

Draft Budgetary Plan of the Slovak Republic for 2027

SUMMARY

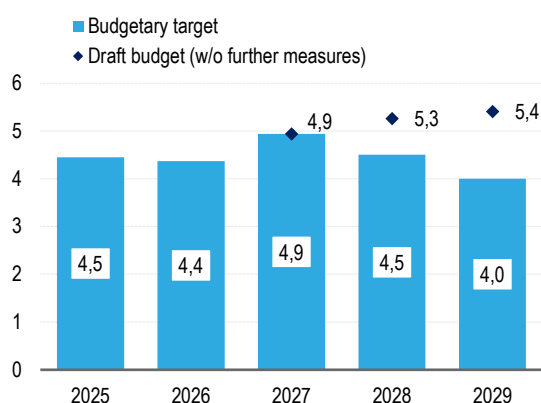
Less favourable developments in the external environment are slowing the planned pace of fiscal consolidation. The Slovak economy, along with those of its main trading partners, was affected by protectionist measures introduced by the United States in 2025. Weaker growth momentum also reflects persistent uncertainty stemming from the conflict in the Middle East and high energy prices. As a result, the Slovak economy will match its previous year's performance, growing at a rate of just under 1% in 2026. Growth will be driven primarily by investment financed through Slovakia's Recovery and Resilience Plan (RRP), which is nearing completion. Economic growth is expected to pick up to almost 2% in 2027. Although the inflow of EU funds will decline, the economy will receive a stronger boost from the ramp-up of production and exports at the new Volvo car plant. Persistently elevated energy prices remain the main risk to the forecast.

Despite the favourable external environment, the general government deficit will decline to 4.4% of GDP this year. The improvement in the fiscal balance has been driven mainly by three consolidation packages. Without the consolidation measures, the deficit would be around 7 % of GDP¹. The decline in the deficit is smaller than the contribution of the consolidation measures, mainly due to less favourable economic developments and rising interest expenditure. At the same time, the budget has in recent years also been affected by the minimum international commitment to defence expenditure of 2% of GDP. These factors place a significant burden on the budget and dampen the impact of consolidation. Alongside the consolidation measures, the government is also pursuing its priority measures, while remaining within the framework of the EU fiscal rules.

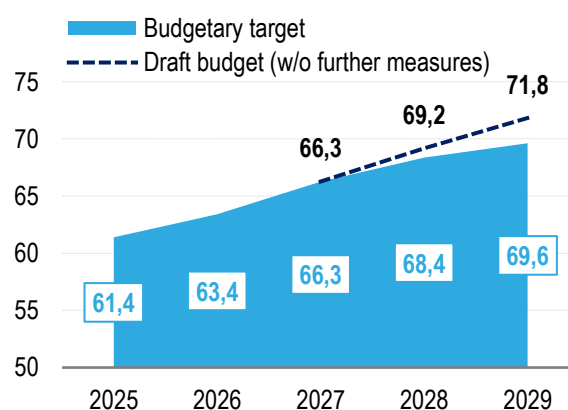
The deficit is planned at 4.9% of GDP next year. Despite the year-on-year increase in the deficit, the budget is in line with European fiscal rules, which set a binding limit on net expenditure growth. The budget complies with this limit. The increase in the deficit is mainly related to the continued rise in interest expenditure and the financing of several Government priorities, particularly in the areas of social policy and family support. Many of these measures are still subject to approval by the National Council of the Slovak Republic and are currently covered by budgetary reserves in the Government's draft budget. Stabilising public debt will require continued consolidation in the years ahead. Without further fiscal consolidation, debt would exceed 70% of GDP by the end of the budget horizon and continue to rise.

The implementation of important structural reforms and investments is also continuing. Next year, structural reforms and investments will focus primarily on supporting productivity, education and energy efficiency. Following the final phase of implementation of the Recovery and Resilience Plan, several investments are expected to be financed mainly from Programme Slovakia. The measures will support energy efficiency, industrial decarbonisation and sustainable transport, as well as the inclusion and digitalisation of public administration. Attention will also be devoted to skills development, social inclusion and housing affordability.

General Government headline deficit in % of GDP*



General Government gross debt in % of GDP*



Note: The years 2026 correspond to the outturn and the expected outturn, respectively.

Source: MoF SR

¹ Also, according to estimates by the Council for Budget Responsibility.



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I. MACROECONOMIC ASSUMPTIONS OF THE DRAFT BUDGET

The external environment remains less favourable than envisaged in the original medium-term plan. The Slovak economy will repeat last year's performance, with GDP growing by 0.8% in 2026. Weaker growth reflects uncertainty stemming from the conflict in the Middle East, high energy prices and increasing barriers to international trade. Domestic consumption remains subdued as a result of fiscal consolidation. Higher public investment associated with the final disbursements under the Recovery and Resilience Plan (RRP) is offsetting weaker private-sector investment. The economy will begin to recover in 2027, when GDP growth will reach 1.8%. The recovery will be driven by exports and the ramp-up of production at the Volvo car plant. The labour market remains resilient, and employment will be stable this year. Although the risks to the forecast are broadly balanced, persistently high energy prices could dampen real economic activity and, in particular, impose fiscal costs on the budget.

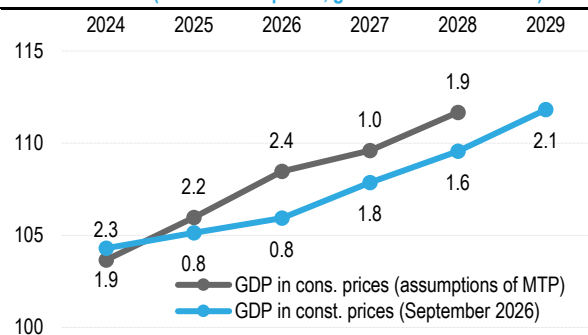
I.1. Macroeconomic forecast

Economic developments in the current year (2026)

The Slovak economy will grow by 0.8% in 2026. Economic activity will be dampened by the conflict in the Middle East, associated higher energy prices and pressures on supply chains. Fiscal consolidation is weighing on households' real incomes and consumption. Higher public investment, driven by the final disbursements under the Recovery and Resilience Plan (RRP), will offset a decline in private investment, particularly household investment in housing. Exports will gradually gain momentum, but their impact on economic growth will become more pronounced only next year.

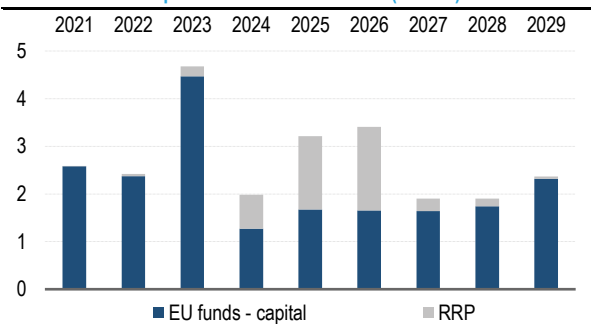
Consumer prices will rise by 3.7% in 2026. Disinflation is continuing, mainly owing to falling food prices and slower growth in services prices. Conversely, higher fuel prices resulting from the conflict in the Middle East have pushed inflation upwards. District heating prices have also increased, although households have been compensated through energy vouchers. Towards the end of the year, we expect food prices to start rising again as higher prices for energy and other commodities, including fertilisers, feed through

FIGURE 1 – GDP (mil. constant prices, growth rates in the chart)



Source: MoF SR

FIGURE 2 – Absorption of EU and RRF funds (% GDP)



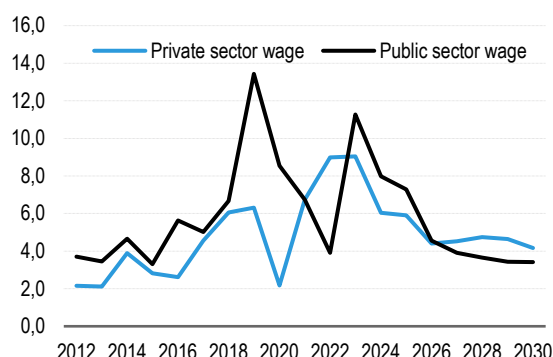
Source: MoF SR

Employment will stagnate this year. The composition of employment continues to show a marked increase in the number of employees, particularly in services, construction and the public sector. Employee numbers will rise by 0.6% this year, the strongest increase since 2022. However, this increase will be almost entirely offset by a continued decline in the number of self-employed persons, in response to higher minimum health and social insurance contributions and the introduction of a small mandatory contribution for some low-income self-employed workers. Although the number of collective redundancies being implemented is rising, their actual impact on inflows into unemployment has so far been very limited. Nevertheless, the number of unemployed persons will increase more than last year, and the unemployment rate will return to its level of three years ago.

Nominal wage growth will moderate slightly, while real wages will increase. Wages will continue to grow at a solid pace this year, although annual growth will be partly dampened by a high base of comparison from last year.

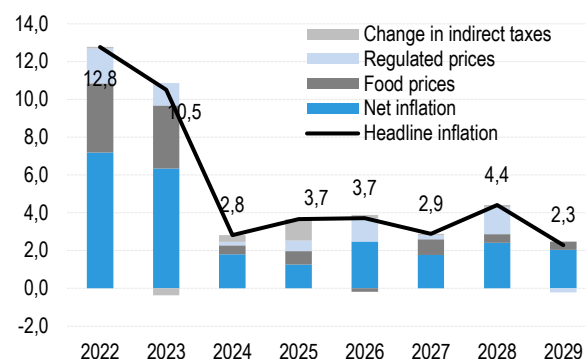
The average nominal wage will rise by 4.5%, with year-on-year growth significantly affected by the one-off EUR 800 bonus paid in the public sector last year. Excluding this effect, wage growth would be close to 5%. Real wages will increase by 0.8% this year.

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



Source: SO SR, MoF SR

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



Source: SO SR, MoF SR

Economic developments next year (2027)

GDP growth will accelerate to 1.8% in 2027. As the investment stimulus from the RRP fades, a gradual recovery in private investment and exports will become the main drivers of growth. Exports will be supported primarily by the ramp-up of production at the Volvo car plant, which will also strengthen Slovakia's position in foreign markets. The expected continuation of household energy support will limit increases in household energy prices, thereby helping to ease inflation. The conflict in the Middle East has driven up energy commodity prices (oil, gas and electricity), but the regulatory mechanism of the Regulatory Office for Network Industries (ÚRSO) means that these increases will not feed through to consumer prices until 2028. Lower price pressures will support growth in real incomes and a gradual recovery in household consumption. The revision of fiscal targets and the absence of further consolidation in 2027 will ease the restrictive impact of fiscal policy on the economy and support GDP growth.

Faster economic growth next year will translate into a modest labour market recovery. Stronger foreign and domestic demand will lift employment by 0.1%. Wage growth will stabilise at slightly above 4%. Labour shortages will continue to put upward pressure on wages, although slower productivity growth will constrain wage increases. Pay adjustments will remain more constrained in the public sector, while earnings in the private sector will grow somewhat faster.

Economic developments from 2028 onwards

The economy will grow by 1.6% in 2028, with growth edging above 2% by the end of the forecast horizon. Economic activity will be held back by the assumed resumption of fiscal consolidation in 2028. In 2029 and 2030, the absorption of EU funds will support economic activity as programming periods begin to overlap and the use of resources from the Modernisation Fund reaches its peak. Exports will benefit from stabilising foreign demand and expanded production capacity in the automotive industry, although growth will be constrained by increasing competition from China. Employment will gradually decline owing to unfavourable demographic developments, which will be only partly offset by a growing number of foreign workers.

