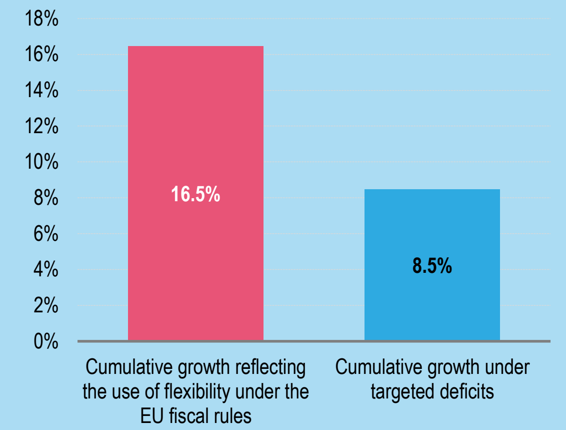
The government's budget plans are more ambitious than the currently applicable EU rules. In its Government Manifesto, the government set the goal of halting the rising debt trend by the end of its term. Compliance with the European rules alone would not lead to this objective. The revenue shortfall caused by currently weaker economic growth would not have to be offset by spending cuts. On the contrary, given defence spending already higher than in 2021, the rules would allow other expenditures to be increased by up to 0.7% of GDP on average. Even in full compliance with EU rules, the deficit would not decline, and debt would consequently rise above 70% of GDP. The maximum expenditure growth allowed by EU rules is therefore tightened in the draft budget so that the deficit gradually falls below 3% of GDP, which is a necessary condition for the government's objective of halting debt growth by 2028.

FIGURE 16 – Projected path of gross debt (% of GDP)



Source: MoF SR

FIGURE 17 – Cumulative growth of net expenditure until 2028 (%)



Source: MoF SR

III. DESCRIPTION OF GOVERNMENT MEASURES

The government has prepared, the parliament has already approved, and the president has signed an extensive set of consolidation measures for 2026. The measures are being implemented on both the revenue and expenditure side. Adjustments on the revenue side are aimed at increasing the contributions, increasing the progressivity of taxation, steps aimed at combating tax evasion and optimizing taxes and contributions, as well as increasing the taxation of negative externalities. On the expenditure side, the greatest savings are brought by curbing the expenses of ministries, their subordinate organizations, as well as local governments. Other adjustments on the expenditure side are in pensions and selected social benefits. Revenues will also increase because of reducing the number of days off and the lifted ban on sales during public holidays. The presented measures also reflect the requirement of the Excessive Deficit Procedure (EDP) to present steps ensuring compliance for 2026 with the net expenditure growth trajectory set out in the Medium-Term Fiscal and Structural Plan of the Slovak Republic for 2025 to 2028[9].

III.1. Measures included in the budget

Revenue measures

Increasing the progressivity of taxation

Taxing higher earners will increase public revenues by 0.2% of GDP and strengthen the progressivity of taxation. The most revenue in this category will be brought by increasing the progressivity of the personal income tax[10]. The second rate of 25% will be applied from 44 thousand euros per year, instead of over 50 thousand applied in 2025. The third and fourth rates of 30% and 35% will also be introduced. They will be applied from annual earnings of 60 thousand and 75 thousand euros, respectively. At the same time, the non-taxable part of the tax base for the taxpayer and his/her spouse is also being slightly reduced. The special tax rate for selected constitutional officials will be increased from 5% to 10%. The introduction of a new tax license band of 11.5 thousand euros will increase the taxation of companies with a turnover of over 5 million euros[11].

Measures aimed at combating tax evasion and tax and contribution optimization

Proposals focused on reducing tax optimization and combating tax evasion (0.2% of GDP) aim for a fairer tax and contribution system. The period during which new self-employed persons do not pay social contributions will be shortened from one year to 6 months. A special assessment base of 26% of the average wage will be created and will be applied to all self-employed persons. The state will also amend the definition of dependent activity to reduce the number of forced self-employed. This step is expected to have a positive impact only from 2027. The VAT deduction will be limited to 50% for company vehicles that are also used for private purposes. A one-time increase in revenue is to be brought by a tax amnesty for unpaid taxes in the past. Tax amnesty will be ongoing from the beginning of the year until the end of June 2026[12]. Part of the fight against tax evasion is the introduction of QR payments and the obligation of merchants to accept cashless payments by March 2026. At the same time, the payment of income contributions during sick leave, receiving nursing or maternity leave will be introduced. Better targeting of control activities during the sick leave will contribute to higher collection of taxes and contributions due to a reduction in the number and average length of sick leave.

Increasing taxation of negative externalities

Higher revenues (0.1% of GDP) will be brought by additional taxation of selected negative externalities, the aim of which is also to influence consumer behaviour. Selected goods with an increased salt and sugar content will be moved to the basic VAT rate of 23%. These include various types of sweets, confectionery, desserts, ice cream, jams, sweetened soft drinks, and various salty snacks. Similar products that are diet foods, or nutritional

[9] Updated measures for previous years (discretionary revenue and expenditure measures responding to the EDP) are included in the annex.
[10] The measure will affect almost 360,000 individuals next year. The entire revenue from the measure will be state revenue, even though the VAT is a proportional tax. The proportional distribution between the state and local governments will be adjusted.
[11] It is estimated that approximately 1,400 companies will pay the higher tax license.
[12] It is estimated that 23 thousand entities will settle their debts.

supplements and baby food will retain the reduced rate of 19%. The rate of levy on gambling proceeds will be increased from 27% to 30%. Together with the increased rate, the flat rates of games in arcades and casinos will be changed to the level of an effective rate of 21% of the proceeds. At the same time, taxation of fees for payments by payment card in favour of the player's account at a rate of 54% is being introduced. A fee is also being introduced for the use of primary materials such as gravel, sand and stone. The rate is set at 1.35 euros per tonne. This tax encourages the use of alternatives, including recycled and secondary materials.

Measures increasing the tax burden

Increased revenues of 0.3% of GDP will flow from measures aimed at increasing the contribution burden. The largest volume of revenues will flow from an increased health contribution by 1 p. p. paid by employees, self-employed persons and self-payers. Minimum contributions paid by sole traders will also be increased by 20% to the level of 60% of the average monthly wage from two years ago. The measure is being introduced with the aim of increasing the pensions of self-employed persons by 13%, so that they reach at least the minimum pension. The tax rate on non-life insurance and the contribution from compulsory contractual insurance are also increasing from 8% to 10%.

Measures aimed at supporting the economy

The reduction of working days and the lifting of the sales ban on some public holidays will support the economy and increase revenues by 0.2% of GDP. Starting next year, two working days will be temporarily lifted, one will be permanently lifted. At the same time, the sales ban on some public holidays is being lifted. These measures will ensure an increase in working days and economic activity. Increased economic activity and household consumption will also be reflected in increased taxes and levies, which will increase public revenues.

Expenditure measures

Expenditure consolidation measures

The main part of the expenditure consolidation consists of curbing the expenditure of state and local government organizations, in the amount of 0.5% of GDP. The government is not considering the valorisation of salaries for state employees and employees working in the public interest, except for teaching and non-teaching employees in education sector. The consolidation measure also applies to the salaries of police officers, firefighters and members of the Financial Administration. In some ministries and their subordinate organizations, the wage envelope will also be reduced, which can be achieved by making employment more efficient, or a more targeted approach to remuneration, cancelling external workers and people working on a contract basis. Expenditures on goods and services of individual chapters of the state budget will remain frozen, and capital expenditures of these organizations will even decrease slightly. Purchases of new vehicles will be limited and purchases that are not a priority will not be made. It is also planned to merge offices with similar focus and rationalize the school network. Expenditures on some programs such as the restoration of monuments will also be cut. Municipalities and higher territorial units are also to contribute to the reduction of expenses at the level of 10%, or 15% of their costs for managing offices. Savings will be ensured by reducing the share of local governments in the income tax revenue.

Other adjustments mainly concern the temporary suspension of the valorisation of 13th pensions and the tightening of payments of some social benefits, saving expenses in the amount of 0.1% of GDP. The valorisation of the amount of 13th pensions will be temporarily stopped for three years. In the years 2026 to 2028, they will be paid at the level of 2025, i.e. in the case of old-age pensions over 667 of euro. Savings will also be brought by not paying the contribution to the II. pillar during maternity and parental leave[13]. A gradual reduction in unemployment benefits has also been introduced after the 3rd month of receipt. The benefit will gradually decrease to 20% of the gross wage in the last 6 months. Reducing the benefit could motivate people to return to the labour market more quickly. The period of incapacity for work for which the employer pays wage compensation will be extended from 10 to 14 days. At the same time, measures have been taken to streamline checks on the sick leave.

[13] This change will affect about 118,000 savers annually.

The means of the medical examiner are also being expanded. From next year, the administrative costs of state support at increased interest rates on mortgages will be streamlined.

Energy aid will continue in a more targeted form next year and will be temporarily financed from reserves in the general treasury. Energy aid for heat and gas will be targeted at approximately 90% of households, requiring costs equivalent to 0.3% of GDP. According to the current EU legal framework, energy price subsidies cannot be financed directly from EU funds. Therefore, the draft budget plan temporarily envisages their coverage from the reserve for unexpected budgetary developments and other items within the general treasury chapter. Subsequently, through the reallocation of EU funds, state budget expenditures in individual chapters will be refinanced, thus creating space for re-establishing reserves in the general treasury chapter.

Government measures increasing spending.

The valorisation of salaries in education sector will increase the deficit next year by 0.2% of GDP. The salaries of teachers and other employees in the education sector have been valorised by 7% since September 2025, but this increase will only be fully reflected in the following year. At the same time, from the beginning of 2026, the salaries of teachers and other employees in the education sector will be valorised by another 7%. In the case of teachers and professional employees, the increase in 2026 is divided into an increase in salary scales of 5%. The increase of 2% is related to the additional tariff component, which is linked to the new assessment supplement. By 2027, all teaching employees will receive this supplement regardless of the assessment. After 2027, the assessment supplement is to be based on the school principal's assessment[14].

Pensions from the first pillar for parents who have taken care of children are being increased. In the coming years, the period during which parents took care of a child will be recalculated. The pension from the first pillar will be calculated from the average of their wages before and after the period of taking care of a child. Until now, the state has only recognized 60% of the average wage in the economy for this period.

TABLE 2 – Quantification of new income and expenditure measures (ESA2010, in EUR millions)

	ESA2010	2026	2027	2028
Summary of revenue measures		**1 442**	**1 460**	**1 537**
Increase in payroll contribution burden		**621**	**749**	**780**
Increase health-insurance contributions for workers and voluntary insured (self-payer)	D.5/D.6	358	374	389
Reduction of the exemption period from social- and health-insurance contributions and introduction of a mandatory contribution for self-employers*	D.5/D.6	119	230	239
Higher minimum social- and health-insurance contributions for self-employers*	D.5/D.6	102	97	101
Higher insurance tax and compulsory motor liability levy	D.2	37	44	45
Increase the levy on collective investment funds	D.5	5	5	5
Increase in the progressivity of taxation		**216**	**227**	**240**
Increase the progressivity of personal income tax**	D.5	206	219	232
Introduction of a new tax-license tier for the largest companies	D.5	10	8	8
Tax evasion and tax/social-contribution optimization		**196**	**159**	**183**
50% VAT deduction for company cars (also used for private purpose)	D.2	86	89	91
Tax amnesty on historical tax arrears	D.2/D.5	81		
Act combating false self-employment	D.5/D.6		40	61
Introduction of a levy on social- and health-insurance contributions on bonuses paid during sick leaves and maternity leave	D.5/D.6	29	30	31
Taxation of negative externalities		**169**	**184**	**191**
Introduction of the standard value-added tax (VAT) rate for selected sweet and salty food products	D.2	91	95	98
Higher gambling taxation, including levies on deposits to player accounts	D.2/D.5	54	57	61
Introduction of a charge on the use of primary raw materials	D.45	24	32	32
Higher revenues for the Ministry of the Interior of the Slovak republic	**P.11**	**10**	**10**	**10**
Measures to support the economy		**230**	**130**	**134**

[14] The valorisation of salaries of employees in education within the original competences of local governments is taken into account in the increase in the share of local governments in personal income tax revenue from the beginning of 2026.

