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2026 Country Report - Slovakia

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Recommendation for a COUNCIL RECOMMENDATION

on the economic, social, employment, structural and budgetary policies of Slovakia

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European Commission

Economic and Financial Affairs

Slovakia

2026 Country Report

ECONOMIC DEVELOPMENTS AND KEY POLICY CHALLENGES

The economic outlook remains subdued

Economic growth in Slovakia remains weak amid needed fiscal consolidation, global uncertainty and trade tensions. Growth slowed significantly, to 0.8%, in 2025 and is forecast to remain subdued, with real GDP growth forecast at 0.8% in 2026 and at 1.5% in 2027. The slowdown is driven mainly by fiscal consolidation and the external environment. The export-oriented nature and global value chain integration of the economy leave Slovakia particularly vulnerable to trade tensions and global uncertainty. Exports are expected to start regaining momentum in 2027, supporting a gradual pick-up in growth. The current account has marginally improved compared to 2024. However, due to the worsened trade balance and a persistently high government deficit, the risks for external sustainability remain.

The labour market in Slovakia is resilient, while inflation remains elevated. The unemployment rate stood at a low 5.4% in 2025 compared to the EU average of 5.9%. Furthermore, labour supply is limited due to demographic pressures as well as the underrepresentation of specific population groups, most notably women and Roma (Section 4). However, unemployment and wage dynamics are expected to worsen in 2026 and 2027. Inflation reached 4.2% in 2025 on the back of tax increases and services price pressures and is expected to remain high, at 4.3%, in 2026 mainly due to rising energy prices, before moderating to 3.2% in 2027. High inflation results in real wages set to remain broadly stagnant in 2026, before picking up in 2027.

Slovakia exhibits significant regional disparities, with most economic activity and innovation being concentrated in the Bratislava region. While growth outside the capital has recently outpaced it, large gaps persist, with GDP per capita ranging from 151% of the EU average in Bratislava to 55% in eastern Slovakia (Annex 18). These disparities reflect continued divides in productivity and innovation, and a concentration of high-value services, R&D investment, financial ecosystem and skilled labour in the capital. Lagging regions, particularly eastern Slovakia, face additional challenges, including weaker labour market outcomes, higher unemployment and poverty rates, and significant outward migration of young and skilled workers. An imbalance in the location of tertiary education institutions contributes to a sustained brain drain from regions outside the capital. In 2024, the Bratislava region accounted for 40.7% of all full-time university students in Slovakia. Moreover, structural constraints such as limited transport connectivity, weaker digital infrastructure and lower access to healthcare further hinder regional competitiveness and are a key factor in residents' decision to leave. Overall, these imbalances are compounded by fragmentation of governance and limited fiscal capacity at local level, limiting the ability of less developed regions to catch up (Annex 18).

A strong reliance on low-value-added production limits convergence and competitiveness

Slovakia's competitiveness is weakening, reflected by sluggish productivity growth and decreased inflows of foreign direct investment (FDI). Slovakia's real

convergence has broadly stalled over the last decade, with its real GDP per capita in 2024 at 56.8% of the EU average and its GDP per capita in purchasing parity terms in 2024 at 75% of the EU average. Structural inefficiencies of the labour market, including skills mismatches and regional imbalances, contribute to the recent sluggish growth in labour productivity. The resulting high unit labour costs undermine Slovakia's cost competitiveness. FDI inflows have decreased in the context of a worsening business environment. As the global economy undergoes structural changes, Slovakia's economy risks being left behind due to its weakening competitiveness position.

The highly trade-dependent Slovak economy remains heavily reliant on low-value-added automotive production. The automotive sector in Slovakia represents around a half of the country's industrial revenues and over a third of its exports. While the sector performed relatively well in 2025, its resilience is not expected to persist amid domestic and external economic pressures (Annex 5). The planned launch of the Volvo factory for electric vehicles supports the sectoral green transition. However, automotive production is still expected to broadly stagnate in the coming years. Furthermore, electric vehicles are more dependent on imports, in particular from countries outside of the EU ([1]). Diversifying supply chains and developing green tech infrastructure could increase economic security and limit trade dependencies. Moreover, as Slovakia remains heavily reliant on gas and crude oil imports from Russia, the diversification of energy sourcing is key for economic security amid rising global geopolitical tensions. The structural shift of the economy towards higher-value-added activities is imperative for convergence towards the EU average. This implies a focus on R&D and innovation, which is chronically low (Section 2); a push towards developing a more service-based economy; developing the green tech industry (Section 3); and limiting the outflow of high-skilled workers.

([1]) JRC (2026) - Transition to Electric Vehicles.

Slovakia continues to face vulnerabilities related to competitiveness, the external and government balances, the housing market and household debt. Earlier this year, an in-depth review was carried out as part of the macroeconomic imbalance procedure ([2]). Despite recent improvements in the current account deficit, it remains high and is forecast to further increase due to a worsened external environment. Inflation is projected to remain elevated, further widening the cumulated inflation differential to the euro area and weighing on competitiveness. Housing supply remains limited, with robust demand pushing housing prices up and weighing on household debt. Policy progress in these areas has been limited.

A short-sighted fiscal strategy weakens medium-term prospects

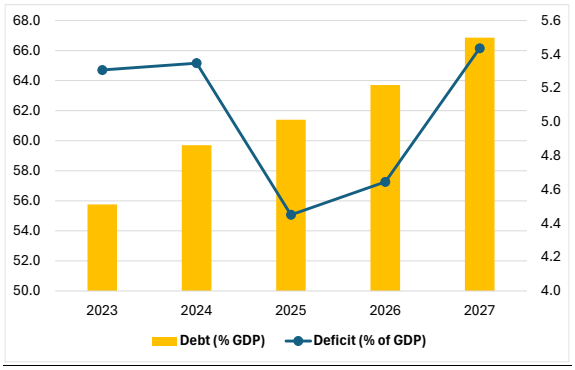
Slovakia is struggling to correct its excessive budget deficit and to put debt on a declining path. Under its medium-term fiscal-structural plan (MTP) for 2025–2028, Slovakia has committed to limit net expenditure growth, with the aim of reaching a deficit below 3% of GDP by 2027, in line with the excessive deficit procedure, and placing debt on a downward trajectory (Annex 2). Thus far, Slovakia appears to be adhering to the maximum net expenditure growth limit, especially when accounting for the defence flexibility allowed by the national escape clause. However, according to the 2026 budget, the deadline for bringing the deficit below 3% of GDP has already been postponed to 2028. The adjustment presented in the plan would require an improvement in the structural primary balance of around 5.2 percentage points of GDP between 2024 and 2028. Consolidation measures implemented by Slovakia in 2025–2026 only partially address these challenges, particularly in light of Slovakia's significant age-related spending pressures, which are among the highest in the

([2]) SWD(2026) 142 final. European Economy Institutional Paper 339, May 2026.

EU. Moreover, Slovakia plans to increase defence expenditure to around 2.0% in 2025, 1.8% in 2026, and 2.1% in 2027. The Slovak Council for Budgetary Responsibility (RRZ) warns that, in the absence of additional measures, the deficit could reach around 6% of GDP and public debt could rise to 75% of GDP by 2029. Additional fiscal consolidation measures and comprehensive structural reforms will therefore be needed to secure sound public finances and support potential growth. Following the Commission's assessment of Slovakia's national defence investment plan, the Council adopted a decision to make financial assistance available to Slovakia for an amount of up to EUR 2.3 billion through the Security Action for Europe instrument.

Slovakia's debt continues to rise despite a gradual decline of the government deficit. The general government deficit decreased to 4.5% of GDP in 2025, largely because of fiscal consolidation measures, including adjustments to VAT and corporate income tax rates, as well as the introduction of a financial transaction tax. The Commission Spring 2026 Forecast projects the deficit to reach 4.6% of GDP in 2026 and 5.4% of GDP in 2027. Public debt is expected to increase from around 61.4% in 2025 to 66.9% in 2027, reflecting highly persistent government deficits.

Graph 1.1: **Evolution of general government debt and deficit**



Source: Eurostat and Commission Spring 2026 forecast

Slovakia's fiscal strategy relies primarily on tax increases, while a clear long-term consolidation plan remains absent. Fiscal consolidation has so far focused primarily on tax measures such as a higher VAT rate, higher excise taxes, increased tax rates on both corporate and personal income, and the introduction of financial transaction tax (tax on the use of payment services). However, additional increases in discretionary spending, such as the permanent 13th pension payment and permanent energy support measures targeted at 90% of households, have significantly reduced the net fiscal consolidation and are set to weigh on government debt dynamics also in the medium term. Moreover, Slovakia has yet not presented a comprehensive fiscal strategy outlining how it intends to meet its fiscal commitments beyond 2026 while ensuring that the associated policy measures remain conducive to sustainable economic growth.

Optimising the tax system to improve fairness and competitiveness

In 2025 the Commission issued a number of recommendations to Slovakia in the area of taxation and housing. It was recommended that Slovakia make the tax mix more efficient; strengthen tax compliance; wind down emergency energy support measures and ensure they are properly targeted; and support housing supply including social housing. Progress in these areas has been very limited.

Slovakia has failed to make adequate use of property, environmental and energy taxes, with consequences for fairness, revenue and house prices. Slovakia's property taxation system relies on property area rather than market value, which means that, as property values surge, owners of high-value properties pay proportionately less in taxes. This undermines fairness and contributes to the rise in house prices. Capital gains from property sales are tax-exempt after five years, further narrowing the tax base and encouraging long-term housing investments, which in turn increases homeownership concentration. Environmental tax rates, including those on transport and

pollution, remain below the EU average, indicating that the 'polluter pays' principle is insufficiently applied (Annex 3). Additionally, there is scope to improve energy taxation by improving the electricity-to-gas price ratio for both households and businesses.

Recent tax changes have increased the complexity of the tax system and the tax burden on both businesses and labour, undermining economic fairness and competitiveness. Although recent adjustments to personal income tax brackets appear to have made the tax system more progressive, the mandatory social and health contributions have increased the already high labour tax wedge, particularly for low-income earners. Corporate taxes have also significantly increased, while the introduction of three corporate income tax brackets in January 2025 has added complexity to the tax system. The hike in the corporate income tax rate, leading to an effective tax rate that is higher than that in Czechia, Poland and Hungary, combined with the financial transaction tax, negatively impacts the business environment (Annex 3). The increase in the standard VAT rate from 20% to 23% puts an additional burden on households, while two reduced VAT rates covering many goods and services complicate the system and increase tax expenditures. At the same time, while Slovakia's VAT compliance gap has improved, as recommended in 2025, it still remains above the EU average (Annex 3). The increasing complexity of the taxation system hinders its effectiveness and exacerbates the VAT compliance gap. Although new rules limiting the scope of entities subject to the financial transaction tax from 2026 have mitigated some negative effects, high tax rates continue to burden the business environment, posing risks to competitiveness, banking and the scope of informal economy. Nevertheless, recently introduced reforms, such as strengthened oversight by the Financial Administration, the expanded use of eKasa (an online sales reporting system) and mandatory cashless payment options including QR codes, are expected to enhance tax compliance.

Cutting untargeted expenditures and reviewing spending is essential to improving the efficiency of the social system and public finances

Challenges in integrating spending reviews into the budgetary process, as recommended in 2025, together with the expansion of insufficiently targeted social benefits, reduce spending effectiveness and increase costs. Spending reviews, which systematically assess public expenditure to improve value for money, have been conducted for several years with significant past and ongoing support from the Technical Support Instrument (TSI). However, their full potential remains untapped due to their limited integration into the budgetary process. Strengthening this link would support fiscal discipline, alongside efforts to improve public investment management through more centralised assessments. To this end, Slovakia plans to centralise project evaluations under a harmonised methodology overseen by the Ministry of Finance as part of its recovery and resilience plan (RRP). Additionally, the social system has gradually expanded in recent years, becoming increasingly costly. Generous social benefits such as the permanent 13th pension payment, parental bonuses and energy subsidies are not effectively targeted at vulnerable groups. Furthermore, Slovakia needs to improve the quality and effectiveness of public spending on education, which, despite being above the EU average, has not translated into better outcomes in primary and secondary education.

Expenditure on pensions, healthcare and long-term care is expected to increase due to population ageing. Public pension spending is expected to rise significantly by 2070 due to rapid population ageing in the coming decades. Although the pension reform adopted in January 2023 improved the long-term sustainability of the pension system by linking the retirement age to life expectancy, total pension outlays are still projected to remain above the EU average by 2070 (Annex

2). Supplementary pensions play a limited role in providing retirement income, due to low coverage and limited financial depth (Annexes 2 and 6). Population ageing will continue to put upward pressure on healthcare and long-term care expenditure, reinforcing the importance of effective prevention in supporting healthy ageing and reducing future financial demand.

Despite the recommendation for Slovakia to wind down the energy support measures, these have become permanent and remain poorly targeted. To address inflation concerns, Slovakia has implemented energy support measures since 2022. However, unlike most Central and Eastern European countries, Slovakia remains heavily reliant on Russian energy. Consequently, limited resources diversification contributes to higher energy prices compared to regional peers. Consequently, household gas and electricity price caps will continue to alleviate cost increases through 2026. These costly subsidies, ongoing without a specified end date, are broadly targeted, covering 90% of households.

Improving housing supply and rental support is needed to boost affordability and promote labour mobility

Slovakia's housing shortage, coupled with high demand and low rental availability, is driving up house prices and hampering labour mobility. With the lowest housing stock per capita in the EU, Slovakia faces a considerable housing supply shortage. In 2025, the Commission recommended that Slovakia support housing supply. Despite the efforts including the newly adopted Building Act aiming to streamline permitting procedures, residential construction continues to be sluggish. Furthermore, the demand for housing, fuelled by a strong preference for homeownership and favourable macroeconomic conditions, consistently surpasses supply, driving up house prices. Additionally, the share of rental housing in Slovakia is notably low compared to the EU average and has not grown over time, which adversely impacts regional labour mobility (Annexes 16 and 18).

Housing policies favour homeownership, limiting rental support and social housing affordability. In 2025, the Commission recommended that Slovakia expand the rental market by accelerating residential construction and promoting social housing. Slovakia falls short of the EU average in social housing, with limited public rental options (Annex 16). Although a public-private rental housing scheme has been implemented and a new Building Act introduced, these measures have yet to yield tangible results, leaving progress constrained. The tax system favours homeownership through a tax bonus for paid mortgage interest available to eligible young households, increasing housing demand and prices. Landlords may deduct only expenses directly related to rental income, with the scope of deductible costs depending on whether the property is included in business assets. State policies inadequately support the rental sector, and housing allowances cover a negligible part of rental costs, failing to effectively improve rental affordability (Annexes 16 and 18). Expanding rental and social housing, tailoring housing allowances to reflect real housing and energy costs, and supporting housing-led solutions is essential to ensure long-term access, housing affordability and social inclusion.

EU funding instruments provide considerable resources to Slovakia. They support investments and structural reforms to increase competitiveness, environmental sustainability, skills, social fairness and security, while helping to address challenges identified in the CSRs. Key instruments include the Recovery and Resilience Facility (see Box 2) and Cohesion policy funds (see Box 3). In addition, the Common Agricultural Policy (CAP) provides Slovakia with an EU contribution of EUR 3.4 billion under the CAP strategic plan for 2023-2027 ([3]). A further EUR 151.8 million are

([3]) An overview of Slovakia's formally approved strategy to implement the EU's common agricultural policy nationally can be found at

available under the Asylum, Migration and Integration Fund (AMIF), together with the Border Management and Visa Instrument (BMVI) and the Internal Security Fund (ISF). Other EU programmes also support competitiveness in Slovakia, for instance through open calls under Horizon Europe and the Connecting Europe Facility.

Box 1:

UN Sustainable Development Goals (SDGs)

Slovakia is progressing towards several SDGs related to sustainability, in particular **clean water and sanitation** (SDG 6), **sustainable cities and communities** (SDG 11) and **life on land** (SDG 15). For these, the status is above the EU average.

At the same time, despite progress, the status of several SDGs remains worse than the EU average. These include SDGs related to competitiveness, namely on **quality education** (SDG 4), **decent work and economic growth and industry** (SDG 8), and **innovation and infrastructure** (SDG 9). Moreover, while making some progress, Slovakia also lags behind the EU average for several SDGs related to social fairness, in particular related to **good health and well-being** (SDG 3), **gender equality** (SDG 5), **affordable and clean energy** (SDG 7), **decent work and economic growth** (SDG 8).

https://agriculture.ec.europa.eu/cap-my-country/cap-strategic-plans/slovakia_en.

Box 2:

Key achievements of the Recovery and Resilience Facility

Slovakia's recovery and resilience plan (RRP) represents a total envelope of EUR 6 408 billion, corresponding to 5.21% of GDP. It is aimed at supporting reforms and investments contributing to the green and digital transitions, strengthening economic resilience, and addressing long-standing structural challenges identified in the European Semester. As of 5 May 2026, EUR 5.2 billion (around 81% of the total allocation) has been disbursed to Slovakia following the satisfactory fulfilment of 130 milestones and targets. Implementation has progressed steadily, with a growing number of reforms and investments already fulfilled and delivering tangible results.

Highlights and impact of the plan:

- **Households benefiting from energy efficiency investments.** Over 25 000 family houses will be renovated. To date, more than 21 000 family houses have been renovated, with an average primary energy savings of 59% (against the 30% required).

- **Termination of coal-based electricity production in Upper-Nitra region.** Slovakia terminated the support to lignite electricity generation produced in the Nováky power plant, which was among the Slovak installations participating in the EU ETS with the highest CO_2 emissions. The plant officially stopped operating in December 2023.

- **Strengthened medical network.** The Slovak population benefits from a medical network with 148 new practices for general practitioners having been established across Slovakia since 2022.

- **New kindergarten places**. Under the RRP, Slovakia will expand the capacity of the pre-primary education system by constructing and reconstructing kindergartens. Of 220 construction/reconstruction projects planned, to date 120 have been delivered, corresponding to around 4 700 new places.

Box 3:

Contribution of cohesion policy funds

EU cohesion policy funding is supporting Slovakia's efforts to boost competitiveness, environmental sustainability, skills and social fairness. In the 2021-2027 programming period, EU cohesion policy funds ([4]) are providing EUR 12.6 billion (amounting to EUR 15.9 billion paired with national co-financing), or 9.7% of 2024 GDP, to Slovakia. This makes cohesion policy one of the main sources of public investment in the country. The value of selected projects corresponded to 61.8% of the total allocation as of March 2026, with additional contracts and calls for projects in the pipeline.

- **Innovation, business environment and productivity.** Over EUR 1.6 billion is invested in Slovakia's competitiveness. Projects selected so far provide support to almost 3 000 businesses, including 350 new enterprises, strengthening research and technology transfer and fostering innovation and digitalisation. Approximately one tenth of this support is delivered through financial instruments such as first-loss portfolio guarantees.

- **Decarbonisation, energy affordability and sustainability.** EUR 4 billion is dedicated to the green transition. Over 6 000 dwellings in multiapartment buildings had improved their energy performance by the end of 2025 and around 10 000 will follow. Projects approved to upgrade wastewater treatment facilities are set to benefit 60 000 people. The Just Transition Fund is supporting a major geothermal energy project that will decarbonise the district heating system of Slovakia's second-largest city, Košice.

- **Skills, quality jobs and social fairness.** Approximately EUR 533 million is allocated to active labour market measures, EUR 646 million to quality and inclusive education, EUR 274 million to integration of marginalised Roma communities, EUR 191 million to skills for adults, EUR 288 million to the Youth Guarantee and EUR 969 million to social and primary healthcare services. 1 000 new places in early childhood education and care facilities for children aged 0 to 3 will be created. 47 000 long-term unemployed people will receive support with the goal of securing employment for at least 21 000 of them.

The mid-term review ([5]) reinforced cohesion policy's contribution to emerging strategic priorities, with over EUR 1.2 billion reallocated to such priorities. Almost half of the reallocations support defence and civil preparedness, including military mobility; cybersecurity; and civil preparedness skills of healthcare workers. Investments worth EUR 316 million will further boost competitiveness through support to the development of critical Strategic Technologies for Europe Platform (STEP) technologies in the fields of robotics, AI, semiconductors, eco-innovation and biotechnology. Additional funding has also been allocated to water retention measures and energy infrastructure. The mid-term review also brought an increase of the allocation under the European Social Fund Plus (ESF+), by EUR 36 million, and transfers within the ESF+ to social services and inclusive education. The allocation to sustainable and affordable housing, including social housing for vulnerable groups, has been boosted with EUR 153 million.

([4]) ERDF, ESF+, CF and JTF.

([5]) Undertaken halfway through the 2021-2027 programming period, the mid-term review is a formal assessment process required under Article 18 of the Common Provisions Regulation that aims to assess the implementation of programmes and, where necessary, propose adjustments to improve their performance, ensure their relevance in light of new and emerging needs and keep them aligned with other EU policies.

INNOVATION, BUSINESS ENVIRONMENT AND PRODUCTIVITY

In 2025, Slovakia received country-specific recommendations (CSRs) to ensure a favourable business environment; promote transparency and competition in the public procurement process; strengthen the judicial and anti-corruption system; bolster digital infrastructure and the adoption of digital technologies; and improve research and innovation (R&I) policy. Shortcomings in the justice and anti-corruption system and lack of transparency in public procurement continue to affect the business environment. Despite progress, persistent gaps in digitalisation and digital skills limit the uptake of advanced technologies among firms. The fragmentation of local governance undermines already weak investment pipelines and the absorption of EU funding. The regulatory environment remains unpredictable due to the frequent use of fast-track legislative procedures, while the research and innovation landscape also remains fragmented and R&D expenditure continues to lag significantly behind the EU average.

Structural challenges in the justice system and anti-corruption enforcement negatively affect the business environment

Concerns over the judicial and anti-corruption system persist, whereas the capacity to detect, investigate and prosecute high-level corruption has further deteriorated. The perception and reported experience of corruption when doing business in Slovakia remains very high. The dismantling of key anti-corruption bodies and controversial amendments to the Criminal Code in 2024 have eroded the anti-corruption framework, diminishing institutional expertise and operational capacity (Annex 7). In 2025, Slovakia received a country-specific recommendation (CSR) to strengthen the judicial system and enhance the effectiveness of the anti-corruption system, including by ensuring adequate, autonomous and effective investigations and prosecutions of high-level corruption cases and sufficient, specialised police and prosecution capacity. No steps were taken by the government to address these challenges. In particular, the dismantling of specialised anti-corruption bodies (e.g. the Special Prosecution Office and the National Crime Agency), and amendments to the Criminal Code, combined with the exercise of power by the General Prosecutor to annul final decisions of lower prosecutors and the law enforcement authorities in the pre-trial stage, have disrupted institutional capacity and the specialised expertise developed over time to investigate and prosecute complex and high-level corruption cases. The reorganisation of investigative and prosecutorial structures has created transitional challenges, and rebuilding specialisation, through training and organisational adjustments, will require time. (Annex 7). Recent statistics show a sharp decline in the detection, investigation and prosecution of corruption following the 2024 reforms. For example, the number of prosecution cases dropped by 70 %, pointing to weakened deterrence across the administration (Annex 7). Moreover, the attempt to dismantle and restructure the Whistleblower Protection Office in December 2025 raised concerns over a chilling effect on potential whistleblowers. While Slovakia repealed that legislation in early 2026, these developments risk creating permanent damage, further undermining the ability to detect and prosecute serious crimes (Annex 7). Similarly, in the justice system, no progress was made in addressing the insufficient safeguards against the dismissal of members of the judicial council, negatively affecting its independence. This is further exacerbated by

amendments extending the judicial council's powers in disciplinary proceedings, currently under constitutional review.

Despite continued progress in the reform of the judicial map, challenges persist as regards the judicial system's efficiency. Slovakia completed the reform of the judicial map under the RRP. The reform was aimed at strengthening the specialisation of judges and improving the organisation of courts, to further improve the efficiency of the justice system. The reform was coupled with investments in energy saving renovations of existing court buildings, also supported by the Recovery and Resilience Facility (RRF). An evaluation of the reform is planned for 2026 to assess the impact on judicial efficiency and the functioning of the court system. Despite these efforts, structural challenges continue to hinder the efficiency of the justice system. Administrative proceedings in particular remain lengthy. This is largely due to inability to fill judicial positions, contributing to case backlog (Annex 7).

Slovakia's complex regulatory environment and fragmented local governance hinder business

Limited progress was made in improving the conditions for a favourable business environment. In 2025, the Commission recommended that Slovakia ensures a favourable business environment by creating a more predictable regulatory environment through improving the better regulation framework, ensuring that impact assessment and stakeholder consultations are integrated into the legislative process. The unpredictable regulatory environment remains the biggest challenge for the business environment. The main issue is the frequent use of fast-track legislative procedures and weak implementation of better regulation rules (Annex 7). Around 60% of legislative proposals follow the standard procedure, whereas the remaining 40% consist of ad hoc government proposals (Annex 5). The Slovak better regulation framework, although formally in place, is applied inconsistently and in a strictly formalistic manner, and as such does not contribute to improve the business environment. Substantive amendments initiated by members of parliament, often on sensitive matters, are made without applying better regulation rules (for instance, these amendments are not subject to the obligation to carry out impact assessments and stakeholder consultations). Overall, stakeholder consultations and impact assessments are not adequately integrated into the legislative process, as they are conducted under tight deadlines. Follow-up and scrutiny are often lacking. While Slovakia is preparing amendments of the rules and methodology for impact assessments, the specific arrangements and their effects are still to be seen. At the same time, despite the introduction of RRP measures (e.g. simplifying the regulatory environment and increasing its predictability through *ex post* evaluations, prevention against excessive regulation or anti-bureaucratic packages), the overall improvements have been marginal. Administrative burden remains high, with complex procedures and compliance requirements continuing to hamper business activity.

Little action has been taken to address the fragmentation of local governance structures. In 2025, the Commission recommended that Slovakia addresses the fragmentation of governance structures, including by preparing a reform of local governance. Local governance in the country remains highly fragmented, with large differences in the size of municipalities. This undermines investment planning and the absorption of EU funding. There are almost 3 000 municipalities in the country, with 65% of them having less than 1 000 residents. Moreover, funding often doesn't match the actual population living in the municipality (Annex 18). A reform of the local governance structure has however not yet been initiated. While 21 shared-service centres have been established, supported by the RRP and cohesion policy funds, to make municipalities management more efficient, intermunicipal cooperation remains limited (Annexes 7 and 18). On the other hand, the 2025 CSR to ensure quality public services through better

coordination and policymaking has been addressed to some extent. There have been positive developments in strategic planning, with a dedicated body created under the Office of the Government to coordinate different strategic documents across the public administration (Annex 7).

Recent reforms of the public procurement system have had a negative impact on transparency and competition. In 2025, the Commission recommended that Slovakia ensure transparency and competition in public procurement processes to promote good governance and improve the effectiveness of public spending. It was also recommended to increase the use of quality-related and lifecycle-cost criteria in public procurement operations. The 2024 amendment to the Public Procurement Act, which merged sub-threshold and low-value contracts and increased the publication-free threshold from EUR 10 000 to EUR 50 000, has simplified procedures, in particular for authorities, but at the expense of fair competition and transparency. As a result, below-threshold tenders now present a higher risk of corruption. At the same time, recent contentious procurement procedures have highlighted the importance of the capacity of the Public Procurement Office's (PPO) to intervene to safeguard competition and transparency (Annex 5). Finally, two additional concerns are the length of procurement procedures (generally above the EU average), and the continuing use of 'lowest price' as the predominant criterion for awarding contracts (Annex 5).

Single market barriers erode the competitiveness and resilience of businesses, particularly small to medium-sized enterprises (SMEs). Slovak companies suffer difficulties caused by late payments. In 2025, a notably higher proportion of firms (62.4%) reported late payments from private entities compared to 2024 (51.2%). Slovakia has also failed to address long-standing and excessive payment delays by public healthcare entities. Allowing suppliers to transfer outstanding claims from public healthcare entities to third parties could improve payment practices. Easing administrative requirements in the implementation of posting of workers rules could reduce regulatory fragmentation within the single market, facilitate cross-border mobility and foster competitiveness, without undermining workers' protections.

Digital connectivity is advancing, but business digitalisation and e-government services lag behind

Slovakia has progressed in digital infrastructure, though challenges persist in rural areas. In line with the 2025 CSR to bolster digital infrastructure by investing in gigabit connectivity and streamlining regulation for infrastructure roll-out, telecom operators are investing in very high-capacity networks (VHCN), prioritising fibre-to-the-premises (FTTP), in both urban and rural areas (Annex 4). The country is advancing in 5G deployment and has achieved a solid coverage of 87.94%. A spectrum auction concluded in July 2025 is expected to further boost 5G, especially in urban areas. Moreover, two operators have launched commercial 5G standalone services. The new construction law from April 2025 seeks to streamline digital infrastructure permitting procedures. There are, however, concerns over an increased administrative burden and inconsistent municipal practices complicating digital infrastructure deployment. The Gigabit Infrastructure Act, effective as of November 2025, improved the situation by removing the requirement for permits for connections of up to 100 metres. However, economic constraints, including rising construction costs and inflation, coupled with complex permitting procedures, hinder investments. The problem is particularly pronounced in rural areas, where VHCN and FTTP coverage are below the national average, at 39.62% and 39.57% ([6]). Plans for public investment in gigabit infrastructure in these regions were promising, but the reallocation of EUR 88 million to other priorities has stalled progress.

([6]) Digital Decade DESI visualisation tool.

Slovakia's business digitalisation initiatives are progressing, but their impact is limited by scope and funding. In line with the 2025 CSR to increase the adoption of digital technologies, particularly among SMEs, by removing bottlenecks in their roll-out, programmes such as Digitrans and European Digital Innovation Hubs support SME digital uptake, but their impact is restricted due to their limited reach and scale. As of 2025, 57.09% of SMEs had achieved at least basic digital intensity, improving from previous years but still below the EU average of 71.39% (Annex 3). AI uptake shows progress, and Slovakia is implementing measures aimed at further promoting its uptake, for instance through the 'AI Vision for Slovakia' strategy and the work of the Slovak Centre for AI Research.

Addressing digital skills gaps is crucial for business digitalisation in Slovakia. There is a shortage of basic digital skills across the population, alongside a particularly important need to strengthen workforce digital competencies to support the digitalisation of enterprises (Annex 3). Many SMEs lack personnel to design and manage digital projects. While ICT enrolments in secondary and tertiary education have risen, the education system still produces too few ICT specialists, and training offers for companies remain misaligned with business needs. Initiatives such as Digital Skills for the Green Future of Slovakia aim to standardise digital and green skills assessment, but more business-oriented training is needed.

Further focus on the digitalisation of public administration is needed to enhance service delivery and create a more predictable and competitive environment for businesses and citizens. The introduction of a mobile eID in 2025, the accessibility of electronic health records, and plans to digitalise 16 'life events' to centralise administrative procedures for citizens and businesses are examples of Slovakia's efforts in the provision of digital public services. Nonetheless, the satisfaction with public administration services remains below the EU average. While 70% of people find digital public services to be timesaving, 81% desire more user-friendly designs ([7]) (Annex 7). The key obstacles to end-to-end public service delivery are limited integration with base registers, low levels of interoperability between base registers, and lack of standards for data exchange ([8]). This underscores the need for improved data governance, interoperability, and further integration of eGovernment services. Furthermore, while the RRP-funded digital marketplace for IT procurement marked an important first step, the digital transformation of the public administration is hampered by fragmented procurement approaches and limited ICT skills (Annex 7).

Continued support for and consolidation of the research and innovation landscape is critical to ensure Slovakia's competitiveness

The R&I environment remains fragmented, and limited progress has been made in improving collaboration between businesses and the research sector, as recommended in 2025. The R&I ecosystem lacks predictability due to an underdeveloped institutional framework which lacks clearly assigned responsibilities. Reforms aimed at improving R&I governance and coordination have been launched under the RRP, and a new coordination structure has been set up, but delays in approving related follow-up legislation limit the effectiveness of R&D spending. Practices developed under the RRP linked to conducting international evaluations for the award of grants and for knowledge transfer have proved to be effective; these contribute to the quality of research outputs and increase their likelihood of successful commercialisation. To further incentivise technology transfer, it would be beneficial for Slovakia to follow international

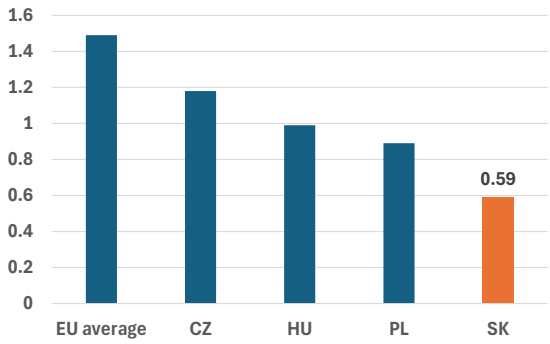
([7]) European Commission, 2026, *Flash Eurobarometer surveys 567 and 568 on satisfaction with administrative services*.

([8]) Interoperable Europe, *Slovakia: 2024 Digital Public Administration Factsheet*, p5.

best practice on ownership of intellectual property rights generated at universities.

Slovakia, classified as an 'emerging innovator', registered a growing disparity between its innovation performance and the EU average. Public sector spending on R&D decreased from 0.45% in 2023 to 0.39% in 2024, significantly below the EU average. In 2023, the government committed to maintaining a trajectory of annual increases in R&D budget allocations, which should reach 0.67% of GDP by 2030. This trajectory needs to be maintained to improve Slovakia's competitiveness and should be complemented by further stimulation of private R&D investment, which remains critically low. Additionally, weak private-sector innovation is further evident in business enterprise expenditure on R&D which accounted for just 0.59% of GDP in 2024, below the EU average of 1.49% (Graph 2.1 and Annex 4).

Graph 2.1: **Business enterprise expenditure on R&D as % of GDP in Visegrad countries**



Source: Eurostat

SMEs, highly prevalent in Slovakia's private sector, lack resources to invest in R&D, and no progress has been made in revising the R&D tax incentive scheme, as recommended in 2025. Public support for R&D is not accessible enough for SMEs due to insufficient provision of targeted competitive grant schemes. Financial instruments under the RRF have provided targeted support for SMEs. The economic landscape is not sufficiently diversified and the SMEs and start-ups operating in the areas of green transition, cleantech or biotech do not receive sufficient incentives for innovation.