Inflation will accelerate to 4.4% in 2028 before easing towards 2% by the end of the forecast horizon. Subsidised energy prices are expected to return to market levels and subsequently decline in line with current futures prices. The postponed introduction of the second EU emissions trading system (ETS2) to 2028 will also contribute to price developments. Electricity and gas prices would thus rise by 20% and 30%, respectively, for the

90% of households currently covered by the energy support scheme. Food prices and prices of tradable goods will gradually return to average growth rates typical of the pre-pandemic period. Services prices will increase faster, but overall price growth over the medium term will be contained by the expected fiscal consolidation.

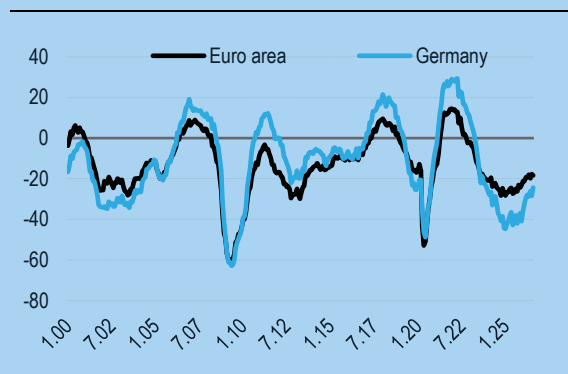
The labour market will be constrained in the coming years by adverse demographic trends, which will increasingly reduce labour supply, as well as by fiscal consolidation. The decline in the labour force will continue to be mitigated by rising participation among the domestic population and an inflow of foreign workers, whose number approached 150,000 in July this year. The unemployment rate will not fall below 5.4% over the forecast horizon.

Although the macroeconomic risks to the forecast are broadly balanced, higher energy prices could entail additional fiscal costs. Persistently higher energy prices may dampen real economic activity but, above all, create fiscal costs for the budget. While higher prices also increase budget revenue, public expenditure items directly indexed to inflation tend to rise more rapidly.

BOX 1 – External environment assumptions

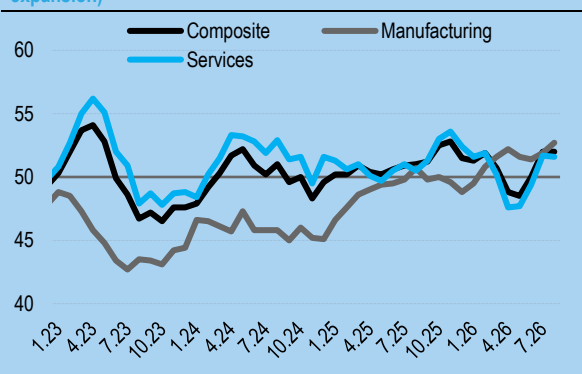
The external environment continues to be characterised by high uncertainty. The escalation of the conflict in the Middle East at the beginning of the year delivered an unexpected shock to the global economy. It was expected to result in a sustained increase in energy prices and higher global inflation. However, a coordinated response by countries in releasing strategic fuel reserves, together with weaker demand in China, ensured that the price shock was significantly smaller than initially anticipated. As a result, the economies of Slovakia's trading partners performed considerably better in the second quarter than originally expected. The euro area itself also surprised on the upside: with year-on-year GDP growth of 1.3% in the second quarter, its economy moved closer to potential growth, as did Germany, whose GDP growth was 0.2 percentage points lower. However, a further escalation of the conflict, accompanied by sharp movements in bond and commodity markets around the turn of August and September, threatens the current positive momentum.

FIGURE 5 – Development of Industrial Orders (ESI Index, points)



Source: European Commission, MoF SR

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

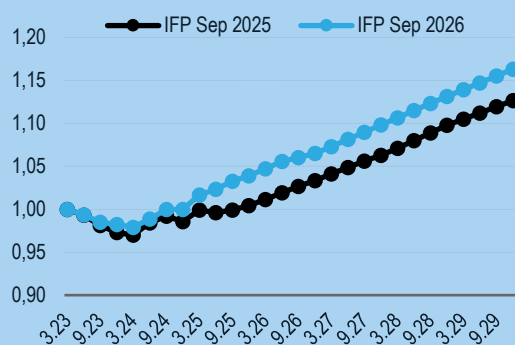


Source: Bloomberg, MoF SR

EU economies are showing positive momentum EÚ. After years of economic shocks and persistent geopolitical instability, economies are adjusting to a new reality. The euro area has shown surprising resilience, with high-frequency indicators suggesting that solid performance continued into the third quarter. Germany has followed a similar path: in the second quarter, its economy surpassed its 2022 peak after years of stagnation. Slovakia's most important trading partner is thus experiencing a long-awaited recovery. Government expenditure is a major driver of growth in Germany. Weak industrial activity has stopped dragging on the German economy, while a recovery in foreign trade has also contributed to growth. Conditions in the key automotive industry nevertheless remain challenging, especially in export markets outside Europe, where trade barriers and persistent competition from China have made the situation more difficult. By contrast, the European internal market is showing signs of recovery. Slovakia's V3 partners are also maintaining strong momentum, with the Hungarian economy gaining traction again after stagnation.

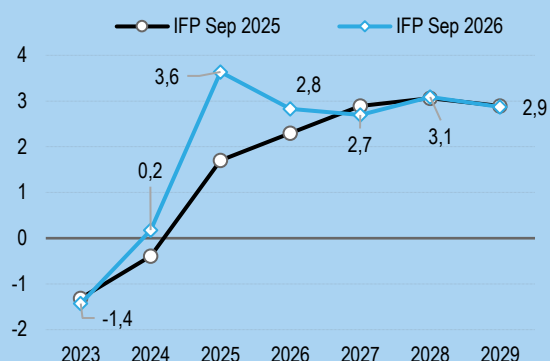


FIGURE 7 – Weighted index of external demand (levels)



Source: MoF SR

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



Source: MoF SR

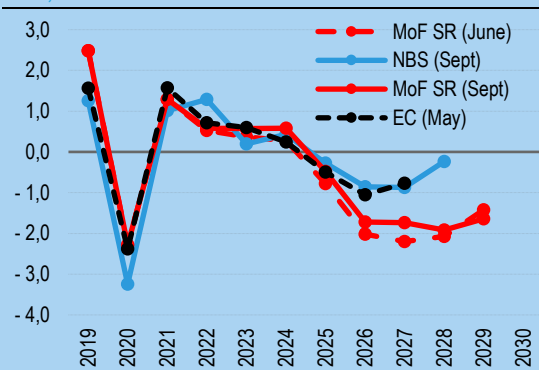
Foreign demand is gradually improving. As the economies of trading partners return to their potential growth rates, the forecast for weighted foreign demand is reverting to more typical levels, averaging 2.9% over the coming years. However, the composition of global trade is unfavourable for Slovakia, as the share of car exports in total world exports declined in January–August 2026. Energy prices remain a major risk: at the forecast cut-off date, they were returning to the elevated levels observed at the outbreak of the conflict in the Middle East. This could result in tighter monetary policy than expected. A potential inflation shock would also affect domestic and foreign consumers, weighing on real economic activity. Geopolitical uncertainty, fragmentation and a tendency towards higher barriers to international trade could adversely affect economic developments in the years ahead.

BOX 2 – Output gap estimates

IEU-funded investment supports the economy's productive capacity and helps maintain potential growth at around 2% per year. In 2023, potential GDP was supported by the final absorption of structural funds from the expiring programming period. In 2024 and 2025, the Recovery and Resilience Plan was an important source of growth in the economy's potential output. In 2027, the ramp-up of production at the Volvo car plant will provide additional support. Adverse demographic trends are offset mainly by an inflow of foreign workers. The contribution of potential employment to potential output growth is therefore close to zero.

According to the Ministry of Finance's national methodology, the Slovak economy is operating below its potential in 2026. Heightened uncertainty, rising energy prices and fiscal consolidation are dampening the demand side of the economy. In 2027, economic growth will accelerate to the rate of potential growth. However, the output gap will not begin to close. The forecast assumes that economic growth will again be dampened by fiscal consolidation from 2028 onwards.

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



Source: MoF SR, NBS, AMECO

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

	Output gap (% pot. GDP)	Pot. GDP (growth, %)	TFP*	Capital	Labour
2023	0.6	2.1	1.5	0.7	0.0
2024	0.6	1.9	1.0	0.9	0.0
2025	-0.5	1.9	1.1	0.7	0.1
2026F	-1.7	2.0	1.2	0.8	0.1
2027F	-1.7	1.8	1.1	0.8	0.0
2028F	-1.9	1.8	1.1	0.7	0.0
2029F	-1.6	1.8	1.2	0.7	-0.1

*Total factor productivity

Source: MoF SR

II. CURRENT POSITION OF THE PUBLIC FINANCES AND BUDGETARY OBJECTIVES

Three large consolidation packages have made a significant contribution to reducing and stabilising the deficit at 4.4% of GDP. Their impact was dampened by the unfavourable external environment and the adoption of deficit-increasing measures, particularly in the social sphere. Since 2025, the economy has been adversely affected mainly by US tariffs and weaker external demand, most recently compounded by the effects of the military conflict in the Middle East and higher energy prices. Thanks to the consolidation effort to date, the 2027 budget remains within the net expenditure path in line with the European fiscal rules, although the deficit will increase year on year. A deficit of 4.9% of GDP is envisaged for next year.

II.1. Development in public finances up to 2026 and the current position

The general government deficit will stabilise at 4.4% of GDP this year. The consolidation measures adopted after the new government took office first halted the increase in the deficit in 2024 at 5.3% of GDP and subsequently reduced it to 4.4% of GDP. Although consolidation measures on both the revenue and expenditure sides had significant positive impact, they also offset factors that increased the deficit. These include adverse external and geopolitical effects, which are reflected in weaker tax collection. At the same time defence spending and interest expenditure are increasing. The impact of consolidation is also dampened by the current government's expenditure priorities.

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

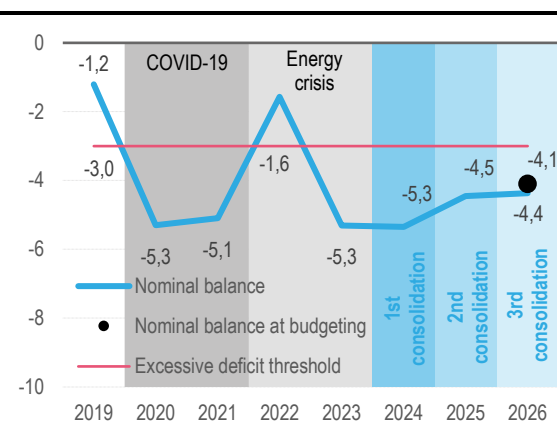
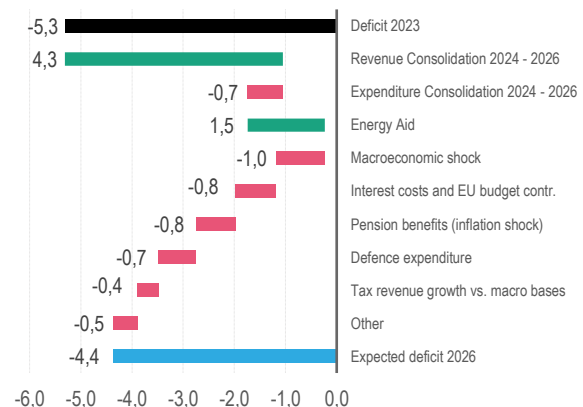


FIGURE 11 – Main contributions to the change in the deficit between 2023 and 2026 (in p.p., ESA 2010)



Source: MoF SR

Note: The 'other' item mainly reflects the impact of other increases in wage expenditure and intermediate consumption expenditure beyond the specific measures of the current government identified in the chart above.