Reduction in the number of public holidays and the lifting of the ban on retail sales on public holidays	D.2/D.5/D.6	230	130	134
Summary of expenditure measures		**-519**	**-506**	**-533**
Curbing expenditure growth in central government and local governments		**-714**	**-664**	**-664**
Savings in government administration (lower payroll, operating-cost savings, closing/merging offices, etc.)	**D.1/P.2/D.7/P.51**	-425	-375	-375
No salary indexation in 2026 and a freeze on the salaries of constitutional officeholders	**D.1**	-160	-160	-160
Savings in the operating expenditures of regional and municipal governments	**D.1/P.2**	-129	-129	-129
Savings on social transfers		**-152**	**-215**	**-269**
Abolition of state-paid contributions to the second pension pillar during maternity leave	D.6	-48	-51	-54
Temporary freeze of the 13th pensions valorisation	D.6	-34	-78	-126
Extend the period during which employers must pay sick leave to 14 days	D.632	-25	-29	-30
Lower unemployment benefit after three months	D.6	-24	-34	-36
More targeted sick-leave checks and expanded powers for medical assessors*	D.632	-13	-15	-16
End of the mortgage repayment assistance program	D.6	-8	-8	-8
Use of reserves to finance energy aid	**D.3**	**0**	**0**	**0**
Government measures increasing expenditure		**347**	**373**	**400**
Pay increase for teachers and non-teaching staff	D.1	347	349	349
Credit maternity and parental leave towards pension entitlements at the individual's wage level	D.6		24	51

Note: For revenue measures, positive values indicate higher revenues (i.e., a lower deficit). For expenditure measures, negative values indicate lower spending (i.e., a lower deficit)—and vice versa.

Note 2: The rollout of QR-code payments in the spring of next year is not included in the draft budget and represents an upside risk of EUR 14–59 million in 2026–2028.

* These measures affect both the revenue and the expenditure sides; the resulting amount represents the saving after summing both sides.

** Including salary and tax adjustments for constitutional officeholders.

*** Assistance with mortgage repayments will no longer be administered by the Office of Labor, Social Affairs and Family (ÚPSVaR); the assistance itself will continue to be provided.

**** Indexation of salaries in education is calculated as the net budget impact after deducting the use of savings in VPS and MŠVVaM, without taking NPC into account.

III.2. Measures under preparation

The government is also planning further consolidation measures, which will be incorporated into the budget after the necessary legislation has been finalized. The government plans to present a proposal for the introduction of a digital services tax next year. This tax would primarily apply to large multinational technology companies. Mortgage assistance should also now be the responsibility of the banks themselves, for which the government is preparing the necessary legislation.

IV. GROSS DEBT AND LONG-TERM SUSTAINABILITY OF PUBLIC FINANCE

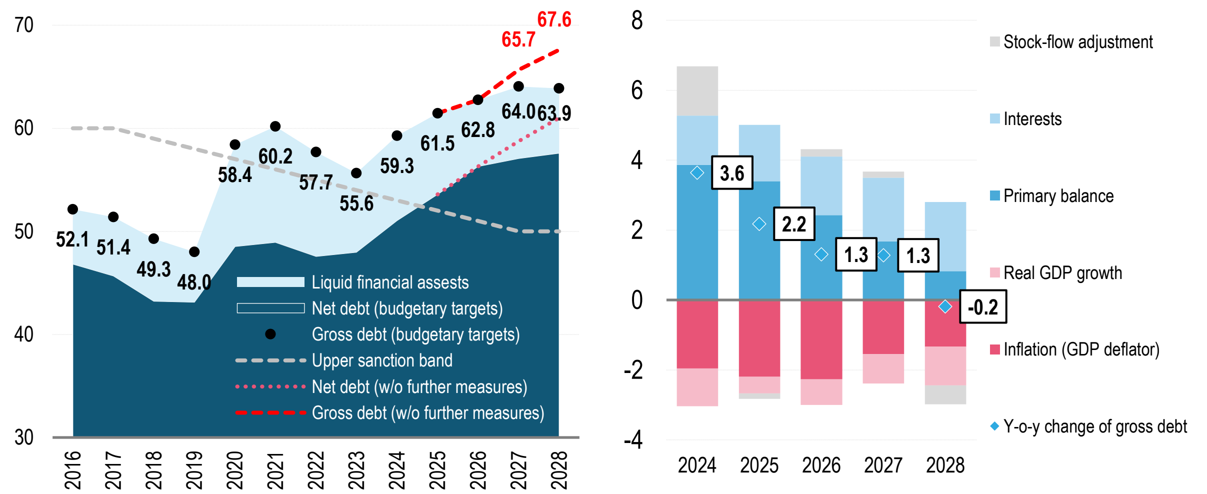
Public debt is projected to exceed 60% of GDP this year, driven by a higher deficit and a slowdown in economic activity. Despite adverse external factors, the government's ongoing fiscal consolidation is expected to significantly moderate debt dynamics in the coming years. The planned stabilisation of debt at around 64% of GDP by 2028, however, will require additional consolidation efforts. Without further reduction of headline deficit, debt would exceed 90% of GDP by the end of the next decade. The need for additional fiscal adjustment through 2028 is also confirmed by sustainability indicators. Reducing the deficit is a prerequisite for lowering fiscal sustainability risks from the current high to the medium-risk range.

IV.1. Gross debt

Public debt is estimated at 61.5% of GDP this year, reflecting a public finance deficit of around 5% of GDP and a slowdown in economic activity. The continued increase in debt is due to the persistent public finance deficit, including rising interest expenditure. While the government's consolidation effort has moderated the year-on-year growth of debt, it is not yet sufficient to stabilise its trajectory in the short term (FIGURE 19). At the same time, weaker economic growth only partially offsets the impact of the deficit. As a result, public debt remains within the sanction band of the national debt brake rule, which – once reactivated in November 2025 – will require the application of the most stringent sanctions[15].

According to current projections, the upward debt dynamics in 2026 are expected to be contained by a reduction in the deficit to around 4% of GDP. The debt-to-GDP ratio is nevertheless set to continue increasing in the following year. A declining deficit, reflecting the government's consolidation effort, together with a moderate economic recovery, is expected to markedly slow the pace of debt accumulation.

FIGURE 18 and 19 – Medium-term debt forecast and decomposition of its annual change (% of GDP)



Note: The projected developments of gross and net debt under the scenario of targeted budget deficits are consistent with general government accrual deficits of –4.1% of GDP in 2026, –3.5% of GDP in 2027, and –2.8% of GDP in 2028. *Source: MoF SR*

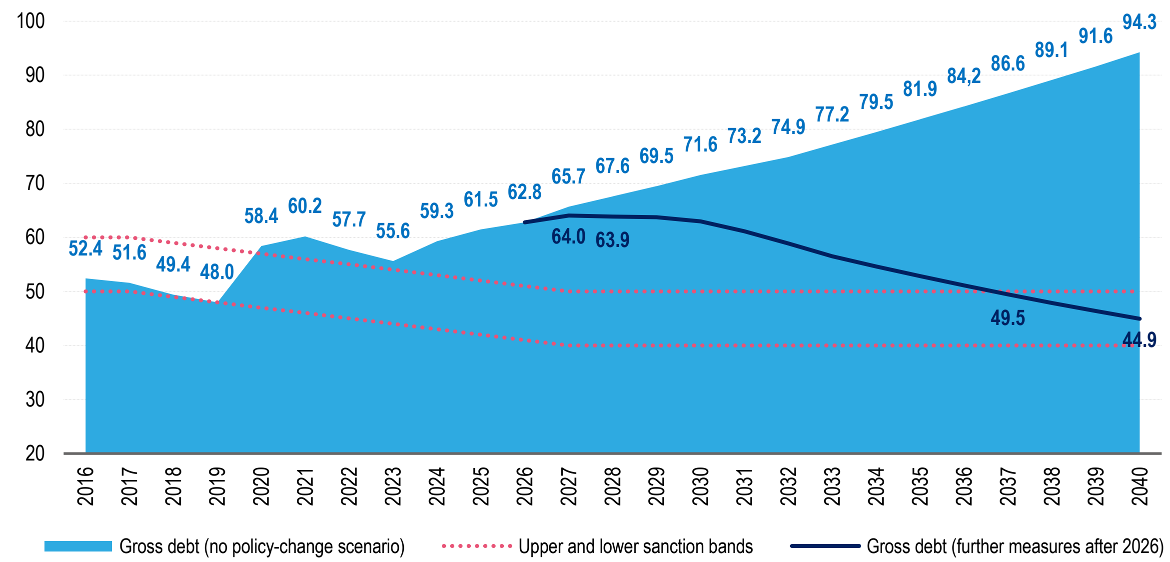
Debt is expected to stabilise in 2028. Despite adverse external factors, the government reaffirms its strategy to reduce the deficit below 3% of GDP. However, due to a weaker macroeconomic outlook, debt stabilisation is projected to occur one year later than envisaged in last year's budget. Public debt is thus expected to peak at around 64% of GDP. In meeting its financing needs, the government is expected to make greater use of domestic

[15] Following the parliamentary elections and the adoption of the government's manifesto in November 2023, the most stringent sanctions of the national debt brake rule were suspended for two years in line with the Constitutional Act on Budgetary Responsibility. Given that public debt remains within the highest sanction band, the Constitutional Act will require the application of the strictest corrective measures as early as 2025, including the freezing of state budget expenditures, a vote of confidence in Parliament, and the preparation of a balanced budget for 2027.

resources rather than borrowing on financial markets, while the stock of liquid financial assets is projected to return close to its pre-pandemic level (around 5% of GDP).

Without fiscal consolidation, public debt would rise unsustainably, exceeding 90% of GDP by 2040. Consolidation measures implemented after 2026 would reverse the unfavourable debt trajectory, which would otherwise surpass 70% of GDP by the end of the decade and exceed 90% of GDP ten years later. Such a pace of debt accumulation would be accompanied by a further increase in interest expenditures, crowding out resources for other public policies and significantly undermining debt sustainability and market financing capacity. Conversely, continued fiscal consolidation towards a balanced budget would ensure a decline in the debt-to-GDP ratio below the highest sanction zone of the national debt brake within ten years.