Slovakia's limited venture capital, conservative investments, and stagnant financial literacy hinder capital market growth and limit innovation. Slovak companies rely heavily on internal funding and traditional bank loans for investments. The financial system in Slovakia is dominated by the banking sector. Although banking assets are significantly lower than the EU average, they surpass those of other domestic financial sectors. Domestic capital markets remain underdeveloped, primarily directing savings to the government. Slovak households tend to have low saving rates and invest conservatively, holding financial assets well below the EU norm (Annex 6). Lending practices show more activity towards households rather than businesses, while recent pension reforms aim to boost capital market investment. The venture capital and private equity sectors are insufficiently developed to support innovative enterprises. Financial literacy has improved slightly, with levels comparable to the EU average, though the national strategy has not been updated since its adoption in 2017.

DECARBONISATION, ENERGY AFFORDABILITY AND SUSTAINABILITY

In 2025, the Commission recommended that Slovakia prioritise investments in clean and efficient production; strengthen the legislative framework for green technologies; accelerate renewable energy deployment; diversify fossil fuel supply away from Russian sources; invest further into the energy grids and support zero-emission mobility and rail infrastructure modernisation. While Slovakia has taken some steps in these areas, progress remains limited and uneven. Ongoing challenges, particularly high energy prices, require intensified efforts to support competitiveness and access to clean energy. Slovakia has made some strides, particularly in legislative reforms aimed at accelerating the green transition and, to some extent, in investments in the distribution grid to prepare for the uptake of renewables. Despite these advancements, the country still faces structural challenges in achieving carbon removal goals, strengthening the transmission network and integrating renewables into the grid efficiently. Recent legal amendments aimed at streamlining renewable project permits and introducing grid flexibility measures contribute to the green transition, although dependence on Russian fossil fuels remains high.

Structural weaknesses slow down decarbonisation and affect competitiveness

Slovakia remains among the most carbon-intensive economies in the EU. Manufacturing activities account for the largest share of total emissions in Slovakia, the highest in the EU (Annex 8). In 2024, the emission intensity of the Slovak economy was among the highest in the EU ([9]), with the manufacturing sector representing a large share of 33% of domestic GHG emissions. The majority of the emissions originate from energy use in production processes, followed by emissions stemming from industrial processes and product use. Moreover, the share of electricity and renewable energy sources in manufacturing's final energy consumption gradually decreased between 2017 and 2022, by approximately three percentage points, despite improvements in energy efficiency (Annex 8).

The lagging industry decarbonisation highlights the need to accelerate the transition towards cleaner production processes to maintain competitiveness. The 2025 country-specific recommendations (CSRs) highlighted the need to (i) prioritise investments in clean and efficient production and in the use of energy and resources and (ii) strengthen the legislative framework to support green technologies and products and promote investments to advance industrial competitiveness and economic diversification. Slovakia's national energy and climate plan outlines a broad set of priority actions designed to support decarbonisation and modernise the industrial base, but the country lacks an overall framework operationalising industry decarbonisation (Annex 8).Decarbonisation needs to start with investments improving energy efficiency and electrifying industrial processes, where achievable. More renewables in the electricity mix would make the system less prone to external shocks and fossil price-setting, lowering average electricity prices. As a cheaper and relatively stable source, the Slovak manufacturers would be able to

([9]) Climate Action Progress Report, 2026.

engage in long-term fixed contracts, benefiting from predictable long-term pricing.

Slovakia's decarbonisation efforts rely heavily on funding from the EU and the EU's emission trading scheme (ETS). Slovakia receives revenues from the EU ETS through the auctioning of emission allowances. A substantial share of these proceeds is channelled into the Slovak Environmental Fund (Envirofond) to support climate action, energy efficiency and environmental protection projects, though funding key industrial decarbonisation projects has at times proven difficult. (Annex 8). For instance, in 2024, U.S. Steel Košice planned a major decarbonisation investment supported by about EUR 300 million from the RRF, but the project did not proceed due to timeline challenges. Overall, there is a gap between ETS revenues and actual environmental spending, reflecting low absorption rates.

Slovakia is planning to diversify decarbonisation pathways through the development of hydrogen technologies, but market realities are slowing down progress. The national hydrogen strategy, prepared under the RRP, aims to support the gradual integration of hydrogen into industrial processes, particularly in energy-intensive sectors. Furthermore, as part of the RRP, Slovakia also transposed parts of European legislation relevant for the hydrogen sector into its national legislation and adopted a strategic document for the development of a Slovak hydrogen economy by 2050 (Annex 8). Small-scale projects are starting to come online, such as in Trnava, and more projects are approaching the final investment decision stage. However, further steps need to be undertaken to support the development of Slovakia's hydrogen ecosystem, in particular in industrial decarbonisation.

Delays in renewable deployment and limited diversification of energy supplies constrain the transition towards a more secure energy market

A further boost to renewables will ensure Slovakia's supply of affordable low-carbon energy. Slovakia received CSRs in 2025 to (i) accelerate the rollout of renewables, while making the procedures for connecting renewables to the grid more efficient and less burdensome; and (ii) to support further investments in grids, in particular electricity networks, as well as in decarbonisation of the heating sector. Slovakia's electricity mix is largely dominated by nuclear generation (61.9%), with fossil fuels contributing around 15%; the share of hydropower is 13-15% and of PVE, 2.5-3% (Annex 9). Slovakia is expanding its nuclear capacity, having connected a new nuclear reactor, Mochovce, in 2023 and is constructing the fourth unit at the same location (to be completed in 2026). Both units will add around 942 MW of new nuclear capacity, boosting significantly Slovakia's electricity supply. The Slovak government plans to further expand nuclear capacity and has approved the plan for the construction of a new unit in Jaslovske Bohunice, even though this will not be operational before 2040 (Annex 9). Slovakia phased out coal from electricity generation in 2023and plans to further reduce the carbon-intensity of its electricity mix, based primarily on nuclear power and renewable energy sources. Natural gas is expected to play a transitional role; it currently accounts for around 8-9% of Slovakia's total electricity generation (Annex 9). Any further investments in natural gas capacity, unless targeted and limited in scope, could create lock-in risks and lead to stranded assets. At the strategic level, Slovakia has taken some steps to strengthen its renewable energy commitments, but the level of ambition remains insufficient. In its final update of the national energy and climate plan, the country increased its proposed contribution to the EU's 2030 renewable energy target from 23% to 25%. Nevertheless, this remains significantly below

the 35% level expected under the Energy Union governance framework (Annex 9). Amid the ongoing electrification of the Slovak economy, given also the long lead times for building new nuclear units, the renewable energy deployment over the coming decade will be key to limiting reliance on natural gas and ensuring energy affordability and security.

High energy prices, augmented further by the conflict in the Middle East, continue to pose a challenge for the Slovak economy, undermining industrial competitiveness. Electricity prices differ markedly between businesses and households: household tariffs in Slovakia are heavily regulated and subsidised, while businesses are exposed to market-based pricing and pay the larger share of network charges and levies. Slovakia's wholesale electricity prices rose by 11% from 2024, influenced by natural gas as an expensive balancing fuel. In the first half of 2025, household electricity and gas tariffs stayed below the EU average (Annex 9). However, while non-household gas prices have been in alignment with EU levels since 2024, industrial electricity prices remain above the EU average, with large consumers paying about three times more for electricity than for gas. This is compounded by taxes and levies, which make up more of electricity bills than actual gas costs. Furthermore, the role of expensive natural gas in setting the marginal price creates a risk of increased pressure on energy-intensive industries and of weakening the Slovak economy (Annex 9). Therefore, Slovakia could benefit from lowering electricity taxation, in particular for industry, alongside other measures to improve the electricity-to-gas price ratio, while removing barriers to electrification.

The potential of wind energy, including through deployment of renewable acceleration areas (RAAs), remains untapped in Slovakia. One of the main obstacles to wind energy deployment is the complex permitting framework. To date, no large wind energy project in Slovakia has successfully completed the environmental impact assessment (EIA) process, which represents a critical bottleneck for project development (Annex 9). As part of Slovakia's RRP, measures were adopted to harmonise grid connection procedures and improve transparency and efficiency, including rules allowing the re-release of unused grid capacities. However, it is uncertain what impact the new rules will have on the acceleration of the roll-out of renewables. In addition, the Slovak government amended the Act on EIA and adopted legislation establishing criteria for the designation of RAAs for wind energy. However, the impact of these reforms remains to be seen. The designation of an RAA, expected in August 2026, with at least 0.3GW of potential installed capacity, would allow for some progress in developing large-scale renewable installations, contributing to lower and less volatile electricity prices. The addition of wind energy, which has low marginal costs and delivers also in peak demand times (during evenings and winters), has a potential to reduce the need for more expensive backup power sources like natural gas plants (Annex 9). Public opinion continues to play an important role in shaping prospects for wind projects, highlighting the importance of reconciling the need to develop sources of reliable and affordable energy with social acceptance.

Slovakia enjoys strong regional connectivity, but the grid infrastructure remains insufficient to accommodate new capacity from renewables and rising electricity demand. Investments in transmission infrastructure have increased in line with national development plans, and the distribution grid has undergone substantial upgrades in recent years. The RRF and cohesion policy funds further support these efforts by addressing grid limitations, enhancing system flexibility, and promoting renewable energy integration. A significant part of RRF funding to Slovakia (EUR 354 million, i.e. around 6% of the overall RRF allocation) is dedicated to energy efficiency and decarbonisation and targets key initiatives such as electricity storage, modernisation of distribution networks, and new renewable energy generation. These projects are scheduled for completion under the final RRF payment, so their full impact and operational extent will become clearer in the second half of 2026. At the same time, Slovakia's

domestic electricity grids infrastructure is outdated and requires investments its modernisation. This will also be needed to ensure that Slovakia can reliably integrate growing renewable energy (including planned wind energy investments) and rising electricity demand, including from expected electrification of the industry (Annex 9)

Slovakia made some progress on renewable auctions, but progress on other structural measures incentivising the rollout of renewable energy sources remains very limited. Lack of long-term certainty for investors continues to be a structural barrier. In 2024 and 2025, Slovakia issued auction calls to support photovoltaic energy (PVE) under the RRP, but the demand was weak. Slovakia intends to move towards using contracts for difference (CfDs) as part of its energy market framework, but they have not yet been widely implemented in practice. As regards the legislative framework introduced by Slovakia for power purchase agreements (PPAs) already in 2024, without an increase in new renewable generation capacity, especially wind energy, which could provide stable and competitively priced electricity, the development of PPAs is likely to remain very limited (Annex 9). There is a strong rationale for accelerating renewable energy deployment, in particular given the potential of wind power to supply affordable, low-carbon electricity that could boost industrial competitiveness and support the broader energy transition. Slovakia has seen a limited increase in investments in electricity storage in batteries and hybrid systems in recent years, though the country's main storage capacity historically comes from pumped hydro plants (as for instance the hydro storage at Čierny Váh, a project of common interest which received a Connecting Europe Facility grant in 2026). There is potential for greater exploitation of geothermal energy in certain regions, due to favourable geological conditions` (Annex 18).

Slovakia's energy security remains heavily constrained by a continued reliance on Russian fossil fuels. Slovakia received a CSR in 2025 to accelerate the diversification of fossil fuel supply to phase out dependence on Russian sources. In early 2026, Slovakia was strongly affected by the disruption of Ukrainian transit routes, which exposed vulnerabilities in regional supply structures. Progress on energy supply diversification has been very limited so far. In the context of the EU commitments to the phase-out of Russian natural gas imports by 2027 at the latest, Slovakia has made some progress in reducing gas demand as its consumption has declined by around 18-20% since August 2022, broadly in line with the EU average (Annex 9). As regards diversification, the national gas supplier SPP has expanded its portfolio of contracts with international energy companies and liquified natural gas suppliers, enabling a growing share of consumption to be covered from non-Russian sources. The halt of Russian gas transit via Ukraine at the end of 2024 has also shifted supply, with gas now reaching Slovakia mainly via alternative routes, notably via the Austria/Trans-Balkan routes. Despite these efforts, dependence on Russian energy imports remains significant. In 2025, more than half of Slovakia's natural gas imports were still of Russian origin. Slovakia continues to rely almost entirely on Russian crude oil delivered through the Druzhba pipeline, under a long-term supply contract valid until the end of 2029 (Annex 9). While an alternative supply route exists, the Adria pipeline from Croatia, it has been underutilized by Slovakia. There have been ongoing trilateral negotiations between Slovakia, Hungary and Croatia about the technical feasibility of the Adria pipeline as well as about transmission tariffs. However, following the interruption of the Druzhba pipeline between 27 January and 23 April 2026, Slovakia's security of oil supply was maintained due to increased (non-Russian) crude oil flow on the Adria system. Slovakia even managed to replenish its emergency oil stocks thanks to oil flows on the Adria during that period. This experience showcased the technical feasibility of the Adria pipeline. In parallel, negotiations with Czechia about the feasibility of a reverse flow to Slovakia are ongoing. Accelerating the diversification of oil supplies and infrastructure adaptation would be beneficial for strengthening Slovakia's energy security and reducing remaining vulnerabilities.

Transport decarbonisation advances at a very slow pace due to lack of regulatory incentives

Slovakia's transport sector continues to face major challenges in transitioning towards zero-emission vehicles and more sustainable mobility modes. Slovakia received a CSR in 2025 to support further roll-out of zero-emission mobility and to modernise its rail network, by reforming the national railway infrastructure governance and creating a dedicated investment framework. Despite Slovakia's strong automotive manufacturing base, the domestic uptake of zero-emission vehicles remains among the lowest in the EU. Battery-electric vehicles represented 2.4 % of new passenger car registrations in 2024, placing Slovakia among the lowest-ranking EU Member States in terms of deployment of zero-emission vehicles. Slovakia has taken steps to support the transition to electromobility, including by adopting an electromobility action plan and planning investments under the RRP, in particular for recharging infrastructure. However, the actual implementation of the electromobility action plan is still very limited. Moreover, Slovakia does not currently apply EU-permitted incentives such as road toll exemptions for zero-emission heavy-duty vehicles. Such policy measures, alongside strengthened rail infrastructure and services, would accelerate freight transport decarbonisation (Annex 8).

Although investments in rail infrastructure are being supported through European funds, Slovakia faces delays in their delivery, particularly due to issues in the pre-investment phases, such as in project preparation, permitting, and public procurement. Slovakia's 2025 Construction Act contains provisions aimed at accelerating and streamlining infrastructure approval proceedings; implementation, however, has been set back by capacity constraints (Annex 19). Additionally, the lack of a predictable funding framework under the national budget continues to be a constraining factor. Slovakia could consider guaranteeing annual national budgetary contributions to national transport infrastructure development and upkeep, allowing for a predictable source of funding to be used alongside European and public-private financing. Upgrading railway connection between Bratislava and Košice to a higher speed could greatly benefit the economic development of Eastern Slovakia (Annex 18).

Weaknesses in climate governance, municipal waste management and resource conservation affect economic productivity

Slovakia's high vulnerability to extreme weather events is not reflected in the level of insurance coverage and preparedness, impacting the economy and society. Between 1980 and 2023, Slovakia recorded EUR 1.95 billion in economic losses caused by extreme weather and climate-related events. Yet, only 4% of the economic damages over that period were insured, which is one of the lowest rates of weather and climate insurance coverage in the EU (EU average: 19%). While Slovakia adopted an important national adaptation plan in 2021, it still needs to carry out a comprehensive assessment of its vulnerability to climate change and officially adopt the updated national adaptation strategy. As much as Slovakia has progressed on implementation of adaptation policies thanks to EU funding, the Slovak TEN-T network is still highly vulnerable due to lack of institutional preparedness. Constructive investments in climate resilience have been slowed down by low awareness at regional and local level and an inadequate degree of interministerial cooperation. Structural mainstreaming of nature-based solutions across sectors, strengthening the climate adaptation governance at national and sub-national level and promoting insurance against climate-related events would help address this issue.

Slovakia continues to face water quality and water management challenges.

Slovakia received a CSR in 2025 to increase water resilience by mainstreaming nature-based solutions. However, the ecological status of surface water bodies continues to deteriorate. Surface water bodies also face high pressure from, among others, alternations interrupting the natural flow of rivers. Such disruptions are caused also by the small hydropower plants installed on Slovak rivers without sufficient assessment, which are subject to ongoing infringement proceedings. Additionally, pesticide and nitrogen fertiliser contamination remains a critical issue in groundwaters, with levels well above the EU average. Removing barriers to restore river ecosystem connectivity and create free-flowing rivers, and incentivising the reduction of pesticide and fertiliser inputs, would help improve the ecological status of water bodies. Additionally, Slovakia could build on the RRF experience and invest further into watercourses revitalisation.

Slovakia made some progress on recycling of packaging waste; municipal waste landfilling and resource productivity, however, remain an issue. Slovakia received a CSR in 2025 to strengthen resource waste management and the reuse of municipal and packaging waste. Slovakia has moved in the right direction in terms of recycling rate of packing waste, with total packaging waste and materials recycling close to and above the respective 2025 targets. Nevertheless, resource productivity in Slovakia is still below the EU average. Slovakia continues to be at risk of missing the municipal waste and packaging waste targets, as well as the 2035 target of maximum of 10% of municipal waste landfilled. While a landfill ban on biodegradable waste was put in place in 2023, mixed municipal waste is still allowed to be landfilled without pre-processing and Slovakia has repeatedly postponed introducing an obligation to pre-process this type of waste. Slovakia would benefit from encouraging investments in recycling or reuse infrastructure, to stimulate domestic demand and productivity growth in the sector.

The degrading nature ecosystems affect the productivity of agriculture, forestry and water-related industries. Slovakia received a CSR in 2025 to strengthen the conservation of natural resources, by mainstreaming nature-based solutions and finalising the zonation of nature-protected areas. Nevertheless, around 60% of Slovakia's ecosystems are degraded, leading to significant losses in services such as climate regulation, flood control and timber provision. With the associated losses coming at about EUR 20 billion per year, ecological degradation has a major economic impact. 75% of species and 60% of habitats in the country are in a poor or bad conservation state. This is caused by pressures such as unsustainable forestry and agriculture practices, infrastructure development and invasive species. The finalisation of the zonation of national parks planned under the RRP, with respect to the Natura 2000 sites, local habitats and ecosystem values, would address the issue if completed appropriately. New incentives for sustainable forestry and agricultural management, including agroecological practices, could be introduced to encourage landowners to adopt practices that are not primarily production-focused.

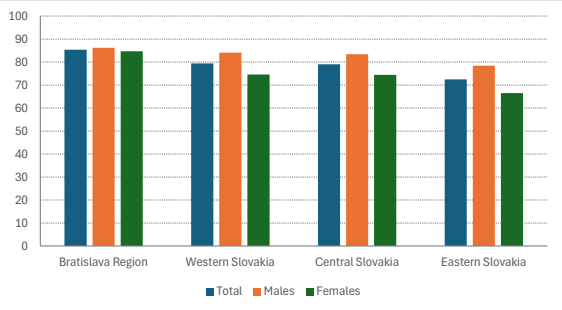
SKILLS, QUALITY JOBS AND SOCIAL FAIRNESS

In 2025, Slovakia received country-specific recommendations (CSRs) to strengthen the labour market participation of underrepresented groups; increase the availability and use of early childhood education and care; strengthen the teaching of basic skills; provide reskilling and upskilling opportunities; invest in teacher training; improve primary care provision; strengthen the resilience of the health system and ensure affordable and quality long-term care. While some measures have been taken across these areas, progress remains uneven and overall limited. Further efforts are needed, in particular to (i) increase labour market participation among underrepresented groups, such as the Roma population, which remains marginalised; (ii) accelerate the provision of affordable childcare and flexible work arrangements; (iii) strengthen basic skills and inclusive education outcomes; (iv) better align reskilling and upskilling with labour market needs; and (v) address structural challenges in primary care, healthcare financing and long-term care provision.

Labour market participation of underrepresented groups, including women with small children, could be boosted

The lagging labour market participation of underrepresented groups remains an obstacle to growth and social cohesion. In 2025, Slovakia received a CSR to strengthen the labour market participation of underrepresented groups. Progress remains limited, as persistent regional disparities and structural challenges, particularly affecting marginalised communities and women with care responsibilities, continue to hinder substantial improvement. Rapid population ageing, outward migration of young people, weak activation of underrepresented groups (specifically the long-term unemployed, older workers, low-skilled workers, people of Roma background, residents of structurally weaker areas, and women, especially those caring for young children) and the low attractiveness of the Slovak labour market deepen skills gaps and regional disparities. The long-term unemployment of marginalised groups, particularly Roma, remains a challenge, with the employment rate among Roma aged 16-24 standing at only 30% and that of Roma women being even lower (21%) (Annex 11). Employment levels in the eastern regions (Prešov, Košice) are generally low (72.5%,) and the supply of quality jobs is limited (Graph 4.1, Annex 11). At the same time, insufficient labour market integration of non-EU nationals constrains competitiveness, as Slovakia struggles to convert migration into relief for skilled labour shortages. Slovakia scores only 39/100 on the Migrant Integration Policy Index, with particularly low results in labour market mobility (Annex 11). Additionally, the employment gap for women with young children remains wide. Spending on active labour market policies (ALMPs) remains low and heavily reliant on EU funding. Improved and targeted ALMPs could serve as tool for investing in people's potential, ensuring that the quality of training matches modern industry demands.

Graph 4.1: **Employment rate by region and sex in 2025**



Source: Eurostat, LFS [lfst_r_lfe2emprt].

Limited access to affordable childcare and flexible work options, and a persistent pay gap, hinder women's ability to enter the labour market. Slovakia received CSRs to introduce more flexible work arrangements for parents with children and to increase the availability and use of affordable high-quality early childhood education and care for children under the age of three. Slovakia made little progress in promoting and expanding flexible working arrangements for parents, and the availability of part-time and teleworking options remains among the lowest in the EU, despite existing legal provisions. Women's participation in the workforce is hindered by the lack of adequate childcare services, especially for children under the age of three. Despite some progress achieved in expanding childcare services (ages 0–3), the participation rate is still the lowest in the EU at 1.8% (EU: 40.5%). Capacity is set to grow as there are plans to make enrolment from age three mandatory by 2028, with support from the European Regional Development Fund (ERDF) and the European Social Fund Plus (ESF+). Additionally, Slovakia still has one of the highest gender pay gaps in the EU, reaching approximately 18.3%, particularly among working women with children under the age of three.

Slovakia struggles to improve basic skills and make education inclusive

Limited progress has been made towards improving basic skills in the country. Slovakia received a CSR in 2025 to strengthen the teaching of basic skills, including for children from disadvantaged backgrounds notably in marginalised Roma communities. Weak basic skills, in particular among disadvantaged learners, are exacerbated by absenteeism in schools and early school leaving in rural areas (Annex 13). Persistent educational and skills gaps, especially in mathematics and reading, with one third of 15-year-olds not reaching minimum proficiency in mathematics (33.2%), reading (35.4%) and science (30.6%), place Slovakia below the EU average and jeopardise young people's future access to the labour market. Similarly, early school leaving undermines young people's employment prospects. This represents a persistent loss of qualified workers. While substantial reforms supported by the ESF+ and the RRP are underway, they are yet to demonstrate results. Effective implementation of the curricular reform and application of innovative teaching methods, with a focus on reading and science, technology, engineering and mathematics (STEM) subjects, could help improve performance in basic skills.

Reforms are ongoing to improve the inclusiveness of education, but challenges remain and disparities across regions persist. Slovakia received a CSR to ensure equal and inclusive access to quality education at all levels. Despite some legislative changes (e.g., the 2025-2027 strategy for inclusive education and training and amendments to the Education Act in 2023 and 2024), it is important to ensure the availability of support measures. For example, even though children with special education needs make up one-third of all pupils, support measures were provided to only 14% of them (Annex 13). Insufficient support to schools with high shares of disadvantaged learners reduces students' future employability and earnings

perspectives and increases the risk of long-term inactivity.

Skills shortages and talent outflow weigh on the labour market

The widening gap between workers' skills and the demands of the economy underscores the importance of accelerating reskilling and upskilling, including investing in teachers' training. Significant skills shortages are being reported across businesses, affecting over 50% of Slovak enterprises and putting the Slovak labour market under pressure (Annex 11). In 2025, Slovakia received a CSR to provide reskilling and upskilling opportunities for adults, investing in teacher training, and increasing enrolment in STEM education programmes. Slovakia made some progress in expanding adult learning through initiatives such as digital skills programmes, individual learning accounts, and pilot training centres. However, the system still needs to better target low-skilled workers and be better aligned with labour market needs. Despite improvements in the quality of vocational education and training (VET) through stronger school–employer cooperation and the establishment of centres of vocational excellence, participation in workplace-based learning (58.5% in 2024) remains below both the EU average (65.2%) and the 2025 target of 60%. This underscores the need to further expand employer engagement and practical training opportunities (Annex 13). At the same time, most future job openings, mainly from retirements and other departures, will require medium to high-level skills that the current workforce cannot fully meet. A significant portion of the population still lacks basic digital skills, and women's participation in tech is low (see Chapter 2). Moreover, Slovakia faces teachers' shortages, particularly in STEM subjects. While some measures have been taken, including the creation of a network of regional centres under the RRP, further support to teachers is needed to effectively implement the curricular reform, through quality mentoring and needs-based training.

Attracting and retaining high-skilled talent is key for boosting economic competitiveness. Tertiary education attainment and enrolment in STEM programmes is below the EU average and the proportion of graduates at doctoral level has been decreasing. In addition, Slovak students have for a long time chosen to pursue higher education abroad. Approximately every fifth secondary school leaver continues in tertiary education abroad ([10]) (mostly in Czechia) and the majority do not return back to Slovakia's labour market. The rate of return for IT graduates is particularly low (Annex 13). It is thus important to foster an attractive labour market to which Slovak students can return and contribute.

Limited social protection leaves vulnerable groups and unemployed people at risk of poverty

Slovakia is marked by deep regional socio-economic inequalities, while social benefits are untargeted and social protection is limited. Concerning job quality, limited social protection leaves almost two-thirds of unemployed people at risk of poverty, far exceeding the EU average. Many self-employed workers also lack adequate social protection and their participation in insurance schemes is low (Annex 12). Roma communities continue to face extreme poverty and social exclusion. In 2025, Slovakia recorded an improvement in the risk of poverty or social exclusion (16.7%) compared with 2024 (18.3%), staying below the EU average (20.9%). Yet, the rate remained higher than before the pandemic. High poverty risks in some Slovakia's regions are fuelled by inflation, real wage erosion, and social benefits that are not sufficiently targeted at the most vulnerable groups (Annexes 12 and 18). Benefits are uniform nationwide and often fail to meet local needs. The collective bargaining system covers only about a quarter of employees. The minimum income is

([10]) Education and Training Monitor 2025

insufficient to lift households out of poverty. Taken together, these factors increase the pressure on vulnerable households, especially in the eastern regions. Limited social protection highlights the need to strengthen collective bargaining and improve income security.

Housing exclusion and homelessness remain among the main unaddressed social challenges, particularly affecting Roma. Homelessness in Slovakia has risen markedly over the past decade, while the housing allowance system has failed to adequately cover housing costs, even for the poorest households. In addition, social housing investment is declining. The Roma community continues to face large-scale housing exclusion. 86% of Roma live in overcrowded conditions, often in segregated settlements lacking basic infrastructure, such as access to running water (Annex 16). Promising approaches to addressing Roma housing exclusion, such as self-help construction programmes, as well as housing-led and housing-first approaches to homelessness, are being developed across the country, but remain limited in scale. Around half of the 136 000 Ukrainian refugees currently in Slovakia still identify accommodation as a priority need (Annex 16).

Transport poverty limits labour mobility in Slovakia. Transport poverty occurs when households lack affordable transport options to access essential services, like work, education and medical care. According to a recent study, every third person in Slovakia reports experiencing one or more aspects of transport poverty. This is particularly problematic in rural areas, where over 12% of the population cannot afford a car (Annex 12) ([11]). To address this issue, priority actions could include supporting active mobility such as cycling, introducing school and work buses, and improving public transport connectivity for people affected by transport poverty. Meanwhile for people heavily affected by transport poverty, specific measures could include on-demand transport measures and social taxis in the most affected rural regions.

Structural shortages and financing pressures challenge the sustainability of Slovakia's health and long-term care system

Access to primary care and preventive healthcare in Slovakia remains limited, despite some recent policy initiatives. Slovakia received CSRs in 2025 to improve primary care provision, especially for vulnerable people, and expand preventive healthcare measures and to strengthen the resilience of the health system in the areas of critical medical products, infrastructure, and healthcare workforce by retaining and attracting skilled workers, while ensuring the fiscal sustainability of the healthcare system. In 2024, Slovakia faced an estimated shortfall of around 21% of the public primary care workforce. Although base salaries for certain healthcare professionals were increased in 2025, shortages persist, driven by an ageing workforce, limited interest in primary care careers, and ongoing emigration. Preventive care also remains underdeveloped. In 2023, only 2.7% of total health expenditure was allocated to prevention, compared with an EU average of 3.7%. As a result, avoidable mortality remains high, with both treatable and preventable mortality among the highest in the EU. While measures such as support for nearly 150 outpatient practices under the RRP and the expansion of cancer screening programmes aim to strengthen prevention and ease pressure on hospitals, they have yet to significantly improve preventive care or ensure equitable access, particularly for vulnerable groups, including Roma communities. The density of healthcare professionals has been below the EU average for several years, as hospitals struggle to retain staff due to working conditions. In addition, the uptake of e-health solutions remains uneven, varying significantly across education levels.

([11]) Institut 2050, Slovak Transport Poverty, https://institut2050.cz/wp-content/uploads/2026/01/skdopravnachudoba2025_1.pdf page 10.

The fiscal sustainability of the Slovak healthcare system also remains under pressure. Due to population ageing, Slovakia faces fiscal sustainability challenges in the medium and long run. Public healthcare expenditure (6.2% of GPD in 2025) is projected to rise by 0.7 percentage points (pps) of GDP by 2040 and by a further 0.4 pps by 2070, which means that further efforts are needed to improve cost-effectiveness (Annex 2). Health expenditure per capita is among the lowest in the EU, while rising costs for pharmaceuticals and healthcare staff continue to strain public finances. Persistent hospital debt and long payment delays to suppliers illustrate these pressures. At the same time, households face relatively high direct healthcare costs, with out-of-pocket payments accounting for around 20% of total health expenditure in Slovakia, compared with an EU average of 16% (Annex 15). Structural inefficiencies persist, particularly concerning inefficient use of hospital resources and insufficient development of community-based care. The government has increased financial support to hospitals through additional allocations from the state budget and introduced, under the RRP, measures such as hospital optimisation reforms and centralised management. However, these steps remain at an early stage of implementation, and stronger financial governance, improved resource allocation and further reinforcement of primary and preventive care will be necessary to ensure the long-term sustainability of the health system.

Slovakia's fragmented long-term care system struggles to meet the needs of its ageing population. Slovakia received a CSR in 2025 to ensure affordable and quality long-term care. Some progress has been achieved in this area. Self-reported unmet needs for long-term care are higher compared to the EU average, with 37% of the population reporting unmet needs versus an EU average of 26.6%. Furthermore, the system is underfunded, with expenditure at around 1% of GDP, compared with the EU's 1.7%, and poorly coordinated, resulting in high levels of unmet needs and a heavy reliance on informal family care (Annex 12). Due to population ageing, public expenditure for long-term care is projected to rise by 0.5 pps of GDP by 2040 and by a further 0.8 pps by 2070, i.e. almost doubling (Annex 2). Workforce shortages, low wages and regional disparities further constrain service provision, especially in rural areas and in eastern regions. Initial reforms have been introduced, including a reform of the financing of social services under the RRP, aimed at making the system more person-centred. Additional measures are being supported through investments under the RRP and cohesion policy programmes aimed at strengthening care infrastructure and the transition from institutional care to community-based care. However, the impact of these measures remains limited at this stage. Further progress in expanding community-based services, strengthening the care workforce and improving access to services across regions is needed.

KEY FINDINGS

Slovakia would benefit from taking action in the following areas covered by **existing country-specific recommendations**:

- **ensuring a growth-friendly and sustainable fiscal strategy** by making the tax system fairer, simpler and more growth-friendly through introducing value-based property taxation, strengthening environmental taxation, reducing the tax burden on businesses and labour, and reducing tax complexity in VAT and CIT rates; improving the efficiency of public spending, including by better integrating spending reviews into the budgetary process, reducing social and energy support measures, and continuing to strengthen tax compliance;

- **increasing housing supply and expanding the rental market** by streamlining building permit procedures, reducing administrative burdens, strengthening social housing and improving housing support for vulnerable groups, including the Roma population;

- **putting in place safeguards for the independence and effectiveness of the justice system and law enforcement,** in particular under the anti-corruption framework, by increasing capacity, levels of specialisation of, and effective coordination between competent authorities in order to detect, investigate and prosecute high-level corruption; and preventing undue interference;

- **improving the business environment** by ensuring legislative stability and reducing the use of fast-track legislative procedures; increasing transparency and the use of impact assessments and stakeholder consultations through a more effective better regulation framework; boosting transparency and competition in public procurement; and reducing regulatory and cross-border single market barriers;

- **strengthening governance at the local level** by revising the local governance structure and the funding of municipalities, and ensuring their capacity to provide quality public services;

- **boosting innovation** by increasing public and private R&D investment and strengthening its impact through streamlined research and innovation governance; improving business-science collaboration; and improving financial support and revising the R&D tax incentives for small to medium-sized enterprises (SMEs);

- **supporting digitalisation** by addressing digital skills gaps and increasing the number of ICT specialists; improving interoperability between digital public services; and fostering digitalisation of SMEs and digital connectivity;

- **fostering industrial competitiveness and economic security, making further progress in decarbonising, innovating and diversifying the economy** by strengthening the legislative and investment framework to accelerate the deployment of renewables and the production of clean and renewable technologies; fostering electrification, including through measures to improve the electricity-to-gas price ratio; enhancing the internal electricity grid infrastructure; supporting the decarbonisation of the heating and transport sectors, including by supporting the deployment of zero-emission vehicles and relevant infrastructure; and modernising the rail network by reforming the national railway management and creating a dedicated

long-term investment framework for transport infrastructure;

- **increasing climate and water resilience** by improving the governance of climate adaptation policies and sustainable water management, and prioritising nature-based solutions and river restoration;

- **addressing skills and labour shortages and social disparities** between regions by strengthening participation of underrepresented groups, particularly marginalised Roma and women with childcare responsibilities, in the labour market, including through more effective active labour market policies; attracting and retaining skilled professionals, including non-EU nationals; ensuring access to affordable high-quality early childhood education and care and expanding flexible working arrangements; addressing poverty rates, including through enhancing collective bargaining and adjusting the adequacy of minimum income; and tackling transport poverty;

- **promoting human capital development** by strengthening basic skills and inclusive education, particularly for disadvantaged pupils; reskilling and upskilling people in line with labour market needs; and increasing enrolment in science, technology, engineering and mathematics education;

- **addressing medical staff shortages and ensuring the financial sustainability of healthcare and long-term care** by improving the recruitment and retention of health professionals; expanding community-based services; and optimising resource allocation and improving cost-effectiveness**.**

In **other areas**, Slovakia would benefit from:

- **improving access to finance** by supporting the development of capital markets; encouraging household investing in financial markets; and expanding venture capital and private equity to support innovative firms, SMEs and start-ups;

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Table A1.1: **2025 CSR implementation and Commission assessment**

Slovakia faces challenges in a wide range of policy areas, as identified in the country-specific recommendations (CSRs). Slovakia was recommended, among other things, to improve the business environment and governance by strengthening regulatory quality, public procurement, judicial effectiveness, and anti-corruption measures; boost digital infrastructure, innovation, and SME digitalisation; accelerate the green transition through clean energy, renewables, and sustainable transport and resource management; and address labour market, education, and healthcare challenges by increasing participation, improving skills and inclusion, and strengthening health and long-term care systems.