The government has already approved three consolidation packages totalling 4.3% of GDP. Revenue-side consolidation expenditure beyond the specific measures of the current government identified in the chart above.

- **The first set of consolidation measures, amounting to 1.0% of GDP for 2024, contained** three major measures: a reduction in the contribution rate to the second pension pillar, a 1 p.p. increase in employers' health insurance contributions, and the extension of the special levy on business in regulated sectors to the banking sector (together 0.7 % of GDP). The introduction of the tax licence increases in excise duties on tobacco and spirits, and the temporary extension of the levy on the profits of Vodohospodárska výstavba also had more significant impact.
- **The second consolidation package amounted to 1.6% of GDP.** Consolidation of 1.1% of GDP was delivered by three revenue measures: an increase in the standard VAT rate from 20 % to 23 %, the introduction of the financial transaction tax, and changes to the corporate income tax on large companies, with the rate increased to 24%. The remaining revenue measures amounting to 0.3% of GDP consist of

higher excise duties on tobacco and tobacco-related products, an increase in the excise duty on spirits, the introduction of an excise duty on sugar-sweetened beverages, as well as changes to motorway vignette prices and tolls. On the expenditure side, measures totalling 0.3% of GDP concerned mainly the reform of the parental pension – the option to allocate part of one's tax to parents – and the reform of the child tax bonus.

- **Measures in the third consolidation package are expected to amount to 1.6% of GDP.** Revenue-side adjustments amounting to 1.0% of GDP focused on increasing the contribution burden, increasing the progressivity of taxation, measures aimed at combating tax evasion and the optimisation of taxes² and social contributions, as well as increasing the taxation of negative externalities. Revenues are also expected to increase slightly as a result of reducing the number of public holidays and lifting the ban on retail sales on public holidays. On the expenditure side, the largest saving is expected to come from curbing expenditure by individual ministries, their subordinate organisations and local governments, amounting to 0.5% of GDP. Other expenditure-side adjustments amounting to 0.1% of GDP concern pensions and selected social benefits.

The impact of consolidation measures on the budget balance was dampened by deficit-increasing measures. The largest additional costs came from additional funding for the healthcare sector from the 1 p.p. increase in employers' health insurance contributions. Expenditure also increased with the establishment of the Ministry of Tourism and Sports. The full 13th pension also contributed to higher expenditure. Significant measures in education include salary increases for teaching staff and higher funding norms for kindergartens, whose financing was transferred to central government. Remuneration conditions for the armed services and the Financial Administration were also improved, and personal allowances for court employees and soldiers were increased. In 2026, the social services reform brings major changes and higher expenditure, although its impacts will materialise gradually³.

Other factors, partly beyond government's direct control, also prevent a further reduction in the deficit.

The positive impact of consolidation measures was significantly dampened by the deteriorating macroeconomic environment. Since 2025, the economy has been adversely affected by US tariffs and the associated uncertainty in foreign trade, which have contributed to weaker external demand and a deterioration in several macroeconomic bases relevant for tax revenues. In addition, tax collection has been weaker than would be implied by developments in the relevant macroeconomic bases⁴. Pension expenditure has also increased significantly for reasons unrelated to government measures, driven by the inflation shock and an excessive number of early retirements. Due to the design of the initial pension indexation mechanism, it was advantageous for people approaching retirement age to retire earlier. The budget is also affected by rising interest expenditure, mainly due to the global increase in interest rates and geopolitical instability. It will also be affected by a significant increase in defence spending compared with 2023. This is due to the delivery of most military equipment in 2026 as well as higher cash expenditure. Higher expenditure related to the contribution to the EU budget also has a negative impact. Some of these negative factors were offset by developments in energy prices, which caused the cost of energy support in the current year to fall significantly compared with 2023.

II.2. Budgetary objectives

Following three rounds of consolidation under difficult economic conditions, the government targets a deficit of 4.9% of GDP next year. The macroeconomic environment has been highly unfavourable in recent years, resulting in significantly lower economic growth than the historical average. Macroeconomic uncertainty is currently

² These measures are a 50% VAT deduction for company cars, a tax amnesty on historical tax arrears, the Act combating false self-employment, and the introduction of social and health insurance contributions on employment remuneration also during sick leave and maternity leave.

³ Under the new system, care allowances will be paid directly to the dependent person rather than to the carer, allowing the person greater flexibility in financing care.

⁴ Part of the deterioration in tax collection efficiency may also be caused by government measures, for example the existence of a large number of various exemptions from standard tax rates. In general, however, tax collection relative to macroeconomic bases declines mainly during periods of low economic growth.

being further increased by the ongoing conflict in Iran and blockade of the Strait of Hormuz. The accelerated pace of consolidation in the first three years allows for a slight easing of fiscal policy (FIGURE 13).

FIGURE 12 – Projected general government deficit (% of GDP)

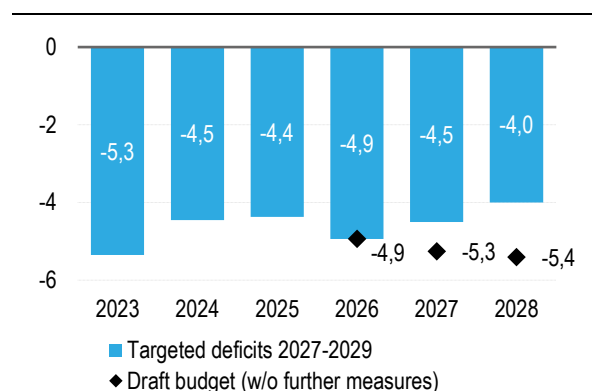
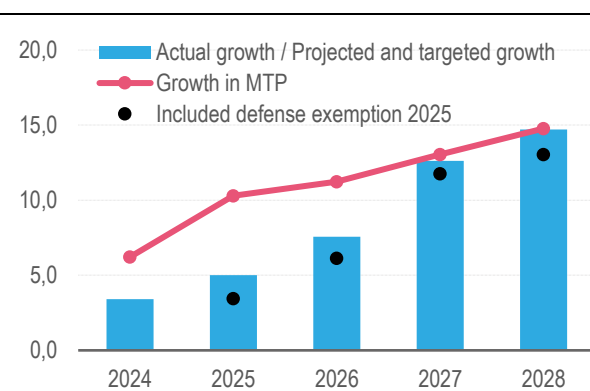
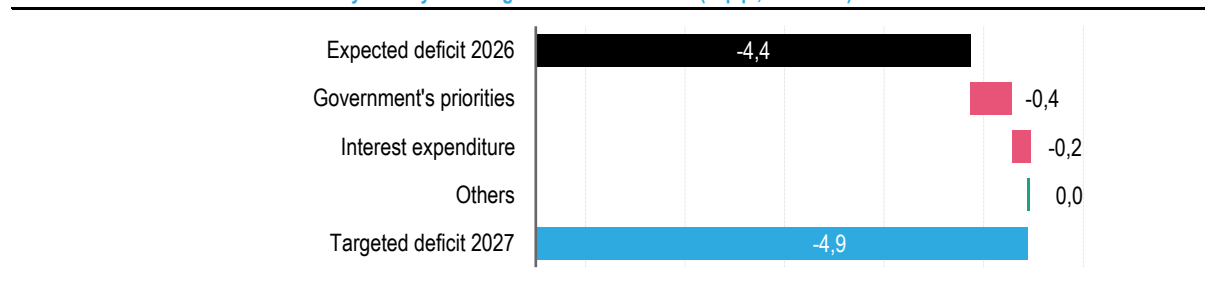


FIGURE 13 – Cumulative growth of net expenditure 2024 to 2026



The approximately 0.5% p.p. of GDP year-on-year increase in the deficit in 2027 is driven by government priorities, but also by factors beyond its direct control. The government uses the available fiscal space to finance several priorities (for more detail see Chapter 3, Measures adopted). The deficit is also increased by persistently higher interest expenditure, mainly as a result of the gradual refinancing of public debt at higher interest rates.

FIGURE 14 – Main contributions to the year-on-year change in the deficit in 2026 (in p.p., ESA 2010)



Source: MoF SR

The budget for the following years indicates a return to consolidation efforts, with the aim of reducing the deficit to 4% of GDP, although this will primarily be a task for the next government. The government sets a target of 4.5% of GDP for 2028 and 4% of GDP for 2029. The trajectory reducing the deficit to 4.5% of GDP by 2028 is in line with EU rules. Based on the budget as currently configured, such a strategy will require measures amounting to 0.8% of GDP in 2028 and 1.4% of GDP in 2029. Preparation of the 2028 budget will mainly be undertaken by the current government, as the regular parliamentary elections are scheduled for September 2028, but its approval will already be in the hands of the newly constituted parliament.



III. DESCRIPTION OF GOVERNMENT MEASURES

Government measures in next year's budget cover several areas. On the revenue side, there are less costly measures, particularly a reduction in the excise duty on electricity for industry, an increase in the contribution-deductible item and an extension of the group of eligible persons. The budget also provides for an expansion of care dependency allowances in connection with meeting the objectives of the Recovery and Resilience Plan. The allowances themselves will increase, the carers' income test will be abolished, and up to three caregivers will be able to care for one dependent person. In response to climate change, the government is allocating a one-off package for anti-drought measures. Expenditure on a new nuclear power source at Jaslovské Bohunice and related expenditure is intended to help ensure energy security. Further priority measures in social and family policy are also expected. Older pensioners are expected to benefit, as are families through an increase in the allowances for first-grade pupils, the childbirth allowance, and the introduction of a new allowance for newlyweds. Families with several children are planned to be supported through an exemption from personal income tax. Some measures are still subject to approval by National Council of the Slovak Republic, and the budget has so far created reserves for them.

III.1. Measures incorporated in the budget

This chapter presents measures adopted by the government after the approval of the 2026 budget that affect the year-on-year change in the deficit⁵.

Revenue measures

On the revenue side, low-cost measures are being implemented, with an impact well below 0.1% of GDP. The contribution-deductible item for social contributions will increase from EUR 200 to EUR 300 per month, from next year. At the same time, eligibility will be extended to people on maternity and parental leave. Banks will be able to deduct from their taxes the costs associated with mortgage assistance provided in the form of reimbursement of part of the increase in the mortgage repayment. As mortgage assistance will only be paid until November 2027, this change will not affect corporate income tax revenue on other years. The excise duty rate on electricity for industry was reduced from the beginning of October 2026.

Expenditure measures

The government is discussing several measures in the family and social policy areas with an impact of 0.3% of GDP. Changes in the payment of care dependency allowances (0.2% of GDP) will have the largest impact on the increase in the deficit, in line with the objectives set out in the Recovery and Resilience Plan. An amendment adopted in 2026 significantly increase care dependency allowances and abolishes the income test for caregivers. It also newly allows the allowance to be shared by up to three caregivers. The aim of these changes is to keep dependent people in their home environment for as long as possible and to provide financial stability for families with a dependent person as well as staff in social care facilities. Older pensioners are also expected to benefit. From next year, their minimum pension should equal the average old-age pension. The government aims to support families by increasing the allowance for first-grade pupils and the childbirth allowance, and by introducing a new allowance for newlyweds entering into their first marriage. Minimum child support will increase to 100% of the subsistence minimum. Families with several children will be supported through exemption from personal income tax. From 2028, expenditure will also increase due to free lunches for three- and four-year-old children in kindergartens, as well as changes in social guardianship aimed at keeping children in their natural family environment and reducing the number of children in institutional care.

