

SLOVAK REPUBLIC

HIGHLIGHTS

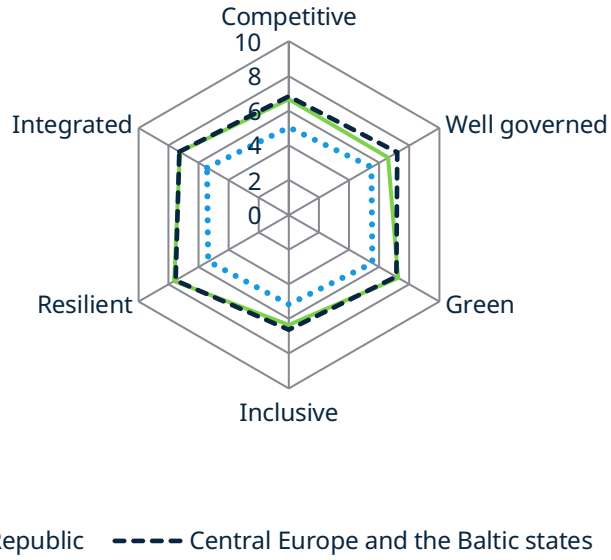
- **Growth remained subdued in 2026 as investment and industrial output fell.** Real gross domestic product (GDP) grew 0.9 per cent in 2025 and 0.9 per cent year on year in the first half of 2026. Investment fell, industrial output contracted and car production was flat in the first half of 2026.
- **Energy policy promoted nuclear expansion but provided limited space for wind generation.** The government retained one proposed renewables acceleration area in August 2026 and gave a new reactor at Jaslovské Bohunice strategic investment status in September 2026.
- **Fiscal consolidation has relied mainly on revenue measures but has not placed public finances on a sustainable path.** The Fiscal Responsibility Council expects the deficit to reach 4.3 per cent of GDP in 2026 and warns that further measures are needed to stabilise public debt.

For more information about country macroeconomic developments, please consult our latest Regional Economic Prospects report.

KEY PRIORITIES FOR 2027

- **Adopt a credible multi-year fiscal consolidation plan to place public debt on a sustainable path.** Public debt is expected to continue rising without further measures. Better-targeted energy support and social transfers would improve spending efficiency while protecting vulnerable households.
- **Apply consistent impact assessments and stakeholder consultations to improve the quality of law-making.** Frequent use of accelerated procedures has limited effective public participation in the legislative process. More predictable regulation would reduce uncertainty for firms and support private investment.
- **Streamline permitting and ensure predictable grid access to unlock investment in wind energy.** Only one proposed renewables acceleration area remained in August 2026, while individual projects still require binding municipal consent. Clearer connection procedures would help convert available wind potential into investment.

ASSESSMENT OF TRANSITION QUALITIES (1-10)



For more on reforms and transition qualities, see Chapter 5 of the Transition Report 2026-27.

KEY REFORMS AND POLICY DEVELOPMENTS[1]

Fiscal consolidation

- The 2026 budget included consolidation measures centred on higher personal income taxes and health contributions. The Fiscal Responsibility Council estimates that the package will reduce the 2026 deficit by €1.6 billion, below the government's headline estimate of €2.7 billion.
- Despite these measures, the Council expects the deficit to reach 4.3 per cent of GDP in 2026, above the budget target of 4.1 per cent. It warns that further measures are needed to prevent renewed fiscal deterioration and stabilise public debt.

1 From the fourth quarter of 2025 to October 2026.

Electric vehicle (EV) and battery investment

- Public investment in the Valaliky industrial park and services in nearby municipalities is expected to reach €733.5 million by 2029. The park will host Volvo Cars' €1.2 billion EV plant, for which the European Commission approved €267 million in state aid.
- Kia began production of a second EV model in Žilina in March 2026. Gotion InoBat started building a €1.2 billion battery plant in Šurany in October 2025, with an initial capacity of 20 GWh.

Renewables acceleration area

- The environment ministry retained one of eight proposed renewables acceleration areas in August 2026 following a strategic environmental assessment.
- The proposed area is in the Košice region, but individual projects still require binding consent from all affected municipalities.

Nuclear power expansion

- The government designated a new reactor of up to 1,200 MW at Jaslovské Bohunice as a strategic investment in September 2026, with planned expenditure of at least €10.9 billion.
- The country's main electricity producer, Slovenské elektrárne, connected Mochovce unit 4, with a capacity of 471 megawatts electrical (MWe), to the grid in October 2026. Once fully operational, the unit is expected to cover about 13 per cent of domestic electricity consumption. The company also plans to increase the output of all four Mochovce units, with no set timeline.

Reform of long-term-care financing

- The president signed the social services financing reform in December 2025, introducing phased implementation of personal allowances paid directly to people requiring care rather than to their carers.
- From January 2027 monthly allowances will range between €236.50 and €1,038.50 according to the level of dependency, and up to three carers will be able to share caring responsibilities.

Whistleblower protection office

- A law was passed in March 2026 repealing changes that would have dissolved the existing office and transferred its functions to a new authority covering both whistleblowers and victims of crime.
- The repeal preserved the existing office and its independence, leading the European Commission to close the related infringement proceedings in July 2026.