The Commission has assessed the degree of implementation of the 2025 CSRs considering the policy action taken by Slovakia to date*. To do so, the Commission has taken into account the information provided by Slovakia in its Annual Progress Report as well as other information sources. This annex provides summary information on the policy actions taken or planned by Slovakia for each CSR. More detailed information on these actions is included in the relevant chapters and other annexes of the report.

**CSR 2 is not assessed in CeSaR. RRP implementation is monitored through the assessment of RRP payment requests and analysis of the bi-annual reporting on the achievement of the milestones and targets, to be reflected in the country reports. Progress with the cohesion policy is monitored in the context of the Cohesion Policy of the European Union.*

Recommendation text	**Main measures adopted or implemented** *By 30 April 2026*	**Preparatory steps/ credibly announced measures** *By 30 April 2026*	**Assessm. of progress**
1.1 Reinforce overall defence and security spending and readiness while ensuring debt sustainability in line with the European Council conclusions of 6 March 2025.	Total general government defence expenditure in 2026 is projected at 2.0% of GDP, corresponding to an increase of 0.6 ppt. compared to 2024.	Total general government defence expenditure in 2027 is projected at 2.3% of GDP, corresponding to an increase of 0.9 ppt. compared to 2024.	Substantial progress
1.2 Adhere to the maximum growth rates of net expenditure recommended by the Council on 21 January 2025, with a view to bringing an end to the situation of an excessive deficit while making use of the allowance under the national escape clause for higher defence expenditure.	Cumulated deviation in 2025 amounted to -1.9% of GDP. Cumulated deviation in 2026 projected to -1.0% of GDP. The EDP is held in abeyance		Full implementation
1.3 Make the tax mix more efficient, including by reducing disincentives in the labour market, and making stronger use of taxes less detrimental to growth such as environmental and recurrent property taxation.	Two consolidation packages introduced, which increased the tax burden on households and businesses Slovakia introduced a new levy on raw materials in construction as well as a car registration tax reflecting vehicle emission, preferential road tax for EV and higher rates for older cars.		Limited progress
1.4 Improve spending efficiency by, for example, implementing spending reviews.			No progress

(Continued on the next page)

Table (continued)

Recommendation text	**Main measures adopted or implemented** *By 30 April 2026*	**Preparatory steps/ credibly announced measures** *By 30 April 2026*	**Assessm. of progress**
1.5 Continue to strengthen tax compliance, including by further digitalising the tax administration.	The introduction of new tax brackets for PIT and reduced tax rates on VAT and CIT has increased the complexity of the taxation system.		Limited progress
1.6 Wind down the emergency energy support measures in force and ensure that these are targeted at protecting vulnerable households and firms, and are fiscally affordable, and preserve incentives for energy savings.	Energy measures amounting to 0.3% of GDP have been extended from 2026 without a specific time limit. These costly measures lack precise targeting since they are intended for 90% of households, thus reducing the focus on the most vulnerable and further distorting incentives for energy savings.		Limited progress
1.7 Support housing supply and expand the rental market by accelerating residential construction	Despite the Adoption of the new Building Act, policy implementation is still at an eraly stage. Slovakia rolled out the National Concept for Preventing and Ending Homelessness 2023-2030.	Under recent legislation, municipalities are required to adopt spatial plans by 2032.	No progress
1.8 and by promoting social housing, taking into account regional disparities.	Slovakia tightened refugee accommodation support, reducing the allowance from 120 to 60 days for new arrivals.		Limited progress
3.1 Ensure a favourable business environment		The authorities are preparing a reform of the Regulatory Impact Assessment and an IT platform to make the assessments less burdensome for lawmakers.	Limited progress
3.2 by creating a more predictable regulatory environment			No progress
3.3 through improving the better regulation framework,			No progress
3.4 ensuring that impact assessment and stakeholder consultations are integrated into the legislative process.			No progress
3.5 Address the fragmentation of governance structures, including by preparing a reform of the local governance	The Ministry of Interior is conducting preparatory analysis for a proposal to merge municipalities with delegated state administration, but there is no concrete timeline for the reform of local governance		Limited progress
3.6 Ensure quality public services through better coordination and policymaking.	Some progress has been achieved through the creation of a Strategic and Coordination Centre and the development of a long-term vision and development strategy until 2040		Some progress
3.7 Ensure transparency and	No new measures adopted. The		No progress

(Continued on the next page)

Table (continued)

Recommendation text	**Main measures adopted or implemented** *By 30 April 2026*	**Preparatory steps/ credibly announced measures** *By 30 April 2026*	**Assessm. of progress**
competition in public procurement processes to promote good governance and improve the effectiveness of public spending, 3.8 and increase the use of quality-related and life cycle cost criteria in public procurement operations.	effects of the 2024 reform become more visible, confirming the analysis that simplification went at the expense of transparency and competition.		
3.9 Strengthen the judicial system and enhance the effectiveness of the anti-corruption system,	Several dismissals of members of the Judicial Council have demonstrated the lack of adequate safeguards preventing political interference. The specialised police investigating high-level corruption (NAKA) was abolished/reorganised into a new entity (ÚBOK). It has become clear that they don't have sufficient capacity and expertise to detect and investigate corruption.		No progress
3.10 including by ensuring adequate, autonomous and effective investigations and prosecutions of high-level corruption cases	Slovakia adopted legislation in late 2025 to abolish the Whistleblower Protection Office and replace it with a new body. The law was subsequently suspended by the constitutional court and did not enter into force. In early 2026, the government repealed the legislation due to concerns regarding compatibility with EU-instruments. These developments nonetheless highlight vulnerability in the stability and independence of the whistleblower protection framework and risk permanent chilling effects on whistleblowers, with implications for the effective detection, investigation and prosecution of corruption.		No progress
3.11 and sufficient, specialised capacity at police and prosecution level.			No progress
4.1 Bolster digital infrastructure by closing the investment gap for gigabit connectivity	Slovakia has continued to improve its connectivity infrastructure, even though the performance still remains below the EU average (especially in underserved areas). EUR 88 million planned for connectivity in underserved areas was reallocated to other priorities,		Some progress

(Continued on the next page)

Table (continued)

Recommendation text	**Main measures adopted or implemented** *By 30 April 2026*	**Preparatory steps/ credibly announced measures** *By 30 April 2026*	**Assessm. of progress**
	without any concrete plans to finance it from other sources.		
4.2 and streamlining regulation for infrastructure roll-out.	New construction law took effect in April 2025, aiming to streamline construction procedures. It had positive effects, though some issues remain, notably linked to access to passive infrastructure.		Some progress
4.3 Increase the adoption of digital technologies, particularly among SMEs, by removing bottlenecks in their roll-out.	Slovakia still lags behind the EU average in some areas related to the digitalisation of businesses, though progress has been made. There are programmes supporting digital uptake by businesses (DIGITRANS and Digital innovation hubs) but the overall impact is limited as they target only a limited number of companies.		Some progress
4.4 Improve research and innovation policy by incentivising collaboration between business and the research sector	Direct support to 10 Technology Transfer Offices. The matching for university-business cooperation was strengthened in the institutional funding of universities from 15 mil. EUR in 2025 to 22 mil. EUR annually (from 6 % to 8 % of total institutional R&D funding)	IP rights at universities to shift to researchers (against international best practice)	Limited progress
4.5 and by revising the R&D tax incentive scheme to provide greater support to SMEs.	No political will to push for R&D tax incentives. The draft law prepared at technical level was blocked.		No progress
5.1 Prioritise investments in clean and efficient production and in the use of energy and resources.	No major new initiatives. Slovakia continues its efforts mostly in the area of RRP/ESIF investments (often with rather limited progress), while the absorption of the EU's Modernisation Fund appears to lag behind.		Limited progress
5.2 Strengthen the legislative framework to support green technologies and products,	Slovakia adopted several legislative changes, contributing to improvements in the RES permitting processes. No significant legislative efforts to support green products, though Slovakia focuses its EU-funded programmes like Green for Enterprises aid firms, especially SMEs, in cutting energy costs, adopting clean technologies.		Limited progress
5.3 and promote investments to advance industrial competitiveness and economic diversification.	No new significant measures. Slovakia continued its efforts under the RRP and MoF to decarbonise its industry, with schemes on targeting industry as well as the heating sector. The Slovak industry faces		No progress

(Continued on the next page)

Table (continued)

Recommendation text	**Main measures adopted or implemented** *By 30 April 2026*	**Preparatory steps/ credibly announced measures** *By 30 April 2026*	**Assessm. of progress**
	relatively high energy prices, also due to bottlenecks limiting the take-up of RES (including wind).		
5.4 Accelerate the diversification of fossil fuel supply to phase out dependence on Russian sources.	Slovakia has been in negotiation with other EU Member States on the diversification of fossil fuels supply away from Russia. The state-owned utility (SPP a.s). has concluded several diversification contracts for gas deliveries. In crude oil, there are negotiations with Hungary and Croatia, on the technical feasibility of operation of the Adria pipeline in full capacity and on transmission tariffs. There are negotiations with Czechia about the feasibility of oil reverse flows to Slovakia.		Limited progress
5.5 Accelerate the roll-out of renewables, while making the procedures for connecting renewables to the grid more efficient and less burdensome.	Slovakia adopted several legislative changes (under the RRP), contributing to improvements in the RES permitting processes (Energy and IPPC Acts), including the legislative framework for acceleration areas. The legislative framework for improving the connection procedures to the grid were also implemented through the secondary legislation (under energy regulator – URSO). The impact of the legislative changes, however, remains to be seen, as the growth in RES large installations remains limited. The new projects on wind energy have stalled.	The preparation of acceleration areas for wind energy – in locations where the development of wind energy projects will be expedited – has progressed in Slovakia, with the key legislative changes adopted in late 2025. However, by early May 2026, the key elements of go-to areas designations still have not been finalised.	Some progress
5.6 Support further investments in grids, in particular electricity networks,	The roll-out of investments into distribution grids was helped by increased funding under the RRP in recent years. The Slovak transmission system operator SEPS has several EU projects of common interest (PCI) to strengthen cross-border interconnections, while implementing also an interconnector with Ukraine.		Some progress
5.7 as well as in decarbonisation of the heating sector.	No new major initiatives detected in this area, though EU funding initiatives continue in its roll-out.		Limited progress
5.8 Support further roll-out of zero-emission mobility	No new major developments in this area.		Limited progress
5.9 and modernisation of the rail network, by reforming		Ongoing discussions between Ministry of Finance, Ministry of	Limited progress

(Continued on the next page)

Table (continued)

Recommendation text	**Main measures adopted or implemented** *By 30 April 2026*	**Preparatory steps/ credibly announced measures** *By 30 April 2026*	**Assessm. of progress**
the national railway infrastructure governance and creating a dedicated investment framework.		Transport, and stakeholders on a law guaranteeing a percentage of annual budget towards transport network reconstruction, upgrade, and maintenance.	
5.10 Strengthen resource waste management and reuse of municipal and packaging waste,			No progress
5.11 the conservation of natural resources, and increase water resilience by mainstreaming nature-based solutions and finalising the zonation of nature-protected areas.	New call introduced under LIFE fund to mainstream nature-based solutions to increase water resilience.		Limited progress
6.1 Strengthen the labour market participation of underrepresented groups,	Several national projects (NPs) in the field of social economy under Priority 4P1 (ESO4.1) contribute to increasing the participation of underrepresented groups in the labour market, yet the long-term unemployment of marginalised groups and in Eastern Slovakia remains a challenge.		Limited progress
6.2 and introduce more flexible work arrangements for parents with children.			No progress
6.3 Increase the availability and use of affordable high-quality early childhood education and care for children under the age of 3.	The government adopted an Action Plan with 19 measures focusing on early care development.	From 2026, an amendment to the Social Services Act will ensure a coherent framework for early age education and service delivery.	Some progress
6.4 Strengthen the teaching of basic skills,		Slovakia will gradually introduce a new curriculum in all primary schools from September 2026, while the results on improving basic skills remain to be seen.	Some progress
6.5 including for children from disadvantaged backgrounds notably in marginalised Roma communities, while ensuring equal and inclusive access to quality education at all levels.	Mandatory education for children with migrant background has been put in place; National projects, including on the introduction of adaptation classes;		Some progress
6.6 Step up policy efforts aimed at the provision and acquisition of skills and competences, by providing reskilling and upskilling opportunities for adults,	New competences given to an Alliance to evaluate educational programmes designed for labour market. National projects Digital Skills and Individual Learning Accounts have	New Higher Education Act will introduce short cycle programmes focused on acquiring practical knowledge.	Some progress

(Continued on the next page)

Table (continued)

Recommendation text	**Main measures adopted or implemented** *By 30 April 2026*	**Preparatory steps/ credibly announced measures** *By 30 April 2026*	**Assessm. of progress**
	expanded offer for vocational training.		
6.7 investing in teacher training, and increasing enrolment in STEM education programmes.	Ministry of Education launched a scheme to fund qualification training for teachers. Communication campaign targeting GenZ to motivate them to choose teacher education, including STEM. Slovakia introduced a compulsory maturita examination in math from 2027 to increase pool of candidates capable in enrolling in STEM studies.		Some progress
6.8 Improve primary care provision, especially for vulnerable people, and expand preventive healthcare measures.	Slovakia's progress in primary and secondary care shows limited progress. Under the RRP and the Strategy for General Outpatient Care to 2030, 148 new outpatient practices have been opened in underserved areas. Nationwide population-based screening programmes for breast, cervical and colorectal cancer; the Swiss-Slovak Health Programme, launched in April 2025, aims to further strengthen prevention of non-communicable diseases and promote health nationwide.		Limited progress
6.9 Strengthen the resilience of the health system in the areas of critical medical products, infrastructure, and healthcare workforce by retaining and attracting skilled workers, while ensuring the fiscal sustainability of the healthcare system.	No specific measures have been introduced in the area of critical medical products. Financial incentives to retain doctors show some positive results; The 2026 budget includes a substantial increase in healthcare funding.		Limited progress
6.10 Ensure affordable and quality long-term care.	Reform of the financing of social services goes in the right direction. Ongoing Vision and Strategy for the Development of Social policies by 2040.		Some progress

Source: Slovakia's reporting and Commission assessment

ANNEX 2: FISCAL DEVELOPMENTS AND DEBT SUSTAINABILITY

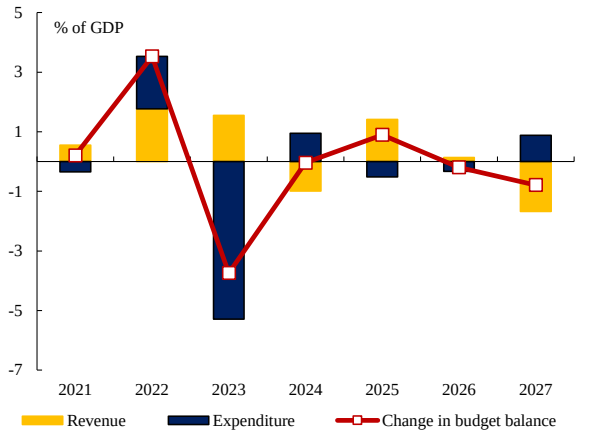
This annex discusses selected topics in Slovakia's public finances and developments in fiscal-structural country-specific recommendations (CSRs) addressed to Slovakia in July 2025. These CSRs include a call to increase defence spending and readiness while implementing a fiscal strategy in line with the Council Recommendation of 21 January 2025. Slovakia also received a recommendation to improve spending efficiency by implementing spending reviews and to wind down the emergency energy support measures.

On 21 January 2025, the Council of the European Union adopted the Recommendation endorsing Slovakia's medium-term fiscal-structural plan. The plan includes a fiscal adjustment over 4 years. At the same time the Council also adopted a Recommendation under Article 126(7) TFEU to correct the excessive deficit in Slovakia ([12]). On 8 July 2025, the Council also activated the National Escape Clause for Slovakia in order to facilitate the transition to higher levels of defence spending ([13])([14]).

Developments in the government balance, debt and public expenditure ([15])

Slovakia's government deficit amounted to 5.3% of GDP and the government debt-to-GDP ratio amounted to 59.7% at the end of 2024. Based on the Commission Spring 2026 Forecast, Slovakia's government deficit is projected to increase slightly to 4.6% of GDP in 2026 before increasing again to 5.4% of GDP in 2027. The forecast increase in the deficit is largely driven by Slovakia's rising general government expenditure, which reached 48.4% of GDP in 2023, around 5.3 pp. higher than in previous years. Expenditure is expected to stay high until the end of the forecast period, reaching 47.4% of GDP in 2027 (see Graph A2.1). Fiscal consolidations for 2025 and 2026 were primarily focused on revenue increases, while a new consolidation package for 2027 has not been announced yet.

Graph A2.1: **Contributions to the change in general government balance (% of GDP)**



Source: European Commission Spring Forecast

EU funds drive public investment, but absorption lags behind regional peers. Public investments have been significantly supported by EU-funded initiatives, including from the RRRF. However, uptake of EU funds remains sluggish,

([12]) Council Recommendation with a view to bringing an end to the situation of an excessive deficit in Slovakia, adopted on 21 January 2026. The corrective net expenditure path recommended by the Council under the excessive deficit procedure is consistent with the maximum growth rates of net expenditure set out in the plan.

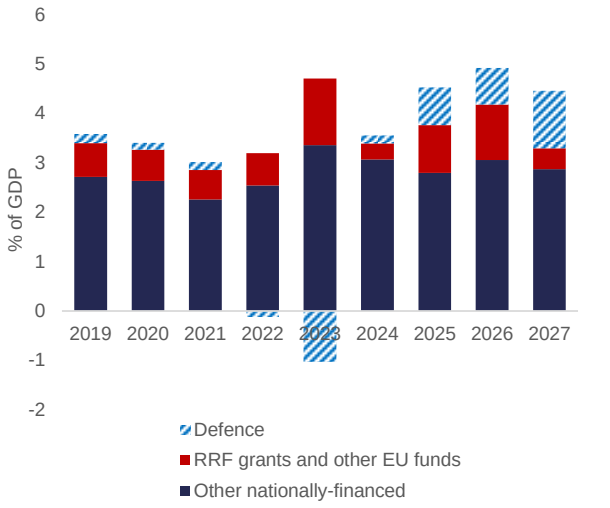
([13]) Council Recommendation of 8 July 2025 allowing Slovakia to deviate from the maximum growth rates of net expenditure as set by the Council under Regulation (EU) 2024/1263 (Activation of the national escape clause) (OJ C, C/2025/3974, ELI: https://eur-lex.europa.eu/eli/C/2025/3974/oj)

([14]) Compliance by Slovakia with the maximum growth rates of net expenditure recommended by the Council is assessed in COM(2026)200.

([15]) Figures underpinning fiscal surveillance (net expenditure growth) are provided in the Fiscal Statistical Tables (SWD(2026)200) providing background data relevant for the assessment of the budgetary policies of the Member States.

notably when compared with regional counterparts (see Graph A2.2). Domestically funded investments are supported by defence spending, while investment in productive projects with the potential to boost competitiveness could be better utilised.

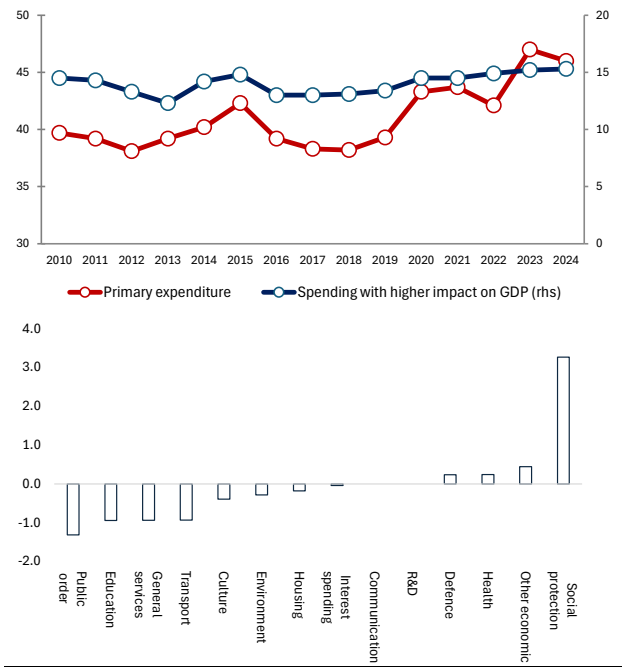
Graph A2.2: **Public investment evolution and composition (% of GDP)**



Source: European Commission Spring Forecast

The type of expenditure that has a greater impact on GDP remained broadly stable for nearly two decades; however, it has been on an upward trend since 2017, with the pace of growth accelerating after 2019 (see Graph A2.3a). This may be related to the impact of the RRF, which possibly facilitated a more quality-based fiscal strategy. Focusing on the composition of spending, social protection accounts for the largest share of total expenditure (39%), followed by health, economic affairs, ([16]) general public services and education, each of which constitutes at least 10% of total spending. Since 2019, public expenditure on social protection has increased strongly (see Graph A2.3b). Spending on other economic affairs, health and defence has risen more modestly, with the rise in defence spending reflecting recent security developments. By contrast, spending on R&D has remained broadly stable while spending on transport, and education has declined. This trend deserves attention, as these spending categories are generally considered growth-friendly. In the case of education, the decline is particularly concerning given the drop in performance (see Annex 13 for further details).

Graph A2.3: **Primary spending evolution and composition**



Source: Based on the Classification of the Functions of Government (COFOG data).
Note: Based on economic literature, the categories considered to have a greater growth impact include education, R&D, health, transport and communication (See Barbiero and Cournede (2013), Gemmel et al. (2016), Lupu et al. (2018), Cepparulo and Mourre (2020) and OECD (2025).

Slovakia has relatively low tax revenues as a share of GDP but places a heavy tax burden on low earnings. In 2024, Slovakia's total tax revenues as a percentage of GDP (including compulsory social contributions) amounted to 35.9%, compared with the EU average of 39.4%. Total tax revenues are projected to increase to 36.6% of GDP in 2025 and 36.5 % of GDP in 2026 according to the Spring 2026 Forecast ([17]). The tax mix in Slovakia relies heavily on labour and consumption taxation. The labour tax burden on low earnings is high compared with the EU

([16]) This refers to the set of government activities, policies, and expenditures aimed at regulating, supporting, and developing economic activity across major sectors, including general economic and labour policies, agriculture and natural resources, energy, industry, construction, and other economic functions not elsewhere classified. Although transport and communication, as well as research and development activities, are normally considered part of this function, they are treated separately in the graph presented.

([17]) Data retrieved from the AMECO database (https://economy-finance.ec.europa.eu/economic-research-and-databases/economic-databases/ameco-database_en).

Table A2.1: **Projected change in ageing-related expenditure in 2025-2040 and 2025-2070**

	ageing-related expenditure	change in 2025-2040 (pps GDP) due to:					ageing-related expenditure	
		pensions	*healthcare*	*long-term care*	*education*	*total*		
SK	20.7	*1.2*	*0.7*	*0.5*	*0.1*	***2.5***	23.1	**SK**
EU	24.3	*0.5*	*0.3*	*0.4*	*-0.3*	***0.9***	25.2	EU

	ageing-related expenditure	change in 2025-2070 (pps GDP) due to:					ageing-related expenditure	
		pensions	*healthcare*	*long-term care*	*education*	*total*		
SK	20.7	*1.7*	*1.1*	*1.3*	*0.2*	***4.4***	25.0	**SK**
EU	24.3	*0.2*	*0.6*	*0.8*	*-0.3*	***1.3***	25.6	EU

Source: 2024 Ageing Report (EC/EPC).

Table A2.2: **Supplementary pension schemes – Scope for expansion**

	Assets in 2024 (% GDP)	**Gross replacement rate at retirement:** (pps change 2025-2040)	**Participation in 2024** (% working-age population)	
SK	16.2	*-3.5*	55.3	**SK**
EU	32.4	*-2.8*	55.9	EU

Source: European Commission.

average, while recurrent property taxation, considered less detrimental to growth, is underused (see Annex 3).

The costs of ageing

Total ageing-related spending in Slovakia is projected to rise by 2.5 pps of GDP between now and 2040, to around 23% of GDP, with a further 2 pps increase between 2040 and 2070 (see Table A1.12). The overall increase is the result of a projected rise in pension expenditure, healthcare and long-term care. Total spending on ageing-related items would remain below the EU average.

Public pension spending as a share of GDP is projected to increase by about 1 pp. over the next decades and by just under 2 pps by 2070. By 2070, public pension outlays would represent around 11.5% of GDP, compared with an EU average of about 12%.

Supplementary pension schemes can make the pension system more resilient by diversifying retirement income sources. In Slovakia, however, the uptake of these supplementary schemes remains limited: at the end of 2024, private pension assets amounted to around 16% of GDP while participation in supplementary schemes covered only around 55% of the working-age population, as a result of the quasi-mandatory, fully-funded, Pillar II and other voluntary pension funds (Pillar III)([18]). This coincides with both: (i) rising medium-term pressures on public pension spending; and (ii) a projected decrease in the replacement rate by 3.5 pps between 2025 and 2040 (Tables A2.2 and A2.3) ([19]). In January 2023, Slovakia reformed Pillar II of its pension system. New workers under 40 were automatically enrolled in Pillar II, but they have the choice to opt out after two years. In addition, the reform introduced a default investment strategy based on a lifecycle approach. Unless savers actively choose otherwise, contributions are allocated to a non-guaranteed index pension fund. From the age of 50, savings of all participants are gradually transferred from the non-guaranteed pension fund to the guaranteed bond pension fund according to a statutory

([18]) Source: OECD Pension Market in Focus 2025. The highest participation rate in at least one supplementary pension plan is reported.

([19]) The (gross) replacement rate refers, depending on data availability, to both public and private pensions. It is based on projections from the 2024 Ageing Report.

schedule, so as to reduce investment risk as the saver approaches retirement.

Public healthcare expenditure is projected to be 6.2% of GDP in 2025 (slightly below the EU average of 6.6%) and is expected to increase by 0.7 pps between now and 2040 and by a further 0.4 pps between 2040 and 2070. These increases, due to an ageing population, pose a risk to fiscal sustainability in the medium and long term. Public expenditure on long-term care is projected to be 1.1% of GDP in 2025 (below the EU average of 1.7%) and is expected to increase by 0.5 pps of GDP between now and 2040 and by a further 0.8 pps of GDP between 2040 and 2070.

National fiscal framework

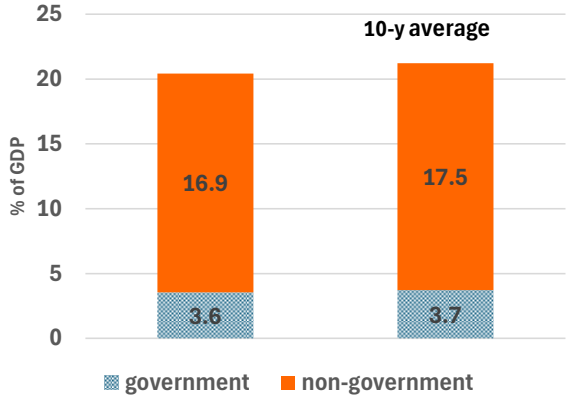
While spending reviews assess public expenditure to optimise efficiency and guide policy priorities, they are not directly tied to the budgetary process. Slovakia has one of the most institutionally advanced spending review frameworks, though a gap remains between analytical capacity and political implementation. Spending reviews, led by the independent Value for Money Unit at the Ministry of Finance, aim to improve public expenditure efficiency and prioritise resource allocation. This operational framework has reviewed over half of public spending since it was set up eight years ago, assessing sectors like healthcare, transport, education (Annex 13), and environmental policy, identifying inefficiencies and suggesting reforms. Although national legislation mandates that annual spending reviews be presented alongside the budget document, and findings support budget planning and fiscal management, there is no link to the budgetary process, and recommendations are not fully implemented.

Slovakia plans to refine public investment management to make it more efficient and transparent. As part of the RRP, the country will centralise evaluation of significant public investments in Q2-2026 using a harmonised methodology overseen by the Ministry of Finance. This aims to improve investment quality, prioritisation and budget planning, with all evaluations being published for transparency purposes. At the same time, no medium-term capital budget plan linking investment planning with the budget cycle, systematic *ex post* reviews or asset registers are in place.

Slovakia's fiscal framework is governed by the constitutional debt brake, which imposes progressively stricter sanctions as predefined debt thresholds are exceeded. When the escape clause expired in late 2025, these fiscal rules regained full effect. Public debt currently resides in the highest sanction band, formally obliging the government to present a balanced or surplus budget for 2027. Considering the magnitude of the current fiscal deficit, achieving this requirement may necessitate a significant and immediate fiscal adjustment, potentially leading to an abrupt consolidation instead of a gradual fiscal correction.

The Council for Budget Responsibility (CBR) is a well-resourced independent fiscal institution with a broad mandate and a fairly broad media presence. The three members have staggered (but non-renewable) mandates of seven years and are subject to a three-year 'cooling-off period' before joining a government. The CBR has recently improved its access to information. Its policy dialogue with the government is not fully developed and interactions with parliament are moderate.

Graph A2.4: **Investment composition (% of GDP)**



Source: Eurostat

Table A2.3: **Fiscal governance database indicators and public accounting maturity**

2024	Slovakia	EU Average
Country Fiscal Rule Strength Index (C-FRSI)	16.31	14.81
Medium-Term Budgetary Framework Index (MTBFI)	0.78	0.72
2025 Public accounting maturity of general government	70%	65%

(1) "The Country Fiscal Rule Strength Index (C-FRSI) shows the strength of national fiscal rules aggregated at the country level based on: i) the legal base; ii) how binding the rule is; iii) monitoring bodies; iv) correction mechanisms; and v) resilience to shocks. The Medium-Term Budgetary Framework Index (MTBFI) shows the strength of the national MTBF based on: i) coverage of the targets/ceilings included in the national medium-term fiscal plans; ii) connectedness between these targets/ceilings and the annual budgets; iii) involvement of the national parliament in the preparation of the plans; iv) involvement of independent fiscal institutions in their preparation; and v) their level of detail. A higher score is associated with higher rule and MTBF strength.
The score for public accounting reflects the degree of maturity in relation to the International Public Sector Accounting Standards (IPSAS). Countries with an accounting maturity of 70% or more in relation to IPSAS are deemed to apply accrual accounting. For more information, see the report on public accounting in the EU (COM(2025)746 and accompanying Staff Working Document SWD(2025)396)."
Source: Fiscal Governance Database, European Commission

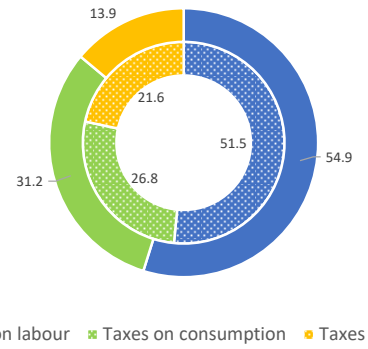
This annex provides an indicator-based overview of Slovakia's tax system. It includes information on the tax mix, on competitiveness and fairness aspects of the tax system, and on tax collection and compliance. The 2025 country-specific recommendations highlighted the need to make the tax mix more efficient, including by reducing disincentives in the labour market, and making more use of taxes that are less detrimental to growth, such as environment-related and recurrent property taxes. The recommendations also emphasised the need to continue improving tax compliance, in particular by further digitalising the administration of taxes.

Taxation relies heavily on labour and consumption taxes. Table A3.1 shows that Slovakia's total tax revenue in 2024 amounted to 35.5% of GDP, well below the EU average of 39.4% ([20]). This was a slight increase from the 2019 level of 34.3%. In Slovakia, both labour and consumption taxes account for a significantly higher share of total tax revenue (see Graph A3.1) than the respective EU averages. Labour taxes are the largest source of tax revenue (54.9% of total revenue, 3.4 percentage points (pps) above the EU average), followed by consumption taxes (31.2%, 4.4 pps above the EU average), while capital taxes account for only 13.9% of total taxation (7.7 pps below the EU average). A distinctive feature of Slovakia's tax mix is the high share of labour taxes, primarily driven by compulsory social contributions, which comprise 44.2% of total revenue and exceed the EU average (32.9%) by 11.3 pps.

Revenues from recurrent property taxes in Slovakia are low (0.5% of GDP in 2024), compared to the EU average (0.9%), despite property taxes being relatively growth-friendly. Unlike most EU countries, Slovakia applies an area-based property taxation system under which immovable property is taxed according to surface area rather than estimated market value. As a result, some important characteristics are not taken into account. This reduces fairness and limits the capacity to generate revenue.

The absence of a comprehensive valuation system and sufficiently detailed data hinders reforms. Furthermore, capital gains from property sales are exempt from tax after five years of ownership, narrowing the property base and increasing the incentive for long-term investment in housing, while further increasing the level of home ownership. Moving towards a market-value-based property tax system, as either a complement to or replacement for the current area-based approach, would improve fairness and revenue mobilisation and help dampen real estate demand. Currently, market values are used to calculate only land taxation and are not applied to areas covered by buildings.

Graph A3.1: **Tax revenue by economic function in 2024, SK (outer ring) and EU (inner ring)**



Source: Taxation Trends Data, DG TAXUD

As the share of environmental taxation in Slovakia's tax mix is declining there is scope to make greater use of this revenue source. Revenues from taxes on transport, pollution and use of natural resources remain consistently below the EU average, suggesting untapped potential to strengthen application of the 'polluter pays' principle. Estimates for 2023 show that Slovakia's effective carbon tax rate was EUR 64.1 per tonne of CO_2 equivalent, well below the EU average of EUR 84.8. This constitutes a weak incentive to reduce emissions. To fully internalise environmental externalities, it would be beneficial if Slovakia considered expanding underused environmental tax instruments such as waste disposal taxes (including on incineration), transport taxes and additional levies on waste discharge into water courses and on plastic products.