The government has allocated 0.1% of GDP for anti-drought measures and for a new nuclear power source at Jaslovské Bohunice and related expenditure. In response to climate change, the government has allocated expenditure for anti-drought measures, water retention in the landscape and mitigation of the impacts of climate change. Measures in the nuclear sector will focus on ensuring energy security, preparations for the construction of

⁵ Regularly recurring policies that are extended each year, such as energy support, are not included.

a new nuclear power source at Jaslovské Bohunice and related expenditure, including support for education, research and human resource development in the nuclear sector.

The reserve to address adverse developments in budgetary performance amounts to 0.1% of GDP. The draft budget also contains a reserve for 2027 to cover unforeseen budgetary and macroeconomic developments.

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

	ESA2010	2027	2028	2029
Summary of revenue measures		-32	-18	-18
Increase in the social security contribution deductible allowance and extension of eligibility	D.61	-14	-15	-15
Reduction in excise duty on electricity for industry	D.2	-1	-3	-3
Mortgage assistance paid by banks treated as a tax-deductible expense	D.5	-17	0	0
Summary of expenditure measures		772	485	630
Introduction of a dependency assistance benefit (care reform)	P.2	300	321	449
Budgetary reserve for forthcoming priorities	P.2	122	164	181
New nuclear power source at the Jaslovské Bohunice site and related expenditures	P.2	100	0	0
Measures to combat drought	P.2	100	0	0
Reserve for unforeseen developments	P.2	150	0	0

Note: Negative values for revenue measures indicate lower revenue, i.e. an increase in the deficit. Positive values for expenditure measures indicate higher expenditure, i.e. an increase in the deficit, and vice versa. Source: MoF SR

III.1.1. Update of consolidation measures implemented in the 2026 budget (in the context of the obligation to publish measures to correct the excessive deficit)

The current government has adopted three consolidation packages amounting to more than 4% of GDP in response to the excessive deficit and requirements of the corrective arm of the Stability and Growth Pact. The September 2026 update of the macroeconomic and budgetary forecasts slightly revised the impact of consolidation measures on the revenue side of the budget. At the same time, the impact will decline slightly by 2028 due to the temporary nature of some measures but will remain at 4.0% of GDP. A more detailed breakdown of the measures is available in Annex 4. Slovakia thereby complies with the Council recommendation to publish an updated list of consolidation measures every six months in the context of the excessive deficit procedure, so as to ensure that net expenditure growth does not exceed the maximum permitted rate. The government publishes consolidation measures in the Draft Budgetary Plan in the autumn and in the Annual Progress Report published in the spring.

TABLE 3 – Quantification of revenue and expenditure measures (budget impact in EUR million, ESA 2010)

	2024	2025	2026	2027	2028
Total consolidation measures	1 513	3 663	6 272	6 428	6 257
1st consolidation package	1 513	1 449	1 564	1 555	1 069
2nd consolidation package		2 214	2 342	2 448	2 630
3rd consolidation package			2 367	2 424	2 558
Total (% of GDP)					4.0

A more detailed breakdown of the individual measures is available in the DEM and DRM tables in the annex. The final figures also incorporate later legislative adjustments to some revenue measures.

Source: MoF SR

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

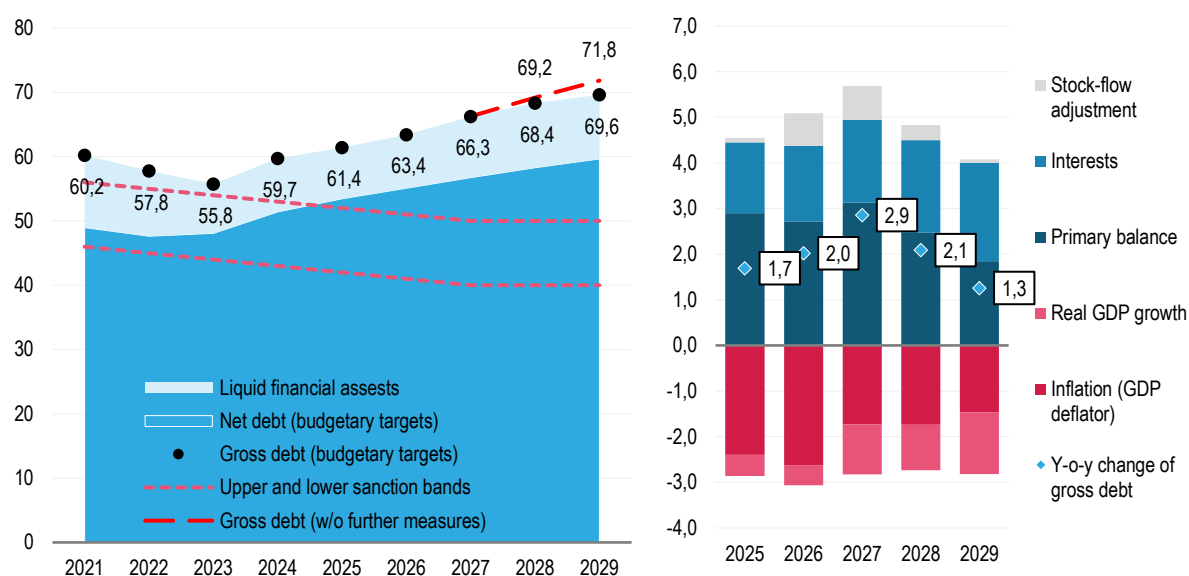
Debt will reach 63.4% of GDP this year as a result of the higher deficit and the slowdown in the economy. The consolidation measures adopted so far are dampening debt growth but bringing it to a complete halt requires reducing the overall deficit to well below 3% of GDP. Achieving such a deficit level in the short term would require a significant tightening of fiscal policy, with negative consequences for economic growth. Halting debt growth will therefore span electoral terms. Without continued deficit reduction, debt would reach 100% of GDP by the end of the next decade. Long-term sustainability indicators also confirm the need for continued consolidation of public finances. Further consolidation is a prerequisite for reducing sustainability risks from the current high-risk range to the medium-risk range.

IV.1. Gross debt

The slowdown in economic growth, together with only a gradual reduction in the deficit, is leading to an increase in public debt. Gross debt is expected at 63.4% of GDP this year. The continued increase in indebtedness is driven by the deficit, which will not stabilise the debt ratio unless it falls well below 3% of GDP, particularly in an environment of weaker economic growth. Reducing the deficit through the government's consolidation effort is therefore slowing the year-on-year increase in debt but is not yet sufficient to stabilise its trajectory (FIGURE 15). Debt dynamics are also temporarily affected by an increase in the cash reserve. Debt therefore remains above all debt-brake sanction bands.

Debt will continue to rise over the budget horizon, driven by persistent primary deficits and rising interest expenditure. Inflation and, to a lesser extent, real economic growth will continue to reduce the debt-to-GDP ratio (by almost 3 p.p. of GDP per year on average). However, their impact over the period under review is insufficient to fully stabilise debt given the effect of the persistent primary deficit and rising interest expenditure (FIGURE 16).

FIGURE 15 a 16 – Medium-term debt forecast and decomposition of its annual change (% of GDP)

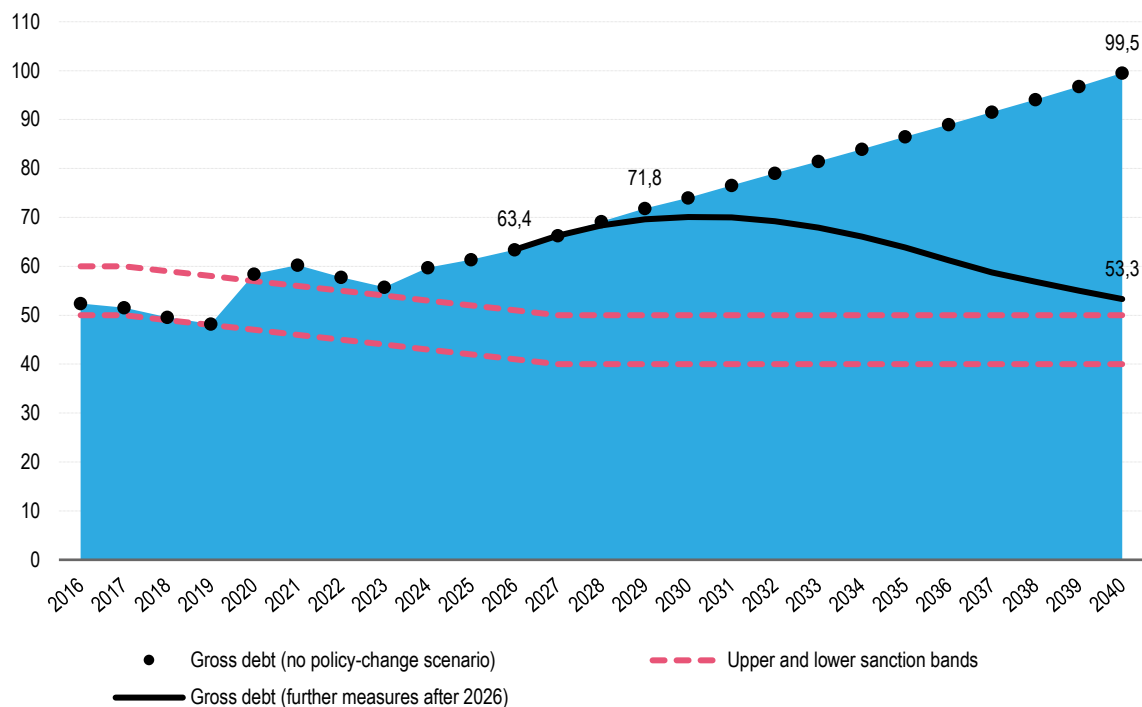


Note: The projected developments of gross and net debt under the scenario of targeted budget deficits are consistent with general government accrual deficits of -4.9% of GDP in 2027, -4.5% of GDP in 2028, and -4.0% of GDP in 2029. Source: MoF SR

Debt should stabilise if the targets are met, but only beyond the budget horizon. If the budgetary targets are met, i.e. if the deficit is reduced to 4% of GDP in 2029, gross debt will continue to rise and reach just under 70% of GDP. The projection therefore indicates that halting debt growth will require continued consolidation efforts beyond the budget horizon so that the deficit falls below 3% of GDP. Without additional measures, gross debt would reach almost 72% of GDP at the end of the horizon.

The consolidation measures adopted so far have dampened debt growth; without further consolidation after 2027, debt would rise unsustainably and reach 100% of GDP by 2040. A return to consolidation from 2028 should reverse the otherwise unfavourable debt trajectory. Without further measures, debt would exceed 70% of GDP by a wider margin by the end of the decade and reach 100% of GDP by 2040, while without the current government's consolidation measures it would significantly exceed that level. Such a pace of debt accumulation would be accompanied by a further increase in interest expenditure, which would crowd out public resources from other areas and significantly jeopardise the ability to finance debt on financial markets. Conversely, continued consolidation towards a balanced budget would bring debt back towards the sanction bands by the end of the next decade.

FIGURE 17 – 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

The value of the S2 long-term sustainability indicator⁶ decreased year-on-year and moved closer to the medium-risk band. The current state of long-term sustainability stems from the initial budgetary position as well as from the future increase in age-related expenditure, with both components contributing to it in roughly equal measure. Compared with last year's value of 8.0% of GDP⁷, the value of the long-term sustainability indicator has decreased, with the most significant contribution coming from the change in the primary structural deficit, which fell from 2.9% in 2025 to 2.1% in 2026. Taking into account the measures currently incorporated in the budget, the indicator would reach 6.4% of GDP⁸ in 2029 due to the deterioration of the structural balance. A significant improvement occurs only if the budgetary targets are met. Once they are met, long-term sustainability in 2029

⁶ The S2 long-term sustainability indicators published by the MoF SR and the European Commission are based on the same definition of the indicator; their values may differ due to the use of slightly different assumptions and methodological approaches (the differences are described in more detail in Box 6 of the Stability Programme 2023).