FIGURE 20 – Long-term projection of Slovakia's gross public debt until 2040 (% of GDP)



Note: The long-term projection assumes a no-policy-change scenario, incorporating the impact of population ageing on the structural balance, estimated at an average of 0.1% of GDP per year over the period 2029–2040. The consolidation scenario assumes deficits of 3.5% of GDP in 2027 and 2.8% of GDP in 2028, followed by a reduction of the deficit by 0.5 percentage points per year until a balanced budget is achieved and subsequently maintained. The long-term assumptions for nominal GDP growth are based on the 2024 Ageing Report prepared by the AWG (Ageing Working Group).
Source: MoF SR

IV.2. Sustainability of public finances

Once the budgetary targets have been met, long-term sustainability could move from the current high-risk range to medium risk. Long-term sustainability has improved compared to last year, mainly due to an improvement in the primary structural balance of 0.3 percentage points, but it remains in the high-risk range. A further reduction in the primary structural balance resulting from the measures currently included in the budget would bring long-term sustainability close to the medium risk threshold by 2028. A significant improvement would occur if the budgetary targets were met. If they are met, long-term sustainability in 2028 would move deeper into the medium risk range[16], to 4.4% of GDP. To reduce the risks to long-term sustainability further into the low range, it will be necessary to continue taking measures beyond the budget horizon.

TABLE 3 – Breakdown of long-term sustainability indicator S2 as of 2028 (% of GDP)

	2025	GGB 2026-2028	Budgetary targets
Total value	**8.0 (high risk)**	**6.2 (high risk)**	**4.4 (medium risk)**
thereof:			
Initial budgetary position of structural balance and debt	3.6	2.7	0.9

[16] In the EC methodology, the overall risk of debt sustainability is considered moderate only if the value of indicator S2 shows a moderate or lower risk (a value below 6% of GDP). A precise categorization of risks is available in Table 1, Box I.3.1 of the 2023 edition of the Debt Sustainability Monitor.

thereof the primary structural balance (-):	*-2.9*	*-2.1*	*-0.3*
Pension expenses	1.6	1.0	1.0
Health care	1.0	0.9	0.9
Long-term care	1.2	1.1	1.1
Expenditure on education	0.2	0.1	0.1
Other	0.4	0.4	0.4

Source: MoF SR

BOX 4 – Measures in the pension system

The measures adopted in the pension system had a relatively low overall impact on long-term sustainability. As part of the consolidation package adopted on 10 September 2025,[17] a temporary freeze of the 13th pension amount was approved. The measure set the value of the 13th pension for the years 2026 to 2028 at the level of the 13th pension in 2025. From 2028 onwards, the return to the current mechanism for determining the 13th pension based on the average benefit values from the previous year is envisaged. From a long-term sustainability perspective, this is therefore only a short- to medium-term measure with no lasting impact in the long run[18].

In addition to the so-called consolidation package, an amendment was adopted that changes the way periods of child-care are reflected in the pension amount. The amendment abolishes the state's obligation to pay contributions (including those to the second pillar) for parents on parental leave, while at the same time introducing a new method for recognising child-care periods in pension entitlements[19]. The most significant impact arises from periods of child-care for children up to the age of 3 (or 18 in the case of long-term severe health conditions). According to the current setting, a pension point of 0.6 was included in the calculation of the pension for these periods (0.3 prior to 2004, if the child-care took up a full year). In the new setting, these periods will effectively be considered in the calculation of the pension in the same way as if gainful activity had been carried out during it. Pension system expenditures will increase by 0.02 to 0.07% of GDP, with the highest increase being achieved in the medium term, due to the compensation of lower pension points for earlier periods of child-care. The impact of the measure on the increase in pension system expenditures in the long term is therefore minimal (0.02 per S2 indicator).

[17] https://rokovania.gov.sk/RVL/Material/31136/1.

[18] The IFP's long-term projection of age-related expenditure is based on the assumptions adopted in the preparation of the 2024 Ageing Report (2024 Ageing report. Underlying Assumptions and Projection Methodologies). According to these assumptions, additional benefits in the pension system, such as minimum pensions, material need of pensioners, 13th pensions, are indexed to the average wage over the entire horizon to prevent their excessive decline in the long term. The assumption also reflects the frequent ad hoc increases of these benefits with a similar intention.

[19] It introduces a minimum POMB threshold of 60% of the assessment base from two years ago for all state insured persons, exclusion of periods of childcare up to 3 years (and up to 18 in the case of adverse health conditions), allows for the coexistence of pension insurance from employment / self-employment with childcare, and other technical adjustments.

V. LINKING THE BUDGETARY PLAN TO THE TARGETS OF THE GROWTH AND EMPLOYMENT STRATEGY AND COUNTRY SPECIFIC RECOMMENDATIONS OF THE COUNCIL OF EU

Alongside the ongoing consolidation of public finances, important structural reforms and investments are also being implemented[20]. In recent years, these have focused mainly on the Recovery and Resilience Plan (RRP), which provides a key framework for systemic measures with an impact on competitiveness, social inclusion, and green transformation. The year 2026 marks the final stage of the implementation of the Recovery and Resilience Plan, during which measures will be finalized, particularly in the areas of digitalization, green energy, healthcare, and the modernization of the education system. At the same time, the absorption of funds from the Programme Slovakia is being strengthened, which brings interventions focused mainly on increasing energy efficiency, supporting social inclusion, and developing human capital. The reform framework is complemented by the government's domestic priorities, particularly the consolidation of public finances, the modernization of industrial policy, and the enhancement of the quality of public institutions.

TABLE 4 – Reforms and investments based on the framework of the 2025 Annual Progress Report

	Reform/ Investment	Description of the measure	RRP/ PSK	CSR
Public finances	**Reform 1:** Revenue consolidation measures	Consolidation measures on the revenue side are budgeted at €1.2 billion in 2026. The measures include a 1 percentage point increase in health insurance contributions and an increase in minimum contributions for self-employed persons (€621 million). Increased tax progressivity (€216 million) will bring new PIT tax bands and a higher tax licence for businesses. As part of the fight against tax evasion (€196 million), VAT deductions (up to 50 %) on company vehicles used for private purposes will be limited, a new special tax base for all self-employed persons will be introduced, and a one-off tax amnesty on unpaid taxes from the past will be implemented. Taxation of negative externalities (€169 million) includes a standard VAT rate on sweet and salty foods, higher taxation on gambling and a levy on raw materials.	-	2025.CSR.1
Public finances	**Reform 2:** Savings in the public sector	Savings of €1.1 billion in 2026 will be achieved mainly through measures to optimise public administration expenditure. In terms of wage and operating expenditure, emphasis will be placed on the efficient use of existing resources and the rationalisation of personnel capacities. Expenditure will be managed with the goal of strengthening cost-effectiveness and ensuring scope for the government's priority policies. Investment expenditure will be directed primarily towards essential and strategic projects, while local governments will contribute to the overall effort to improve public administration efficiency by saving 10% of management costs.	-	2025.CSR.1
Public finances	**Reform 3:** Expenditure consolidation measures	Additional savings of €152 million in 2026 consist of a temporary three-year freeze on 13th pensions at the 2025 level (€34 million), the abolition of state contributions to the second pillar for state-insured persons (€48 million), the extension of the period of wage compensation by employers from 10 to 14 days during sick leave (€25 million), reducing unemployment benefits after the third month (€24 million), better targeting of assessment activities during sick leave (€13 million) and ending the process of providing assistance with mortgage payments through the Central Office of Labour, Social Affairs and Family (€8 million), while the assistance itself remains in place.	-	2025.CSR.1
Public finances	**Reform 4:** Economic support measures	Measures worth €230 million for 2026 include the temporary abolition of two public holidays and the permanent abolition of one public holiday, as well as the abolition of the ban on sales during certain public holidays.	-	2025.CSR.3
Public finances	**Reform 6:** Sending data from invoices of tax entities (eInvoice)	The introduction of electronic invoicing and real-time transmission of invoice data aims to combat tax evasion, reduce the tax gap, and improve tax collection efficiency, while reducing the administrative burden on businesses.	-	2025.CSR.1 2025.CSR.4
Public finances	**Reform 7:** Implementation of budgeting based on no-policy-change scenarios	The aim of the measure is to fully implement budgeting based on no-policy-change (NPC) scenarios as a basis for public administration budgeting and expenditure limits. NPC scenarios already specify the operating base for public administration budget chapters and entities. In the case of the Social Insurance Agency, the General Health Insurance Company, the railways, local governments and personal expenditure of the state budget, these scenarios also serve as a direct basis for the draft budget.	-	2025.CSR.1
Public finances	**Reform 8:** Prepare a draft amendment to the constitutional law on budgetary responsibility (adjustment of the debt brake)	An amendment to the debt brake is necessary to ensure predictable fiscal policy. Without its adoption, the Slovak government would have to prepare a balanced budget for 2027, which would mean a sudden and excessively restrictive fiscal policy with a possible negative impact on economic growth.	-	2025.CSR.1

[20] The list of measures presented is based primarily on the Annual Progress Report (APR) for the year 2025. The list includes existing measures that are currently being implemented or new measures adopted since the publication of the APR. The current status of implementation of individual measures will be assessed in the next edition of the APR in April 2026.

	Reform 9: Improving the efficiency of VAT collection	Legislative definition of tax fraud in combination with software alerts in the style of "three strikes and you're out" will make it easier to assess participation in fraud and promote the psychological effect of tax compliance.	-	2025.CSR.1
	Reform 10: Streamlining tax arrears recovery processes	The Tax Administration Act will be amended to increase the efficiency of arrears collection by introducing innovative legal tools and modernising existing ones. The measure will contribute to speeding up collection procedures, improving cooperation between public authorities and strengthening the use of digital solutions.	-	2025.CSR.1
	Reform 11: Improving the quality of electronic financial administration services and promoting a client-oriented approach	The introduction of QR codes in documents issued by state institutions aims to simplify payments, eliminate manual data entry, reduce errors, and increase user satisfaction through a more efficient process. Tax returns will be pre-filled with the help of an assistant based on data from taxable income statements. The aim of the measure is to simplify the process of filing returns, reduce errors and ease the administrative burden on taxpayers.	-	2025.CSR.1 2025.CSR.4
Green transition	**Reform 12:** Hydrogen ecosystem	The measure will strengthen Slovakia's energy security and accelerate the transition to a low-carbon economy through the integrated use of hydrogen, with priority given to legislative amendments and the harmonisation of technical standards in line with EU requirements and national priorities.	-	2025.CSR.5
	Reform 13: Nature Protection	The aim of the measure is to strengthen nature protection by developing a model for protected areas with a focus on effective zoning of national parks. The measure will contribute to better management of natural resources, preservation of biodiversity and ensuring sustainable use of land.	RRP SK-C[C5]-R[R2]	2025.CSR.2 2025.CSR.5
	Reform 14: Updating the National Biodiversity Strategy and Action Plan (NBSAP) to 2030	The aim of the updated NBSAP is to create a comprehensive set of activities and measures to halt biodiversity loss and accelerate the transition to a green economy that uses natural resources more efficiently. This approach will enable more efficient use of natural resources, improve the environmental parameters of economic activities, and promote sustainable land development.	-	2025.CSR.5
	Reform 15: Revision of payments and fees for water use	In line with the Water Policy Concept, a new system of payments for water management services will be introduced, which will promote more consistent application of the polluter pays principle and contribute to more efficient management and protection of water resources.	-	2025.CSR.5
	Reform 16: Waste management strategy and Action plan	The strategy and action plan set out waste management targets and measures for a period of 10 to 15 years, with a focus on increasing recycling and reducing municipal waste disposal in landfills. The document promotes more efficient and sustainable waste management, improves environmental standards, and contributes to the achievement of circular economy goals.	-	2025.CSR.5
	Reform 17: Streamlining the provision of support from the Environmental Fund	The amendment to the Environmental Fund Act will contribute to increasing the efficiency of its operation and enable a more flexible response to the needs and requirements of financial support recipients. The measure will promote better coordination and use of available resources in financing environmental projects.	-	2025.CSR.1 2025.CSR.5
	Reform 18: Social and Climate Fund	The aim of the fund is to compensate the most vulnerable groups for the social impacts of the introduction of emissions trading in the buildings and road transport sectors from 2027. Member States must submit a social climate plan by the end of June 2025 to draw on the funds. The fund is planned to run from 2026 to 2032 and its use will be conditional on the transposition of all parts of the EU directive.	-	2025.CSR.1 2025.CSR.5
	Investment 1: Construction of new renewable energy sources	The measure aims to build at least 120 MW of new capacity for electricity generation from renewable energy sources under a defined support scheme, thereby contributing to increasing the share of renewable energy in the energy mix and meeting climate targets.	RRP SK-C[C1]-I[I1]	2025.CSR.2 2025.CSR.5
	Investment 2: Modernisation of green railway infrastructure for passenger transport	The measure focuses on the reconstruction and modernisation of green rail infrastructure for passenger transport over a minimum length of 49.7 km, with the aim of increasing its efficiency, reliability, and environmental sustainability.	RRP SK-C[C3]-I[I1]	2025.CSR.2 2025.CSR.5
	Investment 3: Green energy for households and businesses	Support for the installation of renewable energy sources (RES) is provided in the form of vouchers for households and businesses: 1) The Green Households project (€107.7 million) enables households to obtain a 50% subsidy for green technologies such as heat pumps, photovoltaics and wind turbines. 2) The Grenn Solidarity project (€28.4 million) is aimed at low-income households, which can receive up to 90% support for photovoltaics, collectors and biomass. 3) The Green for Businesses project (€66.6 million) provides support to SMEs for heat, cooling and electricity generation equipment, as well as for energy audits with proposals for savings and the use of RES.	PSK	2025.CSR.2 2025.CSR.5
	Investment 4: Strengthening capacities and data infrastructure for regional energy	1) The Capacity for Regions project (€47.1 million) supports the creation of expert teams and a network of regional sustainable energy centres that will coordinate measures to reduce energy intensity and increase energy self-sufficiency at the level of self-governing regions 2) The Energy Efficiency Information System Expansion project (€18.7 million) supports tools for collecting, analysing and using data from various sectors for qualified energy and decarbonisation planning in the regions.	PSK	2025.CSR.2 2025.CSR.4 2025.CSR.5