Recent reforms of Slovakia's corporate taxation, including a new tiered statutory rate structure, have increased headline tax rates for larger firms while preserving lower rates for smaller companies. In the short term, this may negatively affect investment decisions

([20]) *Eurostat (April 2026 release) reports a tax-to-GDP ratio of 36.4 % for 2025.*

Table A3.1: **Taxation Indicators**

		Slovakia					EU-27				
		2019	2022	2023	2024	2025	2019	2022	2023	2024	2025
Tax structure	Total taxes (including compulsory actual social contributions) (% of GDP)	34.3	35.3	35.0	35.5	36.4	39.9	39.7	39.0	39.4	
By tax base	Taxes on labour (% of GDP)	18.5	18.4	18.9	19.5		20.6	20.1	19.9	20.3	
	of which, social security contributions (SSC, % of GDP)	14.9	14.7	15.0	15.7		13.0	12.7	12.7	13.0	
	Taxes on consumption (% of GDP)	11.5	11.6	11.6	11.1		11.2	10.9	10.5	10.6	
	of which, value added taxes (VAT, % of GDP)	7.2	7.8	7.9	7.6		7.1	7.4	7.1	7.1	
	Taxes on capital (% of GDP)	4.3	5.2	4.6	4.9		8.1	8.7	8.5	8.5	
Some tax types	Personal income taxes (PIT, % of GDP)	3.7	3.8	3.8	3.7		9.6	9.4	9.3	9.6	
	Corporate income taxes (CIT, % of GDP)	3.0	4.1	3.6	3.9		2.6	3.2	3.2	3.1	
	Total property taxes (% of GDP)	0.4	0.4	0.4	0.5		2.2	2.1	1.9	1.8	
	Recurrent taxes on immovable property (% of GDP)	0.4	0.4	0.4	0.5		1.2	1.0	0.9	0.9	
	Environmental taxes (% of GDP)	2.5	2.1	2.2	1.9		2.6	2.1	2.1	2.1	
	Effective carbon rate in EUR per tonne of CO_2 equivalents	na	na	64.1	na		na	na	84.8	na	
Progressivity & fairness	Tax wedge at 50% of average wage (single person) (*)	40.4	40.5	40.7	40.6	40.8	32.4	31.6	31.5	31.5	31.6
	Tax wedge at 100% of average wage (single person) (*)	44.3	44.3	44.4	44.5	44.6	40.1	39.7	39.9	39.9	40.0
	Corporate income tax - effective average tax rates (1) (*)	20.6	20.6	20.6	20.6		20.0	19.2	19.0	19.3	
	Difference in Gini coefficient before and after taxes and cash social transfers (pensions excluded from social transfers) (2) (*)	5.0	6.0	6.6	8.2		7.8	8.0	7.9	7.8	
Tax administration & compliance	Outstanding tax arrears: total year-end tax debt (including debt considered not collectable) / total revenue (in %) (*)	22.1	19.8	15.9	na		31.8	32.6	30.7	na	
	VAT gap (% of VAT total tax liability, VTTL) (**)	16.5	11.5	10.5	9.7		10.5	7.3	8.2	na	

(1) Forward-looking effective tax rate (KPMG).
(2) A higher value indicates a stronger redistributive impact of taxation.
(*) EU-27 simple average.
(**) Forecast value for 2024. EU-27 refers to the median value. For more data on tax revenues as well as the methodology applied, see the Data on Taxation Trends webpage.
Source: European Commission, OECD, ISORA.

for some large corporations. However, the implications for growth and competitiveness will depend primarily on effective tax rates, which are the highest in the Visegrád Four. Furthermore, both the effective tax rate (20.6%) and the statutory corporate income tax (CIT) rate for large companies (24%) are above the EU average, probably reducing competitiveness. Moreover, in 2025 Slovakia introduced a tax on the use of payment services with a differentiated tax rate per taxable service (0.4% on bank transfers, with a cap of EUR 40 per transfer; 0.8% on cash withdrawals and a flat amount of EUR 2 per year for each payment card issued to a transaction account that has been used to carry out a financial transaction). There are exemptions for some types of users (non-profit organisations, for example) and for specific transactions (transactions connected with the purchase of securities or other financial instruments and health related payments, for instance). As of 1 January 2026, the tax only applies to legal entities and self-employed are excluded. In addition to potentially complicating compliance, tax exemptions might encourage evasion through claims of tax-exempt status. Moreover, the relatively high tax rate, in conjunction to the capping of the tax at EUR 40, might prompt bunching of payments, netting or other tax distortions. The tax further increases the already substantial corporate taxation burden on businesses.

As of 2026, Slovakia has reinforced CIT incentives supporting climate and environment related activities. The Income Tax Act allows the deduction from taxable income of specific categories of expenses, including costs incurred to operate in-house environmental protection facilities. This promotes efforts to pursue environmental objectives while preserving competitiveness.

Compliance in the area of corporate taxation remains a key challenge. The corporate income tax gap is estimated to be high, by both national sources ([21]) and the European Commission ([22]). There is no evidence that recent rate increases have improved compliance. Meanwhile, increasing complexity and legislative changes risk weakening Slovakia's investment attractiveness.

The tax burden on labour is relatively high, especially at low levels of earnings. Changes

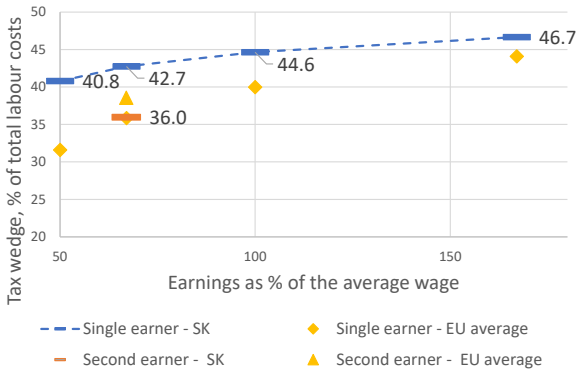
([21]) Searching for gaps: bottom-up approach for Slovakia.

([22]) The Corporate Income Tax Gap: A European approach to measuring losses in corporate tax revenues.

coming into effect in 2026 have improved the progressivity of labour taxation, adding two new tax brackets at the top of the income distribution with marginal rates of 30% and 35%. In addition, increases in mandatory social and health contributions have raised the tax wedge for low-income earners too. Graph A3.2 shows that the labour tax wedge ([23]) for Slovakia in 2025 was above the EU average at all earnings levels, but especially for low earners (40.8% for single people earning 50% of the average wage, compared to an EU average of 31.6%). Second earners earning a wage of 67% of the average wage whose spouses earned the average wage were subject to a tax wedge slightly below the EU average. The ability of the tax-and-benefit system to reduce inequality (measured by its ability to reduce the Gini coefficient) ([24]) has increased in recent years. In 2024, it was at 8.2 pps, close to the EU average of 7.8 pps (see Table A3.1). Meanwhile, inequality in Slovakia as measured by the Gini coefficient is the lowest in the EU.

Slovakia has a formal system for reporting tax expenditures, but evaluation remains fragmented. Annual data are published covering personal income tax (PIT), CIT, value-added tax (VAT) and excises, with projections up to three years ahead and classification by tax base and policy purpose. The Ministry of Finance has also developed a dedicated tax expenditures manual ('Daňové výdavky'), defining tax expenditures, the reference-law benchmark and the revenue-forgone estimation method. However, evaluation continues to be done across different institutions and studies. Although the budget report includes a dedicated section assessing the fiscal cost of tax expenditures, there is no recurring and consolidated report focusing on their systematic effectiveness evaluation.

Graph A3.2: **Tax wedge for single and second earners as a % of total labour costs, 2025**



Note: The second-earner tax wedge assumes a first earner at 100% of the average wage and no children. For the methodology of the tax wedge for second earners, see OECD, 2016, Taxing Wages 2014-2015.
Source: European Commission

Overall revenues foregone from tax expenditures are limited and mostly stem from PIT and VAT. Overall fiscal costs of tax expenditures are reported at EUR 3.4 billion in 2025. This corresponds to 7.4% of total tax revenues or 2.4% of GDP. VAT-related foregone revenues are estimated to have been EUR 1 billion in 2024 and are projected to have risen to EUR 1.8 billion in 2025, reflecting fiscal consolidation measures, including a higher standard VAT rate. The VAT policy gap stood at 46% in 2023. PIT-related tax expenditures are expected to have fallen from EUR 1.5 billion in 2024 to EUR 0.9 billion in 2025, while CIT-related tax expenditures are expected to have declined from EUR 668 million to EUR 297 million in the same period, following changes to the reduced CIT rate and eligibility threshold.

Over the last two years, legislative changes across VAT, CIT and PIT have increased the complexity of the tax system. These include the VAT rate increase and a revised reduced-rate structure, the introduction of a tiered CIT regime, and more progressive PIT brackets and allowances. Additional complexity may weaken compliance behaviour and encourage informality, thereby complicating progress towards reducing the tax gap.

([23]) The tax wedge is an indicator of the tax burden on labour that can be assessed at various levels of earnings. It is calculated as the sum of personal income tax, employee social-security contributions, employer social-security contributions and other mandatory contributions, net of cash family benefits where relevant, expressed as a percentage of total labour costs (composed of the gross wage plus employer social-security contributions). In other words, the tax wedge measures the gap between the total cost of employing a worker and that worker's net earnings, as a share of total labour costs. Tax wedge data in the 2026 country reports are calculated by the Joint Research Centre of the European Commission and based on the EUROMOD model, while in the past country reports they were based on the OECD tax and benefit model. While the underlying methodology is very similar, differences in the assumptions can lead to different results between the models.

([24]) The Gini coefficient measures the extent to which the distribution of income within a country deviates from a perfectly equal distribution. A coefficient of 0 expresses perfect equality where everyone has the same income, while a coefficient of 100 expresses full inequality where a single person has all the income.

Slovakia's VAT compliance gap declined from over 16% of the VAT total tax liability in 2019 to 10.5% in 2024. However, Slovakia's VAT compliance remained above the EU average. The reduction in the VAT compliance gap reflects a lower share of services in GDP and slower growth in sectors with higher non-compliance risk; this supported compliance but was partly offset by an increase in bankruptcies that complicated VAT collection. Slovakia's use of electronic reporting obligations (e.g. SAF-T-type reporting) and online cash registers has probably also improved transaction traceability.

Slovakia has an established CIT gap estimation framework but does not publish any official estimate of the PIT gap ([25]). National bottom-up estimates for 2015–16 suggest that the CIT gap amounted to around 28% of potential CIT revenues, while European Commission estimates based on a top-down methodology place the CIT compliance gap at around 27% of collected CIT revenues, well above the unweighted average of 10.9% for EU countries with available data. Looking ahead, the planned introduction of mandatory business-to-business structured e-invoicing with near-real-time reporting from 2027, while primarily aimed at strengthening VAT compliance, is also expected to generate positive spillovers for monitoring and to reduce the CIT gap**.**

Slovakia does not provide pre-filled tax returns for PIT, CIT or VAT. The absence of pre-filling makes the compliance process more time-consuming for taxpayers. In contrast, pre-filled returns for motor vehicle taxes are available.

Slovakia has advanced the digitalisation of its tax administration to address the 2025 CSR in this area. Its financial administration portal enables e-filing, secure communication and online account management, and this helps to reduce compliance burdens. Slovakia has one of the highest VAT e-filing rates in the EU, with 100% of VAT and 98.9% of CIT returns submitted electronically in 2023, both above the EU average (97.1%). Slovakia introduced mandatory business-to-government e-invoicing in April 2023 through the IS EFA platform using the European EN-16931 standard. Mandatory structured e-invoicing and digital reporting for domestic business-to-business transactions will apply from January 2027, with cross-border reporting expected from July 2030 in line with the EU VAT digital reporting framework ([26]). By contrast, PIT e-filing remains low at 49.2%, well below the EU average of 87.1%. The tax administration also uses risk-based tools, soft-warning notifications and multi-channel taxpayer assistance to support taxpayers. While artificial intelligence has been formally introduced, its use remains limited in practice. In January 2026, Slovakia introduced a broader package of anti-fraud and tax-compliance measures. The reform expanded the use of eKasa (an online sales reporting system), tightening rules on cash payments, and strengthened the Financial Administration's oversight powers. Additionally, from 1 May 2026, businesses must offer at least one cashless payment option for transactions exceeding EUR 1, with QR code payments permitted as one of the available methods.

Slovakia has a high level of outstanding stock of tax arrears, though it declined from 22.1% to 15.9% between 2019 and 2023. As of 2023, Slovakia reported that 6.2% of its tax arrears were considered collectible. This suggests limited recovery of unpaid taxes due to delays, legal constraints and insufficient write-off mechanisms.

([25]) European Commission, Directorate-General for Taxation and Customs Union, Mind the gap - 2025 report.

([26]) eInvoicing in Slovakia.

Slovakia is classified as an 'emerging innovator', with the disparity between its performance and the EU average growing. According to the European Innovation Scoreboard ([27]), Slovakia achieves 62.6% of the EU benchmark. Its growth trajectory since 2018 has lagged behind the EU's overall progress, with an increase of 8.3 percentage points vs the EU's 12.6. After steady increases in previous years, Slovakia's R&D intensity ([28]) declined between 2023 and 2024 and remains significantly below the EU average (0.98%, compared with 2.24%). In its 2023 National Strategy for Research, Development, and Innovation (NSRDI) ([29]), Slovakia set a 2% R&D intensity target by 2030 and outlined an action plan with concrete measures to reform the research and innovation (R&I) system. For Slovakia, the 2025 country-specific recommendation (CSR) *highlighted challenges in collaboration between business and the research sector and the need to revise the R&D tax incentive scheme to provide greater support to SMEs.* Additionally, further increasing R&D spending in line with the trajectory up to 2030, and tackling the R&I ecosystem's persisting fragmentation remain crucial. This includes implementing the necessary reforms to consolidate R&I governance, as kickstarted by the RRP. The digitalisation of Slovak businesses is on an upward trajectory, aligning with the 2025 CSR objectives to *increase the adoption of digital technologies by businesses, particularly among SMEs*. Companies are progressively integrating advanced digital technologies and SMEs are advancing, although performance remains overall below the EU average.

Excellent science

Slovakia's public science base faces challenges related to fragmentation and underinvestment. Slovakia's proportion of the top 10% most-cited scientific publications relative to its total output continues to rank among the lowest in the EU (4.8% in 2022; EU average: 9.4% - see Graph A4.1 below). However, this figure has improved from 3.7% in 2010. This points to a weak public science base, caused by long-standing public R&D underinvestment and a fragmented R&I landscape performance from 33 higher education institutions ([30]), 69 institutes of the Slovak Academy of Sciences, and other public and private research centres and institutes. In addition, the share of tertiary students enrolled in STEM programmes in Slovakia remains below the EU average (23% vs 26.9% in 2023, see Annex 13).

In 2024, public R&D expenditure as a percentage of GDP reached 0.39% ([31]), although compared with 2023 (0.45%) the figure decreased slightly. According to the NSRDI, public spending on research and development from the state budget should reach 0.67% of GDP by 2030; keeping the public R&D spending trajectory is necessary to achieve this target. The introduction of a system of periodic scientific performance evaluations for universities and research organisations is helping improve the quality of scientific performance and achieve more merit-based distribution of institutional funding. In this context, deploying international reviewers for research output assessment and for projects funded through the RRP has proven effective in mitigating bias, streamlining evaluations and establishing a model for best practice. Alongside efforts to unify the current fragmented system and encourage the cooperation of research teams, continued support for high-quality scientific outputs is vital to attaining a critical mass and fulfilling the original NSRDI and action plan's goals.

([27]) European Commission, 2025, *European Innovation Scoreboard, Country profile:* Slovakia. The EIS provides a comparative analysis of innovation performance in EU countries, including the relative strengths and weaknesses.

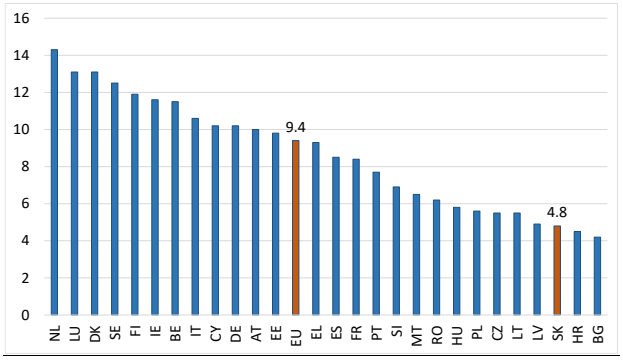
([28]) R&D intensity is defined as gross domestic expenditure on R&D as a percentage of GDP.

([29]) Web page: https://vaia.gov.sk/sk/narodna-strategia-vyskumu-vyvoja-a-inovacii-2/.

([30]) 20 public higher education institutions (HEIs), 3 state HEIs (ministry-linked institutions for specific state functions such as police, military, or healthcare education) and 10 private HEIs.

([31]) Universities accounted for 0.23% and the rest of the government sector 0.16% of GDP. These percentages are below the EU level, where the public sector in the EU spends 0.72% of GDP (universities 0.48% and government 0.24% of GDP).

Graph A4.1: **Scientific publications of the country within the top 10% most-cited scientific publications worldwide as % of the country's total scientific publications**



Source: Science-Metrix

The efficiency of R&I funding is hampered by inadequate coordination, while keeping national research, development and innovation strategy reforms on track is critical to ensure the sustainability of RRP investments beyond 2026. Fragmentation and underfunding of the research base (see above) are aggravated by R&I governance weaknesses, particularly an unclear distribution of responsibilities and fragmented allocation of financial resources ([32]). Reforms to improve inter-ministerial top-level R&I governance and coordination have been launched under the RRP. These have led to a new coordination structure, including the creation of the Research and Innovation Authority and the adoption of the NSRDI and accompanying action plan, creating very positive momentum for reforms. However, there has seen little progress on the introduction of a new R&I act ([33]), with little developments on the National RDI Strategy 2030. The proposed act is intended to make research and innovation governance more efficient by consolidating responsibilities across relevant ministries, agencies and organisations involved in R&I policymaking and implementation, thus enabling R&I funds to be used more effective and efficiently. Further effort is also required to implement reforms already introduced, for example to improve the efficiency of public funding distribution by systematically applying the 2023 binding methodology ([34]) for the management, financing and evaluation of support for research and development.

Business innovation

Slovakia faces challenges in fostering innovation and still relies on the manufacturing industry. A significant share of the country's business landscape consists of low-efficiency micro-businesses ([35]). These firms, which constitute around 97% of all businesses and provide over 40% of employment in the business sector, display minimal engagement in R&I activities ([36]). Productivity improvements have largely relied on the manufacturing industry, particularly large multinational corporations, whereas the service sector has seen only modest gains. The value added in medium-high-tech ([37]) manufacturing (e.g. automotive) as a percentage of total value added significantly prevails (10.02, vs EU average of 5.63 in 2023). Weak private-sector innovation is further evident in business enterprise expenditure on R&D (BERD), which accounted for just 0.59% of GDP in 2024 – well below the EU average of 1.49% ([38]) (see Graph A4.2 below). This underinvestment also translates into limited innovation output, as demonstrated by patent filings: in 2022, Slovakia recorded only 0.58 patents per billion GDP under the Patent Cooperation Treaty, compared with 2.81 in the EU.

([32]) OECD, 2021, 'Promoting research and innovation in the Slovak Republic through an effective use of European funds', *OECD Public Governance Policy Papers*, No. 4, OECD Publishing, Paris, https://doi.org/10.1787/f0e9d786-en.

([33]) The act was originally planned to be submitted in Q3/2024 (see Action plan – measure number 1.1.1.3).

([34]) Záväzná metodika – Výskumná a inovačná autorita.

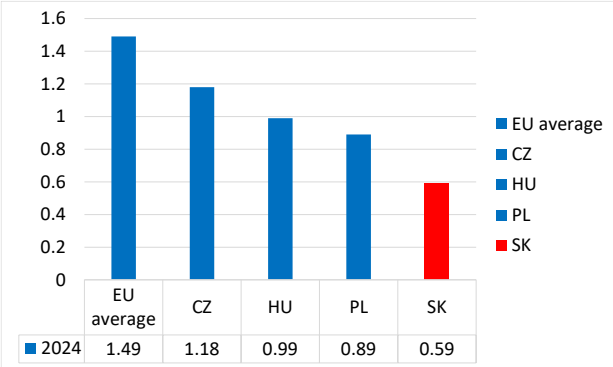
([35]) Defined as enterprises with fewer than 10 employees.

([36]) OECD, 2022, *Strengthening FDI and SME Linkages in the Slovak Republic*, OECD Publishing, Paris, https://doi.org/10.1787/972046f5-en.

([37]) On the other hand, value added in high-tech manufacturing as % of total value added lags behind the EU average and is even decreasing over time (from 0.81 in 2013 to 0.64 in 2023).

([38]) The country is thus at roughly half of its national strategic goal of 1.2% in 2030.

Graph A4.2: **Business expenditure on R&D as a percentage of GDP in the Visegrad countries**



Source: Eurostat

Increasing the effectiveness and targeting of public support could stimulate greater company engagement in innovation. Public funding for business R&D as a share of GDP remains far below the EU average (0.211%), though a positive trend emerged between 2017 and 2021, with the rate rising from 0.019% to 0.089%. Although this increase came primarily from slightly expanded R&D tax incentives, both these incentives and direct financial support for R&D have remained stagnant at minimal levels. As highlighted in the 2025 CSR, the R&D tax allowance is skewed towards established, large-scale and multinational enterprises. Additionally, an OECD analysis ([39]) notes that the current R&D tax incentive framework lacks provisions for cash refunds, which could be critical for small and newly founded firms requiring early-stage financial backing during innovation processes. Expanding the scope of competitive grant programmes could represent strategic steps forward. Given repeated concerns about transparency and fairness in R&I funding to private companies, the use of independent international evaluators ([40]) could strengthen confidence in merit-based allocations. Already applied in recovery and resilience R&I funding and some other selected calls, such panels would boost accountability, ensure rigorous selection and strengthen public trust in the funding process.

Collaboration between the business and research sectors in Slovakia remains constrained, limiting technology and knowledge transfer. Science-business linkages in Slovakia have been historically hampered by a weak public and private science and innovation base (see above), with limited capacity and incentives for both sides to interact. This is reflected in key indicators such as public expenditure on R&D funded by businesses as a share of GDP. This remains exceptionally low – 0.01% in 2021, significantly below the EU average of 0.06% – and has shown a declining trend over time (in 2012 the figure stood at 0.04%). Additionally, in 2023 the number of researchers employed by businesses (full-time equivalents) was less than half the EU average, underscoring a persistent gap in industrial research capacity. In contrast, data on public-private scientific co-publications as a proportion of total publications reveal a more encouraging trajectory, increasing from 4.9% in 2013 to 6.3% in 2024, though still slightly trailing the EU average of 7.7%. Recent efforts such as those under the RRP (C[C9]-I[I2]) with a focus on matching grants / innovation vouchers for collaborative R&D, have produced some results on the academia-business cooperation. Nevertheless, significant gaps persist, as noted in the 2025 CSR, which highlighted the need to *strengthen collaboration between business and the research sector*. The 2023 NSRDI outlines several specific measures in its action plan, such as enhanced support for technology transfer offices. Some financial support was distributed to technology transfer offices in selected universities in the past year, in line with the action plan, and matching for university-business cooperation was strengthened in the institutional funding of universities from 15 mil. EUR in 2025 to 22 mil. EUR annually (from 6 % to 8 % of total institutional R&D funding). Nevertheless, it is also important that its other targeted initiatives are implemented and their continuity ensured, so as to improve the current unsatisfactory level of collaboration ([41]). In addition, the new Universities Act, due to enter into force in September 2026,

([39]) OECD, 2024, *OECD Economic Surveys: Slovak Republic 2024*: https://doi.org/10.1787/397ca086-en (see p. 50).

([40]) This requirement is included in the 2023 binding methodology for the management, financing and evaluation of support for research, development and innovation and based on recommendations in a 2021 OECD study: 'Promoting research and innovation in the Slovak Republic through an effective use of European funds', *OECD Public Governance Policy Papers*, No. 4, OECD Publishing, Paris, https://doi.org/10.1787/f0e9d786-en.

([41]) E.g. by ensuring continued emphasis on programmes to support science-business collaboration in strategic documents such as forthcoming updates to the national R&D strategy action plan.

shifts ownership of intellectual property rights generated at universities to researchers, which could be seen as a disincentive for universities to support technology transfer.

Slovak businesses are making gradual progress in their digitalisation, though to varying degrees. In 2025, the majority of SMEs (57.09%) achieved at least a basic level of digital intensity, marking a notable increase from 42.19% in 2023. Nevertheless, this figure remains well below the EU average of 71.39%. While the gap with the EU average was smaller, SMEs with a very high digital intensity formed only a minority (5.37% in Slovakia vs 9.06% at EU level). ([42]) Improvements have also been registered in the adoption of advanced digital technologies in the business population. AI uptake saw the most substantial increase in 2025, reaching 18% – a 67% rise compared with 2024 – closely approaching the EU average of 19.95%. Data analytics adoption also showed robust progress, reaching 38.75% in 2025, slightly below the EU average of 39.85% but experiencing stronger growth. Conversely, cloud technology uptake stood at 32.92% in 2025, considerably lower than the EU average of 46.69%, with only a modest increase from 30.16% in 2023. Overall, and in line with the same trend at EU level, a considerable gap exists between large enterprises and SMEs, with the former making much greater use of advanced digital technologies.

Relevant measures are being implemented and are generally well received, but remain fragmented and small in scale, reaching only a minority of firms and limiting their overall impact. These are meant to increase the adoption of digital technologies, principally among SMEs, in line with 2025 CSR on increasing the adoption of *digital technologies, particularly among SMEs, by removing bottlenecks in their roll-out*. The measures' visibility is also low, meaning many SMEs – especially traditional firms and those outside major centres – are either unaware of the support available or are unclear about the measures' practical benefits. In addition, the availability of future funding is uncertain, which raises questions about the sustainability of existing initiatives. Key measures implemented in 2025 include: (i) a guaranteed loan with a grant component (supported by cohesion policy funds and the RRF) to improve access to investment for businesses embarking on digitalisation and automation projects; (ii) five active European Digital Innovation Hubs (EDIHs); (iii) digital vouchers to support the adoption of advanced digital technologies by SMEs. Moreover, the pilot phase of Digitrans, aimed at supporting the digitalisation of SMEs with very low levels of digital uptake, was also completed in 2025, with plans to continue in 2026. Beneficiaries appreciated its simple procedures and rapid support, but its overall scale and impact were limited by the relatively small size of the financial assistance. Generally, EDIHs and the guarantee grant instrument appear to be better suited to driving deeper digitalisation, as they deliver tailored solutions and enable substantial co-financed investments anchored in medium- to long-term business plans. However, continued financial support for EDIHs after May 2026 is uncertain, due to related funding from Programme Slovakia being reallocated to other priorities.

While achieving a basic level of digitalisation remains a priority for many Slovak companies, work is also under way to promote the development and adoption of advanced digital technologies, particularly AI and high-performance computing. Recent initiatives include: (i) the adoption of the 'AI Vision for Slovakia' strategic framework; (ii) the activities of the Slovak Centre for Artificial Intelligence Research (including an online information point, preparation of an AI regulatory sandbox and an awareness campaign); and (iii) the forthcoming SKAIAT AI Factory Antenna, linked to Austria's AI:AT. In November 2025, Slovakia launched its first operational supercomputer at the Technical University in Košice and in March 2026 at the Slovak Academy of Sciences in Bratislava (two clusters). This will strengthen national research capacity. However, as underlined by the Slovak Academy of Sciences and industry representatives, long-term financing and future access opportunities for businesses are currently unclear, which might negatively affect the supercomputer's long-term added value.

A shortage of relevant digital skills and ICT specialists remains an underlying challenge – particularly among midcareer workers and women – not sufficiently addressed by the current training offer. Many SMEs lack staff able to design and manage digital projects, while

([42]) Eurostat, Digital Intensity by size class of enterprise, isoc_e_dii, https://doi.org/10.2908/ISOC_E_DII.

the education system produces too few ICT specialists, and existing courses are often misaligned with business needs. Initiatives such as 'Digital Skills for the Green Future of Slovakia' aim to tackle this by developing a standardised reference framework for assessing digital and green skills. However, a need remains for flexible, targeted and business-oriented training.

Entrepreneurial dynamism

The market for venture capital is still weak and weighs on the development of the start-up ecosystem. Venture capital investment has expanded gradually yet remains significantly lower than the EU average (0.017%, vs an EU average of 0.063% of GDP in 2024). According to a recent start-up ecosystem mapping exercise ([43]), Slovak start-ups are strongest in IT/software (38%), healthcare (15%) and education (8%). Almost half of the start-ups operate in Bratislava, and 9% have headquarters abroad. In addition to limited financing ([44]), talent shortages constitute a particular challenge, alongside other regulatory aspects such as the lack of an overarching legal structure for start-up development (e.g. a start-up law) and a lack of more targeted incentives, for instance through special tax schemes.

Slovak businesses are grappling with the consequences of a considerable skill shortage. A recent OECD report ([45]) indicates that 54% of Slovak companies cite skill gaps ([46]). This has led to multiple negative effects on the innovation capacity of businesses and their ability to adopt new technologies. The issue is also exacerbated by the decreasing number of new graduates in science and engineering ([47]). The country's strategy for research, development and innovation places a strong emphasis on tackling pressing skills shortages by retaining domestic talent and actively attracting highly skilled professionals, including non-EU nationals; targeted initiatives to achieve this are detailed in its implementation plan (see Annexes 11 and 13). Additionally, under this implementation plan, a dedicated team responsible for coordinating and steering policies related to talent retention and attraction has been established within the Research and Innovation Authority. The team currently coordinates efforts to attract and retain talent across various ministries.

The Slovak education system has woven entrepreneurship education into strategies, and into a new curriculum that will be implemented from September 2026 in all primary and lower secondary schools. The new curriculum aims to cultivate essential skills and competences, including critical thinking, digital and problem-solving, with a significant focus on entrepreneurship and initiative-taking through a new cross-curricular approach. Development of entrepreneurial skills cross curricula is also promoted via the national standard of financial literacy, which indicates the aspects of financial literacy that students in primary and secondary education are expected to achieve. Furthermore, a funding scheme for supporting entrepreneurial education is contributing to the development of students' entrepreneurial skills, with direct grants available for micro, small and medium-sized businesses to implement projects that encourage entrepreneurial experience among students. Also, the State Institute of Vocational Education and Training (VET), the Slovak Centre of Training Firms and Junior Achievement Slovensko have a long history of supporting entrepreneurship, while the National Bank of Slovakia and commercial banks implement numerous projects strengthening financial literacy in Slovakia. However, in comparison with secondary level, national strategies on higher education pay less attention to entrepreneurship education. No data are available on the effectiveness of measures supporting young people's entrepreneurship skills or on the quality of recent graduates'

([43]) Startup report Slovensko 2025 | Slovenská sporiteľňa.

([44]) Ibid. More than half of investments go to companies in the pre-seed and seed stages, with the largest volume of capital flowing into IT and healthcare.

([45]) OECD, 2024, *Understanding Skill Gaps in Firms: Results of the PIAAC Employer Module*, OECD Skills Studies, OECD Publishing, Paris: https://doi.org/10.1787/b388d1da-en.

([46]) Skill gaps are defined as mismatches between the skills available in a firm and those required to meet current and future business needs (including adapting to technological change).

([47]) The number of new graduates in science and engineering per thousand population continued to decrease, standing at only half the EU average in 2023.

entrepreneurial skills. Similarly, no evaluation is available on the impact of entrepreneurship education on learners' mindsets and the readiness to turn ideas into action. More policy action and research on entrepreneurship education in higher education would be beneficial, also because the proportion of labour market-oriented bachelor's studies is marginal in Slovakia. Stronger system-level coordination, evaluation and investment at all levels would ensure greater reach and impact. Future efforts will need to move beyond information delivery to focus on building habits and confidence, including among those who are at greatest risk of exclusion.

Table A4.1: **Key innovation indicators**

Slovakia	2010	2015	2020	2022	2023	2024	2025	EU average (1)	US
Headline indicator									
R&D intensity (gross domestic expenditure on R&D as % of GDP)	0.61	1.15	0.89	0.98	1.04	0.98	:	2.24	3.44
Science and innovative ecosystems									
Public expenditure on R&D as % of GDP	0.35	0.83	0.41	0.42	0.45	0.39	:	0.72	0.64
Scientific publications of the country within the top 10% most-cited publications worldwide as % of total publications of the country	3.68	4.00	4.04	4.80	:	:	:	9.44	12.31
Researchers (FTEs) employed by public sector (Gov+HEI) per thousand active population	4.8	4.1	4.7	4.7	4.7	4.8	:	4.3	:
International co-publications as % of total number of publications	42.20	41.49	49.43	48.75	49.83	52.71	:	57.24	:
R&D investment & researchers employed in businesses									
Business enterprise expenditure on R&D (BERD) as % of GDP	0.25	0.32	0.48	0.56	0.58	0.59	:	1.49	2.69
Business enterprise expenditure on R&D (BERD) performed by SMEs as % of GDP	0.10	0.12	0.21	0.26	0.28	:	:	0.47	0.30
Researchers employed by business per thousand active population	0.7	1	1.5	2.1	2.4	2.6	:	5.9	:
Innovation outputs									
Patent applications filed under the Patent Cooperation Treaty per billion GDP (in PPS €)	0.73	0.79	0.72	0.58	:	:	:	2.81	2.20
Employment share of high-growth enterprises measured in employment (%)	:	:	:	0.92	0.85	:	:	0.87	:
Digitalisation of businesses									
SMEs with at least a basic level of digital intensity % SMEs (EU Digital Decade target by 2030: 90%)	:	:	:	:	42.19	:	57.09	71.39	:
Data analytics adoption % enterprises (EU Digital Decade target by 2030: 75%)	:	:	:	:	30.17	:	38.75	39.85	:
Cloud adoption % enterprises (EU Digital Decade target by 2030: 75%)	:	:	:	:	30.16	:	32.92	46.69	:
Artificial intelligence adoption % enterprises (EU Digital Decade target by 2030: 75%)	:	:	:	:	7.04	10.78	18.00	19.95	:
Academia-business collaboration									
Public-private scientific co-publications as % of total number of publications	5.97	5.65	6.12	6.74	6.86	6.30	:	7.62	:
Public expenditure on R&D financed by business enterprises (national) as % of GDP	0.020	0.040	0.010	0.000	0.000	:	:	0.060	0.020
Public support for business innovation									
Total public-sector support for BERD as % of GDP	0.03	0.03	0.06	0.06	:	:	:	0.21	:
R&D tax incentives: foregone revenues as % of GDP	0.00	0.00	0.04	0.04	:	:	:	0.10	0.16
BERD financed by the public sector (national and abroad) as % of GDP	0.03	0.03	0.02	0.02	0.05	:	:	0.09	:
Financing innovation									
Venture capital (market statistics) as % of GDP (calculated as a 3-year moving average)	0.001	0.008	0.016	0.019	0.016	0.017	:	0.063	:
Seed stage funding share (% of GDP)	0.001	0.001	0.002	0.003	0.004	0.003	:	0.005	:
Start-up stage funding share (% of GDP)	0.000	0.004	0.012	0.011	0.007	0.005	:	0.030	:
Later stage funding share (as % of GDP)	0.000	0.002	0.002	0.005	0.006	0.009	:	0.027	:
Innovative talent									
New graduates in science & engineering per thousand population aged 25-34	:	13.11	8.82	8.58	8.28	8.55	:	16.82	:
Graduates in the field of computing per thousand population aged 25-34	:	2.06	2.16	2.47	2.55	2.97	:	3.84	:

(1) EU average for the last available year or the year with the highest number of country data. * break in series

Source: Eurostat, DG JRC, OECD, Science-Metrix (Scopus Database), Invest Europe, European Innovation Scoreboard

Slovakia's economic performance and its business environment have deteriorated in recent years. The 2025 country-specific recommendations (CSRs) highlighted challenges associated with ensuring a favourable business environment, transparency and competition in public procurement; digitalising of small to medium-sized enterprises (SMEs); incentivising collaboration between business and the research sector; strengthening the legislative framework to support green technologies, and promoting investments to advance industrial competitiveness and economic diversification. Uncertainty, political instability and the direct negative effects of some consolidation measures have significantly hampered business operations, resulting in investment delays, economic slowdown and heightened operational risks. Structural weaknesses persist, including a decreasing foreign direct investment inflow, insufficient investments in research and innovation, and weak growth among SMEs. Public procurement suffers from reduced competitive transparency at the pre-award stage, corruption and a predominant focus on lowest-price criteria, which weakens competition, while access to finance – particularly equity – remains below the EU average. The industrial sector, led by automotive manufacturing, faces elevated energy costs, labour shortages and transformation pressures amid global trade disruptions and geopolitical shifts. The absence of an industrial strategy makes it harder for businesses to adapt to new economic and geopolitical challenges.