⁷ Draft Budgetary Plan of the Slovak Republic for 2026.

⁸ Only the measures adopted at the time of the approval of the budget by the Government of the Slovak Republic are taken into account; the indicator therefore does not reflect the impact of the possible increase in pensions for older pensioners submitted to the National Council of the Slovak Republic.



would fall into the medium-risk band⁹, at 4.9% of GDP. To bring long-term sustainability risks further down into the low-risk band, it will therefore be necessary to continue adopting measures beyond the budget horizon.

TABLE 4 – Breakdown of long-term sustainability indicator S2 as of 2029 (% of GDP)

	2026	GGB 2027-2029	Budgetary targets
Total value	6.4 (high risk)	6.4 (high risk)	4.9 (medium risk)
thereof:			
Initial budgetary position of the structural balance and debt	2.8	3.4	1.9
<i>thereof the primary structural balance (-):</i>	-2.1	-2.6	-1.2
Pension expenses	0.9	0.6	0.6
Health care	1.0	0.9	0.9
Long-term care	1.1	1.1	1.1
Expenditure on education	0.2	0.1	0.1
Other	0.4	0.3	0.3

Source: MoF SR

⁹ Under the EC methodology, the overall long-term sustainability risk is considered medium only if the value of the S2 indicator shows medium or lower risk (a value below 6% of GDP). The exact risk categorisation is available in Table 1 of Box I.3.1 of the Debt Sustainability Monitor.



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

In 2027, structural reforms and investments¹⁰ will be implemented, focusing primarily on boosting productivity, education and energy efficiency. Following the final phase of the implementation of the Recovery and Resilience Plan in 2026, several investments are expected to be financed mainly through the Slovakia Programme (PSK). Measures will support energy efficiency, industrial decarbonisation and sustainable transport, as well as inclusion and the digitalisation of schools, business innovation and the digitalisation of public administration. Further priorities include skills development, social inclusion and housing affordability.

TABLE 5 – Reforms and investments based on the framework of the 2026 Annual Progress Report

	Reform/ Investment	Description of the measure	PSK	CSR
Public finances	Reform 1: Submission of tax subjects' invoice data (e-Invoice)	The introduction of electronic invoicing and the real-time transmission of invoice data aims to combat tax evasion, reduce the tax gap and improve tax collection efficiency, while also reducing the administrative burden on businesses.	-	CSR.2026.1
	Reform 2: Implementation of scenario-based unchanged-policy budgeting	The measure aims to fully implement budgeting based on unchanged-policy (NPC) scenarios as a basis for preparing the general government budget and expenditure ceilings. NPC scenarios already provide a more accurate operating baseline for budget chapters and general government entities. For the Social Insurance Agency, the General Health Insurance Company, railways, local governments and central government personnel expenditure, they also serve as a direct baseline for the budget proposal.	-	CSR.2026.1
	Reform 3: Strengthening the analytical capacities of the Financial Administration	Strengthening the analytical capacities of the Financial Administration of the Slovak Republic will enable better identification of the risk of tax non-compliance and the targeted issuance of preventive notifications (soft warnings) to taxpayers, thereby contributing to more effective VAT collection.	-	CSR.2026.1
	Reform 4: Improving the Financial Administration's electronic services and promoting a client-oriented approach	Tax returns will be pre-filled using an assistant that processes data from certificates of taxable income. The measure aims to simplify the tax return filing process, reduce errors and lower the administrative burden on taxpayers.	-	CSR.2026.1
Green transition	Reform 5: Hydrogen ecosystem	The development of the hydrogen ecosystem will support Slovakia's energy security and transition to a low-carbon economy through the production and use of hydrogen in industry, energy and transport. This includes the gradual establishment of legislative, technical and support frameworks in line with EU requirements and national priorities.	PSK	CSR.2026.5
	Reform 6: Update of the National Biodiversity Strategy and Action Plan (NBSAP) to 2030	The updated NBSAP aims to establish 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 performance of economic activities and support the country's sustainable development.	-	CSR.2026.5
	Reform 7: Review of payments and charges for water use	In line with the Water Policy Concept , adjustments to the system of payments for water use will be prepared to support the more consistent application of the "polluter pays" principle and contribute to more effective management and protection of water resources.	-	CSR.2026.1 CSR.2026.5
	Reform 8: Improving the efficiency of support provided by the Environmental Fund	The draft new Act on the Environmental Fund will revise the rules governing the provision and use of the Fund's resources with the aim of making its operation more efficient. Simplified procedures should allow for a more flexible response to applicants' needs and speed up the financing of environmental projects.	-	CSR.2026.5
	Reform 9: Social Climate Fund	The Fund aims to compensate the most vulnerable groups for the social impacts of the introduction of emissions trading in the buildings and road transport sectors from 2028. To access the funding, Slovakia must submit a Social Climate Plan for approval by the European Commission. Access to funding will be conditional on the transposition of all relevant parts of the EU Directive .	-	CSR.2026.1 CSR.2026.5

¹⁰ The list of measures presented is based primarily on [the 2026 Annual Progress Report \(APR\)](#) and covers reforms and investments for which implementation steps are envisaged in 2027. Progress in their implementation will be assessed in the next edition of the APR, due in April 2027.



	Investment 1: Support for renewable energy sources and energy efficiency	The measure aims to increase the share of renewable energy sources and promote energy efficiency through the development of geothermal energy, biomethane production and high-efficiency combined heat and power generation (CHP) . Support for these investments will contribute to diversifying the energy mix, making more efficient use of domestic resources and reducing the emissions and energy intensity of the economy.	-	CSR.2026.5
	Investment 2: Green energy for households and businesses	Support for the installation of renewable energy sources (RES) is provided through vouchers for households and businesses: (1) The Green Households project (EUR 107.7 million) enables households to receive a 50% contribution towards green technologies such as heat pumps, photovoltaic systems and wind turbines. (2) The Green Solidarity project (EUR 28.4 million) targets low-income households, which can receive support of up to 90% for photovoltaic systems, solar collectors and biomass. (3) The Green for Businesses project (EUR 66.6 million) provides SMEs with support for equipment used to generate heat, cooling and electricity, as well as for energy audits that identify potential savings and opportunities to use RES.	PSK	CSR.2026.5
	Investment 3: Strengthening capacities and data infrastructure for regional energy management	The Expansion of the Energy Efficiency Information System project supports tools for collecting, analysing and using data from various sectors to enable informed energy and decarbonisation planning at regional level.	PSK	CSR.2026.5
	Investment 4: Reducing the energy intensity of public buildings	Calls launched by the Slovak Innovation and Energy Agency (SIEA) support the renovation of public buildings, focusing on energy efficiency, including the potential integration of renewable energy sources and green adaptation measures. The measure will help reduce the energy intensity of buildings, improve their environmental performance and contribute to achieving climate objectives.	PSK	CSR.2026.5
	Investment 5: State aid scheme for industrial decarbonisation	The Modernisation Fund scheme aims to reduce greenhouse gas emissions by supporting projects that deliver primary energy savings, reduce final energy consumption and introduce advanced environmental technologies into industrial production.	-	CSR.2026.5
	Investment 6: Support for sustainable transport	Under the Slovakia Programme, EUR 891 million has been allocated to support sustainable multimodal urban mobility. A further EUR 686 million will be directed towards the development of rail passenger transport. Additional EU funding has been allocated to the development of waterborne and road transport.	PSK	CSR.2026.5
Education	Reform 10: Strengthening inclusion and desegregation in education	Ongoing projects aim to improve the inclusiveness and accessibility of education for children from disadvantaged backgrounds and pupils with special educational needs. They include pilot testing of desegregation approaches, support for the transition of pupils from special to mainstream education, and the development and testing of an early warning system to prevent early school leaving.	PSK	CSR.2026.6
	Reform 11: Action Plan for the Digitalisation and Digital Transformation of Education in the Slovak Republic for 2025–2027	The Action Plan aims to modernise Slovak education through the systematic digitalisation of the educational environment. It builds on the Education Digitalisation Programme to 2030 and forms part of the broader Digital Transformation Strategy of Slovakia to 2030 . It focuses on introducing uniform standards for digital equipment across all levels of education. It also supports the sustainable digitalisation of schools, the development of digital skills, the introduction of assistive technologies and the accessibility of electronic outputs.	PSK	CSR.2026.6
	Reform 12: Supporting innovation in education	The measure aims to expand proven innovative educational approaches across schools through a stable mechanism for cooperation with strategic partners and funding for their systematic implementation.	-	CSR.2026.6
	Reform 13: Optimisation of the network of schools and educational facilities for the needs of the 21st century	Optimisation aims to increase the efficiency, effectiveness and quality of education in regional schooling. The implementation of the new rules governing the school network will continue, including the preparation of a methodology for rationalisation measures and support for school founders in optimising the network.	-	CSR.2026.1 CSR.2026.6
	Reform 14 Investment 7: Support and optimisation of special educational facilities	The implementation of the reform of educational facilities and investments to improve their conditions are continuing. Measures include the reconstruction and modernisation of infrastructure, strengthening professional staff capacities and introducing new standards into practice.	-	CSR.2026.6
	Reform 15: Ensuring capacity for the digital transformation of primary schools	The measure aims to ensure the sustainability of the digital transformation of primary schools by stabilising the position of the digital coordinator and establishing the role of the school network administrator in legislation. It will contribute to the systematic development of digital competences, more efficient management of digital infrastructure and better use of technology in the educational process.	PSK	CSR.2026.4 CSR.2026.6
	Investment 8: Development of schools' digital infrastructure	The development of schools' digital infrastructure and the gradual connection of school networks to a national central hub are ongoing. The hub ensures the central management, security and long-term operation of school networks.	PSK	CSR.2026.6