	Investment 5: Reducing the energy intensity of public buildings	The aim of the SIEA calls is to renovate public buildings with a focus on energy efficiency, including the possibility of integrating renewable energy sources and green adaptation measures. The measure will support the reduction of energy intensity in buildings, improve their environmental parameters and contribute to the achievement of climate targets.	PSK	2025.CSR.1 2025.CSR.2 2025.CSR.5
	Investment 6: State aid scheme for the decarbonisation of industry	The aim of the Modernisation fund scheme is to reduce greenhouse gas emissions by supporting projects that save primary energy, lower final energy consumption and introduce the use of advanced environmental technologies into industrial production	-	2025.CSR.5
	Investment 7: Support for sustainable transport	The Programme Slovakia has allocated €891 million to support sustainable multimodal urban mobility. €686 million will be directed towards the development of public passenger rail transport. Additional EU funds have been allocated to water and road transport development.	PSK	2025.CSR.2 2025.CSR.5
Education	**Reform 19:** Curriculum reform in primary education	A new curriculum for primary schools, structured into multi-year teaching cycles to support the flexible development of schools, began to be implemented in September 2023. All schools must transition to the new curriculum by September 2026, with at least 30% of primary schools implementing it by the fourth quarter of 2025, supported by 40 regional centres providing mentoring, guidance and consultation.	RRP SK-C[C7]-R[R1]	2025.CSR.2 2025.CSR.6
Education	**Reform 20:** Strengthening inclusion and desegregation in education	The proposed legislative changes and investments are intended to improve the inclusiveness and accessibility of education by abolishing double shifts, strengthening support for linguistic minorities and children with special educational needs and children from disadvantaged backgrounds, enabling lower secondary vocational education for pupils with mental disabilities and introducing an early warning system to prevent early school leaving.	-	2025.CSR.6
Education	**Reform 21:** Action plan for informatization and digital transformation of education in the Slovak Republic for the period 2025 – 2027	The aim of the Action Plan is to modernise Slovak education through the systematic digitisation of the educational environment. The plan follows on from the Programme for the Informatization of Education by 2030 and is part of the broader Strategy for the Digital Transformation of Slovakia by 2030. It focuses on the introduction of uniform standards for digital equipment at all school levels. At the same time, it supports sustainable digitisation of schools, development of digital skills, introduction of assistive technologies and accessibility of electronic outputs.	PSK	2025.CSR.2 2025.CSR.4 2025.CSR.6
Education	**Reform 22:** Supporting innovation in education	The objective is to extend proven innovative educational approaches to schools through stable cooperation with strategic partners and funding for their systematic implementation.	-	2025.CSR.6
Education	**Reform 23:** Optimisation of the network of schools and school facilities for the needs of the 21st century	Optimisation will increase the efficiency, effectiveness and quality of education in regional schools. The measure will introduce transparent criteria for school founders, rules for including and removing schools from the network, and will strengthen the position of the School Inspectorate and support for schools and teachers.	-	2025.CSR.1 2025.CSR.6
Education	**Reform 24:** Streamlining university processes	In cooperation with higher education institutions and their representatives, inefficient processes will be improved, particularly in relations with state authorities (selection of board members, approval of long-term plans for higher education institutions, etc.).	-	2025.CSR.3 2025.CSR.6
Education	**Reform 25 Investment 8:** Support and optimisation of special educational facilities (SEFs)	Measures are aimed at improving conditions in SEFs by increasing funding for repairs, modernising infrastructure, strengthening professional staff and introducing standards. This also includes a review of the system with an emphasis on inclusion and desegregation.	-	2025.CSR.6
Education	**Reform 26:** Updating the content of state education programmes (SEPs) for vocational education	The new SEPs respond to changes in the Education Act in line with the principles of inclusive education. At the same time, educational standards for all fields of education will be updated to better align them with labour market needs.	-	2025.CSR.6
Education	**Reform 27:** Ensuring capacities for digital transformation in primary schools	The aim of the measure is to ensure the sustainability of the digital transformation of primary schools by stabilising the position of the digital coordinator and legislatively anchoring the school network administrator. The measure will contribute to the systematic development of digital competences, the effective management of digital infrastructure and the better use of technologies in the educational process.	PSK	2025.CSR.2 2025.CSR.4 2025.CSR.6
Education	**Investment 9:** Building digital infrastructure in schools	The objective is to build modern digital infrastructure in schools, including its operation and central management, through the installation of school networks connected to a national central node for the management and security of the entire network.	RRP/PSK	2025.CSR.2 2025.CSR.4 2025.CSR.6
Productivity	**Reform 28:** Industrial Policy of the Slovak Republic 2027-2035	The measure responds to geopolitical changes and new legislative initiatives affecting Slovakia's competitiveness. It will focus on analysing industrial potential, needs and challenges. The industrial strategy will build on Mario Draghi's report and the forthcoming European Industrial Agreement, considering the national economy and geopolitical resilience.	-	2025.CSR.3 2025.CSR.5
Productivity	**Reform 29:** Investment Plan Slovakia 2050	The plan aims to strengthen investment environment stability, improve readiness for the new programming period and make use of investment resources more efficient. It also intends to provide clear and up-to-date information on the status of preparation and implementation of priority investment projects for the long-term development of Slovakia from available sources.	-	2025.CSR.3
Productivity	**Investment 10:** Supporting cooperation between businesses, the academic sector and research organisations	The objective of the investment is to foster private sector involvement R&D&I, strengthen its cooperation with the academic community and improve the allocation of public funds. The goal is to achieve 3,931 supported projects of cooperation between businesses, the academic community and research organisations by the second quarter of 2026 in the form of matching grants, innovation vouchers or the creation of transformation and innovation consortia.	RRP SK-C[C9]-I[I2]	2025.CSR.2 2025.CSR.4

	Investment 11: Supporting innovation, development and internationalization of businesses	The aim of the measure is to provide support to enterprises to increase their competitiveness: 1) Support for industrial research, experimental development and innovation in the form of demand-driven calls, innovation vouchers and expert services. 2) Support for the internationalisation and development of SMEs in the form of vouchers and expert services. 3) Support for investment in enterprises in the form of repayable aid.	PSK	2025.CSR.2 2025.CSR.4
Labour market, social affairs and housing	**Reform 30:** Coordination of public policies for preventing and ending homelessness	The measure aims to create a separate entity to coordinate policies against homelessness and ensure cooperation between ministries, local governments and NGOs.	-	2025.CSR.1 2025.CSR.3 2025.CSR.6
	Reform 31: Skills development for labour market needs	The first national project (€30 million) will strengthen the role of the Alliance of Sector Councils in predicting labour market needs and shortage occupations. The second (€42.2 million) will support skills development and retraining for job seekers, especially young people under 30 who are NEET.	PSK	2025.CSR.2 2025.CSR.6
	Investment 12: A chance to return 2	Project (€18 million) intends to resocialise and strengthen the skills of convicts with a view to their integration into society. The project follows on from the previous investment (Chance for a Return 1) and offers convicts comprehensive support (e.g., information and counselling services and training) to reduce the risk of social exclusion and improve their employability.	PSK	2025.CSR.2 2025.CSR.6
	Investment 13: Expanding the supply of rental housing	The aim of implementing the law on state support for rental housing is to increase the availability of affordable housing through private investment. The state agency responsible for issuing and supervising projects will play a key role.	-	2025.CSR.1
	Investment 14: Support for early childhood care	The measure (over €40 million) aims to improve the availability and quality of care for children under three. Support will be provided for developing childcare facilities (nurseries), strengthening staffing capacities in nurseries and developing parenting skills among parents of young children, especially those from socially disadvantaged backgrounds. It will be implemented in the form of demand-driven calls from the PSK.	PSK	2025.CSR.2 2025.CSR.6
	Investment 15: Supporting social inclusion and housing	1) Support for the prevention of housing loss and ending homelessness focuses on affordable and sustainable housing for vulnerable groups through housing-led approaches combined with social support. 2) The national project Field Social Work and Community Centres (€250 million) provides individualised assistance to people at risk of poverty and social exclusion.	PSK	2025.CSR.1 2025.CSR.2 2025.CSR.6
	Investment 16: Renovation of houses for energy-poor households	The objective of the measure is to renovate at least 4080 homes of people at risk of energy poverty. The measure will contribute to reducing the energy intensity of housing and improving the living conditions of the affected population groups.	RRP SK-C[C19]-I[I4]	2025.CSR.1 2025.CSR.2 2025.CSR.5
Quality of institutions	**Reform 32:** Introduction of a register of land use rights for agricultural land	The register of land use rights is a temporary solution to the fragmentation and inconsistency of land ownership in the Slovak Republic, which is intended to increase the transparency of land use and simplify data sharing between state institutions by recording its actual users.	-	2025.CSR.3
	Reform 33: New Commercial Register	The legislative change will consider the requirements of the new commercial register information system introduced from investments in RRP and will improve the automated exchange of information between registers and databases at both Slovak and EU level.	-	2025.CSR.3 2025.CSR.4
	Reform 34: Recodification of company law	The aim of the recodification is to simplify the involvement of shareholders in company management, including the digitisation of decision-making, to strengthen the protection of affected entities and to increase transparency in the identification of beneficial owners.	-	2025.CSR.3
	Reform 35: Ensuring direct access of the Police Force to specific records of state authorities	To streamline the investigation of cases of legalisation of proceeds from crime, online access for the Police Force to selected state databases will be introduced in accordance with the EU Directive. This step will enable faster retrieval of relevant information, improve coordination between law enforcement authorities and contribute to more effective detection and investigation of financial crime.	-	2025.CSR.3 2025.CSR.4
	Reform 36 Investment 17: Modernisation of information systems to improve international police cooperation efficiency	To strengthen the fight against international crime, the relevant EU directive will be transposed and police cooperation and search information systems will be modernised, including a link to the INTERPOL database.	-	2025.CSR.3 2025.CSR.4
Healthcare	**Reform 37:** Healthcare Budget Council	A council will be established to coordinate budget preparation and ongoing monitoring, with the aim of flexibly determining the necessary funding for healthcare. The council will contribute to more effective resource planning and better alignment of financial decisions with the current needs of the healthcare system.	-	2025.CSR.1 2025.CSR.6
	Reform 38: Catalogue of services for specialized healthcare	The aim of the measure is to update the catalogue of services for specialized healthcare, focusing on underfunded specialisations, and to supplement it with services according to their complexity. The measure should contribute to fairer remuneration for healthcare providers and improve the availability of specialised services for patients.	-	2025.CSR.1 2025.CSR.6
Defence	**Investment 18:** Strengthening defence capabilities	The long-term defence development plan until 2035 focuses on modernising military equipment of the Slovak Republic, including combat and cargo vehicles and air defence, with the aim of building a heavy mechanised brigade and strengthening operational capabilities within the NATO.	-	2025.CSR.1