Business dynamics

The economy faces a scale-up problem, as the step from micro to medium-sized firms remains difficult, limiting technology diffusion and the emergence of strong domestic champions. The business demography is heavily skewed towards small firms. At 97.7%, Slovakia has the highest share of firms with under 10 employees in the EU ([48]). While they provide employment for almost 47% of the Slovak labour force (30.4% in the EU), they have a limited role in value-added creation (21.7% in Slovakia, against 20.5% in the EU). At the other end of the scale, firms with more than 250 employees (despite their negligible share of total business demography (0.1%) and relatively low employment share compared with other EU countries (26% vs 36% in the EU) generate only a slightly lower share of value added than their counterparts in the EU (44% in Slovakia vs 48% in the EU). This reflects their much higher labour productivity and strong export orientation. The gap between the largest and smallest firms in Slovakia is not only substantial but has also been widening over time. This economic structure limits overall growth and competitiveness. Policy efforts focused on improving the regulatory environment – with the twin objectives of enhancing micro-firm productivity and enabling scalable SMEs to grow into larger, internationally competitive businesses – would help foster a more balanced business demography and support stronger growth. To address these challenges, it would be beneficial for Slovakia to support clusters in key economic sectors to strengthen innovative collaboration, access to funding and scale-up support services.

Slovak business demography is dynamic, characterised by a relatively high business churn rate. This high rate indicates greater economic dynamism compared with the EU average, with a higher proportion of business closures relative to new registrations. While the business churn rate stood at nearly 19% in 2021, it climbed to more than 25% in 2023([49]) (well above the EU average of 19% in 2023). This signals economic dynamism but also fragility and potential barriers to SME survival and growth. Business creation responds more sharply to shifting conditions such as interest rates, demand and sentiment. Economic growth is slowing amid the direct impact of some consolidation measures, such as increased labour costs and a high corporate tax rate. Slovakia's transaction tax (applying from 2025) adds direct costs to cash-flow-sensitive SMEs, exacerbating the vulnerability of SMEs and increasing the risk of business closures. While the wholesale, retail and transport sectors recorded the lowest increase in new registrations in 2025 compared with 2024, industrial insolvencies rose sharply in 2025, underscoring intense pressure on manufacturing and related sectors. This trend highlights ongoing vulnerabilities in the automotive, retail, transport and construction sectors, with courts remaining

([48]) SME Performance Review 2026.

([49]) Eurostat (bd_size__custom_19037959), November 2025.

overloaded despite the October 2025 amendment to Slovakia's insolvency framework ([50]). The RRP reform of the insolvency framework has also helped to establish unified and digitalised procedures for insolvency and restructuring.

The country lacks a comprehensive regulatory framework tailored to the needs of family businesses. According to the Institute of Family Business ([51]), 46% of Slovak companies are family businesses, 72% of them will transfer their business to the next generation within five years, but only 30% of second-generation family businesses will succeed. Current legislation fails to address practical challenges associated with generational succession or the unique characteristics of family businesses, hindering the state's ability to provide effective support for smooth transitions ([52]). Key institutions, such as trust funds, remain absent from the Slovak legal system, limiting options for structured succession planning. Consequently, many family businesses are relocating abroad, primarily to Czechia.

With a better regulatory framework, Slovakia could improve its international positioning in the start-up environment. Slovakia's start-up ecosystem ranks moderately – 60th globally and 16th regionally in eastern Europe ([53]) – yet it demonstrates solid growth potential through key hubs and emerging centres such as Bratislava and Košice, bolstered by accelerators and EU funds. Like other eastern European economies, Slovakia's start-ups primarily offer digital services. The Slovak start-up scene is still waiting for its first unicorn, but there have been several early exits among Slovak tech companies. Positive changes have been made by the government through cooperation with the Slovak Alliance for Innovation Economy (SAPIE), focusing on encouraging new start-ups with legislation tailored for high-growth companies, tax incentives, start-up visas and educational reform. With a competitive location, digitally oriented universities, and R&D tax incentives, Slovakia possesses high innovative and entrepreneurial potential (see Annex 4) (2025 CSR on *incentivising collaboration between business and the research sector and by revising the R&D tax incentive scheme to provide greater support to SMEs*).

Slovakia is losing competitiveness partly due to insufficient investment, especially in research and development ([54])**, and in sustainable growth.** The share of total investment (government, households, business) in Slovakia has been below the EU average (20.4% of GDP in Slovakia vs 21.7% in the EU) ([55]). Although the total share of investments is comparable with other EU countries, the key distinction lies in their composition. Investments in research and development, which can be considered the main drivers of growth, significantly lag behind. Their share of total investments was 10% in Slovakia, less than the EU average (19%) or the average in Czechia (18%). Over the past three years (2022-2025), the rate of fixed investments in long-term assets – such as buildings, machinery, vehicles or infrastructure – decreased by one percentage point compared with the previous decade, marking the weakest result among neighbouring countries. Slovakia relies primarily on EU sources for public investments and, unlike other countries in the region, does not sufficiently supplement them with domestic resources. Slovakia approved a road map in December 2025 for developing a long-term investment plan aimed at ensuring the preparedness of priority projects and more effective use of public funds.

Slovakia needs to restore confidence among foreign investors as it has become progressively less attractive to them. Its strongest growth period (2000-2012), when large volumes of foreign direct investment flowed into the country, is now over. Foreign direct investments in Slovakia are the lowest compared with neighbouring countries. From 2015 to 2024, they accounted for only 1.4%, while in Hungary, Czechia and Poland they were nearly double – at around 3%. Although there have been recent decisions on two major investments in Slovakia – a new car factory and a battery production plant –

([50]) Ministry of Justice, October 2025.

([51]) Inštitút Rodinného Biznisu.

([52]) Business transfer as part of the barriers highlighted in the 2025 Single Market Strategy ('Terrible Ten'), Single market strategy.

([53]) Global Startup Ecosystem Index 2025.

([54]) Development = investments in intellectual property, including software and databases.

([55]) Eurostat, Investment share of GDP by institutional sectors [sdg_08_11].

fewer investors are coming to Slovak 'greenfield' sites compared with neighbouring countries.

Domestic companies are investing less than in previous years, with uncertainty dominating as the main investment obstacle. Companies are increasingly investing only in renewing machinery and buildings and in cost reduction, including lay-offs, rather than expanding production. Investment activity in Slovakia has declined in the industrial sector in particular, especially in the key industry of automotive manufacturing, which has not maintained the significantly above-average investment rate of the previous decade. 91% of Slovak firms cite uncertainty as a key obstacle to investment (compared with 83% in the EU) ([56]). Companies also invest less because they lack people (86% of companies report skilled labour shortages vs 79% in the EU), energy prices are unpredictable, there is less demand for products or services and the business environment is unattractive.

Business environment

The Slovak business environment requires comprehensive reforms to reduce bureaucratic burdens and improve competitiveness. Slovakia no longer competes on the basis of low costs. Both labour costs and corporate tax rates have increased in the last years and are relatively high. At the same time, the country is not yet technologically advanced enough to compete in high value-added industries. The legislative framework is comparable with those of other countries, but the key difference lies in the efficient implementation of proposed measures. These measures often fail to be launched, are implemented differently than planned, or are left incomplete, reflecting inefficiencies in public administration.

Businesses need a more stable environment, as political instability has a major impact on their operations. The 2025 recommendation on *ensuring a favourable business environment by creating a more predictable regulatory environment* called for addressing these challenges. Key issues include governmental instability, and difficulty in implementing comprehensive structural reforms. There is continued use of fast-track legislative procedures, with 60% of legislative proposals following a standard system and the remaining 40% comprising ad hoc governmental proposals. Additionally, 196 parliamentary proposals (November 2025) ([57]) lack thoroughness, completeness, or quality in their drafting and execution (see Annex 7). This substantially disrupts company functioning and investment decisions, ultimately leading some to consider relocating abroad or even ceasing operations. The ongoing recodification of the Civil Code in Slovakia represents a major legislative reform aimed at modernising civil law to create a clearer, more stable and predictable legal framework. This reform is expected to significantly affect businesses, including aspects such as contract law, legal certainty and rights related to commercial activities.

Despite current efforts to improve the business environment, regulatory and administrative obstacles remain. A number of RRP measures, such as the one-in-two-out rule, gold-plating prevention, anti-bureaucratic packages, *ex post* evaluations, and regulatory impact assessments, have been implemented in recent years. Even though these measures have the potential to build a competitive business environment, their effects have not yet been widely perceived by businesses. According to stakeholders, they have brought about only marginal improvements, mainly affecting individual legislative acts and often being overshadowed by large legislative packages adopted without sufficient stakeholder input. In addition, stakeholder consultations are not a standard practice, do not provide adequate time for substantial input and often remain unaddressed. The problem also includes numerous exceptions in legislation – such as tax exceptions, which increase tax complexity for businesses – missing quantification of the impact of new measures and minimal outcomes from *ex post* assessments. As of the beginning of 2026, a comprehensive package of tax reforms has come into effect as part of the government's fiscal consolidation measures. The package introduces significant changes for companies and sole

([56]) EIB Investment Survey 2025: Slovakia overview.

([57]) Ministry of Economy of the Slovak Republic, discussion during the European Commission visit to Slovakia, November 2025.

traders, representing one of the most extensive overhauls of the business environment in recent years ([58]). The measures significantly increase taxation, particularly for larger companies, while also expanding bureaucratic requirements for thousands of small entrepreneurs.

Despite improvements, digitalisation of business procedures in Slovakia remains limited, hindering efficiency and smooth communication between the state and businesses. According to the Single Market and Competitiveness Scoreboard, only 21% of cross-border business procedures were fully online in Slovakia in 2025, while company registration and related procedures continue to rely on registry-court verification, certified documents and Slovak-language formalities ([59]). E-invoicing for business-to-government (B2G) is considered a positive development for business efficiency, tax compliance and digital modernisation in Slovakia's business environment. The ongoing process for e-invoicing for business-to-business (B2B) is advancing, including with technical support under the European Commission's TSI. This process is also in line with the commitment under Slovakia's national medium-term fiscal-structural plan (MTFSP). The structured electronic invoicing system is being implemented and will be mandated from 1 January 2027. Digitalisation of the regulatory impact assessment began at the end of 2025, with the final delivery date of the platform scheduled for 2028. The project DIGITRANS ([60]) offers SMEs with below-average digital maturity, a combination of financial support and expert advice for efficient and sustainable digitalisation (see Annex 4). These measures help to address the 2025 recommendation on *increasing the adoption of digital technologies, particularly among SMEs*.

Slovakia has continued to improve its high-speed connectivity infrastructure, in line with its 2025 CSR 4 prompting the country to bolster its digital infrastructure. However, room for improvements remains. In recent years, the country has prioritised the roll-out of fibre-to-the-premises (FTTP), supported by sustained investment from telecom operators. By 2024, FTTP coverage reached 67.76%, slightly below the EU average of 69.24%. A wider gap existed in very-high-capacity-network (VHCN) coverage, which stood at 72.97% in 2024, compared with an EU average of 82.49%. A pronounced disparity persisted in rural areas, where VHCN and FTTP coverage were lower than the national average, at 39.62% and 39.57% respectively ([61]). Economically, deployment is constrained by rising costs for construction, labour, materials and administrative fees, with additional pressure from higher energy prices, inflation and increased taxation. In rural and sparsely populated areas, these costs often exceed the revenues that can realistically be expected. A broadband connectivity investment to deploy gigabit infrastructure in underserved areas amounting to EUR 112 million was planned for 2025. However, over the course of 2025, EUR 88 million of this amount was reallocated to other priorities. As a result, the intended public investments were not implemented, potentially hindering the roll-out of high-speed internet in less affluent and rural areas. Significant legal changes took effect in 2025, notably the new Construction Law and the Gigabit Infrastructure Act ([62])([63]). While the new Construction Law had made the last 100 metres from the pavement to the house subject to notification, the GIA reversed this. At the same time, telecom operators still point to high administrative complexity, especially for permitting procedures, differing practices and requests between municipalities and uneven access to physical infrastructure. In parallel, demand for very high-speed internet in Slovakia remains relatively modest, especially outside major urban centres. Together, these elements tend to discourage investment, especially in less densely populated areas.

Slovakia achieved solid 5G coverage across the country. In 2024, 5G coverage reached 87.94%, progressing towards achieving the national objective of 98.5% coverage by 2030,

([58]) https://www.mfsr.sk/sk/media/tlacove-spravy/mf-sr-predstavilo-treti-balik-konsolidacie-verejnych-financii.html.

([59]) European Commission (2025/2026) Single Market and Competitiveness Scoreboard – Slovakia.

([60]) DIGITRANS: Úspešný pilotný projekt otvára dvere k digitalizácii desiatok podnikov | Ministerstvo investícií, regionálneho rozvoja a informatizácie SR.

([61]) DESI indicators - Digital Decade DESI visualisation tool.

([62]) Act No. 25/2025 Coll., Building Act, March 2025, 25/2025 Coll. Building Act and on Amendments to Certain Acts (Building Act) | Slov-Lex

([63]) Act No. 297/2025 Coll., amending Act No. 452/2021 Coll. on Electronic Communications, 12 November 2025.

although this remained below the EU average of 94.35%. In July 2025, Slovakia concluded its largest multi-band spectrum auction, which is expected to underpin a more capacity driven phase of 5G deployment, particularly in dense urban and high traffic areas. Moreover, two mobile operators have launched commercial 5G stand-alone services. Despite the overall good progress in this area, similar to fixed broadband network, structural barriers exist, linked to complex administrative procedures and rising construction costs.

Access to external finance remains challenging, particularly in terms of equity. According to the 2025 EIF SME Access to Finance (ESAF) Index, the equity sub-index places Slovakia fifth among the worst-ranked EU countries. Also, venture capital investments in Slovakia are among the least favourable in the EU, comprising only 0.003% of GDP in 2024 ([64]). Although internal finance is the dominant source for investments by Slovak businesses (57% share of business finance), the share of firms using external finance increased in 2025 compared with 2024 and is well above the EU average (63% in Slovakia vs 42% in the EU). Slovak companies rely on external financing (37% share of business finance) more than their EU counterparts (25%). Many programmes exist to ease businesses' access to finance, but their structure is highly fragmented, making it difficult for businesses to navigate and benefit from them (see Annex 4 and Annex 6).

Growing pressures on Slovak companies are reflected in an increasing number of firms experiencing late payments and in longer business-to-business (B2B) payment periods. In 2025, significantly more companies reported late payments ([65]) from private entities (62.4%, compared with 51.2% in 2024) – the fourth highest share in the EU and well above the EU average of 47% ([66]). The reported average payment period for B2B transactions lengthened from 60 days in 2023 to 62 days in 2024, while government-to-business (G2B) payment times remained stable at 68 days for the third consecutive year([67]). An ongoing monitoring procedure indicated payment delays exceeding those reported by companies, requiring active engagement by the relevant authorities. The impact of mandatory instant payments for Slovak banks from 2025 remains to be seen but holds potential to accelerate business transfers, reduce state payout delays and improve cash flow for SMEs.

Chronic delays undermine the competitiveness and resilience of businesses operating in the health sector, particularly SMEs. Focusing on payments from the Slovak government, in 2024 the EU Court of Justice ruled that Slovakia had failed to ensure that its public healthcare entities effectively comply with the 60-day payment period established under the Late Payment Directive. The ruling concerned excessive payment delays by public hospitals to their suppliers – an issue that has persisted despite the infringement procedure first launched by the European Commission in 2017. In June 2025, the Commission sent a letter of formal notice to Slovakia, as the measures announced following the ruling had not led to sufficient improvements. Ministerial orders and Slovak legislation significantly limit the transfer of outstanding claims from public healthcare entities to third parties. Reassignments of credits provide additional form of external finance which is vital for the survival of businesses. Practices whereby the assignment of credits are systematically banned, despite the contractual obligations having been fulfilled by the creditor and accepted by the debtor, complicate the financial management of suppliers, and especially SMEs.

Single Market

Slovakia's deep integration into the Single Market has substantial economic effects. Because Slovakia is highly integrated into EU value chains, it is the EU country with the highest spillover-to-GDP ratio at 1.8% ([68])([69]). It also has

([64]) Invest Europe, Private Equity Activity 2024.

([65]) 'Part of the barriers highlighted in the Single market strategy ('Terrible Ten') and the 2026 Annual Single Market and Competitiveness Report'.

([66]) 2025 SAFE survey.

([67]) EU Payment Observatory - Annual Report, December 2025.

([68]) European Commission, Report on the Implementation of the Recovery and Resilience Facility, October 2025.

([69]) Member States that are highly integrated in EU value chains tend to experience the largest spillovers relative to the size of their economy.

the highest integration rate in the EU for goods: the trade volume of goods represented 55% of its GDP in 2024 (compared with the EU average of 18%). Slovak businesses demonstrate strong export orientation (both within and beyond the Single Market). 82% of Slovak firms engage in international trade, especially in manufacturing, well above the EU average (66%) ([70]). While exports to markets outside the EU weakened (due to US tariffs and loss of market shares in China), exports to EU countries showed resilience and grew slightly in 2025 ([71]). This resilience was supported, except in car exports, by record growth in arms and ammunition exports – a sector that has been expanding rapidly in recent years. Germany remains the dominant destination (more than 21% of exports), followed by neighbouring countries (Czechia, Poland and Hungary). While this reliance confirms Slovakia's position as a manufacturing hub within the Single Market – exporting mainly vehicles, car parts, tires and electronics – it simultaneously heightens the economy's vulnerability to external shocks, such as a slowdown in Germany and fluctuations in EU demand, given its high export dependence and concentration on a single key market. Cross-border service provision is also burdened by posting and social security coordination requirements, including advance filing for PD A1 applications, prior notifications and significant delays in processing ([72]).

While Slovakia is open with regard to services trade, it also has one of the highest numbers of regulated professions. The 2024 OECD Services Trade Restrictiveness Index ([73]) indicates a relatively open regulatory environment for services trade ([74]). However, conditions for the temporary entry of contractual service suppliers remain more restrictive than international best practices. Accounting and auditing services represent the most open sector, while engineering services face the highest restrictions. Despite skilled worker shortages, Slovakia regulates 288 professions – the fourth highest reported number of regulated professions in the EU ([75]) (EU average: 210). The Product Market Regulation indicator ([76]) highlights ongoing restrictions in the form of administrative requirements for new firms.

Regulatory and administrative barriers to the Single Market remain in Slovakia, affecting the cross-border provision of services and the freedom of establishment. For example, in services, road freight operators face excessive and regionally fragmented national driving bans under Act No 8/2009 on Road Traffic, which restrict the circulation of heavy goods vehicles on motorways, expressways and class I roads, potentially disrupting cross-border logistics planning and delivery schedules ([77]). In addition, the retail sector remains subject to restrictive national rules under Act No 91/2019 on Unfair Conditions in the Food Trade, including a broad clause on unfair terms and limits on certain service payments, which can require retailers active across several Member States to adapt contractual arrangements specifically for the Slovak market ([78]).

Slovakia fares well with respect to the implementation of Single Market law. Low transposition (0.5%) and conformity (0.8%) deficits in 2025 – compared with 1.1% of the EU average for both indicators – signal effective integration of EU directives into national law ([79]). In 2025, the Slovak SOLVIT centre resolved 92% of the cases it handled as lead centre (EU average 84.6%). Opportunities arise from addressing pending infringements to sustain this momentum.

([70]) European Investment Bank, 2025, EIB investment survey.

([71]) October 2025's number.

([72]) Sociálna poisťovňa (Social Insurance Agency of the Slovak Republic) (n.d.). Available at: https://socpoist.sk/en/how-apply-portable-document-a1-pd-a1-work-eu-eea-switzerland-and-united-kingdom-great-britain-and (Accessed 16 March 2026).

([73]) OECD Services trade restrictiveness index, February 2025.

[74]) OECD Services trade restrictiveness index, February 2025.

en"Single market strategy.

([75]) European Commission, Regulated Profession Database.

([76]) 2023-2024 OECD Product Market Regulation indicator.

([77]) Slovak Republic (2009) Act No 8/2009 on Road Traffic (Zákon č. 8/2009 Z. z. o cestnej premávke), §39. Available at: https://www.slov-lex.sk/ezbierky/pravne-predpisy/SK/ZZ/2009/8/.

([78]) Slovak Republic (2019) Act No 91/2019 on Unfair Conditions in the Food Trade (Zákon č. 91/2019 Z. z. o neprimeraných podmienkach v obchode s potravinami). Available at: https://www.slov-lex.sk/ezbierky-fe/pravne-predpisy/SK/ZZ/2019/91/vyhlasene_znenie.html. EuroCommerce (2025) Single Market Barriers Overview, updated 28 January 2025. Available at: https://www.eurocommerce.eu/app/uploads/2024/05/single-market-barriers-overview-updated-28-january-2025.pdf. (Accessed 16 March 2026).

([79]) Part of the barriers highlighted in the 2025 Single Market Strategy ('Terrible Ten'), Single market strategy.

The number of pending infringements is slightly above the EU average (28 in Slovakia vs 25 in the EU) but shows a positive trend, as it represents the lowest figure since 2022. The average time to solve infringement proceedings is well below the EU average (39.3 months vs 44.5 months).

Compliance of products circulating in the Single Market ([80]) is key to ensuring a level-playing field for law-abiding companies and the safety of consumers. In Slovakia, the number of market surveillance investigations has increased compared with 2019. In 2025, national authorities reported in the EU system for market surveillance (ICSMS) a total of 231.8 investigations per one million inhabitants, which is higher than the EU median of 136.2. The number of notifications remains limited in absolute terms, which may also be the result of insufficient IT national interoperability to the ICSMS system. The upcoming revision of the Market Surveillance Regulation will upgrade ICSMS to a fully interoperable EU digital platform.

Procurement practices continue to show some weaknesses in conducting efficient procedures, limiting economic operators' willingness and ability to participate in public procurement, while insufficient use of quality-related and life-cycle cost criteria persists. Although Slovakia has undertaken numerous reforms to strengthen its public procurement practices, the use of the lowest-price award criterion remains predominant, being applied in 90% of procedures in 2025 (despite a declining trend over recent years), compared with 53% at EU level([81]) (2025 CSR on *increasing the use of quality-related and life-cycle cost criteria in public procurement operations*). A strong focus on price may discourage participation by companies competing on quality and innovation, reduce the number of bidders, and increase the risk of abnormally low tenders.

Public procurement procedures are on average longer than in the EU. Concerning competition in public procurement markets, single bidding (25%) and direct award (3%) indicators remain below EU mid-ranking thresholds (27% vs 6% in the EU respectively). Conversely, the time between the deadline for receipt of offers (or requests to participate) and the award of the contract amounts to 101 days, slowing contract awards and reducing responsiveness.

The 2024 amendment to the Public Procurement Act aimed to simplify procedures and reduce administrative burdens. Key changes included the merger of below-threshold and low-value contracts and an increase of the threshold for mandatory prior publication from EUR 10 000 to EUR 50 000. The reform has shifted transparency towards an *ex post* focus, with reduced transparency at the pre-award stage for contracts awarded below this threshold ([82]) (2025 recommendation on *ensuring transparency and competition in public procurement processes*). While initially criticised for potential risks to transparency, these concerns have not materialised, as there is an obligation to invite at least three economic operators to tender and voluntary prior publication remains common.

In Slovakia, the Public Procurement Act has been amended with unusual frequency since its adoption in 2015, leading to legal uncertainty for both contracting authorities and economic operators. Changes were introduced almost every year, i.e. amendments were adopted in 2018, 2019, 2020, 2021, 2022 and 2024 and another set of changes is planned for 2026 as part of continuing reforms. This level of legislative instability is relatively high compared with many other EU Member States. Frequent amendments complicate the interpretation and application of the rules, increase administrative and compliance costs, and require continuous adaptation of procurement practices. As a result, procedures tend to be slower and more risk-averse, ultimately undermining the overall efficiency and predictability of the public procurement system.

The public procurement landscape in Slovakia is highly fragmented, reflecting the large number of contracting authorities, including almost 3 000 cities and small municipalities.

([80]) Part of the barriers highlighted in the Single market strategy ('Terrible Ten') and the 2026 Annual Single Market and Competitiveness Report.

([81]) Typical (mid-ranking) EU country.

([82]) Threshold for obligatory publication of contract notice in the national journal (in the case of below-threshold contracts) is lower (stricter) in the case of below-threshold contracts financed by EU funds.

This fragmentation limits economies of scale and contributes to uneven levels of expertise and capacity among procurers, particularly at local level. As a result, procurement processes are often less professionalised and more administratively burdensome. Greater centralisation or increased use of joint (that is largely underused) and central purchasing mechanisms could help strengthen professional capacity, improve efficiency and ensure more consistent application of procurement rules across the system.

Slovakia's fragmented e-procurement landscape and data quality issues highlight the need for interoperable systems, common standards and stronger data governance. Given Slovakia's decentralised e-procurement landscape, with between 12 and 20 separate procurement services in operation ([83]), economic operators must use several systems to access all public procurement procedures, creating complexity and barriers to participation. This fragmentation underscores the need for introducing interoperability and common standards. The once-only principle is only partially implemented at national level (see Annex 7), and buyers across the EU still lack digital access to relevant evidence. The country has not yet established a service to monitor procurement data, resulting in issues with data quality, incompleteness and duplication. Therefore, the Slovak system would benefit from a dedicated public procurement data collection and analysis service within the government to support data-driven oversight of the procurement life cycle ([84]).

In Slovakia, increased attention has been directed towards ensuring the integrity of public procurement procedures and the effective use of both European and national public resources. Recent controversial tenders have underscored the importance of the Public Procurement Office's (PPO) authority to initiate *ex officio* proceedings, enabling timely intervention in situations that may undermine competition, transparency or value for money. Strengthening the PPO's human resources capacity appears to support improvements in internal processes as well as in the quality and timeliness of checks conducted under the implementation of EU funds. These developments are closely linked to maintaining trust among economic operators and accelerating the efficient delivery of high-quality public projects.

Businesses' views on corruption risks in public procurement are above the EU average. In Slovakia, 81% of companies (EU average: 58%) consider tailor-made specifications for particular companies in public procurement procedures and 81% (EU average: 51%) collusive bidding to be a 'very' or 'fairly widespread' practice. Among companies that have experience of and have participated in a public procurement procedure, 49% think that corruption has prevented them from winning a contract in practice (EU average: 25%) ([85]). 31% of companies perceive the level of independence of the public procurement review body (the Public Procurement Office) to be very or fairly good when it is reviewing public procurement cases ([86]).

Slovakia remains outside the Unitary Patent (UP) system. Although Slovakia participates in the 'enhanced cooperation' on unitary patent protection and has already signed the Unified Patent Court Agreement, it is one of few Member States that has not yet ratified it. The unitary patent therefore does not cover Slovakia. This has the following consequences: firstly, Slovak and non-Slovak companies remain burdened by the significant administrative costs of national validation and maintenance fees to obtain patent protection in Slovakia. Secondly, the enforcement of European patents in Slovakia can only take place before national courts, without benefiting from the advantages offered by the Unified Patent Court in terms of centralised litigation. For all these reasons, by refraining from joining the UP system, Slovakia may be less attractive, in terms of innovation support, than those Member States already participating in that system. Finally, the fact that several Member States do not participate in the UP system weakens the Single Market, making the EU less attractive for inventors and innovative entities.

([83]) As reported in the e-procurement matrix.

([84]) European Court of Auditors, Special Report 28/2023: Public Procurement in the EU. Less competition for contracts awarded for works, goods and services in the 10 years up to 2021, 2023, Special report 28/2023: Public procurement in the EU.

([85]) Flash Eurobarometer 557, p. 133.

([86]) Justice Scoreboard (2025), p. 53; Flash Eurobarometer 555, p. 39.

National Standardisation Bodies (NSBs) are central to ensuring that the European Standardisation System operates effectively. They also contribute to removing structural barriers, such as the "Terrible Ten", that continue to limit the full potential of the Single Market and the competitiveness of EU industry. However, empirical evidence suggests that Slovak Office of Standards, Metrology and Testing face persistent resource constraints, which risk slowing down standardisation processes and limiting stakeholder participation. There is a need to strengthen both the financial and human capacity of Slovak Office of Standards, Metrology and Testing. Without targeted investment in capacity building of its NBS, Slovakia risks falling behind in standardisation, which could weaken its industrial competitiveness.

Industry and economic security

Slovak industry – facing one of its most profound transformations in decades – experienced a difficult year in 2025. As the economy's largest sector by weight (17% of total added value) ([87]), it is also approximately 40% more energy-intensive than the EU average per unit of gross value added ([88]). Further exacerbated by trade uncertainty, energy-intensive industry continued to struggle with expensive energy supply, while the electronics industry faced cheaper Asian competition. Slovakia's RRP addresses green industrial transformation through several measures supporting energy savings, innovation, industry decarbonisation and renewables. Slovakia has the highest labour cost and corporate tax rate among neighbouring countries. Electricity prices for Slovak businesses were among the highest in the EU (around EUR 0.20/kWh in H12025 vs EU average EUR 0.15/kWh) ([89]). Slovak economic growth slowed as industrial production declined by 3.1% year-on-year in 2025 ([90]) (see Annex 9).

Slovakia's automotive sector – a cornerstone of the national economy – demonstrated resilience amid European challenges. The automotive industry accounts for 49.5% of industrial revenues, contributes 43.1% to exports, and directly or indirectly provides jobs for more than 244 000 people ([91]). It maintained strong production performance in 2025, with a 1.5% year-on-year increase. While the largest car manufacturers saw their profits rise in 2024 ([92]) – thanks to lower production costs compared with western European competitors – the dense network of Slovak parts suppliers faced bigger problems. Large automotive suppliers maintained their revenues in 2024 but not their profits, with some also resorting to lay-offs, as they supply not only Slovak but also Western carmakers facing sharper demand drops. However, the sector's resilience is not expected to persist, as industry forecasts point to stagnating car production in the coming years, despite the planned launch of a new carmaker's operations in 2027. The government is determined to support sector transformation and held talks with automotive representatives – resulting in a plan to allocate EUR 1.5 billion in EU funds ([93]). The support from the plan – financed from EU funding – focuses on decarbonisation, simplified investment assistance rules, autonomous vehicle testing sites, expanded waste processing capacity and procurement of low-emission vehicles.

A clear industrial strategy could help businesses navigate new economic and geopolitical challenges. One measure included in Slovakia's national medium-term fiscal-structural plan is the preparation of the industrial strategy for 2027-2035. This aims to analyse the potential, needs and challenges of Slovak industry to build a sustainable and resilient industrial base. Discussions on the strategy are ongoing, but no concrete output has yet materialised. While there is a stated ambition to diversify the economy, the specific approach has yet to be developed. Potential areas of development include hydrogen, semiconductors, electrical engineering, cybersecurity, space technology and AI robotics.

([87]) Statistical Office of the Slovak Republic, September 2025.

([88]) UniCredit Bank, Weekly Notes, 09/2026.

([89]) Eurostat - Electricity prices for non-household consumers.

([90]) Statistical Office of the Slovak Republic, February 2026.

([91]) Association of the Automotive Industry of the Slovak Republic, April 2026.

([92]) https://finstat.sk/.

([93]) Vláda sa sústredí na päť kľúčových oblastí pre podporu automobilového priemyslu | Tlačové správy | MHSR.

The 2025 recommendation on *strengthening the legislative framework to support green technologies and products, and promote investments to advance industrial competitiveness and economic diversification* also called for measures in this area.

Slovakia's clean tech manufacturing remains limited compared with front-runner EU countries, but shows potential in areas tied to its automotive strengths, such as battery components and heat pumps for industrial decarbonisation. The country benefits from EU funding and national plans targeting renewable hydrogen production, alongside emerging solar photovoltaic assembly and electric-vehicle-related supply chains. The national energy and climate plan highlights a simplified regulatory framework for permitting procedures in renewable acceleration areas and the elimination of permitting hurdles for technologies like geothermal energy. However, it does not specify whether this simplified permitting extends to manufacturing facilities for clean technologies or whether access to national funding will be streamlined where needed. The clean technology sector constitutes a modest component of the Slovak labour market, employing around 6 000 workers in 2023, representing 0.23% of the total workforce ([94]).

Slovakia could make more progress in implementing the Net-Zero Industry Act (NZIA). Slovakia still has not designated a single point of contact, which is crucial for streamlining communication and coordination among stakeholders. For the moment, Slovakia has not confirmed any net-zero strategic projects and has not established a national contact point to process applications that could facilitate the advancement of those projects. Finally, Slovakia has not expressed an interest in the acceleration valleys described in the NZIA regulation.