Productivity	Reform 16: Industrial Policy of the Slovak Republic 2027–2035	The planned strategic document will respond to geopolitical changes and new legislative initiatives affecting Slovakia's competitiveness. It will focus on analysing the potential, needs and challenges of industry. The Industrial Strategy will build on Mario Draghi's report and the Clean Industrial Deal , taking into account the national economy and geopolitical resilience.	-	CSR.2026.3 CSR.2026.5
	Reform 17: Investment Plan Slovakia	The aim of the plan under preparation is to strengthen the stability of the investment environment, improve preparations for the new programming period and make the use of investment resources more efficient. The plan should also provide clear and up-to-date information on the preparation and implementation of priority investment projects for Slovakia's long-term development across all available funding sources.	-	CSR.2026.2
	Reform 18: Implementation of the Action Plan of the National Research, Development and Innovation Strategy for 2026–2028	Implementation of the updated Action Plan focuses on supporting business research and development, developing strategic initiatives in areas such as robotics and artificial intelligence, and strengthening the innovation ecosystem, including breakthrough research and the transfer of knowledge into practice.	PSK	CSR.2026.4 CSR.2026.5
	Reform 19: Implementation of the Action Plan of the National Concept of Public Administration Informatization	The Action Plan of the National Concept of Public Administration Informatization supports the achievement of public administration digitalisation objectives through three pillars: digital transformation, the use of data in public administration and open e-Government. Implementation of the measures will contribute to modernising public administration, improving the use of data and developing digital public services.	PSK	CSR.2026.3
	Reform 20: Improving the availability and quality of public transport	The measure aims to improve the availability and quality of public transport, particularly in less densely populated areas, through the introduction of demand-responsive transport, revised rules for replacement transport during service disruptions, and the gradual implementation of standards for bus stations and stops. It also includes the digitalisation of public transport administration through central databases of permits and stops, contributing to more efficient management of the relevant administrative procedures.	PSK	CSR.2026.3 CSR.2026.5
	Reform 21: Increasing the safety of rail transport	The implementation of the European Train Control System (ETCS) on selected sections of the Železnice Slovenskej republiky rail network will strengthen rail safety and reduce the risk of incidents related to human error. It builds on the Action Plan for Improving Rail Transport Safety and will also support the interoperability of Slovakia's rail network and its integration into the Single European Railway Area.	PSK	CSR.2026.5
	Reform 22: National Digital Decade Roadmap of the Slovak Republic	The National Digital Decade Roadmap of the Slovak Republic provides a framework for coordinating Slovakia's activities to achieve the EU's digital objectives. Implementation of the measures will support the development of digital skills, the digitalisation of public and social sectors, and the creation of conditions for achieving the Digital Decade objectives at national level.	PSK	CSR.2026.3 CSR.2026.4 CSR.2026.6
	Investment 9: Support for innovation, development and internationalisation of businesses	The aim of the measure is to provide support to businesses to increase their competitiveness: 1. Support for innovation . 2. Support for internationalisation and SME development . 3. Support for business investment through financial instruments .	PSK	CSR.2026.4 CSR.2026.5
Labour market, social affairs and housing	Reform 23: Developing skills to meet labour market needs	The first national project (EUR 30 million) will strengthen the role of the Alliance of Sectoral Councils in forecasting labour market needs and shortages of specific occupations. The second project (EUR 42.2 million) will support skills development and retraining of jobseekers and people interested in employment, particularly young people under 30 who are NEET.	PSK	CSR.2026.6
	Investment 10: Chance for Return 2	The project (EUR 18 million) aims to support the resocialisation of prisoners and strengthen their competences to facilitate their reintegration into society. It builds on the previous initiative, Chance for Return 1, and offers prisoners comprehensive support, including information and counselling services and education, to reduce the risk of social exclusion and improve their employability.	PSK	CSR.2026.6
	Investment 11: Expanding the supply of rental housing	Implementation of the Act on State-Supported Rental Housing aims to increase the availability of affordable housing through private investment. The Agency for State-Supported Rental Housing plays an important role by approving projects and overseeing their implementation.	-	CSR.2026.1
	Investment 12: Supporting early childhood care	The measure (over EUR 40 million) aims to improve the availability and quality of childcare for children under three years of age. It supports the development of childcare infrastructure for children under three (nurseries), the strengthening of staffing capacities in nurseries , and the development of parenting skills among parents of young children, particularly those from socially disadvantaged backgrounds. Support is provided through demand-driven calls under the Slovakia Programme.	PSK	CSR.2026.6



	Investment 13: Supporting social inclusion and housing	(1) Support for preventing housing loss and ending homelessness focuses on providing accessible and sustainable housing for vulnerable groups through housing-led approaches combined with social support. (2) The national project Field Social Work and Community Centres (EUR 250 million) provides individualised assistance to people at risk of poverty and social exclusion.	PSK	CSR.2026.1 CSR.2026.6
Quality of institutions	Reform 24: Establishment of a register of land-use relationships for agricultural land	The register of land-use relationships is intended as a temporary solution to problems arising from fragmented and inconsistent land ownership in the Slovak Republic. It aims to increase the transparency of land use and simplify data sharing between state institutions by recording the actual users of agricultural land.	-	CSR.2026.3
	Reform 25: Ensuring direct access for the Police Force to specific records of state authorities	To improve the efficiency of investigations into money laundering, online access for the Police Force to selected state databases will be introduced in accordance with the EU Directive. This will enable faster access to relevant information, improve coordination between law enforcement authorities and contribute to more effective detection and investigation of financial crime.	-	CSR.2026.3
	Investment 14: Modernisation of information systems to improve international police cooperation	To strengthen efforts to combat international crime, information systems used for police cooperation and investigations are being modernised, including through connection to the INTERPOL database.	-	CSR.2026.3
Healthcare	Reform 26: Catalogue of procedures for specialised outpatient care	The implementation of the new list of healthcare procedures for specialised outpatient care is continuing. The list adds previously missing procedures and takes their medical and economic complexity into account when determining their valuation. The reform is intended to contribute to fairer remuneration of healthcare providers and improve patients' access to specialised services.	-	CSR.2026.6
Defence	Investment 15: Strengthening defence capabilities	The Long-Term Defence Development Plan to 2035 focuses on modernising the military equipment of the Slovak Republic, including combat and logistics vehicles and air defence systems, with the aim of establishing a heavy mechanised brigade and strengthening Slovakia's capabilities within NATO.	-	CSR.2026.1

ANNEXES

Annex 1 – Assessment of Forecasts by the Macroeconomic and Tax Revenue Forecasting Committees

The Draft Budgetary Plan for 2027–2029 is based on the macroeconomic and tax revenue forecasts prepared in September 2026 for the period 2027–2029. Both the macroeconomic scenario and projected tax revenues are subject to ongoing discussion, approval and scrutiny by the expert community through dedicated committees comprising national experts from the public and private sectors. The publication deadlines for forecasts and the principles governing the committees' activities are laid down in the Fiscal Responsibility Act.

In terms of its impact on budget revenues in 2027, the September 2026 macroeconomic forecast of indicators relevant to budget revenues lies below the median of the forecasts produced by the other members of the Macroeconomic Forecasting Committee. This impact is expressed as a weighted average of the relevant macroeconomic bases for budget revenues, with weights corresponding to the shares of individual taxes in total budget revenues. For 2028, the Ministry of Finance of the Slovak Republic (MoF SR) and the committee median project identical growth rates for the macroeconomic bases, while the MoF SR forecast again falls below the median in 2029. The forecast was assessed as realistic by most committee members (NBS, the Council for Budget Responsibility, Infostat, UniCredit, VUB, SLSP, Tatra banka and the Slovak Academy of Sciences), while CSOB assessed it as optimistic.

TABLE 6 – Assessment of the September MoF forecast by the Macroeconomic Forecast Committee

MFC member	Assessment
CBR, NBS, SAV, Infostat, VUB, Unicredit, SLSP, Tatrabanka	realistic
CSOB	optimistic

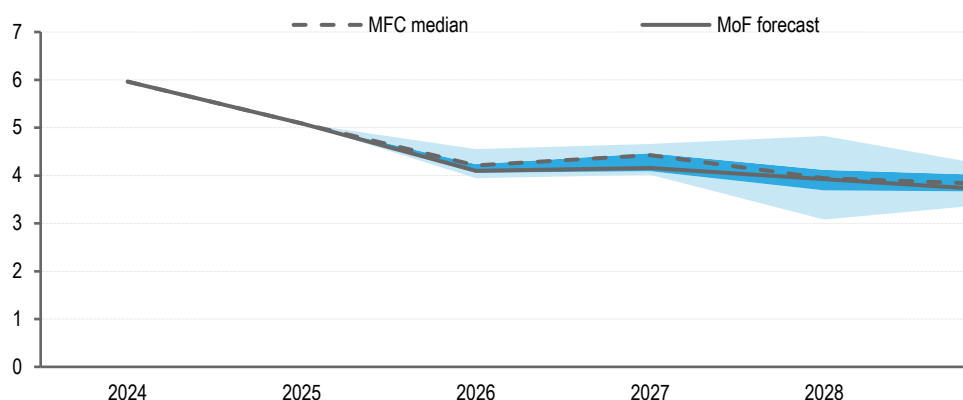
Source: Macroeconomic forecast committee

TABLE 7 – Average forecast of MFC* members and forecast of MoF SR

	2025	2026		2027		2028		2029	
% unless otherwise stated		MFC	Mof SR	MFC	Mof SR	MFC	Mof SR	MFC	Mof SR
GDP, real growth	0.8	0.8	0.8	1.5	1.8	1.9	1.6	2.1	2.1
GDP, current prices	136.8	143.8	143.9	150.2	150.7	156.9	157.2	163.9	163.9
Final consumption of households, real growth	0.2	0.5	0.5	1.3	1.4	1.1	0.5	1.3	1.0
Final consumption of households, nominal growth	4.4	4.3	4.3	4.5	4.3	4.2	4.2	3.9	3.9
Average monthly wage, real growth	2.2	1.1	0.8	1.8	1.4	1.1	0.0	2.0	2.0
Average monthly wage, nominal growth	6.3	4.6	4.5	4.6	4.4	4.3	4.4	4.3	4.3
Employment growth	-0.2	-0.1	-0.1	0.0	0.1	-0.2	-0.2	-0.1	-0.1
CPI (average growth)	4.0	3.6	3.7	2.9	2.9	3.2	4.4	2.5	2.3

* Macroeconomic forecast committee

Source: Macroeconomic forecast committee

FIGURE 18 – Comparison of forecasts of macroeconomic bases for tax revenues with MFC members¹¹


Source: MoF SR

BOX 3 – Independent Committees for Macroeconomic and Tax Revenue Forecasting

The Macroeconomic Forecasting Committee and the Tax Revenue Forecasting Committee were established under Constitutional Act No. 493/2011 Coll. on Fiscal Responsibility as advisory bodies to the Minister of Finance. The committees aim to enhance the transparency, objectivity and quality of macroeconomic and tax revenue forecasts. Under the Constitutional Act, the committees are required to prepare forecasts at least twice a year, by 15 February and 30 June of the current budget year. However, in line with long-established practice, they also prepare forecasts by the end of September for the purposes of the budgetary process. In exceptional circumstances, a committee meeting may be convened by its chair, the Minister of Finance or an absolute majority of its members.

In addition to the Ministry of Finance, the committees comprise representatives of institutions independent of the government (NBS, the Slovak Academy of Sciences, Infostat and private banks). Members of the Macroeconomic Forecasting Committee assess the Ministry of Finance's macroeconomic forecast by classifying it as conservative, optimistic or realistic. Members of the Tax Revenue Forecasting Committee assess the Ministry's tax revenue forecast by submitting their own forecasts, with the assessment calculated automatically on the basis of deviations. The Ministry of Finance's forecast is adopted as the committee's forecast if an absolute majority of its members assess it as conservative or realistic. If the forecast fails to receive such an assessment, the Ministry of Finance is required to revise it and resubmit it to the committee for review. This process is repeated until the Ministry's forecast is adopted as the committee's forecast.

During 2021, the remit of the Tax Revenue Forecasting Committee was expanded to include forecasts of selected non-tax revenues and expenditures, which are significantly influenced by economic developments. Taking economic developments into account and assessing other specific forecasting assumptions through a panel of experts from the public and private sectors ensures transparently scrutinised estimates and improves budgetary accuracy. In March and September 2021, the forecasts were extended to cover selected non-tax revenues and social expenditures. On the revenue side, these include proceeds from the sale of emission allowances, toll revenues and motorway vignette revenues, gambling levies and dividends from state-owned enterprises. On the expenditure side, unemployment benefits, sickness benefits and old-age pensions were added.

¹¹ Macroeconomic bases for budget revenues (the weight of indicators depends on the share of individual taxes in total tax and social security 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%.



Tax Forecast Committee

At the meeting of the Tax Forecast Committee on 22 September 2026, the Ministry of Finance of the Slovak Republic presented its updated medium-term forecast of tax revenues for 2026–2030. 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 8 – Assessment of the MoF forecast by the Tax Forecast Committee

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

Source: Tax Forecast Committee



Annex 2 – Net expenditure growth under the targeted deficit scenario

Under the EU methodology, net expenditure growth will reach a year-on-year rate of 4.7% next year. This development is fully in line with the fiscal rules trajectory on a cumulative basis, including the exemption for increased defence expenditure. In 2028, expenditure growth corresponds to the government's planned deficits. Cumulative growth over the entire horizon to 2028 should not exceed 14.8%. Full flexibility under the EU fiscal rules allows expenditure to increase by 16.5%.