ANNEXES

Annex 1 – Budgetary process for 2025, including parliamentary approval, in the context of the debt brake rule (Constitutional Act on Budgetary Responsibility)

On 10 October, the Government of the Slovak Republic approved the Draft General Government Budget for 2026–2028. This represents a key milestone in the national budgetary process, conducted under exceptional circumstances and within a very limited timeframe.

The preparation of the Draft Budget of General Government for 2026–2028 has been guided by a firm commitment to fiscal consolidation, in line with the Council Recommendation of 8 July 2025.

It is important to emphasise that this year's budgetary process has been carried out under significant time constraints, as the temporary suspension of the Constitutional Act on Budgetary Responsibility (Act No. 493/2011 Coll.) will expire on 21 November 2025. Considering this, the Government of the Slovak Republic submitted the draft budget to the National Council of the Slovak Republic already for the October parliamentary session, which is the last scheduled session before the expiry of the suspension period. This ensures that the approval process can be completed within the constitutionally prescribed deadline. Any delay could result in serious negative economic consequences.

In parallel, and in accordance with Regulation (EU) No 473/2013, the Government of the Slovak Republic is also submitting the Draft Budgetary Plan (DBP) of the Slovak Republic for 2026 to the European Commission.

The Government remains fully committed to maintaining transparent, cooperative and constructive communication with the European Commission and stands ready to respond promptly to any comments or requests for clarification.

Original text of the letter from the Minister of Finance to the European Commission

MINISTRY
OF FINANCE
OF THE SLOVAK REPUBLIC

Ladislav Kamenický
Minister of Finance

Bratislava, 10.10.2025
MF/014706/2025-18

Dear Commissioner, dear Valdis,

I wish to inform you that, on 10 October, the Government of the Slovak Republic has adopted the draft General Government Budget for 2026 - 2028 (including Draft State Budget Act for 2026), hereafter referred to as "the draft budget". This represents a key milestone in our budgetary process, undertaken under exceptional circumstances and within a constrained timeframe.

The preparation of the draft budget has been guided by our firm commitment to fiscal consolidation in line with the adopted Council Recommendation of 8 July 2025.

Importantly, this year's budgetary process is taking place under exceptional timing constraints, as the temporary suspension of the Constitutional Fiscal Responsibility Act (Act No. 493/2011) will expire on 21 November 2025. According to the provisions of Act No. 493/2011 the Government of the Slovak Republic may not submit the General Government Budget with a budgeted deficit after 21 November 2025. In light of this, the Government intends to submit the draft budget to the National Council of the Slovak Republic already for the October parliamentary session, which constitutes the final scheduled session before the expiry of the temporary suspension. This ensures that the approval process can be completed within the constitutional timeframe. Any delay in meeting this timeframe could lead to significant negative economic implications.

In parallel, and in accordance with Regulation (EU) No 473/2013, the Slovak authorities will submit the Draft Budgetary Plan (DBP) to the European Commission by 15 October, following its formal adoption by the Government.

We remain fully committed to maintaining transparent, cooperative, and constructive communication with the European Commission and stand ready to engage promptly in order to address any observations or feedback provided by you and your services.

Sincerely,

Mr. Valdis Dombrovskis
Commissioner for Economy and Productivity; Implementation and Simplification
Rue de la Loi 200
1040, Brussels

Annex 2 – Assessment of Forecasts by the Macroeconomic and Tax Forecasts Committees

The draft budget plan for 2026–2028 is based on the macroeconomic and tax forecasts for the period 2026–2028 prepared in September 2025. Both the macroeconomic scenario and the projected tax revenues are subject to ongoing discussion, approval, and scrutiny by the expert public through dedicated committees, whose members include national experts from both the public and private sectors. The publication schedule for forecasts and the principles governing the committees' activities are established by the Fiscal Responsibility Act.

The September 2025 macroeconomic forecast of indicators relevant to budget revenues lies at the median of the forecasts produced by members of the Macroeconomic Forecasts Committee in terms of its impact on the 2026 budget revenues. This impact is expressed as a weighted average of the relevant revenue bases, where the weights correspond to the shares of individual taxes in total budget revenues. The Ministry of Finance of the Slovak Republic (MF SR) subsequently expects lower GDP and labour market dynamics from 2027 onward, positioning its forecast below the committee's median. The forecast was assessed as realistic by most committee members (NBS, Council for Budget Responsibility, Infostat, Unicredit, VÚB, SLSP, Tatra Banka, Slovak Academy of Sciences), while ČSOB evaluated it as optimistic.

TABLE 5 – Assessment of the September MoF forecast by the Macroeconomic Forecast Committee

MFC Member	Assessment
CBR, NBS, SAV, Infostat, VÚB, Unicredit, SLSP, Tatrabanka	realistic
ČSOB	optimistic

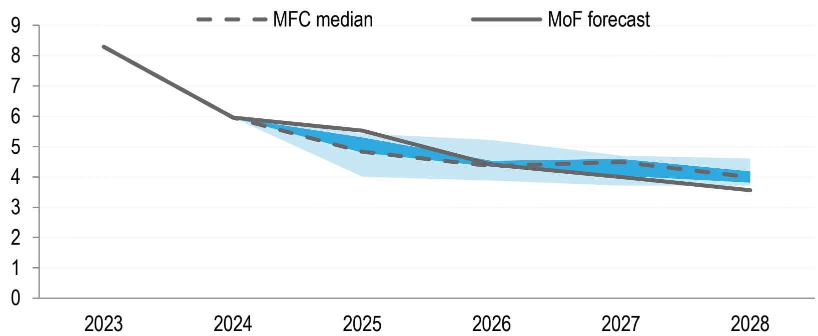
Source: Macroeconomic Forecasting Committee

TABLE 6 – Average forecast of MFC members and forecast of MoF SR

	2024	2025		2026		2027		2028	
% unless otherwise stated		MFC	Mof SR	MFC	Mof SR	MFC	Mof SR	MFC	Mof SR
GDP, real growth	2,1	0,7	0,8	1,4	1,3	1,7	1,4	2,0	1,8
GDP, current prices	131,0	136,9	137,2	143,6	144,2	149,1	149,9	155,6	155,9
Final consumption of households, real growth	2,9	0,8	1,1	1,3	0,9	1,8	1,4	2,0	1,2
Final consumption of households, nominal growth	6,5	4,8	5,4	4,5	4,6	4,5	4,1	4,2	3,5
Average monthly wage, real growth	3,7	1,2	2,3	1,8	0,6	1,6	1,5	2,4	1,8
Average monthly wage, nominal growth	6,6	5,4	6,5	4,9	5,0	4,7	4,5	4,7	4,1
Employment growth	-0,2	-0,1	0,0	-0,2	-0,2	0,1	-0,2	0,1	-0,2
CPI (average growth)	2,8	4,1	4,1	3,2	4,4	2,7	3,0	2,2	2,2

** Macroeconomic forecasting committee.* *Source: Macroeconomic Forecasting Committee*

FIGURE 21 – Comparison of forecasts of macroeconomic bases[21] for tax revenues with MFC members



Source: MoF SR

[21] Macroeconomic bases for budget revenues (the weight of indicators depends on the share of individual taxes in total tax and contribution revenues); Wage base (employment + nominal wage) - 51.1%, Nominal private consumption - 25.7%, Real private consumption - 6.6%, Nominal GDP growth - 9.9%, Real GDP growth - 6.7%.

OX 5 – Independent Committees for Forecasting Macroeconomic Development and Tax Revenue Development

The Committee for Macroeconomic Forecasts and the Committee for Tax Forecasts were established in accordance with Constitutional Act No. 493/2011 Coll. on budgetary responsibility, the Committee for Macroeconomic Forecasts and the Committee for Tax Forecasts serve as advisory bodies to the Minister of Finance. The committees aim to achieve greater transparency, objectivity, and quality in macroeconomic and tax forecasts. As mandated by the Constitutional Act, the committees prepare forecasts at least twice a year, by February 15th and June 30th of the current budgetary year. However, based on long-standing practice and for the purposes of the budgetary process, they also prepare forecasts by the end of September. In exceptional cases, the committee chair, the Minister of Finance, or a majority of committee members may convene a meeting.

In addition to representatives from the Ministry of Finance, committee members include representatives from independent institutions (the National Bank of Slovakia, the Slovak Academy of Sciences, Infostat, and private banks). Members of the Committee for Macroeconomic Forecasts assess the Ministry of Finance's macroeconomic forecast verbally as either conservative, optimistic, or realistic. Members of the Committee for Tax Forecasts assess the Ministry of Finance's tax forecast by submitting their own forecasts, and their assessments are calculated automatically based on the deviation. The Ministry of Finance's forecast is adopted as the committee's forecast if a majority of members label it as conservative or realistic. If the forecast does not receive such a rating, the Ministry of Finance is obliged to revise the forecast and resubmit it to the committee for evaluation. This process is repeated until the Ministry of Finance's forecast is adopted as the committee's forecast.

During 2021, the Committee for Tax Forecasts was expanded to include forecasts of selected non-tax revenues and expenditures, which are significantly influenced by economic developments. Considering economic developments and evaluating other specific assumptions in forecasts through a commission of experts from the public and private sectors means transparently consulted estimates and a more accurate budget. In March and September 2021, the forecasts were expanded to include a portion of non-tax revenues and a portion of social expenditures. On the revenue side, this includes revenues from the sale of emission allowances, revenues from tolls and highway stickers, proceeds from gambling, and dividends from state-owned enterprises. On the expenditure side, unemployment benefits, sickness benefits, and old-age pensions were added.