While the country has improved circular material management, it remains substantially dependent on imports of critical raw materials (CRMs). Notable gains in sustainable material use have lifted circular material rates to the EU average. The share of recycled materials in overall material use rose from 10.6% in 2023 to 12.2% in 2024, reaching the EU average. Slovakia produces materials such as silicon metal, coking coal and aluminium but relies heavily on imported CRMs for green and digital transitions. The main CRM imported from non-EU countries – in terms of trade value – was coking coal from the USA, Australia and Canada. Slovakia's Import Concentration Index ranked among the EU's highest in 2025, heightening supply chain risks, environmental degradation and social concerns that undermine sustainability and resilience. In 2024, 44.5% of material inputs were imported – well above the EU average of 22.4% – leaving the country vulnerable to supply disruptions.

Slovakia's reserves of the strategic raw material magnesite and the new strategic investment in a battery plant offer a major opportunity for its industry. Slovakia is the EU's leading producer of magnesite and magnesium compounds. The construction of the new battery cell production plant in Šurany was officially launched in 2025, with full production expected to start in 2027 and an initial capacity of 20 gigawatt-hours. Despite this positive progress, heavy reliance on imports of other CRMs heightens supply chain risks for the manufacturing sector. To address this, the government approved the draft national programme for the exploration of critical minerals in 2025, which lays down 29 tasks to enhance knowledge of domestic mineral deposits. An amendment to the Mining Act is also being prepared, extending not only to CRMs but also to raw materials in general. Involving key stakeholders will therefore be essential to ensuring balanced regulation, environmental protection and sustainable development of Slovakia's mineral resources.

([94]) Bruegel Clean Tech Tracker (data extracted in November 2025).

Table A5.1: **Single Market and Industry**

Slovakia								
POLICY AREA	**INDICATOR NAME**		**2021**	**2022**	**2023**	**2024**	**2025**	**EU-27 average**
Business environment and investment								
Productivity and investment	Labour productivity (GDP per hour worked in PPP terms), % of EU27[1]		80.0	76.2	79.8	80.5	81.2	100.0
	Business investment (share of GDP)[1]		11.5	12.3	12.8	12.8	-	12.6
	Public investment (share of GDP)[1]		3.0	3.1	3.6	3.6	-	3.9
Business environment and simplification	Impact of regulation on long-term investment, % of firms reporting business regulation as a major obstacle[2]		22.4	14.1	19.2	27.3	25.0	34.0
SME liquidity	EIF Access to Finance for SMEs index - loans[3]		0.34	0.33	0.50	0.36	-	0.43
	EIF Access to Finance for SMEs index - equity[3]		0.05	0.05	0.07	0.07	-	0.19
Late payments	Payment gap - corporates B2B, difference in days between offered and actual payment[4]		12.8	12.1	15.5	13.0	17.5	17.4
	Payment gap - public sector, difference in days between offered and actual payment[4]		10.2	12.9	17.9	14.6	14.6	13.6
	Share of SMEs experiencing late payments, %[5]	from private entities in the previous or current quarter	-	-	-	51.2	62.4	47.1
		from public entities in the previous or current quarter	-	-	-	14.0	14.9	15.9
Single Market								
Integration	EU trade integration, average(intra-EU imports + intra EU exports)/GDP, %[1]		66.5	73.8	65.9	62.4	62.2	40.7
	EEA Services Trade Restrictiveness index[6]		0.044	0.044	0.044	0.044	0.044	0.050
Public procurement	Single bids, % of total contractors[7*]		25	30	32	24	25	27
	Direct awards, % of negotiated procedures[7*]		3	5	3	4	3	6
Compliance	Transposition deficit, % of all directives not transposed[8]		1.4	0.9	0.6	0.7	0.5	1
	Conformity deficit, % of all directives transposed incorrectly[8]		1.3	1.4	1.3	1.1	0.8	1.1
	SOLVIT, resolution rate per country, %[8]		100	100	100	95.5	92	84.6
	Number of pending infringement proceedings[8]		27	29	31	31	28	25
Industry and economic security								
Energy-intensive industries	Electricity prices for non-household consumers[1]		0.1344	0.2630	0.2787	0.2104	0.1990	0.1462
	Electrification (electricity as a share of total energy consumption in industry)[1]		29.5	26.9	26.5	-	-	32.7
	Share of energy from renewable sources (renewable energy generation as a share of overall energy consumption)[1]		17.4	17.5	17.0	18.1	-	25.2
Critical raw materials	Material import dependency, %[1]		45.2	45.8	43.8	44.5	-	22.4
	Circular material use rate[1]		10.4	11.5	10.6	12.2	-	12.2
Operational cleantech manufacturing capacity in 2025[9]	- Solar PV (c: cell, w: wafer, M:module), GW		0.15 (m)		- Electrolyzer, GW		-	
	- Heat pump assembly		0.4262		- Battery, GW		0.3	

Source: (1) Eurostat, (2) EIB Investment Survey, (3) EIF SME Access to Finance Index, (4) Intrum Payment Report, (5) SAFE survey, (6) OECD, (7) data up to 2024: Single Market and Competitiveness Scoreboard, 2025: Commission calculation based on TED data, accessible at the Public Procurement Data Space (PPDS) (*) the value represented here under EU average is the median, (8) Single Market and Competitiveness Scoreboard, (9) European Commission calculations.

Table A6.1: **Savings and Investments Union summary diagnostic**

Topic	*Main features*	*Relative EU positioning*
Asset-backed pension schemes	Assets at 16.2% of GDP (32.3% in the EU) 10-year real return of -0.7 (1.4% in the EU)	The low level of pension assets yield a low real return (for comparative purposes this table uses OECD data of 2024). In the meantime, there has been a pension system reform in May 2023 that lead to bette restimated returns.
Households' financial assets	EUR 19 969 per capita (EUR 85 090 in the EU) o/w 5.0% in listed shares and bonds (7.6% in the EU) o/w 12.4% in investment funds (11.0% in the EU) o/w 3.3% in life insurance (13.4% in the EU) o/w 19.5% in pension claims (13.6% in the EU)	A modest share of households' financial assets is invested in equity and in capital markets. A savings and investment framework known as Dlhodobé Investičné Sporenie (DIS) is available.
Venture capital (VC) **Private equity (PE)**	VC at 0.017% of GDP (0.064% in the EU) PE at 0.029% of GDP (0.487% in the EU)	Low venture capital and very low private equity investments.
Capital taxation	Capital gains on assets like shares held over a year are often 0% tax (exempt if not business-related), while dividends are taxed at 7% (for profits from 2025 onwards) or 10% (for 2024 profits).	Preferential tax treatment for equity investments
1-3 **4-10** **11-17** **18-24** **25-27**	Colours indicate the country's relative ranking based on five groups, ranging from the three best to the three worst performers. The relative ranking as regards an SIU diagnostic topic derives from a consistent cross-country comparison, the starting point of which is the average of the underlying main features.	

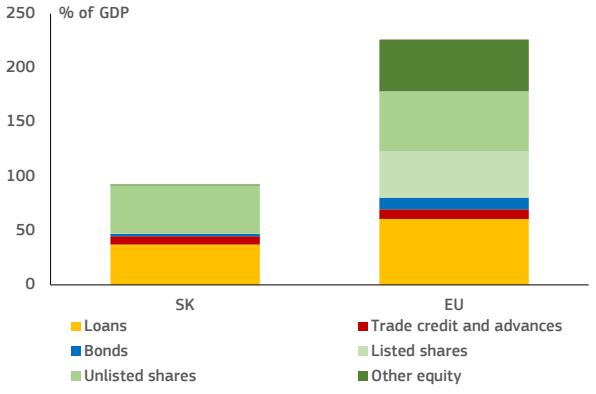
Source: OECD (pensions), Eurostat (households' financial wealth), FISMA CMU dashboard (VC and PE), national sources (capital taxation). End-2024.

Slovakia is performing satisfactorily in terms of progress towards the policy goals of the Savings and Investment Union (see Table A6.1). Slovak companies largely rely on internal funding or traditional bank loans to finance their investment needs. Domestic capital markets remain underdeveloped, and debt markets channel savings mostly to the government. Slovak households' rather limited financial assets are conservatively invested in the capital market. The Slovak banking sector remains robust. Bank lending to households has been more dynamic than lending to companies. Because the insurance sector is very small and focused on non-life insurance, its capacity to invest in the economy is limited. The fund management sector is small yet growing and increasingly investing in investment funds and equity (in addition to bonds). The pension funds sector, which was reformed in 2023 to include mandatory auto-enrolment and lifecycle-based default investment strategy in pillar 2, has the potential to increasingly channel funds to capital markets and the economy. The venture capital and private equity ecosystems are too underdeveloped to meet the financing needs of innovative firms.

Business landscape and company funding

Slovak companies largely rely on internal financing or traditional bank funding. The size structure of local non-financial corporations (NFCs) is tilted towards micro firms and SMEs (see also Annex 5). This has implications for the funding profile of the corporate sector. According to the 2024 EIB Investment Survey, 66% of the investment needs of Slovak companies are covered by internal funding, which matches the EU average ([95]). According to Eurostat, when looking at external funding, bank loans accounted for 40.1% of NFCs' financing (EU average: 26.9%) at end-2024. Market based instruments such as listed shares and/or corporate bonds accounted for a low 2.5% of total NFC financing (EU average: 23.5%) at end-2024, which underlines the fact that Slovakia's capital market is underdeveloped. The overall level of NFC funding in Slovakia was equivalent to 92.6% of GDP at end-2024, which is substantially lower than the EU average of 226.2% of GDP (see Graph A6.1).

Graph A6.1: **Composition of non-financial corporations' funding**



Source: Eurostat. End-2024.

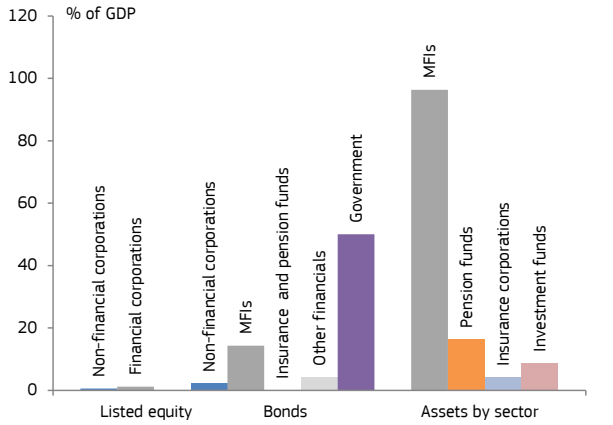
([95]) EIB, 2024, 2024 EIB Investment Survey, p.29.

Size and structure of the financial sector

Slovakia's financial sector remains dominated by banks. The banking sector dominates financial services, with banking assets equivalent to 95% of GDP in Q3-2025, far below the EU average of 246.1% but well above any other sector of the domestic financial system. The Slovak banking sector is highly concentrated, with the top five lenders owning 75.6% of total bank assets (EU average: 50.9%), while foreign entities controlled 87.4% of the total bank assets in Q2-2025. Pension fund assets amounted to about 17% of GDP in Q3-2025 (EU average: 23%), which makes it the second largest segment of the financial system ([96]). The investment fund sector was equivalent to 9.1% of GDP in Q3-2025. The insurance sector was equivalent to just 4.1% of GDP in Q3-2025 (EU average: 53.9%) (see Graph A6.2).

The Slovak capital market is underdeveloped. The Bratislava Stock Exchange (BSSE) is the primary platform for equity trading in Slovakia. The market capitalisation of listed companies stood at just 1.7% of GDP in Q3-2025 (EU average: 69.9%). NFCs accounted for only 35.3% of that capitalisation at end-2024. Initial Public Offerings (IPOs) are virtually non-existent, and trading volumes are extremely low and dominated by bond transactions. In 2024, Gevorkyan (a Slovak manufacture of metallurgy products) secured a dual listing on BSSE after being listed on the prime market of the Prague Stock Exchange in 2023.

Graph A6.2: **Capital markets and financial intermediaries**



Source: ECB, EIOPA, AMECO. End-2024.

Public and private stakeholders have been taking some steps to support the development of the capital market. The April 2014 concept report for the development of the capital markets ([97]) has not been updated since. In 2023, the Slovak Business Association also prepared an analysis on how to promote alternative forms of raising capital for SMEs ([98]). To stimulate regional markets in November 2024, eight central and eastern European stock exchanges (Bratislava, Bucharest, Budapest, Ljubljana, Skopje, Sofia, Warsaw, and Zagreb), together with the EBRD, signed a memorandum of understanding (MoU) to foster the joint development of national capital markets through closer cooperation, regulatory alignment, and increased market integration. This initiative was endorsed by the respective finance ministers with an MoU signed in August 2025. In April 2026, the respective regulators also signed a MoU, thereby bringing all key institutions to this project.

Government securities dominate the fixed income market, and NFCs barely raise any funds on this market. The outstanding volume of debt securities reached the equivalent of 70.8% of GDP at end-2024 (EU average: 139.8%). The domestic bond market in Slovakia is dominated by government securities, which accounted for almost 70.6% of the total bonds as of end-2024.

([96]) The figure on pension funds' assets (in % of GDP) provided in Graph A6.2 is based on ECB data on pension funds. It is therefore different from the figure provided in the first table on the assets of asset-backed pension schemes, which is based on OECD data and includes all pension providers (not only pension funds) and public pension reserve funds.

([97]) Ministry of Finance of the Slovak Republic, 2014, Concept for the development of capital market.

([98]) BSA, 2023, Alternative forms of raising capital for SMEs through the capital markets.

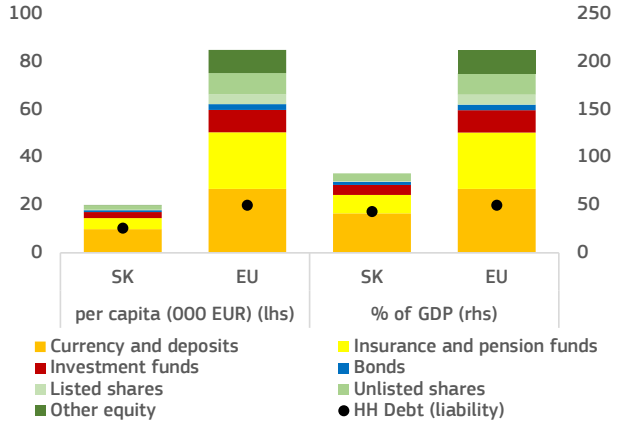
Financial institutions, whether banks or not, accounted for 20.2% of total debt securities, while NFCs accounted for 3.1% of the total debt securities. Debt securities are therefore not a major source of Slovak NFC funding.

Households' participation in capital markets

Slovak households manage their financial assets in a conservative manner. Slovak households have a low saving rate (8.1% vs EU average of 14.4% in 2024). On aggregate, Slovak households have financial assets equivalent to 83.2% of GDP (EU average: 212.2%). Slovak households held about half of their assets (49.6%) in bank deposits at end-2024 (EU average: 31.6%) Around 40.7% of households' financial assets were held in pension and investment funds or held directly in financial investment instruments (EU average: 46.5%) at end-2024. More specifically, Slovak households invest about 23.4% of their financial wealth in insurance and pension funds (EU average: 27.8%), 12.4% in investment funds (EU average: 11.0%), 4.1% in bonds (EU average: 2.8%), and 0.8% in listed shares (EU average: 4.9%) (see Graph A6.3).

Financial literacy in Slovakia has improved over the years. In July 2023, the Eurobarometer survey showed that 20% of the Slovak public had a high level of financial literacy (vs 18% for the EU), 63% a medium level (vs 64% for the EU), and the remaining 17% a low level (vs 18% for the EU) ([99]). In Slovakia, the overall financial literacy indicator, which combines financial knowledge and financial behaviour indicators, was, at 45%, close to the EU average score of 45.5% ([100]). The Ministry of Education adopted the 'national financial literacy standard' strategy, which entered into force in 2017, but has not been updated since. This strategy focused on topics such as financial responsibility, money protection, credit and debt, savings and investment, risk management and insurance, etc. Many other activities aimed at increasing financial literacy have also been developed by the National Bank of Slovakia (NBS) ([101]), the Finance Ministry as well as universities, business entities and non-profit organisations. Challenges remain given the uneven level of knowledge across different population groups, the difficulty in applying theoretical knowledge in practice, and the growing complexity of financial products.

Graph A6.3: **Composition of households' financial assets**



Source: Eurostat. End-2024.

Recent policy initiatives aim at boosting the level of retail investors' participation in capital markets. First, in the first half of 2025, to familiarise households with direct investment in financial instruments, for the first time the Slovak government launched government bond issuances for retail investors (two- and four-year maturity bonds with a tax-exemption on the interest income). Second, in 2015 Slovakia introduced a savings and investment framework called *Dlhodobé Investičné Sporenie* (DIS) that could greatly benefit retail investors ([102]). The DIS tax exempts investment income on a variety of financial instruments such as listed and unlisted equity, debt instruments, money market instruments, precious metal certificates, when held for a minimum of 15 years and for a maximum annual amount of EUR 6 000 per person. Only 25 500 Slovak residents have opened a DIS, representing total assets amounting to

([99]) European Commission, 2023, Flash Eurobarometer Survey - Monitoring the level of financial literacy in the EU, p. 17. Sum of financial knowledge score and financial behaviour score (with equal weight for each score) (% by country).

([100])European Commission, 2025, Overview of CMU Indicators, Indicator 27.

([101])NBS, 2019, The NBS financial literacy support strategy.

([102])Commission Recommendation of 30.9.2025 on Increasing the Availability of Savings and Investment Accounts (SIAs) with Simplified and Advantageous Tax Treatment and EC SWD 2025, p.21.

EUR 103 million (approximately 0.08% of GDP). Third, the 2023 reform of pillar 2 introduced automatic enrolment, and lowered management fees for pillar 3 pensions. The tangible impact of these initiatives has yet to materialise, but the process of onboarding Slovak households into capital markets is ongoing.

The banking sector: resilience and financing of the economy

The Slovak banking sector is well capitalised and resilient and therefore not constrained in its role of funding the economy. Key capital ratios for the Slovak banking sector are solid and above the EU averages, which underlines the sector's robustness (see Table A6.2). As of Q2-2025, the aggregate MREL (Minimum Requirement for Own Funds and Eligible Liabilities) level stood at 31.6%, which is above the required level of 27.4% ([103]). Profitability, asset quality and liquidity indicators are also above the EU average. However, the banks' asset quality outlook is subject to increased uncertainty due to the current conflict in the Middle East and its impact on energy prices and economic growth. Regardless of the tax on extraordinary banking profits ([104]), return on equity stood at 11.2%, and the aggregate non-performing loans (NPL) ratio at 2% in Q3-2025 (see Table A6.2). As part of the fiscal consolidation measures, Slovakia introduced a financial transaction tax with the first taxable period starting in April 2025, targeting business entities (the tax is designed to be a levy on debits from bank accounts) (see Annex 3). In terms of liquidity, the net stable funds ratio (NSFR) was 131% (exceeding the 100% regulatory minimum), while the liquidity coverage ratio (LCR) stood at 184% in October 2025 ([105]).

Bank lending in Slovakia is driven by loans to households. As of November 2025, bank loans to households (of which 75% were residential mortgage loans) were equivalent to 42.6% of GDP, while the figure for bank loans to NFCs was 18.7% of GDP. Mortgage loan growth is supported by the fall in interest rates, a low unemployment rate, and increasing prices in the housing market. The mortgage portfolio's annual growth is expected to continue to accelerate and reach 8–9% in spring 2026, up from 6.6% as of September 2025 ([106]). Annual growth in loans to NFCs has revived starting early 2025 and stood at 6.3% as of September 2025.

Role of non-bank financial intermediaries

Slovakia's insurance sector is profitable and solvent, but very small and focused on non-life insurance. The total assets of Slovak insurers were equivalent to just 4% of GDP at Q2-2025, well below the EU average of 53.3% (see Table A6.2). The return on equity (ROE) fell slightly, from 16.2% in H1-2024 to 15.9% in H1-2025 ([107]). The main driver of profit growth was the non-life underwriting performance, with total premiums increasing by 9.1% year-on-year in H1-2025 ([108]). The Solvency Capital Requirement ratio (SCR) was at 185.4% in Q2-2025 (EU average: 246.6%). The National Bank of Slovakia concluded from a stress test that the vast majority of insurance companies were able to cope with a combination of several adverse shocks without the SCR falling below the required 100% ([109]). The European Insurance and Occupational Pensions Authority's protection gap assessment indicates that Slovakia has a considerable insurance protection gap for floods (in particular) and wildfires ([110]).

Given its focus on non-life business and its associated liability structure, the Slovak insurance sector's investment strategies are conservative. Bonds accounted for 36.8% of the sector's total assets in Q2-2025 (EEA: around 19%) ([111]). Around 25.2% of assets under

([103])EBA, 2025. MREL Dashboard – Q2 2025, p.13.

([104])) In 2024, banks paid 30% extraordinary tax on profits in the form of a levy. This bank levy was then set to fall 5% per year to 15% in 2027, before being scheduled to be eliminated in 2028.

([105])NBS, 2025. Macroprudential Commentary, Dec. 2025, p.5.

([106])NBS, 2025. Financial Stability Report (Nov 2025). p.17-18.

([107])NBS, 2025. Financial Stability Report (Nov 2025), p.51.

([108])NBS, 2025. Financial Stability Report (Nov 2025), p.55-56.

([109])NBS, 2025. Financial Stability Report (May 2025), p.62.

([110])EIOPA, 2025. Dashboard on Insurance Protection for Natural Catastrophes in a Nutshell.

([111])EIOPA, 2025. Insurance Statistics (under asset exposures).

management (AUM) were invested into investment funds, with around half allocated to equity funds. Corporate bonds made up around 24% of AUM whereas equity represented only about 5% of the portfolio. Lastly, cash and deposits make up 4.6% of the total allocation, mortgages and loans 1.7%, and property 2.1% of the total assets.

The Slovak fund management industry is quite small but investing more and more in investment funds and equity. In Q3-2025, the largest portion of total assets was allocated to investment funds (42.3%), followed by stocks (24.4%), bonds (17.9%), and deposits and loan claims (14.6%) ([112]). This trend towards investment funds and equity investments may be a result of the 2023 pension system reform. The sector has the potential to grow further as households become increasingly aware of investment options yielding higher returns than bank deposits.

The Slovak pension system was reformed into a three-pillar system in 2005 ([113]). Pillar 1 is the public, mandatory, pay-as-you-go (PAYG) pension scheme administered by the Social Security Agency. Pillar 2 is a quasi-mandatory, fully funded, private pension scheme ([114]). Mandatory auto-enrolments and the lifecycle-based default investment strategy ([115]) were introduced on 1 May 2023. Pillar 3 is an entirely voluntary supplementary pension scheme ([116]). According to the Slovak Ministry of Labour, there are currently 2.7 million participants in the first pillar, 2 million participants in the second, and 1.1 million participants in the third. According to the Slovak Ministry of Labour, as of 31 December 2025, around 80% of the volume of AUM is part of pillar 2, while the remaining 20% of AUM is part of pillar 3 ([117]).

As of 1 May 2023, there have been changes to the pillar 2 pension fund scheme. Auto-enrolment was introduced to pillar 2 from May 2023 onwards for all individuals under 40 entering the workforce. For employees already in the workforce before May 2023 and under 40, enrolment in pillar 2 remains voluntary. Between May 2023 and October 2025, approximately 218 000 individuals were 'automatically enrolled' in pillar 2 pension funds, and only 5 000 exercised their right to optout. Since 1 May 2023 ([118]), new employees automatically participate into the default 'life-cycle non-guaranteed passive index fund' (unless opted otherwise) that gradually adjusts its risk profile over a saver's career and age. All participants will gradually move savings to 'guaranteed bond funds' ([119]) starting from age 50. As of 31 December 2025, 18.7% of AUM is invested in guaranteed (bond) funds, while 81.3% of AUM is invested in non-guaranteed funds (the estimated 10-year return on assets is higher for non-guaranteed funds) ([120]). In Slovakia, there are five private pension fund management companies (PFMC) in pillar 2 ([121]), offering 17 funds: five guaranteed bond funds and 12 non-guaranteed pension funds (six index funds, four stock funds, and two mixed funds that allow a more diverse risk profile) ([122]). Members are free to choose between different options. However, participants closer to retirement have limited access to riskier funds. Their account records all asset movements (e.g. contributions, fees and transfers). A central tracking system for pension funds is being

([112])ECB, 2025, Euro-Area Investment Funds, Q3-2025.

([113])Ministry of Finance of the Slovak Republic, 2023. 2024 Ageing Report Slovak Republic – Country Fiche (1.12.2023).

([114])Act No 43/2004 on the Old-age Pension Scheme.

([115])Commission Recommendation of 20.11.2025 on Pension tracking systems, pension dashboards and auto-enrolment C(2025) 9300 final; Commission Communication of 20.11.2025 on Enhancing the capacity of the EU supplementary pension sector to improve retirement income and supply long-term capital to the EU economy, COM(2025) 839 final (also SWD(2025) 367 final).

([116])Act No 650/2004 on Supplementary Pension Savings.

([117])According to the Ministry of Labour, the total exposure to stocks (whether direct stocks, stock ETFs, or stock indices) for the entire pension sector (pillars 2 and 3) in Slovakia was around 75% (EUR 18.1 bn) of the NAV (EUR 24.1 bn) as of 31 December 2025.

([118])Between 2012-2023, employees' contributions were placed into a guaranteed-return bond fund.

([119])There are two types of funds: guaranteed bond funds (mainly bond funds) prioritise capital protection, while non-guaranteed index funds (equity/index) aim for higher returns.

([120])The Slovak Ministry of Labour estimates that for pillar 2, as of 31 December 2025, the 10-year return for guaranteed funds was 0.5 % (NAV-weighted average), while for non-guaranteed funds it was 9.9% (NAV-weighted average).

([121])All PFMCs are legally bound to offer two types of funds: (a) a guaranteed bond fund, and (b) a non-guaranteed index fund. The law allows PFMCs to create an arbitrary number of other funds.

([122])NBS, Financial Entities Register, Pension Savings Schemes. Also, OECD, 2025. Annual Survey on Investment Regulation of Pension Providers (2025). P. 51-54; 172-175, 512-513.

considered ([123]), while the PFMCs have a legal obligation to send savers a statement once a year (current and forecast). Mandatory pension contributions and benefits to/from the second pillar are tax exempt ([124]).

Voluntary pension funds (pillar 3) are small but growing. Four supplementary pension companies offer voluntary pension funds. The supplementary pension funds regime (pillar 3) offers flexibility in terms of switching between funds and, compared with pillar 2, has a higher proportion of assets invested in riskier, growth-oriented funds, which has resulted in the growth of such funds ([125]). Employee contributions are tax deductible up to EUR 180 per year while employer contributions are taxed at a marginal rate (of up to 6%) of an employee's gross salary ([126]). Returns on investment are taxed on withdrawal at a 19% rate. Voluntary pension providers offer online applications to access information about agreements, savings, and the services provided.

The pan-European personal pension product (PEPP) is a voluntary EU-wide personal investment product that complements national products, and it is portable throughout the EU. The Slovak fintech broker Finax is the first European company to be licensed to offer PEPPs ([127]) to Czechia, Croatia, Poland and Slovakia.

The second and third pillar pension funds invest more in investment funds than in direct holdings of securities. In terms of asset allocation, investment funds accounted for 73.1% of total assets held by pension funds ([128]) as of Q3-2025. Debt securities were the second largest asset category at 21.4%, while equities came in at 2% of the total. A maximum of 5% net asset value (NAV) of assets may be invested in alternative investment funds, however, such investment is limited to specific domestic infrastructure (in effect, traditional VC/PE funds are excluded). The recent reform of pillar 2 resulted in a sizeable transfer of holdings from bonds to equity-oriented funds and index pension funds with higher risk/return profiles ([129]).

Venture capital ecosystem

The Slovak VC and PE ecosystems remain significantly underdeveloped. Venture capital (VC) and private equity (PE) investments in Slovakia are marginal, respectively equivalent to just 0.017% and 0.029% of GDP in 2022-2024, well below the EU averages of 0.064% and 0.487% ([130]), ([131]) (see Annex 4 for more details).

Despite public initiatives to facilitate access to capital for innovative firms, funding opportunities remain limited, in particular in the scale-up phase. Established in 2014, the Slovak Investment Holding (SIH) (100% owned by the Slovak Guarantee and Development Bank (SZRD)) manages funds (primarily European Structural Investment Funds (ESIF)) such as the Venture to Future Fund to facilitate access to funding for start-ups and innovative SMEs in Slovakia. According to SIH, early-stage start-ups primarily rely on public instruments (e.g. grants, pre-seed and seed equity, acceleration programmes), while companies seeking later stage funding rely mostly on foreign capital. In addition, according to SIH, several Slovak scale-ups in its portfolio already relocated to the US, Czechia, Norway or Poland to get access to larger and more liquid capital markets and more investor-friendly legal frameworks, which suggests a financing gap for promising early-stage innovative firms seeking to scale up. Slovakia does not have a dedicated VC/PE tax regime.

([123])Commission Recommendation of 20.11.2025 on Pension tracking systems, pension dashboards and auto-enrolment C(2025) 9300 final.

([124])Ministry of Finance of Slovak Republic, 2023. 2024 Ageing Report Slovak Republic – Country Fiche (1.12.2023)., p. 7; OECD, 2024. Annual Survey on Financial Incentives for retirement savings, Dec. 2024. P. 81-82.

([125])NBS, 2025. Financial Stability Report (May 2025), p.59.

([126])Max-Planck-Institute (2020). The Slovak Old Age Security System in 2020.

([127])EIOPA, 2025, PEPP.

([128])ECB, 2025, Euro-Area Pension Funds, Q2-2025.

([129])NBS, 2024, Financial Stability Report – Nov. 2024, p.61.

([130])European Commission, 2025, Overview of CMU Indicators, Indicator 16.

([131])European Commission, 2025, Overview of CMU Indicators, Indicator 11.

Table A6.2: **Financial sector indicators**

		2018	2019	2020	2021	2022	2023	2024	2025-Q3	EU
Banking sector	Total assets of MFIs, % of GDP	90.8	91.5	99.2	104.6	103.7	99.3	96.3	95.0	246.1
	Common equity Tier 1 ratio	15.5	15.8	16.8	16.7	16.8	17.3	17.4	18.3	16.8
	Total capital adequacy ratio	17.8	18.0	19.3	19.4	19.5	20.1	19.8	20.5	20.2
	Overall NPL ratio, % of all loans	3.2	2.9	2.5	2.0	1.7	1.8	1.9	2.0	1.9
	NPL ratio, loans to NFCs	4.0	3.5	3.4	2.8	2.3	2.5	2.5	2.4	3.5
	NPL ratio, loans to HHs	3.4	3.0	2.6	2.2	1.8	1.9	1.9	2.0	2.1
	Return on equity ratio[1]	9.3	8.3	5.3	8.4	9.4	11.5	10.2	11.2	9.6
	Loans to NFCs, % of GDP	20.5	20.3	20.8	20.0	20.8	18.8	17.5	18.0	29.3
	Loans to HHs, % of GDP	40.5	41.7	44.4	44.7	45.7	42.4	41.9	42.0	43.6
	NFC credit growth rate, %	6.4	4.2	4.3	6.0	9.8	2.8	-0.9	7.4	2.5
	HH credit growth rate, %	10.7	8.5	6.6	9.1	10.0	3.8	4.0	6.6	2.6
Non-banking sector	Stock market capitalisation, % of GDP	5.3	2.9	2.8	2.0	1.8	1.5	1.7	1.7	69.9
	Initial public offerings, % of GDP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	0.06
	Market funding ratio	28.4	27.5	24.7	23.5	21.7	20.5	20.8	-	49.7
	Private equity, % of GDP	0.019	0.025	0.031	0.038	0.033	0.037	0.029	-	0.487
	Venture capital, % of GDP	0.008	0.010	0.016	0.021	0.019	0.017	0.017	-	0.064
	Financial literacy, composite index	-	-	-	-	-	45.0	-	-	45.5
	Bonds, % of HHs' financial assets	3.7	3.9	3.9	3.3	3.7	4.1	4.1	-	2.8
	Listed shares, % of HHs' financial assets	0.2	0.4	0.5	0.7	0.6	0.8	0.9	-	4.8
	Investment funds, % of HHs' financial assets	7.3	7.4	7.7	9.2	9.3	10.8	12.4	-	11.0
	Insurance/pension funds, % of HHs' financial assets	19.0	19.6	19.9	20.9	21.0	21.8	23.4	-	27.8
	Total assets of insurers, % of GDP	7.1	7.3	7.5	6.0	4.8	4.4	4.2	4.1	53.9
	Pension assets, bn EUR	-	-	-	15.4	15.1	17.6	21.1	-	5813.8
	Pension assets, % of GDP	-	-	-	15.1	13.7	14.3	16.2	-	32.3
	10y real return average of pension assets, %	-	-	-	-	-	-1.2	-0.7	-	1.4
	Pension funds assets, ECB (% of GDP)	-	12.4	13.9	15.1	13.7	14.3	16.3	17.0	23.0

1-3 | 4-10 | 11-17 | 18-24 | 25-27 — Colours indicate performance ranking among the 27 EU Member States.

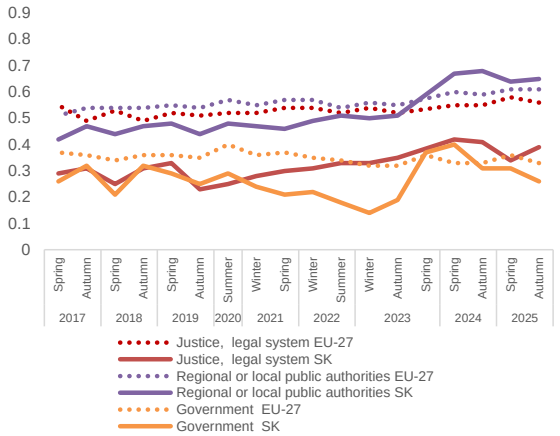
(1) Annualised data. EU data for credit growth and pension funds refer to the EA average.

Source: ECB, Eurostat, European Insurance and Occupational Pensions Authority, DG FISMA CMU dashboard, AMECO.

An effective institutional framework is essential for competitiveness. This requires public trust built on integrity, high-quality legislation, regulatory simplification and efficient services for people and businesses. For Slovakia, the 2025 country specific recommendations (CSRs) highlight the need to i) improve the quality of regulation, ii) address the fragmentation of governance structures, iii) ensure better coordination and policymaking, and iv) strengthen the judicial system and enhance the effectiveness of the anti-corruption system.