TABLE 9 – Growth of net expenditure of general government (EUR billion, ESA2010)

	2023	2024	2025	2026	2027	2028
1. Total expenditure	59.8	61.8	65.6	69.6	70.8	72.5
2. Interest expenditure	1.4	1.9	2.1	2.4	2.7	3.2
3. Expenditure funded by transfers from the EU	3.6	2.1	3.2	4.5	2.6	2.8
4. Cyclical component of unemployment benefits	0.0	-0.1	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	0.5	0.5	0.7	0.5	0.7
7. Nationally financed primary expenditure = 1-2-3-4-5-6	54.2	57.4	59.8	62.0	65.0	65.8
8. Discretionary revenue measures		1.4	1.5	0.7	0.1	-0.3
9. Growth of net expenditure = (7t-8t)/7t-1-1		3.4 %	1.6 %	2.4 %	4.7 %	1.9 %
10. Cumulative growth of net expenditure		3.4 %	5.0 %	7.6 %	12.6 %	14.7 %

Note: The quantification is based on data from the spring Eurostat notification and updated with inputs from the Ministry of Finance of the Slovak Republic's macroeconomic and tax forecast committees from September 2026.

Source: MoF SR

Note 2: The figure for 2028 is calculated based on the deficit target set in the budget.



Annex 3 – Forecast of general government gross debt based on cash flows

Over the budget horizon, nominal debt developments will be driven primarily by the need to finance the cash deficits of the state budget. The state budget deficit will remain the main driver of rising indebtedness in the coming years. Throughout the MoF SR forecast horizon, financial resources accumulated in the State Treasury are expected to be used. This will reduce the volume of new bond issuance and partly dampen the impact of the deficit on debt. Other general government entities, in particular transport companies and Eximbanka, will also contribute partly to the increase in general government indebtedness. Higher discounts on bond issuance will also remain a factor increasing indebtedness. When purchasing government bonds with low coupons in a higher interest-rate environment, investors require discounts, which increases the need for additional issuance and is reflected in debt.

TABLE 10 – Cash-based factors affecting the change in nominal gross debt under the targeted deficit scenario (EUR million)

	2023	2024	2025	2026 OS	2027 N	2028 N	2029 N
A. General government gross debt (as of 1 Jan)	63 509	68 882	77 735	83 957	91 277	99 841	107 426
B. Total y/y change in the GG gross debt	5 374	8 853	6 222	7 320	8 564	7 584	6 679
- Cash-based state budget deficit	7 675	6 366	6 108	5 918	7 446	7 544	7 797
- State Treasury funds used for the financing of government operations	-2 587	1 571	-257	1 071	731	-578	-1 681
- Balance of loans to GG entities	175	-32	155	92	58	34	61
thereof: ŽSR + ŽSSK	-9	-43	-15	63	52	28	24
thereof: NDS	-1	57	-96	60	50	50	50
thereof: Municipal public transportation companies	-10	-7	30	49	36	33	18
hereof: Eximbanka	222	-33	127	-44	-45	-45	-1
- Issue discount	454	806	434	277	511	597	509
- Discount at maturity	0	0	0	-41	-183	-13	-5
- other*	-5	-2	0	0	0	0	0
C. General government gross debt (as of 31 Dec)	68 882	77 735	83 957	91 277	99 841	107 426	114 105
in % of GDP	55.8	59.7	61.4	63.4	66.3	68.4	69.6
<i>p.m. ESM contribution</i>	-1	0	0	0	0	0	0

Note: * including changes in the resources of entities outside the general government sector. Positive items increase general government debt as of 31 Dec. of the respective year, while negative items reduce debt.

OS – expected values by the end of year; N – draft of general government budget.

Source: MoF SR

Annex 4 – Discretionary measures (DRM a DEM)

EC methodology defines discretionary revenue measures as measures of a legislative nature¹² with an impact on general government revenue. They are assessed using the so-called additional impacts (marginal changes) of these measures. A distinction is made between permanent and one-off measures. A permanent measure is recorded with an impact in the first year (when it enters into force) and with no impact in subsequent years. In other words, changes in the impact of the measure in subsequent years due to macroeconomic developments are not taken into account. If different impacts arise because the measure takes effect at different points in time, only the marginal change is recorded.¹³ For one-off revenue measures, the impact is recorded in one year and an offsetting loss of the same amount in the following year, i.e. the total impact of the measure over two consecutive years is zero.

TABLE 11 – Discretionary revenue measure - incremental impact (in EUR millions, ESA2010)

Measure	2025	2026	2027	2028	2029
Valorisation of administrative and court fees – from Q1 2024	7	0	0	0	0
Excess-profit levies and solidarity contributions (Vodohospodárska výstavba, power plants, oil sector)	-90	-20	-20	0	0
Adjustments to contribution rates and reform of the second pension pillar	-55	0	0	0	0
Increase in the employer health-insurance contribution rate by 1 percentage point	0	0	0	-348	0
Introduction of an excise duty on sweetened beverages	111	0	0	0	0
Increase in the corporate income tax rate to 24%	409	0	0	0	0
Adjustment of motorway vignette prices, toll charges (Eurovignette) and vehicle taxes	56	48	0	0	0
Increase in the ceilings for social-security contributions	79	0	0	0	0
50% VAT deduction for company cars used partly for private purposes	0	221	0	0	0
Tax amnesty	0	15	-15	0	0
Higher gambling taxation, including levies on deposits to player accounts	0	48	0	0	0
Increase in the insurance-tax rate and in the levy on compulsory motor liability insurance	0	41	0	0	0
Minimum tax, micro-taxpayer threshold and top-up tax	-99	12	0	0	0
Adjustment of special levies on regulated sectors	-25	-1	-44	-126	0
Act combating false self-employment (disguised employment)	0	0	40	0	0
Introduction of a charge on the use of primary raw materials	0	24	0	0	0
Introduction of a financial transaction tax and its subsequent amendments	349	97	0	0	0
Amendment of VAT rates / VAT reform	716	92	0	0	0
Tax exemption for government bonds (retail bonds and others)	-88	-33	6	32	0
Changes in municipal tax and fee rates (waste, accommodation and property)	43	4	0	0	0
Contribution holidays, social-insurance contributions and minimum tax for the self-employed	0	188	86	0	0
Social-contribution relief for seasonal work (seasonal-work contribution-deductible item), agriculture and the food industry	48	0	-14	0	0
Changes to personal income tax, social and health-insurance contributions for individuals	0	601	-2	0	0
Mortgage assistance paid by banks will be deductible for corporate income tax purposes	0	0	-17	17	0
Increase in excise duties on tobacco and related products	48	98	60	84	0
Increase in payments for state-insured persons	1	-287	0	0	0
State-paid social-insurance contributions replaced by a transfer to the Social Insurance Agency	0	-472	0	0	0
Other minor measures under D.2	0	6	-2	0	0
Other minor measures under D.5	34	14	0	-4	3
Other minor measures under D.61	-13	-2	0	0	0
Other minor measures under P.11	0	14	-4	0	0
Total	1 531	708	74	-345	3

Note: (+) improves the GG balance, (-) worsens the GG balance.

Source: MoF SR

¹² The same rules also apply to expenditure measures, except that they do not all need to be legislative in nature, since not all general government expenditure is determined by law.

¹³ An illustrative example for explaining DRM may be an adopted legislative measure with an estimated impact of 200. The measure was introduced in the middle of the year, so its total impact in that year is 100. In the following year, the impact increases to the full amount of 200, but only the difference between these two impacts, i.e. 100, is recorded on a marginal basis. Cumulatively, the total impact is 200 but is spread over two years.



TABLE 12 – Discretionary expenditure measure - incremental impact (in EUR millions, ESA2010)

Measure	2025	2026	2027	2028	2029
Expenditure related to the war in Ukraine (net of EU funds)	-18	0	0	-15	0
Office for Spatial Planning and Construction of the Slovak Republic (establishment of a new authority)	26	0	0	0	0
Retirement after 40 years of work (including the inflation effect)	-38	-69	-74	-47	-25
Top-up payments for existing early retirees	7	-24	0	0	0
Abolition of the reduction of the care allowance for pension recipients	24	0	0	0	0
Total compensation for rising energy prices (net of EU funds)	-618	-126	-134	-250	0
Collective bargaining of healthcare workers	0	-39	0	0	0
Amendment to the Education Act	131	50	0	0	0
Support for industrial parks (Valaliky, Šurany)	83	-43	-188	-3	0
Parental allowance for children aged 3 and over not admitted to kindergarten	26	0	0	0	0
Change in the assessment of disability pensions	25	0	0	0	0
Performance contracts for public higher education institutions	20	20	0	0	0
Increase in expenditure on research and development (R&D)	134	133	192	0	311
Compensation for higher mortgage instalments	12	-22	14	0	0
Ministry of Tourism and Sport (and measures to support sport and tourism)	51	-5	0	0	0
Abolition of subsidies for night rail services (Košice/Prešov–Prague)	-22	0	0	0	0
Increase in personal allowances for court employees	33	0	0	0	0
Changes to the child tax bonus	-510	0	0	0	0
Reform of the parental pension – conversion to a 2% tax assignment	-339	70	0	0	0
Higher funding for kindergartens (state-administered kindergartens)	53	0	0	0	0
Improved remuneration conditions for the armed forces of the Slovak Republic	115	-11	-2	0	0
Savings measures in public health insurance	-193	0	0	0	0
Filling gas storage facilities to 35% of the average consumption of the last 5 years	40	-23	-17	0	0
Introduction of compulsory kindergarten for children aged 3 and 4	0	0	18	26	0
EUR 800 bonuses for public-administration employees	300	-300	0	0	0
Wage valorisation in education (teaching and non-teaching staff, specialist staff, public HEIs and R&D)	0	437	0	0	0
Zero wage valorisation in general government and of salaries of constitutional office-holders	0	-160	0	0	0
Expenditure-side consolidation measures in the social area	0	-140	-18	-45	123
Capital receipts from the sale of surplus property of the Ministry of Defence of the Slovak Republic	0	-50	50	0	0
Savings in the operating expenditure of general government	0	-505	0	0	0
State-budget co-financing of hospital construction under the Recovery and Resilience Plan	0	0	0	369	-336
Introduction of a dependency assistance benefit (care reform)	0	0	300	0	0
Stabilisation allowance for nurses in hospital facilities	0	29	-29	0	0
Reintroduction of free lunches (2023)	0	0	0	19	23
Measures to mitigate the impact of high fuel prices	0	8	-8	0	0
Budgetary reserve for forthcoming priorities	0	0	122	42	17
New nuclear power source at the Jaslovské Bohunice site and related expenditures	0	0	100	-100	0
Measures to combat drought	0	0	100	-100	0
Reserve for unforeseen developments	0	0	150	-150	0
Increase in payments for state-insured persons	1	-287	0	0	0
State-paid social-insurance contributions replaced by a transfer to the Social Insurance Agency	0	-472	0	0	0
Modernisation of defence equipment (investment under P.51g)	841	56	-183	562	409
Other minor measures under D.1	0	-6	1	0	0
Other minor measures under D.62 and D.63	5	4	7	0	0
Other minor measures under D.7	-15	-19	0	0	0
Total	174	-1 491	398	309	521

Note: (+) improves the GG balance, (-) worsens the GG balance.