Tax Forecast Committee

The Ministry of Finance of the Slovak Republic presented its updated medium-term forecast of tax revenues for the years 2025 to 2029 on Tax Forecast Committee on 12 September 2025. The medium-term forecast of tax revenues and social contributions selected non-tax revenues and selected expenditures was assessed as realistic by all Committee members.

TABLE 7 – Assessment of the MoF forecast by the Tax Forecast Committee

TFC member	Assessment
NBS, KRRZ, Infostat, Tatra banka, ČSOB, SLSP, UniCredit Bank, VÚB	realistic

Source: Tax Revenue Forecasts Committee

Annex 3 – Growth of net expenditure under the targeted deficit scenario

In line with the EU methodology, the growth of net expenditure is projected to reach 0.9% year-on-year in 2026. This development is fully consistent with the net expenditure trajectory, including the exemption for increased defence spending. In 2027 and 2028, expenditure growth corresponds to the government's planned deficits. The cumulative growth of net expenditure over the entire projection horizon up to 2028 will not exceed 9%, while the full flexibility of the EU fiscal framework would allow for an increase of up to 16.5%.

TABLE 8 – Growth of net expenditure of general government (EUR billion, ESA2010)

	2023	2024	2025	2026	2027	2028
1. Total expenditure	**59.4**	**61.7**	**67.0**	**67.9**	**68.0**	**68.7**
2. Interest expenditure	1.4	1.8	2.2	2.4	2.7	3.1
3. Expenditure funded by transfers from the EU	3.3	2.4	3.9	2.9	2.4	2.5
4. Cyclical component of unemployment benefits	0.0	0.0	0.0	0.0	0.0	0.0
5. One-off expenditure	0.0	0.0	0.0	0.0	0.0	0.0
6. National co-financing of programmes funded by the EU	0.6	0.4	0.4	0.5	0.6	0.6
7. Nationally financed primary expenditure = 1-2-3-4-5-6	54.1	57.1	60.4	62.0	62.2	62.4
8. Discretionary revenue measures		1.3	1.5	1.1	0.0	-0.3
9. Growth of net expenditure = $(7_t-8_t)/7_{t-1}-1$		**3.2%**	**3.1%**	**0.9%**	**0.2%**	**0.8%**
10. Cumulative growth of net expenditure		3.2%	6.4%	7.3%	7.6%	8.5%

Note: The quantification is based on data from the Eurostat spring notification and has been updated with inputs from the Macroeconomic Forecasts Committee and the Tax Revenue Forecasts Committee of the Ministry of Finance of the Slovak Republic from September 2025. *Source: MoF SR*

Annex 4 – Projection of general government gross debt derived from cash-flow developments

Over the budget horizon, the development of nominal public debt will be primarily driven by the need to finance cash deficits of the state budget. The persistent state budget deficit will remain the main factor behind the rising level of indebtedness in the coming years. Throughout the entire projection period of the Ministry of Finance, the government is expected to utilise financial resources accumulated in the State Treasury, which will reduce the volume of new bond issuances and partially offset the impact of the deficit on debt growth. An additional contribution to the increase in general government debt will come from other public sector entities, particularly transport companies and the Export-Import Bank of Slovakia (Eximbanka). A further factor contributing to higher debt levels is the increased discount on bond issuances. In an environment of higher interest rates, investors demand price discounts when purchasing government bonds with low coupon rates, which increases the financing needs and is reflected in higher recorded debt.

TABLE 9 – Cash-based factors affecting the change in nominal gross debt under the targeted deficit scenario (EUR million)

	2022	2023	2024	2025 E	2026 F	2027 F	2028 F
A. General government gross debt (as of 1 Jan)	**61 346**	**63 499**	**68 896**	**77 648**	**84 305**	**90 520**	**96 022**
B. Total y/y change in the GG gross debt	**2 153**	**5 397**	**8 752**	**6 660**	**6 216**	**5 503**	**3 518**
- Cash-based state budget deficit	4 525	7 675	6 366	6 730	5 752	5 966	5 686
- State Treasury funds used for the financing of government operations	-1 150	-2 587	1 571	-299	-241	-1 066	-2 516
- Balance of loans to GG entities	103	194	-40	69	79	107	96
thereof: ŽSR + ŽSSK	-62	-9	-43	22	63	69	55
thereof: Municipal public transportation companies	14	-10	-6	31	49	43	46
thereof: Municipalities and regional governments	41	222	-33	-28	-45	-45	-45
thereof: Eximbanka	149	-31	57	50	50	50	50
- Issue discount	542	454	806	213	679	704	263
- Discount at maturity	-11	0	0	-54	-40	-183	-13
- other*	-1 885	-339	49	-3	-14	-26	1
C. General government gross debt (as of 31 Dec)	**63 499**	**68 896**	**77 648**	**84 305**	**90 520**	**96 022**	**99 539**
in % of GDP	**57.7**	**55.6**	**59.3**	**61.5**	**62.8**	**64.0**	**63.9**
p.m. ESM contribution	*0*	*0*	*-1*	*0*	*0*	*0*	*0*

Note: Including change of sources from entities outside the public administration sector. Positive values represent increase in general government debt as of 31 December of the relevant year, negative values decrease in debt. E – expected values; F – draft of general government budget. *Source: MoF SR*

Annex 5 – Discretionary measures (DRM & DEM)

The EC methodology defines discretionary revenue measures as legislative measures[22] with an impact on government revenue. Their evaluation is carried out using so-called additional effects (marginal changes) of these measures. It is distinguished whether it is a permanent or a one-off measure. A permanent measure is recorded with an impact in the first year (at the time it enters into force) and in the remaining years without an impact. In other words, the change in the impact of the measure in subsequent years due to macroeconomic developments is not considered. If there are different impacts due to a delayed validity of the measure, only the marginal change is recorded.[23] For one-off revenue measures, the impact is recorded in one year and a shortfall in the same amount in the following year, i.e. the overall impact of the measure in two consecutive years is zero.

TABLE 10 – Discretionary revenue measures - incremental impact (in EUR millions, ESA2010)

Measure	2024	2025	2026	2027	2028
Modification of the motor vehicle registration fee	-14	-	-	-	-
Implementation of accounting standard IFRS 17 for insurance companies	3	-10	-17	-	-
Reform of the second pension pillar	-22	-	-	-	-
Abolition of license fees for Radio and Television Slovakia (RTVS)	-41	-	-	-	-
Revenue from excess profits tax - power plants	-24	-6	-	-	-
Valorisation of administrative and court fees - from Q1 2024	38	13	-	-	-
Increase in the fee for maintaining emergency oil reserves by 1 cent	33	-	-	-	-
Regulation on excessive profits - revenue from the special levy for "Vodohospodárska výstavba"	-69	-43	-20	-20	-
Extension of the solidarity contribution from activities in the oil sector and others	44	-44	-	-	-
Increase in the excise duty rate on alcohol from 1.1.2024	37	-	-	-	-
Increase in health contributions for employers by 1%	348	-	-	-	-329
Change in property tax rates according to the Municipal Regulation	124	19	-	-	-
Local Waste Fee (local taxes) - increase in rates annually	44	21	-	-	-
Exemption from employer's social security contributions for employees in the food industry	-11	35	-	-	-
Introduction of excise duty rates on sweetened beverages	-	110	-	-	-
Raising the excise tax on tobacco and nicotine products	101	64	103	61	112
Extension of social security contribution relief for farmers	-15	15	-	-	-
Gradual growth of the contribution to the second pension pillar, its temporary freeze and decrease to 4% from 2024	371	-	-	-	-
Enhancement of the corporate income tax rate to 24%	-	416	-	-	-
Amendment of toll charges and motorway tolls (Eurovignette)	-1	66	51	-	-
Implementation of a financial transaction tax	-	353	118	-	-
Tax exemption on non-monetary income derived from alternative fuel vehicles	-	-11	-	-	-
Elevation of the contribution ceilings for social security	-	79	-	-	-
Increase in payments for state insured persons	-129	-88	275	-	-
Waste charges - ban on landfilling of waste without pre-treatment	-	-	-	-15	-
Tax exemption (or relief) for interest income from government bonds	-	-39	-24	-	-
VAT rate reform: standard 23%, reduced 19% and 5%	27	705	74	-	-
50% VAT deduction for company cars that are also used for private purposes	-	-	86	-	-
Tax amnesty on historical tax arrears	-	-	81	-81	-
Higher insurance tax and compulsory motor liability levy	-	-	37	-	-
Changes to corporate tax rules and benefits for small businesses	135	-60	10	-	-
Act combating false self-employment (disguised employment)	-	-	-	40	-
Special levy on regulated sectors (banks, fuels, telecom operators, collective investment), excluding interest income	316	-49	-26	-44	-125
Increase of the progressivity of personal income taxation and health-insurance contributions, and modify the social-insurance contribution schedule	-	-	592	-	-
Amendment of the exemption period from contributions, the social-insurance contributions, and the minimum income tax for the self-employed	-	-	226	-	-
Introduction of a charge on the use of primary raw materials	-	-	24	-	-
Higher gambling taxation, including levies on deposits to player accounts	2	-	47	-	-
Abolition of state-paid social insurance contributions and their replacement by a general budget transfer to the Social Insurance Agency	-	-	-472	-	-
Increase in the non-tax revenues of the Ministry of the Interior of the Slovak Republic	-	-	10	-	-
Total	**1299**	**1547**	**1175**	**-59**	**-342**

Note: (+) improves the GG balance, (-) worsens the GG balance. *Source: MoF SR*

[22] The same rules apply to expenditure measures, except that not all of them have to be legislative in nature, since not all general-government expenditures are determined by law.

[23] An illustrative example to explain a discretionary revenue measure (DRM): suppose a legislative measure is adopted with an estimated impact of 200. The measure is introduced mid-year, so its total impact in that year is 100. In the following year, the impact rises to the full 200, but on a marginal (year-on-year) basis only the difference between the two impacts – i.e., 100 – is recorded. Cumulatively, the total impact is 200; it is simply spread over two years.