Public trust

Graph A7.1: **Trust in the justice system, regional / local authorities and in government**



(1) EU-27 since 2019; EU-28 before
Source: European Commission, Standard Eurobarometer surveys

In Slovakia, trust is highest in local and regional authorities. Trust in government is declining. Trust in the legal system fluctuates and remains significantly lower than the EU average (Graph A7.1). Both businesses and people have strong confidence in the public administration's ability to handle their data securely and responsibly ([132]).

Quality of lawmaking and implementation

Slovakia continues to be hampered by a weak implementation of lawmaking rules. There are rules formally in place for the legislative process, but they are easily and often circumvented. For instance, assessment of the implementation of legislation**.** Ministries are expected to assess the costs, benefits and a range of impact on businesses of all new primary and secondary legislation. ([133]). Yet, such assessments are often limited or of poor quality ([134]). The level of compliance with existing legislation is not assessed. Consideration of non-regulatory approaches is rare. The quality of the regulatory impact assessments and evaluations is overseen by a legislative council, whose recommendations on draft legislative proposals are not mandatory. The Ministry of Economy carries out *ex post* evaluations of existing legislation, but these focus only on the impact of regulation on business. Wider, sector-oriented evaluations are not carried out. (Table A7.1).

Stakeholder consultations are limited. Consultations with business stakeholders are a mandatory part of the assessment of impact of legislation on the business environment. However, the Ministry of the Economy takes the final decision on which proposals need consultation. The legislative rules of the parliament do not require impact assessment or public consultations introduced by its members or committees, even though the number of such legislative proposals has increased significantly in recent years. Stakeholder organisations find that overall, in recent times, consultations are either skipped or rushed, thus limiting their usefulness.

The speedy adoption of laws continues to undermine business environment in Slovakia. Many important laws, especially concerning sensitive political topics, are still subject to a 'fast-track' procedure. The share of laws adopted in this

([132])European Commission, 2026, Flash Eurobarometer surveys 567 and 568 on satisfaction with administrative services.

([133])OECD, 2025, Regulatory Policy Outlook 2025, OECD Publishing, Paris, p. 214, link.

([134])Government Office of the Slovak Republic, 2024, Annual Report of the Standing Working Commission of the Legislative Council of the Government of the Slovak Republic for the Assessment of Selected Impacts 2024, pp. 8-13, link.

Table A7.1: **Slovakia. Selected indicators on better regulation practices for primary legislation**

Tools for smart legislation:	
Share of possible impacts assessed for all primary laws when developing legislation	●
Regulators are required to identify and quantify the benefits of a new primary law	●
Regulators are required to identify and assess the impacts of alternative non-regulatory options	●
Tools for effective implementation: when developing laws, regulators are required to:	
Assess the level of compliance	●
Identify and assess potential enforcement mechanisms	●
Specify the methodology of measuring progress in achieving the law's goals	●
Oversight of better regulation:	
There is an external body responsible for reviewing the quality of RIAs and of ex post evacuations	●
There are publicly available assessments of the effectiveness of RIA in modifying regulatory proposals	●
There are reports on the level of compliance by government department with the requirements of RIA	●
There are indicators on the percentage of ex post evaluations that comply with guidelines	●
The effectiveness of ex post evaluations in improving the regulatory stock has been assessed in the last five years	●

● High / yes / for all primary laws ● Medium / in part / for major primary laws ● Low / for some primary laws ● Very low / no / never

Source: OECD, 2025, Regulatory Policy Outlook 2025 and Better Regulation across the European Union 2025

way remained high at around 20% in 2025 ([135]). The criteria for the application of the fast-track procedure are very general and applied in a flexible way ([136]). Such fast lawmaking avoids thorough impact assessment and limits public consultations. Together, these elements create an unpredictable regulatory environment, as reported by Slovak businesses who consider the frequent use of fast-track legislative procedures and weak implementation of better regulation rules among the key challenges (see Annex 5).

Slovakia received a CSR in 2025 calling for creating a more predictable regulatory environment through improving the better regulation framework, ensuring that impact assessment and stakeholder consultations are integrated into the legislative process. Slovakia is planning a comprehensive reform of impact assessments. It will be carried out in the context of improving strategic governance. The specific measures to address existing challenges remain to be fully defined.

Slovakia is making some efforts to improve its strategic planning, policy prioritisation and monitoring. The need for better coordination and policymaking has also been flagged by the 2025 CSRs. A newly established network of strategic and coordination units in the ministries will be led by a strategic and coordination centre at the Office of the Government. The TSI is helping to develop capacity to link policy strategies, investment planning, EU programming and reform implementation. The government is also working to connect different digital platforms to ensure i) consistent monitoring of strategies, ii) transparent assessment of newly proposed and existing legislation, iii) public consultations, iv) management of legislative drafting and v) assessment of the overall regulatory environment ([137]).

Public service delivery and digitalisation

Public services in Slovakia fall short of what is needed in terms of user-friendliness. Only 40% of people and 25% of companies are satisfied with administrative services, compared with an EU average of 45% and 42% respectively ([138]). The most time-consuming aspects are time to obtain responses, identifying the service required and related obligations, and preparing the paperwork (Graph A7.2).

([135])National Council of the Slovak Republic, link.

([136])National Council of the Slovak Republic, Rules of procedure, Article 89. link.

([137])Ministry of Economy of the Slovak Republic, Uniform methodology, link.

([138])European Commission, 2026, Flash Eurobarometer surveys 567 and 568 on satisfaction with administrative services.

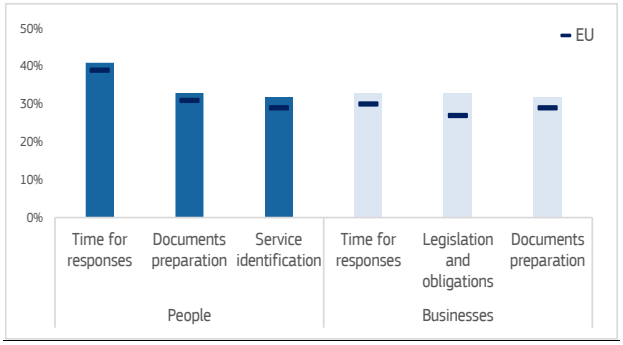
Table A7.2: **Digital Decade targets: availability of digital public services**

	Slovakia			EU-27
	2023	2024	2025	2025
Digital public services for citizens (0 to 100)	67	72	73	82
Digital public services for businesses (0 to 100)	78	79	73	86
Access to electronic health records (0 to 100)	42	66	72	83

(1) Digital Decade target by 2030: 100. (2) Publishing year, data was collected in the previous year
Source: State of the Digital Decade report 2025

Moreover, 65% of people say they need multiple interactions with public administration to obtain services and 73% say that the public administration repeatedly asks for the same information. This reveals a high level of administrative complexity and suggests that digitalisation is not being used to simplify services and provide seamless experience for the users.

Graph A7.2: **Most time-consuming aspects**



Source: European Commission, 2026, Flash Eurobarometer surveys 567 and 568 on satisfaction with administrative services.

Slovakia has only marginally increased the availability of digital public services for people, lagging well behind the rest of the EU (Table A7.2). Slovakia has made progress in closing the gap with the EU in enabling access to electronic health records (Slovakia 72%; EU 83%). Slovakia has issued four million electronic identity documents (eIDs), but less than a quarter of them are actually used. This can be explained by the complexity of online services. Although 70% of people acknowledge that digital public services save time and effort, 81% (EU 66%) desire more user-friendly designs ([139]). With the support of the RRP, Slovakia aims to improve 16 'life events', by i) simplifying forms, ii) introducing proactive delivery, iii) enhancing data integration across ministries and iv) adopting a mobile-first approach for easier authentication and authorisation.

The gap between Slovakia and the EU in terms of digital public services for businesses has however widened (Table A7.2). This is particularly true of i) the availability of pre-filled forms, ii) cross-border online payments and iii) transparency of processes ([140]). Companies prefer online to in-person services: 85% acknowledge that digital public services reduce time and effort to obtain a service (EU: 73%) and 74% report regular use (EU: 69%) ([141]). Businesses can be established online using the Slovensko.sk portal, which also offers automated checks, information on the tax, health-insurance and social-security systems. Applicant data are partially pre-filled ([142]).

Despite some progress, digitalisation of permitting in Slovakia faces critical barriers in connectivity, interoperability and workflow efficiency. Construction permitting is being digitalised as part of a wider reform of spatial planning and construction. A new portal allows applications for construction permits to be submitted and progress to be monitored online ([143]). The digitalisation of spatial planning is ongoing ([144]). However, the digitalisation of environmental and energy permitting remains

([139])European Commission, 2026, Flash Eurobarometer surveys 567 and 568 on satisfaction with administrative services.

([140])EGovernment benchmark 2025, Publications Office of the EU, link.

([141])European Commission, 2026, Flash Eurobarometer surveys 567 and 568 on satisfaction with administrative services.

([142])European Commission, forthcoming, Simplification of key life events.

([143])Construction Portal, link.

([144])Office for Spatial Planning and Construction of the Slovak Republic, Spatial planning, link.

fragmented. Existing portals offer online information about the process.

Slovakia is technically ready to enable the exchange of data and documents with authorities in other EU countries through the once-only technical system ([145]). When services ([146]) become accessible, people and businesses will no longer have to search for their data, download and upload documents manually across e-government portals in different Member States. Still, Slovakia has yet to identify the types of documents and data to exchange through the system and explore ways to shift from the submission of documents to exchange of structured data.

There are major obstacles for end-to-end digital public services delivery. These include limited integration with base registers, low levels of interoperability between base registers, and lack of standards for data exchange ([147]). The digitalisation and simplification of internal workflows is also slow, which undermines investment in digital infrastructure ([148]). The government is developing reusable components, (for the design of services, data integration, notification of users, payments, user guides, etc.), which will be available to all public administrations.

The 2025 National ICT concept for public administration addresses some of the existing obstacles to digital public service delivery ([149]). It aims to advance digital transformation by providing standardised cloud services and shared resources to public administrations, enabling data exchange, automation, and the use of AI, as well as strengthening cyber security. However, other critical aspects that undermine Slovakia's ability to improve service delivery and create a more predictable and competitive environment for the business and the citizens are not reflected. Such aspects include digitalisation of registers, developing wider digital skills in the public administration, ensuring an effective digital transformation of municipalities.

Digital transformation of public administration is also hampered by fragmented procurement and limited digital skills. Procurement of information and communications technology goods and services is not guided by an integrated strategic approach. The coordination between the authorities that have an important role in this area is neither sufficient, nor efficient. Guidance is limited. As a result, procured solutions do not contribute to a well-connected, interoperable, seamless digital government. While the RRP-funded digital marketplace for IT procurement marked an important first step, public administrations do not have sufficient confidence and capability to develop new approaches to ICT procurement. This leads to high levels of dependency on individual service providers. Slovakia's administration has significantly lower share of in-house IT specialists compared to abroad. In this context, only 6% of the works financed through operational programme "Integrated infrastructure" for 2014-2020 were delivered through in-house expertise. There is also a significant brain drain of IT experts, resulting in a lack of institutional memory for both contractors and suppliers ([150]).

Local governance

Slovakia has taken very few efforts to address the structural weakness of local administration and governance, flagged in the 2025 CSRs (see Annex 18). This affects the ability to offer good-quality public services at local level. Inter-municipal coordination has been a central strategy for addressing fragmentation of local government (see Annex 18) and improving the efficiency and stability of the services they deliver. Recent analysis shows, however, that

([145]) European Commission, *Once-Only Technical System Acceleratormeter*, Ec.europa.eu.

([146]) Procedure types under Annex II of the SDGR (2018/1724/EU) and directives 2005/36/EC, 2006/123/EC, 2014/24/EU and 2014/25/EU.

([147]) European Commission, 2024 Digital Public Administration Factsheet, p5, link.

([148]) European Commission, 2025, Digital Decade 2025: Country reports, link.

([149]) NIKVS, Ministerstvo investícií, regionálneho rozvoja a informatizácie SR.

([150]) OECD (2022), Towards Agile ICT Procurement in the Slovak Republic: Good Practices and Recommendations, OECD Public Governance Reviews, OECD Publishing, Paris, link.

voluntary participation in such cooperation has declined, especially among the smallest ([151]). As a next step, the government is planning to introduce a mechanism of 'facilitated incorporation' and to adapt the delivery of delegated state tasks only to designated municipalities.

With the support of the RRP, Slovakia piloted the creation of 21 shared-service centres ([152]). These centres i) employ specialists in specific areas such as education, urban planning and building codes, ii) coordinate the implementation of certain functions such as building regulations, transport, and environmental protection and iii) enable the recruitment of qualified staff on specialised tasks including legal advice and financial management. This approach enables centres to obtain needed equipment and connectivity to public digital services. Following an evaluation of this first phase, Slovakia plans to roll this out more widely. Other planned steps include legal amendments to boost local referendums, support for the digitalisation of regional and local administrations and improved performance. A regional development strategy is being drawn up, linked to the long-term Vision and Development Strategy of Slovakia by 2040 (see Annex 18).

Civil service

Slovakia's public administration struggles to attract young talent. The proportion of staff below the age of 49 is falling, albeit remaining above the EU average ([153]). On the positive side, the proportions of i) civil servants with higher education and ii) those participating in adult learning have caught up with the EU average in recent years ([154]). The job-vacancy rate in public administration is significantly higher than that in the economy as a whole (4.9 vs 1.2) ([155]), suggesting strong competition from other sectors. Younger people are less likely to consider public administration an attractive employer (13% for people under 39 vs 19% for those above) ([156]). An EU-funded central information system was launched in 2024 to handle job applications and enable analysis of the recruitment process.

Following the 2024 amendments to the Civil Service Act no action has been taken to ensure the coordination of human resources management, promotion of integrity and training of civil servants. A Civil Service Section in the Slovak Government Office. (Úrad vlády, Sekcia štátnej služby) provides opinions and methodological guidelines on the application of the Act as regards civil servant employment conditions ([157]).

Integrity

The perception and reported experience of corruption when doing business in Slovakia remains very high. The figures reveal acute concerns over corruption levels, with 85% of companies perceiving corruption as widespread (EU: 63%) and 90% stating that overly close links between business and politics lead to corruption (EU: 76%). Consistently, 64% report corruption as a barrier to doing business, well above the EU average of 35% ([158]). Sectors particularly vulnerable to corruption in Slovakia are public procurement and agriculture ([159]) (see also Annex 5). Many more firms than in the rest of the EU say they have been asked or are expected to offer gifts or extra payments for permits, services or procurement (Slovakia 20%; EU 10%), while only

([151])Report on the State of Public Administration Brings Data, Trends and Recommendations for State Modernization, Ministry of the Interior of the Slovak Republic, p.13, link.

([152])Ministry of Interior, 2024, Návrh na určenie vybraných prijímateľov priameho vyzvania s cieľom „Zriadenia centier zdieľaných služieb, link".

([153])European Commission, Eurostat, 2026, European Union Labour Force Survey, Employed persons by economic activity (NACE Rev. 2) (2008-2026).

([154])European Commission, Eurostat, 2026, European Union Labour Force Survey, Employees by educational attainment level and NACE Rev. 2 activity (2008-2026); European Commission, Eurostat, 2026, European Union Labour Force Survey, Participation rate of employees in education and training (last 4 weeks) by NACE Rev. 2 activity (2008-2026).

([155])Eurostat, 2026, Job vacancy rate by NACE Rev. 2 activity - annual data, link.

([156])European Commission, 2026, Flash Eurobarometer surveys 568 on satisfaction with administrative services.

([157])Civil Service and Civil Service Section, Office of the Government of the Slovak Republic, link.

([158])European Commission, 2026, Flash Eurobarometer surveys 567 and 568 on satisfaction with administrative services.

([159])European Commission, 2025, Rule of Law Report, link.

10% believe bribery of senior officials is appropriately punished (EU: 33%) ([160]). This suggests considerable day-to-day corruption pressure and weak enforcement and deterrence. Against this background, several corruption scandals were reported in 2025 ([161]).

Slovakia has made limited progress in introducing robust integrity and transparency safeguards, although it received a CSR in 2025 to enhance the effectiveness of the anti-corruption system. The influence of businesses on Slovakia's legislative process remains opaque. Lobbying is still unregulated. Preparatory work appeared to have started, but the proposed legislation on lobbying has been postponed again. Some progress was made on the adoption of the code of ethics for high-level executives in December 2025 ([162]).

The capacity of law-enforcement authorities to detect, investigate and prosecute corruption has been seriously undermined. In 2024, Slovakia relaxed its laws punishing corruption and dissolved specialised anti-corruption entities. The reform of the criminal law, implemented through several consecutive amendments in the fast-track procedure, raised serious concerns over Slovakia's capacity to combat corruption ([163]). As a result of reduced sanction levels for corruption crimes and the shortened period in which offenders can be brought to justice, several high-level corruption cases have been dropped ([164]).

Slovakia reorganised both prosecution and police enforcement bodies. The autonomous special prosecution office, National Crime Agency (Národná kriminálna agentúra, NAKA) and the department of corruption prevention (Odbor prevencie korupcie, OPK) of the government office were dissolved. NAKA's exclusive responsibility for corruption was split between several general police bodies at different levels. The power of the Prosecutor General to annul final decisions of lower-ranking prosecutors, now combined with the new prosecutorial framework, remains a concern ([165]).

As a consequence, serious concerns have been raised about the effectiveness of the fight against corruption ([166])**.** According to the General Prosecutor's office, corruption-related prosecutions in 2025 fell by 70% compared with the previous year, while criminal charges fell by 67%. Compared with 2023, prosecutions were down 56% and charges 40%. No new high-level corruption cases were detected in 2025. Bribery of foreign public officials remains an area with low enforcement levels, with one case reported.

The positive impact of investments in the specialisation and capacity building in recent years, funded by the RRF (e.g. training police officers in the area of anti-corruption) has therefore been severely undermined. After the reorganisation, the prosecutors with specialised experience were reassigned. The general prosecution and the new Office for the Fight against Organised Crime (Úrad boja proti organizovanej kriminalite; ÚBOK) themselves confirmed insufficient capacity to detect and investigate corruption following the reorganisations. On the positive side, some progress has been made in helping prosecutors to improve their handling of corruption cases and to strengthen the capacity of delegated European prosecutors. However, the decentralisation of investigations and the turnover of employees has had a largely detrimental impact on the follow-up of ongoing cases and the detection of new cases, which has fallen sharply compared to previous years ([167]).

Concerns also arose over potential whistleblowers being afraid to come forward with information about high-level corruption. In December 2025, Slovakia adopted amendments to the law on whistleblower protection, which also dissolved the existing office for the protection of

([160])European Commission, 2025, Flash Eurobarometer survey 557 on businesses' attitudes towards corruption in the EU and selected enlargement countries.

([161])European Commission, 2025, The OLAF report 2024: Investigative activities - Protecting EU Funds - Investigations in EU Member States, link; as well as media article, DennikN.SK, 22 November 2025, link.

([162])Ethics Codex, December 2025, Slovak Government Office, link.

([163])European Commission, Rule of Law reports 2025, link.

([164])European Commission, Rule of Law reports 2025, p. 10, link.

([165])European Commission, Rule of Law reports 2025, p. 7, link.

([166])GRECO report of 6 June 2025, pp. 43 and 44, link.

([167])Euroactiv.com, 10 February 2026, link, Press conference of the General Prosecutor, 4 February 2026, link.

whistleblowers (Úrad na ochranu oznamovateľov). The intention was to create a new office responsible to protect whistleblowers and the victims of crime. While the Slovak constitutional court initiated a constitutional review of this law ([168]), and the Commission opened infringement proceedings ([169]), Slovakia then repealed the law in March 2026. These developments may deter whistleblowers from coming forward and further aggravated the reported risks of low detection of corruption.

Justice

The justice system continues to face challenges as regards its efficiency. The time taken to reach a decision in civil and commercial cases in first-instance courts decreased from 173 days in 2023 to 151 days in 2024. The estimated time to resolve administrative cases in first-instance courts decreased significantly from 1 040 days in 2023 to 860 days in 2024 but is still among the longest in the EU ([170]).

The quality of the justice system is good overall. Funded by the RRP, the redrawing of the judicial map cut the number of district courts down from 54 to 36 and created administrative courts, strengthening the specialisation of judges and improving the organisation of courts. Some concerns persist, for example, in terms of unoccupied positions in administrative courts and insufficient alignment of seats of prosecutors ([171]). An evaluation of this reform is planned in 2026 to assess its impact on judicial efficiency and the functioning of the court system.

The level of digitalisation of Slovakia's justice system is close to the EU average. The judicial system would benefit from enabling secure remote working environments for courts and prosecution services and digitalised case management. Slovakia performs well in digital solutions to initiate and follow proceedings in civil/commercial and administrative cases and in online access for the public to published judgments ([172]). The country also performs well regarding arrangements for producing machine-readable judicial decisions.

Challenges regarding judicial independence persist. The judicial council plays a key role in the justice system, and its powers were further increased, including in disciplinary proceedings, following the amendments to the judges' laws. There are insufficient safeguards, however, for the independence of members of the judicial council ([173]). In this regard, all non-judicial members were dismissed and replaced in late 2023 and 2024. To further exacerbate these challenges, the latest amendments to the laws on judges, currently under constitutional review, extended the judicial council's powers, including in disciplinary proceedings ([174]).

([168])Decision of the Slovak Constitutional Court of 17 December 2025, link.

([169])European Commission, Letter of formal notice to Slovakia (INFR(2026)2012), link.

([170])For a more detailed analysis of the performance of the justice system, see the upcoming 2026 EU Justice Scoreboard and Rule of Law Report, link.

([171])European Commission, Rule of Law reports 2023, p. 4, link and 2025, p. 9, link.

([172])For a more detailed analysis of the performance of the justice system , see the upcoming 2026 EU Justice Scoreboard and Rule of Law Report, link.

([173])GRECO report of 6 June 2025, pp. 43 and 44, link.

([174])European Commission, Rule of Law report 2025, p. 7, link.

Slovakia faces challenges in decarbonising its industry, in reducing emissions from the effort sharing sector and on waste management. In 2025, Slovakia received a country-specific recommendation on the roll-out of zero-emission transport, modernisation of the rail network, resource waste management and the reuse of municipal and packaging waste. Slovakia is accelerating industrial decarbonization to meet 2050 climate neutrality goals, focusing on upgrading heavy industries like steel, cement, and chemicals. Backed by the EU Modernization Fund and Recovery Plan, Slovakia launched a second €150 million funding round in Oct 2025 for energy-efficient technologies, following earlier, larger calls for projects. Although Slovakia has adopted a national waste management plan, its regional plans are still in development and the country is at risk of missing its municipal waste and packaging waste targets. Air pollution is also a concern for Slovakia, resulting in EU infringement procedures.

Industry decarbonisation

Greenhouse gas emissions from industry

The greenhouse gas emission intensity of Slovakia's manufacturing industry is among the highest in the EU ([175]). The same applies to the share of all greenhouse gas (GHG) emissions generated by manufacturing, 33%. In Slovakia, manufacturing emits 688 g of CO_2eq of GHG per euro of gross value added ([176]). Between 2018 and 2023, the GHG emission intensity of manufacturing in Slovakia has improved by 11% ([177]). 44% of manufacturing emissions in Slovakia are generated by energy use and 57% by industry processes and product use. In the EU overall, the ratio is the opposite. Between 2018 and 2023, the energy-related product use emissions intensity of manufacturing declined by 18%. In recent years, the share of electricity and renewables in manufacturing's final energy consumption slightly decreased to 38% – well below the EU average of 45%. Over the same time period, the energy intensity of manufacturing improved by 9%, with final energy consumption falling from 2.3 GWh/EUR of gross value added to 2.1 GWh/EUR. In the EU overall, the improvement in energy efficiency over that period was 17%, at 1.1 GWh/EUR in 2023.

Policies to promote industry decarbonisation

According to its national energy and climate plan ([178]), Slovakia plans to move ahead with industry decarbonisation by taking energy efficiency measures and by increasing the use of renewable energy sources ([179]). Industrial decarbonisation in Slovakia focuses on heavy industry (e.g. the steel, cement, chemicals and wood processing sectors) and draws heavily on EU funding to finance initiatives ([180]). Moreover, in September 2024, the steel mill U.S. Steel Košice announced it had prepared a decarbonisation plan (with approximately EUR 300 million in RRF funding). However, due to difficulties in finalising the project within the necessary timeframe it did not go ahead. This situation is reflected also in the performance of Slovakia's Environmental Fund, which has functioned as a high-revenue but low-

([175]) This Annex discusses the transition of Slovakia's manufacturing industry, specifically its energy-intensive industries, to low-carbon and net-zero modes of production, which is key to preserving competitiveness on the path towards climate neutrality as mandated by the European Climate Law. A broader perspective on the current competitiveness challenges facing Slovakia's manufacturing industry is provided in Annex 5. For a more detailed description of greenhouse gas emissions from industry, see European Commission (2025), 2025 Country Report - Slovakia, Commission staff working document, SWD (2025) 205 final, Brussels, 4.6.2025, Annex A7. Clean industry and climate mitigation.

([176]) Data on the manufacturing sector exclude the NACE division C19 – manufacture of coke and refined petroleum products, for better match of the sectoral data from Eurostat (gross value added) with those from the UNFCCC under the Common Reporting Format. Also see further indicators on industry decarbonisation, as well as the annotation for further information, in table A8.1 at the end of this Annex.

([177]) In the following, data on the manufacturing sector exclude the NACE division C19 – manufacture of coke and refined petroleum products, for better match of the sectoral data from Eurostat (gross value added) with those from the UNFCCC under the Common Reporting Format; also see the annotation to table A8.1 at the end of this Annex.

([178]) Slovak NECP: MINISTERSTVO HOSPODÁRSTVA SLOVENSKEJ REPUBLIKY.

([179]) For a detailed analysis of energy prices, see Annex 9.

([180]) NECP: MINISTERSTVO HOSPODÁRSTVA SLOVENSKEJ REPUBLIKY p. 110.

impact instrument. While funding for low-income energy subsidies and water infrastructure increased recently, the fund's performance remains hampered by low absorption rates and a governance structure that restricts budgets to offset the national deficit.

Slovakia launched a second call under the Modernization Fund in October 2025 to support industry with the key selection criterion being the cost of reducing one tonne of emissions. Each project must also guarantee a reduction in emissions of at least 10 000 tonnes of CO_2 equivalent.

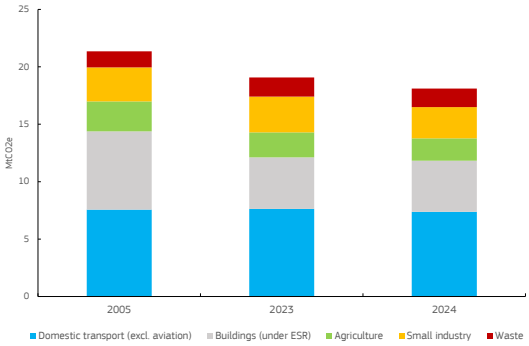
Overall, according to the NECP the industrial sector aims to achieve an 81% reduction in GHG emissions by 2050 compared with 2021 levels. In the longer run, Slovakia plans to use innovative technologies such as hydrogen. The national hydrogen strategy, prepared as part of Slovakia's RRP, aims to integrate low-carbon hydrogen in industrial processes to help reach carbon neutrality by 2050. The decarbonisation of industry in Slovakia would also benefit from a more predictable legal framework, which would be aided by the adoption of the Slovak climate law. The government has identified adoption of the law as a priority, but it remains unclear as to whether it will be adopted before the 2027 parliamentary elections.

Reduction of effort sharing emissions

Compliance with effort sharing limits with domestic measures

Slovakia is projected to overachieve its 2030 effort sharing target ([181]). In 2024, greenhouse gas emissions from Slovakia's effort sharing sectors are expected to have been 21.7% below 2005 levels. By 2030, with current and planned policies and measures, these emissions are expected to decrease by 26.4%, resulting in a surplus of 3.7 percentage points relative to the 2030 target, a 26% reduction. Slovakia is projected not to exceed its effort sharing emissions limits in any year in the 2021-2030 period.

Graph A8.1: **Greenhouse gas emissions in the effort sharing sectors, 2005, 2023, and 2024**



Source: European Environment Agency.

Sustainable transport

Road transport emissions in Slovakia have started to decrease only recently, excluding the years marked by the COVID-19 pandemic. In 2024, road transport generated 41% of Slovakia's effort sharing emissions, a 3% reduction from 2005 levels, though there was a small increase in 2023 relative to 2005 levels ([182]).

Road transport accounts for a high share of both freight and passenger transport. The modal split of freight transport on land in 2023 expressed as the share of tonne kilometres transported was 56.9% road, 25.8% rail and 2.2% inland waterways. The modal split of passenger transport on land in 2023 was 77.5% passenger cars, 9.1% railways and 12.5% buses and coaches. Slovakia is taking some measures e.g. overhauling of its rail sector to support zero-emission mobility and modernize infrastructure, largely funded through the EU RRF and Cohesion Funds, aiming to complete key projects by the end of 2026. The strategy focuses on reforming infrastructure

([181])The national GHG emission reduction target is set out in Regulation (EU) 2018/842 (the Effort Sharing Regulation). It applies jointly to buildings (heating and cooling), road transport, agriculture, waste and small industry (known as the effort sharing sectors). The emissions from effort sharing sectors for 2024 are based on approximated inventory data. The final data will be established in 2027 after a comprehensive review. Projections about the impact of current policies ('with existing measures', WEM) and additional policies ('with additional measures', WAM) as per Slovakia's 2025 reporting under Article 17 of Regulation (EU) 2018/1999 (the Governance Regulation). Also see European Commission (2025), Climate Action Progress Report 2025 – Technical Information, Commission staff working document, Brussels, Chapter 9 (pp. 111ff.), and in particular Tables 25 and 26.

([182])See Graph A8.1, and Table A8.1 at the end of this Annex.

governance, digitizing lines, and transitioning to electric and battery-powered rolling stock to address the 2025 recommendation to support the further roll-out of zero-emission mobility and modernise the rail network, by reforming the national railway infrastructure governance and creating a dedicated investment framework, as described below.

Slovakia has further scope to support the uptake of zero-emission trucks by exempting them from the infrastructure charge component of a toll, which is a demand-side economic incentive allowed under EU law until 30 June 2031.

The process to decarbonise transport, in particular the shift to rail, will require significant further action, notably clear policy objectives, long-term planning and substantial investment in renewing and upgrading infrastructure. Despite the extensive investment in rail infrastructure noted in the RRP, only 43.7% of Slovakia's railway lines were electrified in 2023.

Sustainable industry

Circular economy industry

Slovakia has made some progress in the transition to a circular economy. As stated in last year's country report, despite having adopted the circular economy roadmap and aligning waste legislation with EU directives, there is still scope for Slovakia to strengthen its circularity policy framework and swiftly implement it. Circular economy policies encourage investment in recycling and reuse infrastructure, which could potentially stimulate domestic demand and productivity growth in the long run. In a low-growth environment (GDP growth in 2025 was projected to be below 1%), circular economy investments could diversify the economy beyond manufacturing. As mentioned below, shifting the tax burden toward environmental taxes (e.g. resource-use taxes) could improve fiscal efficiency and support the deficit reduction taxes.

Resource productivity measures the total volume of materials directly used by an economy in relation to gross domestic product (GDP). With EUR 2.03 generated per kg of material consumed in 2023, resource productivity in Slovakia is below the EU average of EUR 2.84 ([183]). Improving resource productivity can help minimise negative impacts on the environment and reduce dependency on volatile raw material markets. In addition, improved resource productivity may help boost long-term economic growth.

In 2021, Slovakia adopted the national waste management plan for 2021–2025. The main objective of the plan is to divert waste away from landfill, especially municipal waste, by promoting more waste prevention, reuse, preparing for reuse, recycling and supplementing this with energy recovery. Specific measures include increasing landfill taxes and a deposit return system for single-use beverage packaging, which entered into force in January 2022. This national plan will be complemented by regional waste management plans, which are under development. Since 2023, all municipalities provide separate collection of biowaste, i.e. biowaste is collected separately and not mixed with other types of waste, or it can be sorted and recycled at source.

Slovakia is at risk of missing the municipal waste and packaging waste targets and missing the 2035 target of a maximum of 10% of municipal waste landfilled. Mixed municipal waste is still allowed to be landfilled without pre-processing and Slovakia has repeatedly postponed the obligation to pre-process waste. Slovakia has put in place a pay-as-you-throw system but each municipality can design its own scheme and it currently covers a small fraction of the population. It has also put in place mandatory deposit return schemes for aluminium beverage cans, plastic drink bottles and for some glass drink bottles.

In 2023 Slovakia put in place a landfill ban on sorted biodegradable waste from households and restaurants, municipal garden waste and biodegradable waste from retail wholesale and distribution. However, according to a 2023 analysis designed to assess the available capacity to process mixed municipal waste, mixed unprocessed municipal waste was still allowed to be landfilled. Since 2016, Slovakia has applied a landfill tax (or fee) of between EUR 11 and EUR 30 per tonne of landfilled waste,

([183])Eurostat, Resource Productivity, Link.

depending on the sorting level in the municipality. It does not levy a tax on waste incineration. Reaching the 2025 target of preparing for reuse and recycling 55% of municipal waste and the 2035 target to reduce landfill to 10% of municipal waste generated require improvements to Slovakia's its waste management performance. Slovakia has made some progress on waste prevention, on improving and extending the separate collection of waste, including biowaste, on improving the functioning of extended producer responsibility schemes to meet the general minimum requirements, on increasing landfill taxes to divert recyclable waste from landfill and on closing and rehabilitating non-compliant landfills. By contrast, Slovakia has made no progress on ensuring that all landfilled waste has been subject to (pre-) processing. There is not enough information available to assess progress on avoiding investment in potentially stranded assets like mechanical biological treatment or installations for the (co-)incineration of mixed municipal waste.

The total volume of waste generated in Slovakia has increased by more than a third over the last 12 years. This is mainly driven by the mineral and solidified waste categories. The upward trend in waste generation (excluding major mineral waste) is primarily driven by a significant increase in recyclable waste, which has more than doubled over the last 12 years. Slovakia's GDP growth stalled briefly in 2020, most likely due to the COVID-19 pandemic. In general, it appears that economic growth has not decoupled from waste generation.

Slovakia has moved in the right direction on preparing waste for reuse, on recycling municipal waste and packaging waste, and on reducing the landfill rate of municipal waste. Nonetheless, improvements are warranted. Slovakia's recycling rate of total packaging waste is already close to the 2025 target, and recycling rates of packaging waste materials are above the 2025 targets, except for aluminium packaging. However, the recycling rates are not yet based on the new calculation rules and are likely to be overestimated.