Source: MoF SR



Annex 5 – Mandatory tables

TABLE 1a – Fiscal commitments	2025	2026	2027
Council recommendation	growth %	growth %	growth %
1a. Net nationally financed primary expenditure (annual growth rate)	3.8	0.9	1.6
Outturn / projection	growth %	growth %	growth %
1b. Net nationally financed primary expenditure (annual growth rate)	1.6	2.5	4.7

TABLE 1b – Main variables	2025	2026	2027
	% of GDP	% of GDP	% of GDP
1. Net lending/borrowing	-4.5	-4.4	-4.9
2. Structural balance	-4.3	-3.7	-4.3
3. Structural primary balance	-2.7	-2.1	-2.5
4. Gross debt	61.4	63.4	66.3
5. Change in gross debt	1.7	2.0	2.9

TABLE 2 – Macroeconomic scenario		2025	2025	2026	2027
Gross Domestic Product		ESA Code	bn EUR	growth %	growth %
1. Real GDP		B.1*g		0.8	0.8
2. GDP Deflator				4.2	4.5
3. Nominal GDP		B.1*g	136.8	5.0	5.3
Components of real GDP		ESA Code		growth %	growth %
4. Private consumption expenditure		P.3		0.2	0.5
5. Government consumption expenditure		P.3		1.1	0.6
6. Gross fixed capital formation		P.51		2.2	-0.1
7. Changes in inventories and net acquisition of valuables (% of GPD)		P.52 + P.53		n.a.	n.a.
8. Exports of goods and services		P.6		4.0	3.1
9. Imports of goods and services		P.7		3.7	3.2
Contribution to real GDP growth		ESA Code		growth %	growth %
10. Final domestic demand				0.6	1.1
11. Changes in inventories and net acquisition of value		P.52 + P.53		-0.2	0.7
12. External balance of goods and services		B.11		0.4	0.0
Deflators and HICP				growth %	growth %
13. Private consumption deflator				4.2	3.7
14. p.m. HICP				4.2	3.7
15. Government consumption deflator				5.3	4.0
16. Investment deflator				3.3	2.0
17. Export price deflator (goods and services)				0.5	1.8
18. Import price deflator (goods and services)				0.7	0.6
Labour market		ESA Code	level	growth %	growth %
19. Domestic employment (1000 persons, national accounts)			2 427,1	-0.1	0.0
20. Average annual hours worked per person employed			1 618,9	-0.7	-0.5
21. Real GDP per person employed				0.9	0.7
22. Real GDP per hour worked				1.6	1.3
23. Compensation of employees (bn NAC)		D.1	58,9	6.4	5.1
24. Compensation per employee (= 23 / 19)			24 281,5	6.5	5.1
				%	%
25. Unemployment rate (%)				5.4	5.8
Potential GDP and components				growth %	growth %
26. Potential GDP				1.9	2.0
Contribution to potential growth					
27. Labour				0.1	0.1
28. Capital				0.7	0.8
29. Total factor productivity				1.1	1.2
				% of pot. GDP	% of pot. GDP
30. Output gap				-0.5	-1.7



TABLE 3 – External assumptions

	2025	2026	2027
1. Short-term interest rate (% , annual average)	2.2	2.2	3.0
2. Long-term interest rate (% , annual average)	3.5	3.8	3.9
3. USD/EUR exchange rate (annual average)	1.13	1.16	1.18
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)	68.2	87.3	78.2

TABLE 4 – Budgetary projections

		2025	2025	2026	2027
Revenue	ESA Code	bn EUR	% of GDP	% of GDP	% of GDP
1. Taxes on production and imports	D.2	16.5	12.0	12.3	12.0
2. Current taxes on income, wealth, etc	D.5	11.2	8.2	8.3	8.2
3. Social contributions	D.61	22.4	16.4	16.1	16.0
4. Other current revenue	(P.11+P.12+P.131) + D.39 + D.4 + D.7	7.5	5.5	6.8	5.3
5. Capital taxes	D.91	0.0	0.0	0.0	0.0
6. Other capital revenue	D.92+D.99	2.0	1.5	0.5	0.5
7. Total revenue (= 1+2+3+4+5+6)	TR	59.5	43.5	44.0	42.0
8. Of which: Transfers from the EU (accrued revenue, not cash)	D.7EU+D.9EU	3.2	2.3	3.1	1.7
9. Total revenue other than transfers from the EU (= 7-8)		56.3	41.2	40.9	40.3
10. p.m. Revenue measures (increments, excluding EU funded measures)		1.5	1.1	0.5	0.1
10b. p.m. Revenue reductions funded by transfers from the EU (levels)		0.0	0.0	0.0	0.0
11. p.m. One-off revenue included in the projections (levels, excluding EU funded measures)		0.0	0.0	0.0	0.0
Expenditure	ESA Code	bn EUR	% of GDP	% of GDP	% of GDP
12. Compensation of employees	D.1	16.0	11.7	11.4	11.4
13. Intermediate consumption	P.2	7.8	5.7	6.2	6.3
14. Interest expenditure	D.41	2.1	1.5	1.7	1.8
15. Social benefits other than social transfers in kind	D.62	22.3	16.3	15.4	15.2
16. Social transfers in kind via market producers	D.632	5.2	3.8	3.9	3.8
17. Subsidies	D.3	1.8	1.3	1.1	0.8
18. Other current expenditure	D.29 + (D.4-D.41) + D.5 + D.7 + D.8	3.0	2.2	2.7	3.4
19. Gross fixed capital formation	P.51	6.2	4.5	5.3	3.3
20. Of which: Nationally financed public investment		4.0	2.9	3.2	2.4
21. Capital transfers	D.9	1.0	0.7	0.7	1.0
22. Other capital expenditure	P.52+P.53+NP	0.1	0.1	0.0	0.1
23. Total expenditure (= 12+13+14+15+16+17+18+19+21+22)	TE	65.6	47.9	48.3	47.0
24. Of which: Expenditure funded by transfers from the EU		3.2	2.3	3.1	1.7
25. Nationally financed expenditure (23-24)		62.4	45.6	45.2	45.3
26. p.m. National co-financing of programmes funded by the Union		0.5	0.4	0.5	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)		59.8	43.7	43.1	43.1
Net nationally financed primary expenditure			growth %	growth %	growth %
30. Net nationally financed primary expenditure growth			1.6	2.5	4.7
Balances	ESA Code	bn EUR	% of GDP	% of GDP	% of GDP
31. Net lending/borrowing (= 7-23)	B.9	-6.1	-4.5	-4.4	-4.9
Net lending/borrowing by subsector	ESA Code	bn EUR	% of GDP	% of GDP	% of GDP
31a. Central government	B.9 (S.1311)	-6.9	-5.1	-4.6	-5.0
31b. State government	B.9 (S.1312)	n.a	n.a	n.a	n.a
31c. Local government	B.9 (S.1313)	-0.1	-0.1	0.0	0.1
31d. Social security fund	B.9 (S.1314)	0.9	0.7	0.2	0.0



32. Primary balance (= 31+14)	B.9+D.41p	-4.0	-2.9	-2.7	-3.1
Cyclical adjustment			% of GDP	% of GDP	% of GDP
33. Structural balance			-4.3	-3.7	-4.3
34. Structural primary balance			-2.7	-2.1	-2.5
Debt	bn EUR	% of GDP	% of GDP	% of GDP	% of GDP
35. Gross debt	84.0	61.4	63.4	66.3	
36. Change in gross debt	6.2	1.7	2.0	2.9	
Contributions to changes in gross debt					
37. Primary balance (= minus 32)		2.9	2.7	3.1	
38. Snowball effect		-1.3	-1.4	-1.0	
39. Interest expenditure (= 14)		1.5	1.7	1.8	
40. Growth		-0.5	-0.4	-1.1	
41. Inflation		-2.4	-2.6	-1.7	
42. Stock-flow adjustment (= 36-38-39)		0.1	0.7	0.7	
		%	%	%	
43. p.m. Implicit interest rate on debt (= 14 / DEBT(t-1))		2.7	2.8	3.0	
Defence expenditure	bn EUR	% of GDP	% of GDP	% of GDP	% of GDP
44. Total defence expenditure – nationally financed	2.7	2.0	1.9	1.7	
45. Defence investment – nationally financed	1.0	0.8	0.8	0.6	
Energy security measures	bn EUR	% of GDP	% of GDP	% of GDP	% of GDP
46. Discretionary measures on energy security (excl. EU funded and one-off measures)	0.0	0.0	0.0	0.0	

TABLE 5 – Budgetary projections under unchanged policies

		2025	2025	2026	2027
Revenue	ESA Code	bn EUR	% of GDP	% of GDP	% of GDP
1. Taxes on production and imports	D.2	16.5	12.0	11.9	12.8
2. Current taxes on income, wealth, etc	D.5	11.2	8.2	8.1	8.8
3. Social contributions	D.61	22.4	16.4	15.9	17.5
4. Other current revenue	(P.11 + P.12 + P.131) + D.39 + D.4 + D.7	7.5	5.5	5.7	5.3
5. Capital taxes	D.91	0.0	0.0	0.0	0.0
6. Other capital revenue	D.92 + D.99	2.0	1.5	0.5	0.3
7. Total revenue (= 1+2+3+4+5+6)	TR	59.5	43.5	42.1	44.6
Expenditure	ESA Code	bn EUR	% of GDP	% of GDP	% of GDP
8. Compensation of employees	D.1	16.0	11.7	11.0	12.1
9. Intermediate consumption	P.2	7.8	5.7	5.8	6.1
10. Interest expenditure	D.41	2.1	1.5	1.7	2.3
11. Social benefits other than social transfers in kind	D.62	22.3	16.3	16.0	17.0
12. Social transfers in kind via market producers	D.632	5.2	3.8	3.9	4.0
13. Subsidies	D.3	1.8	1.3	0.7	1.0
14. Other current expenditure	D.29 + (D.4 - D.41) + D.5 + D.7 + D.8	3.0	2.2	3.5	3.9
15. Gross fixed capital formation	P.51	6.2	4.5	4.0	4.3
16. Of which: Nationally financed public investment		4.0	2.9	1.8	3.3
17. Capital transfers	D.9	1.0	0.7	0.7	0.5
18. Other capital expenditure	P.52 + P.53 + NP	0.1	0.1	0.0	0.0
19. Total expenditure (= 8+9+10+11+12+13+14+15+17+18)	TE	65.6	47.9	47.2	51.3
Balances	ESA Code	bn EUR	% of GDP	% of GDP	% of GDP
20. Net lending/borrowing (= 7-19)	B.9	-6.1	-4.5	-5.1	-6.7
21. Primary balance (= 20+10)	B.9 + D.41p	-4.0	-2.9	-3.4	-4.4



TABLE 6 – RRF Grants	2020	2021	2022	2023	2024	2025	2026	2027	2028
	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP
Revenue from RRF Grants									
1. RRF grants as included in the revenue projections	0.0	0.0	0.0	0.1	0.5	1.4	1.9	0.2	0.1
2. Cash disbursements of RRF grants from EU	0.0	0.8	0.4	1.2	0.6	0.4	1.7	0.0	0.0
	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP
Expenditure financed by RRF grants									
3. Total Current expenditure	0.0	0.0	0.0	0.1	0.1	0.3	0.5	0.0	0.0
4. Gross fixed capital formation	0.0	0.0	0.0	0.1	0.3	0.9	0.8	0.2	0.1
5. Other capital expenditure	0.0	0.0	0.0	0.0	0.1	0.2	0.6	0.0	0.0
6. Total capital expenditure (= 4+5)	0.0	0.0	0.0	0.1	0.4	1.1	1.4	0.2	0.1
	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP	% of GDP
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	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	0.0	0.0
9. Financial transactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0