TABLE 11 – Discretionary expenditure measures - incremental impact (in EUR millions, ESA2010)

Measures	2024	2025	2026	2027	2028
Capping the retirement age	-18	-	-	-	-
COVID expenditure	-91	-	-	-	-
Early retirement for persons who raised children (born in 1957-1965)	1	-7	-14	-	-
Freezing of the amount of minimum pension in 2021 and its unfreezing in 2023	34	-	-	-	-
Time mismatch of deliveries (accrual) of military equipment	-94	931	-150	685	-691
Increase in defence expenditure to 2% from 2025	267	56	-	-	-
Expenditure caused by the war in Ukraine	200	-18	-115	100	-
Judicial reform and administrative courts (judicial map project)	-15	-	-	-	-
Retirement after 40 years of work	231	-38	-69	-74	-47
Top-up payments for existing early retirees	37	14	-24	-	-
Abolition of the reduction of the pensioner's care allowance	46	24		-	-
Total compensation for rising energy prices	-1049	-757	50	-	-
Collective negotiation of healthcare workers	-25	-	-	-	-
Stabilisation allowance for social services workers	-44	-	-	-	-
Reintroduction of free lunches measure	66	-	-	-	-
Special valorisation of pensions from July 2023	-524	-	-	-	-
Accelerated valorisation of the parental allowance	-35	-	-	-	-
Amendment to the Education Act (right to admission to kindergarten and right to special support)	101	131	50	-	-
Expansion of personal assistance in schools	14	-	-	-	-
Increase in the housing allowance within the framework of assistance in material need	10	-	-	-	-
Change in assessment of disability pensions	39	-	-	-	-
Performance contracts for universities and colleges	47	20	20	-	-
Increase in spending on R&D	38	134	133	192	-
One-time pensioner's allowance of 300 euros	-441	-	-	-	-
Doubling of the 13th pension from 2024 and its subsequent capping	526	-	-	-	-
Compensation for the increase in mortgage payments	32	12	-22	14	-
Cancellation of support for reduction of the final price of electricity for businesses	-40	-	-	-	-
Increased spending on healthcare (unspecified)	263	-	-	-	-
Cancellation of subsidies for night train services and the Košice/Prešov – Prague line	-	-22	-	-	-
Reserve for addressing the negative impacts of budget development	-	-	-	304	50
Increase in personal allowances for court employees	-	33	-	-	-
Enhancement of compensation terms for the Slovak Armed Forces	-	144	-	-	-
Increased government funding for preschool education (by transferring preschools to state administration)	-	53	-	-	-
Support for industrial parks (Valaliky, Šurany)	-15	82	-14	-164	-
Expansion of support areas of the Art Support Fund	-	10	-	-	-
Increase in spending on the audiovisual industry	-	42	-	-	-
Measures related to care allowances (for children with disabilities, seniors, etc.)	17	55	-	-	-
Establishment of a new Ministry of Tourism (followed by its measures to support sports and tourism)	53	34	-	-	-
Child tax benefit (phased out with subsequent targeting of low-income households)	-	-551	-	-	-
Introduction of a parental pension and its subsequent adjustment to a 2% tax assignment	-	-352	68	-	-
Increase in payments health insurance for state insured persons	-129	-88	275	-	-
Savings measures in public health insurance	-	-193	-	-	-
Minimum gas storage at 35% of the five-year average consumption	-	40	-23	-17	-
Pay increase for teachers and non-teaching staff	-	-	347	-	-
€800 one-off bonus in the public sector	-	400	-400	-	-
Abolition of state-paid contributions to the second pension pillar during maternity leave	-	-	-48	-	-
Credit maternity and parental leave towards pension entitlements at the individual's wage level	-	-	-	24	27
State-funded completion of Recovery Plan hospital projects	-	-	-	289	-96
Introduction of compulsory kindergarten for children from 3 and 4 years of age	-	-	-	18	26
Reduction in wages for central government employees (reduction of employees and frozen salaries)	-127	-242	-160	-111	-
Savings in government administration (lower payroll, operating-cost savings, closing/merging offices, etc.)	-	-	-375	-	-
Abolition of state-paid social insurance contributions and their replacement by a general budget transfer to the Social Insurance Agency	-	-	-472	-	-
Savings in the operating expenditures of regional and municipal governments	-	-	-130	-	-
Increase in capital receipts from the sale of surplus property by the Ministry of Defence of the Slovak Republic	-	-	-50	50	-
Social-policy consolidation measures (no indexation of the 13th pension, changes to sick-leave rules, etc.)	-	-	-97	-	-
Revenue-side consolidation measures with expenditure implications (self-employed)	-	-	4	27	-
Total	**-627**	**-53**	**-1216**	**1335**	**-731**

Source: MoF SR

Note: In the case of measures related to the COVID-19 pandemic, the effects of measures taken at the beginning of the pandemic are fading. As these were one-off measures, they first increased spending in incremental terms (deteriorating the balance) and then their effect gradually decreased (improving the effect on the balance).
Note 2: (+) improves the GG balance, (-) worsens the GG balance.
** These are measures to increase the minimum contribution for the self-employed (sole traders) while also introducing a mandatory contribution and reduction of the exemption period of insurance contributions.*

Annex 6 – Reforms and investments from RRP beyond the 2025 Annual Progress Report scope

The Recovery and Resilience Plan of the Slovak Republic (RRP) represents a strategic framework for modernising and strengthening the resilience of Slovakia's economy and society. Its forward-looking measures largely reflect the European Commission's country-specific recommendations for Slovakia for the years 2025–2026 (CSRs 1–6).

- Measures to support energy efficiency (building renovation, modernisation of energy sources, and development of renewable energy) contribute to reducing public sector and household expenditures and to fostering a more stable financial environment. (CSR 1)
- Implementation of investments and reforms under the RRP, along with the use of cohesion funds, covers multiple sectors (energy, transport, healthcare, digitalisation, education, and justice) with the aim of achieving milestones set out in the RRP, including the REPowerEU chapter. (CSR 2)
- Strengthening the business environment and public governance is ensured through the modernisation of judicial infrastructure, reinforcement of police and emergency service capacities, digitalisation of public administration processes, and streamlining of permitting and regulatory procedures. These measures contribute to greater transparency, credibility, and institutional efficiency. (CSR 3)
- Digitalisation and innovation are supported through the development of digital services for citizens and businesses, research grant schemes, and efforts to enhance cybersecurity and digital skills among the public, in line with the digital transformation of both the public and private sectors. (CSR 4)
- In the area of green transition, measures are being implemented to expand renewable energy capacities, support energy production and storage, renovate buildings, develop infrastructure for electromobility and cycling, adapt to climate change, and revitalise ecosystems. (CSR 5)
- In the social affairs and human capital development, the RRP focuses on improving access to quality education (education reform and development of green skills), modernising healthcare (hospitals, emergency services, mental health reforms), and expanding long-term social and healthcare services, including community-based, outpatient, and palliative care. (CSR 6)

TABLE 12 – Member state reporting extracted from the FENIX interface

REPRESENTATIVE AREA		CSRs (2025)
Business environment and public governance		
SK-C[C15]-I[I1]-T[C15.3]	Reconstruction of court buildings	2,3,5
SK-C[C15]-I[I1]-T[C15.4]	Construction/purchase of court buildings	2,3,5
SK-C[C16]-I[I2]-T[C16.5]	Training and equipment for the Police Force	2,3
SK-C[C16]-I[I3]-T[C16.11]	Integrated security centres	2,3,4
SK-C[C16]-I[I3]-T[C16.12]	Modernisation of firefighting stations	2,3,5
Digitalisation and innovation		
SK-C[C7]-I[I1]-T[C7.7]	Digital equipment for schools	2,4,6
SK-C[C9]-I[I1]-T[C9.5]	Support for Horizon Europe projects	2,4
SK-C[C9]-I[I3]-T[C9.11]	Support for excellent researchers	2,4,6
SK-C[C9]-I[I6]-T[C9.19]	Financial instruments for innovation	2,4
SK-C[C11]-I[I3]-T[C11.11]	Connecting hospitals to the ERP system	2,4,6
SK-C[C17]-I[I1]-T[C17.5]	eGovernment solutions (life events)	2,3,4
SK-C[C17]-I[I2]-T[C17.8]	Digital transformation of university processes	1,2,3,4
SK-C[C17]-I[I3]-T[C17.12]	Cross-border digital projects	2,4
SK-C[C17]-I[I4]-T[C17.15]	Projects focused on digital technologies	2,4
SK-C[C17]-I[I5]-T[C17.16]	Hackathons (17 events)	2,4
SK-C[C17]-I[I7]-T[C17.22]	Digital skills for seniors	2,4,6
SK-C[C17]-R[R5]-T[C17.17]	Cybersecurity training for IT staff	2,4
Green transition and energy		
Energy		
SK-C[C1]-I[I2]-T[C1.5]	Reconstructed RES capacity	1,2,5
SK-C[C1]-I[I3]-T[C1.6]	Flexibility-enhancing installations	1,2,5
SK-C[C19]-R[R1]-T[C19.1]	Technical assistance for permitting procedures	2,3,5

SK-C[C19]-R[R1]-T[C19.3]	Passportisation of geothermal wells	2,5
SK-C[C19]-R[R2]-T[C19.9]	Designated pilot areas for wind energy	2,3,5
Building renovation		
SK-C[C2]-I[I1]-T[C2.4]	Renovation of family houses	1,2,5
SK-C[C2]-I[I2]-T[C2.7]	Renovation of historical buildings	1,2,5
SK-C[C8]-I[I1]-T[C8.10]	Reconstruction of universities	2,5,6
SK-C[C19]-I[I2]-T[C19.20]	Energy efficiency of state-owned buildings	1,2,5
SK-C[C19]-I[I3]-T[C19.21]	Extension of historical buildings renovation	1,2,5
SK-C[C19]-R[R3]-T[C19.17]	Energy certificate database	2,4,5
Transport		
SK-C[C3]-I[I1]-T[C3.7]	Cycling infrastructure	2,5
SK-C[C3]-I[I2]-T[C3.10]	Clean passenger rolling stock	2,5
SK-C[C3]-I[I3]-T[C3.12]	Intermodal transport units	2,5
SK-C[C3]-R[R2]-T[C3.6]	Tariff integration across all regions	2,5
SK-C[C3]-I[I4]-T[C3.14]	Recharging points/hydrogen refuelling points	2,5
SK-C[C19]-I[I5]-T[C19.24]	Trolleybus infrastructure	2,5
SK-C[C19]-I[I6]-T[C19.25]	Additional clean passenger rolling stock	2,5
Environment		
SK-C[C5]-I[I1]-T[C5.3]	Rehabilitation of watercourses	2,5
Social affairs a human capital		
Education and inclusion		
SK-C[C7]-I[I2]-T[C7.8]	Elimination of the double-shift schools	2,5,6
SK-C[C7]-R[R1]-T[C7.4]	On-line matura (graduation exam)	2,4,6
SK-C[C10]-I[I2]-T[C10.6]	Events with the diaspora	2,6
SK-C[C19]-I[I7]-T[C19.29]	Students certified in RES/e-mobility	2,5,6
Healthcare		
SK-C[C11]-I[I2]-T[C11.10]	Beds in upgraded hospitals	2,5,6
SK-C[C11]-I[I4]-T[C11.13]	Construction/reconstruction of ambulance stations	2,5,6
Mental health		
SK-C[C12]-I[I2]-T[C12.2]	Detention facilities	2,6
SK-C[C12]-I[I3]-T[C12.3]	Community-based mental healthcare centres	2,6
SK-C[C12]-I[I7]-T[C12.5]	Humanisation of psychiatric care	2,6
Long-term care		
SK-C[C13]-I[I1]-T[C13.8]	Community-based residential services	2,6
SK-C[C13]-I[I1]-T[C13.9-10]	Outpatient service	2,6
SK-C[C13]-I[I2]-T[C13.12]	Aftercare beds	2,6
SK-C[C13]-I[I3]-T[C13.13]	Residential palliative care	2,6
Public outreach		
SK-C[C19]-I[I8]-T[C19.30]	REPowerEU communication campaigns	2,5

Annex 7 – Mandatory tables

TABLE 1a – Fiscal commitments		2025	2026
		Growth %	Growth %
Council recommendation			
1a	Net nationally financed primary expenditure (NFPE)	3.8	0.9
Outturn / Projection			
1b	Net nationally financed primary expenditure (NFPE)	3.1	0.9

Source: MoF SR

TABLE 1b – Main variables		2024	2025	2026
		% of GDP	% of GDP	% of GDP
1	Net lending/borrowing	-5.3	-5.0	-4.1
2	Structural balance	-5.5	-4.8	-3.7
3	Structural primary balance	-4.0	-3.2	-2.0
4	Gross debt	59.3	61.5	62.8
5	Change in gross debt	3.6	2.2	1.3

Source: MoF SR

TABLE 2 – Macroeconomic scenario		2024	2024	2025	2026
		bn EUR	Growth %	Growth %	Growth %
GDP					
1	Real GDP		2.1	0.8	1.3
2	GDP deflator		3.6	3.8	3.8
3	Nominal GDP	131.0	5.8	4.7	5.1
Components of real GDP					
4	Private consumption expenditure		2.9	1.1	0.9
5	Government consumption expenditure		3.7	1.9	-0.8
6	Gross fixed capital formation		1.8	3.4	2.7
7	Changes in inventories and net acquisition of valuables (% of GDP)		n.a	n.a	n.a
8	Exports of goods and services		0.3	2.8	1.0
9	Imports of goods and services		2.3	4.2	0.7
Contributions to real GDP growth					
10	Final domestic demand		2.7	1.7	0.9
11	Changes in inventories and net acquisition of value		0.9	0.7	0.2
12	External balance of goods and services		-1.6	-1.1	0.3
Deflators and HICP					
13	Private consumption deflator		3.4	4.2	3.6
14	p.m. HICP		3.1	4.3	4.8
15	Government consumption deflator		5.3	5.6	4.6
16	Investment deflator		0.2	4.6	4.1
17	Export price deflator (goods and services)		-1.5	1.2	3.9
18	Import price deflator (goods and services)		-2.0	1.8	4.5
Labour market					
19	Domestic employment (1000 persons, national accounts)	2430.3	-0.2	0.0	-0.2
20	Average annual hours worked per person employed	1627.6	0.2	-1.2	-0.3
21	Real GDP per person employed	42.1	2.2	0.9	1.5

22	Real GDP per hour worked	25.9	2.0	2.1	1.8
23	Compensation of employees (bn NAC)	51.6	6.9	6.0	4.6
24	Compensation per employee (NAC) (= 23 / 19)	21238.6	7.1	5.3	5.3
25	Unemployment rate (%)		5.3	5.4	5.6
Potential GDP and components					
26	Potential GDP		2.0	1.8	2.0
Contribution to potential growth					
27	Labour		-0.1	-0.1	-0.1
28	Capital		0.9	0.7	0.8
29	Total factor productivity		1.2	1.2	1.3
30	Output gap		0.5	-0.5	-1.2

Source: MoF SR

TABLE 3 – External assumptions		2024	2025	2026
1	Short-term interest rate (%, annual average)	3.6	2.1	1.7
2	Long-term interest rate (%, annual average)	3.5	3.5	3.6
3	USD/EUR exchange rate (annual average)	1.1	1.1	1.2
4	World real GDP (excluding EU) (growth rate)	n/a	n/a	n/a
5	EU real GDP (growth rate)	n/a	n/a	n/a
6	World import volumes, excluding EU (growth rate)	n/a	n/a	n/a
7	Oil prices (Brent, USD/barrel)	79.8	69.2	64.6

Source: MoF SR

TABLE 4 – Budgetary projections			2024	2024	2025	2026
Revenue		ESA code	bn EUR	% of GDP	% of GDP	% of GDP
1	Taxes on production and imports	D.2	15.0	11.4	12.1	12.1
2	Current taxes on income, wealth, etc	D.5	10.7	8.2	8.2	8.3
3	Social contributions	D.61	20.9	16.0	16.1	16.4
4	Other current revenue	P.11+P.12+P.131 +D.39+D.4+D.7	7.8	6.0	7.1	5.7
5	Capital taxes	D.91	0.0	0.0	0.0	0.0
6	Other capital revenue	D.92+D..99	0.3	0.3	0.3	0.5
7	Total revenue (= 1+2+3+4+5+6)	TR	54.8	41.8	43.8	43.0
8	Of which: Transfers from the EU (accrued revenue, not cash)	D.7EU+D.9EU	2.4	1.8	2.9	2.0
9	Total revenue other than transfers from the EU (= 7-8)		52.4	40.0	40.9	41.0
10	p.m. Revenue measures (increments, excluding EU funded measures)		1.3	1.0	1.1	0.8
10b	p.m. Revenue reductions funded by transfers from the EU (levels)		n.a	n.a	n.a	n.a
11	p.m. One-off revenue included in the projections (levels, excluding EU funded measures)		0.0	0.0	0.0	0.1
Expenditure		ESA code	bn EUR	% of GDP	% of GDP	% of GDP
12	Compensation of employees	D.1	14.8	11.3	11.2	11.1
13	Intermediate consumption	P.2	7.5	5.7	6.3	5.8
14	Interest expenditure	D.41	1.8	1.4	1.6	1.7

15	**Social benefits other than social transfers in kind**	D.62	22.4	17.1	16.2	15.7
16	**Social transfers in kind via market producers**	D.632	4.9	3.7	4.1	3.8
17	**Subsidies**	D.3	2.3	1.7	1.1	1.0
18	**Other current expenditure**	D.29+(D.4-D.41)+D.5+D.7+D.8	2.7	2.1	2.3	3.5
19	**Gross fixed capital formation**	P.51	4.7	3.6	5.3	3.6
20	**Of which: Nationally financed public investment**		3.8	2.9	3.6	3.1
21	**Capital transfers**	D.9	0.6	0.5	0.6	0.9
22	**Other capital expenditure**	P.52+P.53+NP	0.1	0.1	0.1	0.0
23	**Total expenditure (= 12+13+14+15+16+17+18+19+21+22)**	TE	61.7	47.1	48.8	47.1
24	**Of which: Expenditure funded by transfers from the EU (= 8-10b)**		2.4	1.8	2.9	2.0
25	**Nationally financed expenditure (23-24)**		59.3	45.3	45.9	45.1
26	**p.m. National co-financing of programmes funded by the Union**		0.4	0.3	0.3	0.3
27	**p.m. Cyclical component of unemployment benefits**		0.0	0.0	0.0	0.0
28	**p.m. One-off expenditure included in the projections (levels, excluding EU funded measures)**		0.0	0.0	0.0	0.0
29	**Net nationally financed primary expenditure (before revenue measures) (= 25-26-27-28-14)**		57.1	43.6	44.0	43.0
Net nationally financed primary expenditure					Growth %	Growth %
30	**Net nationally financed primary expenditure growth**				3.1	0.9
Balances		ESA code	bn EUR	% of GDP	% of GDP	% of GDP
31	**Net lending/borrowing (= 7-23)**	B.9	6.9	-5.3	-5.0	-4.1
Net lending/borrowing by subsector						
31.a	**Central government**	B.9 (S.1311)	-7.1	-5.5	-5.3	-4.8
31.b	**State government**	B.9 (S.1312)	n.a	n.a	n.a	n.a
31.c	**Local government**	B.9 (S.1313)	-0.1	-0.1	-0.1	0.0
31.d	**Social security fund**	B.9 (S.1314)	0.4	0.3	0.4	0.7
32	**Primary balance (= 31+14)**	B.9-D.41p	-5.1	-3.9	-3.4	-2.4
Cyclical adjustment			bn EUR	% of GDP	% of GDP	% of GDP
33	**Structural balance**			-5.5	-4.8	-3.7
34	**Structural primary balance**			-4.0	-3.2	-2.0
Debt			bn EUR	% of GDP	% of GDP	% of GDP
35	**Gross debt**		77648.3	59.3	61.5	62.8
36	**Change in gross debt**		8752.1	3.6	2.2	1.3
38	**Primary balance (= minus 32)**			3.9	3.4	2.4
39	**Snowball effect**			-1.6	-1.1	-1.3
40	**Interest expenditure (= 14)**			1.4	1.6	1.7
41	**Growth**			-1.1	-0.5	-0.7
42	**Inflation**			-2.0	-2.2	-2.3
43	**Stock-flow adjustment (= 36-38-39)**			1.4	-0.2	0.2
				%	%	%
44	**p.m. Implicit interest rate on debt (= 14 / DEBT(t-1)**			2.7	2.8	2.9
Defence expenditure			bn EUR	% of GDP	% of GDP	% of GDP
45	**Total defence expenditure**	COFOG 2	1.8	1.4	2.2	1.8

46	Of which: Defence investment	COFOG 2, P.51g	0.2	0.2	1.0	0.7

Source: MoF SR

TABLE 5 – Budgetary projections under unchanged policies

		2024	2024	2025	2026
Revenue	ESA code	bn EUR	% of GDP	% of GDP	% of GDP
1 Taxes on production and imports	D.2	15.0	11.4	12.1	11.8
2 Current taxes on income, wealth, etc	D.5	10.7	8.2	8.2	8.1
3 Social contributions	D.61	20.9	16.0	16.1	15.9
4 Other current revenue	P.11+P.12+P.131+D.39+D.4+D.7	7.8	6.0	7.1	5.7
5 Capital taxes	D.91	0.0	0.0	0.0	0.0
6 Other capital revenue	D.92+D.99	0.3	0.3	0.3	0.5
7 Total revenue (= 1+2+3+4+5+6)	TR	54.8	41.8	43.8	42.0
Expenditure		bn EUR	% of GDP	% of GDP	% of GDP
8 Compensation of employees	D.1	14.8	11.3	11.2	10.9
9 Intermediate consumption	P.2	7.5	5.7	6.3	5.8
10 Interest expenditure	D.41	1.8	1.4	1.6	1.7
11 Social benefits other than social transfers in kind	D.62	22.4	17.1	16.2	15.9
12 Social transfers in kind via market producers	D.632	4.9	3.7	4.1	3.8
13 Subsidies	D.3	2.3	1.7	1.1	0.7
14 Other current expenditure	D.29+(D.4-D.41)+D.5+D.7+D.8	2.7	2.1	2.3	3.5
15 Gross fixed capital formation	P.51	4.7	3.6	5.3	4.0
16 Of which: Nationally financed public investment		3.8	2.9	3.6	3.2
17 Capital transfers	D.9	0.6	0.5	0.6	0.7
18 Other capital expenditure	P.52+P.53+NP	0.1	0.1	0.1	0.0
19 Total expenditure (=8+9+10+11+12+13+14+15+17+18)	TE	61.7	47.1	48.8	47.1
Balances		bn EUR	% of GDP	% of GDP	% of GDP
20 Net lending/borrowing (= 7-19)	B.9	-6.9	-5.3	-5.0	-5.1
21 Primary balance (= 20+10)	B.9+D.41p	-5.1	-3.9	-3.4	-3.4

Source: MoF SR

TABLE 6 – RRF grants

		2020	2021	2022	2023	2024	2025	2026
Revenue from RRF grants		% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP
1	**RRF grants as included in the revenue projections**	0.0	0.0	0.0	0.1	0.7	1.7	2.1
2	**Cash disbursements of RRF grants from the EU**	0.0	0.0	0.4	1.2	0.6	1.0	1.1
Expenditure financed by RRF grants								
3	**Total current expenditure**	0.0	0.0	0.0	0.1	0.2	0.3	0.3
4	**Gross fixed capital formation**	0.0	0.0	0.0	0.1	0.1	1.1	1.5
5	**Other capital expenditure**	0.0	0.0	0.0	0.0	0.4	0.3	0.3
6	**Total capital expenditure (= 4+5)**	0.0	0.0	0.0	0.1	0.4	1.4	1.8
Other costs financed by RRF grants								
7	**Reduction in tax revenue**	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	**Other costs with impact on revenue**	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	**Financial transactions**	0.0	0.0	0.0	0.0	0.0	0.0	0.0