Total environmental taxes amounted to EUR 2.7 billion in Slovakia in 2022, representing 2.5% of its GDP (EU average: 2.0%) ([184]). Energy taxes formed the largest component of environmental taxes, accounting for 2.3% of GDP, above the EU average of 1.6%. Transport taxes, at 0.19% of GDP, were below the EU average (0.4%), as were taxes on pollution and resources, at 0.02% (0.08%). In 2022, environmental taxes in Slovakia accounted for 7.1% of total revenue from taxes and social contributions (above the EU average of 5.0%). Shifting the tax burden toward environmental taxes (e.g. resource-use taxes) could improve fiscal efficiency and support the deficit reduction taxes.

Slovakia has amended its Public Procurement Law (PPL) to include minimum environmental requirements in the tender documentation for all public contracting authorities under the PPL. Following the amendments, when public contracts of a value referred to in the PPL (Article 20(1) and (2)) are awarded, the procurement documents must contain environmental requirements for the products supplied or used for the services provided. The products, the mandatory minimum requirements for environmental protection and the instructions for proving compliance with these requirements are set out in an ordinance issued by the Minister of Environment and Water together with the Minister of Finance and the Minister of Economy and Industry. The overall environmental investment gap is 1.02% of GDP (well above the EU average of 0.8% of GDP). Almost 60% of the identified investment needs unmet (the investment gap). As mentioned above, the strategy and action plan for the transition to a circular economy appears insufficient to: (i) address the country's below-EU-average circular material use rate; and (ii) close the significant investment gap to meet the circular economy objectives.

The circular material use rate (CMUR) is a measure of one aspect of circularity: the share of the total volume of material used in the economy made up of recycled waste. Slovakia's CMUR increased sharply between 2018 and 2020 but has since plateaued at 10.6% in 2023, below the EU average of 11.8%.

([184])European Commission, Environmental Implementation Review (2025), *Slovakia country report*, Link.

Bioeconomy industry

In Slovakia, the bioeconomy is growing in the subsectors of food and beverages and wood products and furniture. Between 2018 and 2023, the value added by the bioeconomy has grown by 6.1% on average, below the EU-27 average of 5.1%. Among the bioeconomy sub-sectors, food and beverages saw the highest growth in value added (7.9% on average between 2018 and 2023) ([185])([186]). While overall bioeconomy employment has shown limited growth, food and beverages and wood products and furniture both recorded employment growth higher than the average of the bioeconomy. In particular, wood products and furniture registered the highest growth in total employment between 2018 and 2023 (2.7% on average) ([187]). Labour productivity in the bioeconomy – measured as value added per person employed – stood at 68.5% of the national average and it has been growing from 67.6% in 2018 ([188]). However, research and Development (R&D) business expenditure from bioeconomy-relevant sub-sectors has grown less than the overall R&D business expenditure in Slovakia (7.3% compared to 9.9% on average between 2018 and 2023) ([189]). Nonetheless, Slovakia is innovating with the development of bio-based pharmaceuticals ([190]).

Zero-pollution industry

Slovakia submitted its first national air pollution control programme (NAPCP) to the Commission on 9 March 2020. An update was due in 2024 but as of late 2025 it was still pending. According to the official national air quality assessment for 2023, exceedances persisted in parts of Slovakia for PM10, ozone and benzo(a)pyrene. In 2023, air pollution exceedances over the limits set by the Ambient Air Quality Directive (AAQD) were registered for particulate matter (PM10) in one air quality zone in Slovakia. The limits set for ozone concentrations were exceeded in two air quality zones, and the limits set for benzo(a)pyrene concentrations were exceeded in six air quality zones. The Commission is following up persistent breaches of air quality requirements, which have severe negative effects on health and the environment, by opening infringement procedures covering all Member States concerned, including Slovakia. The Court of Justice of the European Union issued a judgment on exceedances of PM10 limit values in 2023 (C-342/21) confirming Slovakia's non-compliance with Directive 2008/50/EC. The aim is to ensure that appropriate measures are put in place to bring all air quality zones into compliance. While exceedances still persist, Slovakia has applied a national legal framework for air protection and is currently preparing legislative amendments to transpose Directive (EU) 2024/2881 on ambient air quality and cleaner air for Europe. On the economic and welfare costs imposed by air pollution, the latest available annual estimates (for 2022) for Slovakia attribute 3 700 deaths each year (or 41 400 years of life lost (YLL)) to fine particulate matter (PM2.5); 260 deaths each year (or 2 900 YLL) to nitrogen dioxide (NO2) (84); and 700 deaths each year (or 7 800 YLL) to ozone ([191]).

Water pollution from industry is an additional challenge. Slovakia has the 13th highest level of emissions of heavy metals to water and ranks fourth on emission intensity (below the EU average of 0.864 kg/EUR 1 billion GVA). The main industrial contributors to emissions to water in Slovakia are the chemical sector for heavy metals, nitrogen and total organic carbon, the pulp and paper industry for phosphorus, and the metal production and processing sector for polycyclic aromatic hydrocarbons. 29% of surface water bodies still fail to achieve good chemical status due to the presence of ubiquitous, persistent, bio-accumulative and toxic substances (uPBTs) ([192]).

([185])Bioeconomy subsectors: food and beverages; bio-based textiles; wood products and furniture; bio-based chemicals and plastics.

([186])Joint Research Centre, Developments of Economic Growth and Employment in Bioeconomy Sectors across the EU, Link.

([187])Ibid.

([188])Ibid.

([189])Joint Research Centre, Business expenditure in Research and Development (R&D) in the EU bioeconomy, Link.

([190])Institute of Economic Policy and Finance - PowerPoint Presentation.

([191])EEA, 2024, *Harm to human health from air pollution in Europe: burden of disease status*, 2024, Link.

([192]))European Commission. Third River Basin Management Plans Second Flood Hazard and Risk Maps and Second Flood Risk Management Plans Member State: Slovakia, 2025, Link.

Table A8.1: **Key clean industry and climate mitigation indicators: Slovakia**

Climate mitigation	Slovakia								Trend	EU	
Industry decarbonisation		**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**		**2018**	**2023**
GHG emissions intensity of manufacturing production, g/€ (1)		863	709	757	938	750	765	688	**-68.3**	330	-
Share of energy-related emissions in industrial GHG emissions (2)		45.3	43.1	43.2	43.3	44.0	43.7	-	**0.6**	55.5	57.9
Energy-related GHG emissions intensity of manufacturing and construction, g/€ (3)		431.6	339.7	364.9	452.3	371.6	366.5	-	**26.8**	203.9	163.0
Share of electricity and renewables in final energy consumption in manufacturing, % (4)		41.2	42.7	38.8	39.7	37.8	37.6	38.2	**-0.6**	42.8	43.9
Energy intensity of manufacturing, GWh/€ (4)		2.34	2.10	2.15	2.45	2.22	2.08	2.04	**-0.1**	1.27	1.05
Share of energy-intensive industries in manufacturing production, % in GVA (5)		14.78	12.79	12.84	16.55	18.40	14.37	13.68	**0.8**	-	-
GHG emissions intensity of production in sector [..], g/€ (6)											
- paper and paper products (NACE C17)		441	374	396	571	467	402	339	**-57.0**	722	619
- chemicals and chemical products (NACE C20)		3,827	2,580	2,632	3,588	2,682	2,675	2,829	**197.1**	-	-
- other non-metallic mineral products (NACE C23)		2,810	2,109	2,363	2,744	2,613	2,384	2,162	**-201.4**	2,495	2,352
- basic metals (NACE C24)		5,924	6,985	7,464	7,716	6,450	8,684	9,160	**1695.6**	2,842	3,099
Reduction of effort sharing emissions		**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**		**2018**	**2023**
GHG emission reductions relative to base year, %					-11.9	-14.8	-16.6	-21.7			
- domestic road transport		1.7	5.8	-8.0	-2.0	1.4	0.8	-2.6	**5.4**	-1.4	-5.6
- buildings		-27.3	-29.0	-30.6	-21.9	-28.8	-34.2	-34.7	**-4.1**	-20.3	-33.5
		2005			**2021**	**2022**	**2023**	**2024**		**Target**	**WEM**	**WAM**
Effort sharing: GHG emissions, Mt; target, gap, %		23.1			20.4	19.7	19.3	18.1		-22.7%	-14.4%	-26.4%
Sustainable road transport		**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**		**2018**	**2021**
New zero-emission vehicles, electricity motor, % (7)		0.31	0.16	1.19	1.50	1.92	2.90	2.43		**1.2**	1.03	8.96
Number of publicly accessible AC/DC charging points (8)		-	-	425	1241	2232	2380	3248	4179	**2938.0**	446956	n/a
Share of electrified railways, % of total (9)		43.76	43.73	43.70	43.71	43.71	43.65	43.59		**-0.1**	55.47	56.49

Sustainable industry	Slovakia								Trend	EU-27	
Circular economy transition		**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**		**2018**	**latest data**
Material footprint, tonnes per person		14.7	13.8	12.9	12.9	15.3	15.4	13.7	-1.6	14.8	13.7
Circular material use rate, %		4.7	8.3	10.3	10.4	11.5	10.6	12.2	0.7	11.6	12.2
Resource productivity, €/kg		1.2	1.4	1.5	1.6	1.8	2.0	2.4	0.5843	2.1	3.0
Employees in circular economy		2.8	2.8	2.8	2.8	2.6	2.7	-		2.1	2.0
Patents in circular economy		2	1.0	2.0	-					12.3	12.0
Recycling rate		36.3	38.5	45.3	48.9	49.5	50.3	50.7		46.40	48.1
Plastic recyling		51%	53%	56%	60%	60%	54%	-		41%	42%
Construction and demolition waste (CDW) recovery		51	-	81						88	89
Bioeconomy industry		**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**CAGR 2018-2023**	**2018**	**2023**
Value added, million EUR		3,656	3,423	3,636	4,193	4,819	5,214	-	6.1%	642,438	863,436
Employment, total number of people employed		161,791	162,056	163,798	161,499	165,103	163,662	-	0.2%	17,649,040	17,085,642
Productivity											
Valued added per worker, thousand EUR		22.6	21.1	22.2	26.0	29.2	31.9	-	5.9%	36.4	50.5
Valued added per worker, % of national average		67.6	61.1	62.9	67.9	72.2	68.5	-	-	62.2	70.7
R&D business expenditure											
Total bioeconomy (biomass producing and converting sectors)		7	8	10	12	11	11		7.3%	15,672	23,335
Total R&D business expenditure		406	426	454	515	615	714	-	9.9%	196,587	259,525
Zero pollution industry		**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**		**2018**	**2021**
Damage cost for industrial pollution		-	-	-	-	-	-	-		414.9	352.7
Water industrial pollutants releases		Cd, Hg, Ni, Pb		nitrogen		TOC		Phosporus			
		2021	change (2010)	2021	change (2010)	2021	change (2010)	2021	change (2010)		
		-	no data	-	no data	14,402,100	no data	-	no data		
Water chemical status			Good	962	Good (%)	0.7		Poor	389.0	Poor (%)	29%

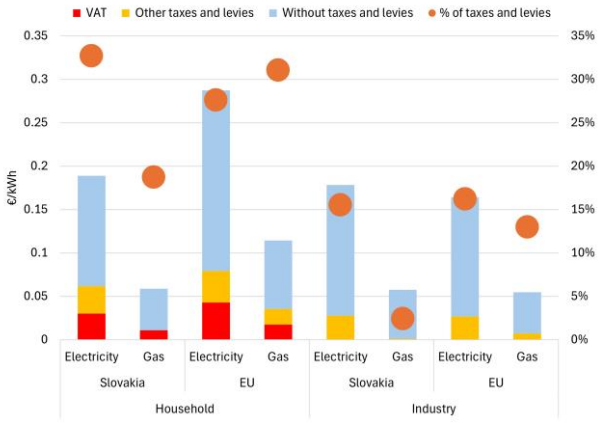
Source: Industry decarbonisation: All data are from Eurostat; data following the UNFCCC Common Reporting Format (CRF) are from the European Environment Agency (EEA), republished by Eurostat. (1) Sectors covered: all divisions of section C - Manufacturing - of the NACE Rev. 2 statistical classification of economic activities, except C19 (manufacture of coke and refined petroleum products). (2) GHG emissions as per UNFCCC Common Reporting Framework (CRF) categories 1.A.2 - fuel combustion in manufacturing in industries and construction (that broadly correspond to the broadly correspond to the NACE sections C - Manufacturing and E - Construction, excluding C-19), and CRF2 - industrial processes and product use. The figures shows the emissions in the 1.A.2 category as a share of the sum of CRF1.A.2. and CRF2 emissions. (3) Sectors covered: CRF 1.A.2 as described above. Gross value added (GVA) data in the denominator aligned in sectoral coverage, in 2020 prices. (4) Sectors covered: NACE section C excluding C19. (5) Nominator: NACE divisions C17, 20, 23, 24; denominator: NACE section C excluding C19 (see above). (6) GVA (denominator) in 2020 prices. Reduction of effort sharing emissions: Data source: European Environment Agency, greenhouse gas data viewer; European Commission, Climate Action Progress Report, 2025. For details, see the footnote in the "Reduction of effort sharing emissions" section. Sustainable road transport: (7) Source: Eurostat; (8) Source: European Alternative Fuels Observatory; (9) Source: Eurostat. For all climate mitigation indicators, the trend arrows compare the latest available data (year t) with the data four years earlier (t-4). Sustainable industry: Bioeconomy value added, employment and productivity: JRC, Developments of Economic Growth and Employment in Bioeconomy Sectors across the EU. Bioeconomy R&D business expenditure: JRC, Business expenditure in Research and Development (R&D) in the EU bioeconomy. Damage cost for industrial pollution: EEA, The costs to health and the environment from industrial air pollution in Europe, 2024. Water industrial pollutants releases: EEA, Industrial releases of pollutants to water and economic activity in the EU-27, 2024. Water chemical status: WISE, Surface water bodies: Chemical status, 2024 and WISE Groundwater bodies: chemical status, 2024. Other indicators: Eurostat. For circular economy indicators, the trend arrows compare the latest available data (year t) with the data two years earlier (t-2).

This annex outlines the progress made and the ongoing challenges faced in increasing energy affordability, while advancing the transition to net zero. It reflects the implementation of past energy-related country-specific recommendations. Slovakia has been facing high energy prices, partly due to the increase in prices in the region, the reliance on fossil fuels and lack of non-fossil flexibility. Slovakia will need to continue its efforts to phase out imports of Russian energy supplies in line with EU legislation. Nuclear energy is still the country's main source of electricity. However, the deployment of renewable energies and the decarbonisation of heating and cooling systems remain a challenge. Furthermore, permitting procedures and grid bottlenecks still hinder further penetration of renewable energies, in particular wind generation. Measures should be well targeted as energy prices for the vast majority of households remain subject to price intervention, while industry pays some of the highest electricity prices in the EU. More consumer empowerment could play an important role. Electrification is progressing slowly, in part because of the unfavourable electricity-to-gas price ratio, exacerbated by higher taxation on electricity than on gas.

Energy prices and costs

The retail energy prices for industrial and household consumers in Slovakia have stabilised except for non-household consumer electricity prices, which have increased since 2024. The disproportionately skewed tax burden on electricity undermines affordability and distorts accurate price signals for electrification. In the first half of 2025, household electricity and gas prices in Slovakia stabilised and remained well below the EU average, at EUR 0.1887/kWh and EUR 0.0587/kWh respectively. Similarly, non-household gas prices have stabilised since 2024 and reached the EU level. However, industrial electricity prices (EUR 178/MWh) have increased and remained above the EU average (EUR 164/MWh). While 58% of the electricity price for industry is accounted for by the wholesale cost, the network cost, carbon cost and taxes represent 18%, 9% and 16% respectively of the electricity bill. For large businesses, electricity was 3.1 times more expensive than gas in the first half of 2025, with disproportionately skewed taxes and levies (excluding VAT) accounting for 16% of electricity bills and 2% of gas bills. Excluding taxes and levies, the electricity-to-gas price ratio would have decrease ([193]).

Graph A9.1: **Electricity and gas prices for household and non-household consumers, first half of 2025**



(i) For household consumers, the consumption band is DC for electricity and D2 for gas.
(ii) For non-household consumers, the consumption band is ID for electricity and I4 for gas. VAT and recoverable charges are not displayed for non-household consumers as these are typically recovered by businesses. This also applies to the '% of taxes and levies', which is shown excluding VAT and recoverable charges for non-household consumers.
(iii) 'Without taxes and levies' indicates the retail price excluding all taxes and levies. It always includes the energy/supply and network cost components, which are not disaggregated in Eurostat's six-monthly price dataset.
Source: Eurostat

Due to limited non-fossil flexibility and high uptake of natural gas-fired generation for price-setting, Slovakia's wholesale electricity prices averaged EUR 105/MWh in 2025 (EU average: EUR 85/MWh), remaining the 10th highest in the EU. Nuclear energy is still the main source of electricity in the energy mix, accounting for 65.9% of electricity generation. Although fossil fuels accounted for 16.3% of Slovakia's electricity generation in 2025, they maintained their structural role as the dominant, and costly, marginal price-setting technology (58% of price-setting hours for 16.3% electricity generation). Average day-ahead electricity prices increased by 11% in 2025 ([194]) amid rising natural

([193])Analysis based on Eurostat data from the first half of 2025.

([194])Short-run marginal costs (SRMCs) are the sum of the variable costs associated with producing electricity using hard coal

gas procurement costs. The short-run marginal costs of natural gas in the EU increased from EUR 96/MWh in 2024 to nearly EUR 103/MWh in 2025. Although daytime prices have fallen in recent years owing to the growing penetration of solar power, the average price in Slovakia remained EUR 136/MWh in 2025, down 3% from 2024 but above the EU average of EUR 121/MWh.

Graph A9.2: **Low-carbon electricity generation vs electricity wholesale prices, 2025**

Data not available for Cyprus or Malta. The wholesale price is given as the average of day-ahead electricity prices over 2025. The EU-27 average is calculated as consumption-weighted. The EU low-carbon share is calculated from total EU electricity generation. The low-carbon share by country is calculated from total public electricity generation. 'Low-carbon' includes renewables and nuclear.
Source: European Commission calculation based on ENTSO-E, S&P Global Platts

Flexibility and electricity grids

Slovakia remains an integral part of the Core ([195]) **capacity calculation region (CCR), where Member States are to ensure that at least 70% of technical cross-border capacity is available for trading.** Member States have a derogation in place to address specific network elements, introducing interim targets to be met only on specific critical network elements and contingencies (CNECs), while the 70% rule applies to the remaining network elements. A derogation enables a lower level of trades to be made for a time-limited period for operational security reasons. The 2024 ACER Market Monitoring Report ([196]) shows that the network elements limiting cross-border trade for Slovakia mostly pertain to the internal network.

The central geolocation of Slovakia is reflected in its relatively high interconnectivity level. In 2026 the interconnectivity level further increased to almost 53% thanks to higher alternating current capacities at the Czech, Hungarian and Polish borders. Slovakia is a net electricity exporter (9% of its own consumption), exporting significant volumes to Hungary, while importing from Czechia and Poland. Additional investments on the Czech and Hungarian borders are under consideration, which would help further integrate the regional electricity market. However, up to now Slovakia has had no interconnector with Austria despite significant differences in average day-ahead electricity prices, in particular during the summer months. Slovakia's ten-year network development plan (TYNDP) increases the investments in transmission grids. Slovakia also pursues an ambitious strategy for modernising the distribution grid, recording a significant increase in investments in recent years, supported by EU funding and recently also by a substantial loan from the European Investment Bank. This ambition is also reflected in four smart grid projects of common interest (PCIs) involving Slovakia. Furthermore, in order to support the integration of renewables, Slovakia has also been increasing investments in electricity storage. The modernisation of the pumped-hydro storage at Čierny Váh, a PCI which received a Connecting Europe Facility (CEF) grant in 2026, is a notable example of such investments.

Despite the challenges that remain, Slovakia is continuing its efforts to *support further investments in grids and non-fossil flexibility, in particular electricity networks*. Slovakia's final national energy and climate plan (NECP) does not report on specific installed non-fossil flexibility capacity. The plan does not contain any quantified targets or data on energy storage

and fossil gas. These are fuel costs, carbon costs and variable operating and maintenance costs. Estimates are provided by Ember.

([195]) Core is the CCR which covers central European countries, namely Belgium, Czechia, Germany, France, Croatia, Hungary, the Netherlands, Austria, Poland, Romania, Slovenia, Slovakia and, once connected, Ireland. A CCR is a group of countries which calculate cross-border electricity trade flows together.

([196]) https://www.acer.europa.eu/sites/default/files/documents/Publications/ACER_2024_MMR_Crosszonal_electricity_trade_capacities.pdf.

capacity and demand response. While it mentions flexibility measures, such as the energy data centre for aggregators and grid interconnections, it provides no installed capacity figures or projections for non-fossil sources, such as batteries or interruptible loads. It has committed to further promoting the development of energy storage and energy conversion technologies (Power-to-X). Amendments to national acts transposing Directive (EU) 2019/944 aim to facilitate energy communities, aggregators, self-consumers and energy storage, including provisions to increase consumer empowerment, support energy communities and enable energy sharing by consumers with different electricity suppliers. However, legislative, technical and economic hurdles persist, requiring further simplification.

Consumer empowerment is progressing steadily. By the end of 2025, Slovakia had approximately 64 900 prosumers, including seven energy communities. Slovakia has set up a legal framework that allows aggregation, including independent aggregation and an energy data centre, to participate in wholesale markets. The Energy Data Centre established by the market operator enables flexibility services from distributed resources such as demand response, including energy storage, independent aggregators, electricity sharing, consumer registration and conclusion of commercial contracts. The numbers have constantly increased, reaching up to 1 226 sharing groups and 2 254 prosumers registered in the energy data centre in early 2026.

With a definition of 'energy poverty' still missing in national legislation, Slovakia continue to apply regulated prices to vulnerable customers, which represent 90% of all households. Consumer engagement in the energy market remains limited. Moreover, the roll-out of smart meters to households is low. Slovakia has decided to proceed with a selective roll-out (15%) targeting prosumers and consumers connected to the distribution system at a low voltage level with an annual consumption of at least 4 MWh. The accelerated roll-out of smart meters could further accelerate off-peak demand management. Deployment of smart grids and electricity storage systems is to be supported, along with implementation of the EU's 2024 electricity market design to ensure non-discriminatory participation. RRP investments (Component 1, Investment 3) fund *clean and efficient production and the use of energy*, including hydrogen projects throughout 2026. The national hydrogen strategy and scenarios until 2050 aim to develop the low-carbon hydrogen ecosystem in SK ([197]).

A lack of quantified targets and a flexibility needs assessment hinders the coordinated deployment of non-fossil resources. Amendments to national acts transposing Directive (EU) 2019/944 aim to facilitate energy communities, aggregators, self-consumers and storage, with milestones for increased flexibility capacity.

In 2024, electricity accounted for 20.3% of Slovakia's final energy consumption, below the EU average of 23.4%. That share has decreased slightly in the past decade ([198]), partly due to an unfavourable electricity-to-gas price ratio that disincentivises electrification and cost-effective decarbonisation. When it comes to households, electricity accounts for 21.5% of final energy consumption, while in industry it represents 27.4% (see also Annex 8). For the transport sector, this share remains negligible, at 2.4%. Further progress in electrification across sectors is required in order to cost-effectively decarbonise the economy and bring the benefits of affordable renewable generation to consumers.

Renewables and long-term contracts

In 2025, 17.8% of Slovakia's electricity mix was supplied by renewable energy sources (RESs), 6.5% less than in 2024 due to, among other things, low hydropower, and far behind the EU's overall RES 47%. Hydro represented 12.6%, biomass 4.3% and solar 3% of the electricity mix. Installed RES capacity grew by 11% in 2025. The total renewable energy capacity in Slovakia in 2025 stood at 2993 MW. As regards the acceleration of solar deployment, the total installed capacity in 2025 was 1028 MW. The updated NECP establishes a target of 20 MW of

([197])https://www.mhsr.sk/uploads/files/hJ5p4b2D.pdf.

([198]) CAGR (compound annual growth rate) of −0.87% between 2015 and 2024 and minimum/maximum share of 19.8% and 22.0% respectively (source: Eurostat).

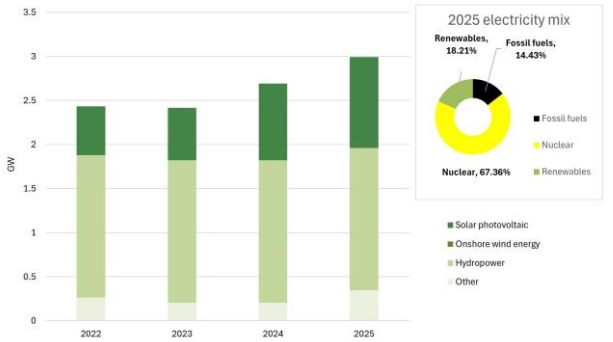
wind energy installed by 2025, with the goal to reach 750 MW by 2030.

Wind capacity in Slovakia has not increased since 2019, remaining 4 MW ([199]). By May 2025, it was estimated that around 25 wind projects, with a combined capacity of 1 032 MW, were undergoing an environmental impact assessment (EIA). But the EIAs of the projects appear not yet to have been issued.

Slovakia has taken steps on the roll-out of renewables, with new procedures for connecting renewables to the grid. However, it is uncertain what impact the new rules will have on the acceleration of the roll-out of renewables. In 2023, the solar industry estimated that the grid connection of solar plants takes between three and six months for utility-scale projects and one month for small photovoltaic projects, both below the EU average. As part of its national RRP, Slovakia has introduced measures aimed at harmonising grid connection procedures and making them more transparent and efficient, including by setting rules for the re-release of unused capacities. The Slovak government amended the Act on environmental impact assessment and issued legislation setting out the criteria for designating renewables acceleration areas for wind energy in the framework of the RRP. Only two acceleration areas have been selected as pilot areas, so there is room for increased ambition. Moreover, there is still room for further improvement to shorten and simplify the permit-granting procedure for RESs, especially taking into consideration the guidance on speeding up such procedures. Local public opinion remains a barrier to the development of renewable projects, in particular for wind generation. The Commission has launched infringement proceedings against Slovakia for failing to transpose Directive (EU) 2023/2413 on the promotion of energy from renewable sources.

Slovakia's proposed contribution to the 2030 EU renewable energy target in its final updated national energy plan increased slightly, to 25% (from 23%), but still remains significantly below the required 35%. On the Union Renewable Energy Platform, Slovakia announced auctions for other renewables in 2025 (60 MW), 2026 (100 MW), 2027 (100 MW) and 2028 (100 MW). As part of the European wind power action plan, Slovakia has committed to having 150 MW of installed onshore wind capacity by 2026. However, no auctions were organised in 2025. In February 2026, Slovakia signed a memorandum of understanding with Czechia on cooperation in the field of energy, with a focus on renewable energy sources.

Graph A9.3: **Slovakia's installed renewable capacity vs electricity generation mix**



Electricity mix is given as net electricity generation (gross electricity production minus consumption of power stations' auxiliary services). Electricity produced in pumped hydro plants is excluded from total net electricity production, as it was previously counted as electricity produced from another source.
"Other" includes renewable municipal waste, solid biofuels, liquid biofuels, and biogas.
Source: IRENA, Eurostat

Power purchase agreements (PPAs) are not very common in Slovakia. Slovakia has introduced a new legislative framework for PPAs and two-way contracts for difference for renewables and nuclear. After the first virtual PPAs were concluded and the first cross-border PPA was announced in 2024, no new PPAs have been signed.

Slovakia's self-consumption framework saw incremental progress in 2025, primarily through EU-aligned amendments to the Energy Act and support for household renewables, though growth remained modest compared to regional peers. A May 2025 amendment to the Energy Act (approved in July 2025) introduced flexible connection contracts for renewables in capacity-constrained areas, easing grid access for self-consumption PV systems of up to 10 kW without generation licences if paired with storage. Regulated electricity prices were extended for most households, indirectly limiting price signals and active consumers.

([199]) *Renewable Capacity Statistics 2025*.

Slovakia made notable legislative progress on renewable energy communities (RECs) in 2025, building on 2022 definitions but still facing implementation hurdles. Act No 259/2025 (adopted in September 2025) amended the Energy Act (No 251/2012) to strengthen RECs as tools for local renewables and energy sharing, limiting private company misuse by tying membership to municipalities / self-governing regions and public entities. A May 2025 government amendment introduced simplified notifications for PV installations of ([200]) 50 kW in RECs, real-time data publication by OKTE and phased dynamic tariffs from 2027) Development of energy communities remains slow due to nuclear dominance, regulatory complexity and network tariffs not yet optimised for sharing or aligning with the NECP's large-scale RES focus on communities.

Energy efficiency

Slovakia has continued to make significant progress in energy efficiency. In 2024 final energy consumption (FEC) decreased by 1.6%, compared to 2023, to 8.96 Mtoe, continuing the declining trend since 2019. Slovakia's FEC in 2024 is in line with the trajectory to its expected contribution in 2030. While in industry FEC increased slightly year-on-year, in the medium term it has decreased substantially (by 17.0% since 2019), mainly due to a decrease in activity and large technical energy savings. In services a year-on-year increase of FEC has reduced the decreasing trend (– 6.4% since 2019), whereas it has continued in both transport (– 7.2% since 2019) and the residential sector (– 15.8% since 2019).

Slovakia promotes investments that enhance industrial competitiveness and economic diversification through EU-funded schemes and recovery instruments. Dedicated programmes such as Green for Enterprises, supported by the European Regional Development Fund, the RRP and support from the Just Transition Fund for the *decarbonisation of the heating sector,* including district heating decarbonisation, help firms – especially SMEs – reduce energy costs, adopt clean technologies and increase resilience, contributing to lower emission intensity and a more diversified, future-proof industrial base.

As from 2026, regulated prices have been increased to EUR 72/MWh; the majority of the population continue to benefit from this price intervention ([201]). This is likely to diminish the incentives for energy efficiency in the majority of households. Between 2019 and 2024, FEC in residential buildings decreased by 15.8% ([202]), while the long-term renovation strategy planned for a 16% reduction by 2030 (compared to 2016 levels). This reduction has been driven, in particular, by the energy savings achieved by various means and measures and by changes in heating behaviour ([203]).

Given that 37% of FEC in Slovakia is in buildings – and hence the importance of the sector to enhancing energy security – Slovakia is encouraged to submit its draft national building renovation plan pursuant to the recast EPBD in order to ensure a clear and predictable pathway towards an energy-efficient and decarbonised building stock. Heating and cooling accounted for 77% ([204]) of the country's residential FEC in 2023, with renewables supplying 20% ([205]) of the total energy used for heating and cooling in all sectors. Around 8 200 heat pumps were sold in 2024, a decrease of 31% compared to the previous year, taking the total stock of installed heat pumps to around 63 800([206]). Electricity in Slovakia was 3.3 times more expensive than gas in the first half of 2025,

([200])Slovakia | European Energy Communities Facility.

([201])https://ekonomika.pravda.sk/ludia/clanok/780558-energie-na-slovensku-zdrazeju-pre-vsetkych-vyssie-ucty-cakaju-aj-ludi-ktori-dostanu-energopomoc/.

([202])Based on Eurostat energy balances, adjusted for compliance with the methodology used for monitoring the progress made towards the Energy Efficiency Directive (Directive (EU) 2023/1791) targets.

([203])Based on the breakdown tool of the ODYSSEE-MURE EU project available at https://www.indicators.odyssee-mure.eu/decomposition.html.

([204])Eurostat, 2025, https://data.europa.eu/data/datasets/uvygjkxev6pywqwbgmgwyg?locale=en.

([205])Eurostat, 2025, https://ec.europa.eu/eurostat/databrowser/product/view/SDG_07_40?lang=en&category=sdg.sdg_07.

([206])European Heat Pump Association (EHPA), 2025, https://ehpa.org/market-data/.

meaning that end users save energy but pay more if they choose a heat pump for heating. Most of the last coal-based heat sources for district heating were replaced in 2023 by renewable energy sources and heat pumps. Geothermal energy is to play a relevant role in addressing the challenges of decarbonising heating and cooling systems in Slovakia.

Security of supply and diversification

Slovakia's dependence on Russian fossil fuels remains high, with efforts to *accelerate the diversification of fossil fuel supply and to phase out dependence on Russian sources* progressing slowly. Regulation (EU) 261/2026 lays down a gradual phaseout of Russian natural gas imports to the EU. In 2025, more than 50% of natural gas and over 80% of oil was of Russian origin. The country's energy security priorities include increasing energy security, diversifying energy sources and transport routes and promoting energy storage. Slovakia reduced gas demand by 18-20% between August 2022 and January 2026, roughly matching the EU average of around 20%. Given that the transit of Russian gas via Ukraine was stopped at the end of 2024, Slovakia no longer receives Russian gas directly via Ukraine but mostly from Hungary (TurkStream). Slovenský plynárenský priemysel (SPP)([207]) renewed and expanded portfolio deals covering around 70% of customer needs from non-Russian sources, focusing on LNG and western European hubs. Diversification contracts exist with BP, ExxonMobil, Shell, Eni and RWE. A short-term pilot deal was signed in November 2024 between SPP and SOCAR, the State Oil Company of the Republic of Azerbaijan, for December deliveries via the Austria/Trans-Balkan pipeline and a potential extension may happen post-evaluation. Despite Russia's war of aggression against Ukraine, Slovakia is still dependent on oil deliveries from Russia via the Druzhba pipeline (under EU exemption until mid 2025 and disrupted in January 2026 due to Russian air attacks in Ukraine) and has an oil contract with Russia that is valid until 31 December 2029. In late 2025, Russian crude oil imports accounted for around 90% of all crude oil consumed. The sole refinery operator (MOL) announced that it would be able to fully refine non-Russian crude oil in 2026. Croatia offered alternatives via the Adria pipeline.

Slovakia will need to increase its efforts to complete phasing out Russian natural gas imports and preparing the phaseout of Russian oil imports. Slovakia's Ministry of Economy presented plans on national gas and oil supply diversification, as required by the REPower Gas Regulation. The Slovak gas industry has signed memoranda of understanding with a number of companies from Czechia, Germany, Greece and Poland for access to US LNG supplies via regional terminals, prioritising competitive pricing and transmission fees for households and industry.

In 2025, Slovakia's gross inland consumption was estimated to feature nuclear power as the dominant source, at around 29%, followed by natural gas (around 23%), oil (around 21%), renewables, incl. biofuels, hydro and solar (around 12%) and solid fossil fuels (around 12%) ([208])([209]). In 2024, electricity accounted for 20.3% of Slovakia's final energy consumption, below the EU average of 23.4%, and this share has decreased slightly in the past decade ([210]), partly due to an unfavourable electricity-to-gas price ratio that disincentivises electrification and cost-effective decarbonisation. When it comes to households, electricity accounts for 21.5% of final energy consumption, while in industry it represents 27.4% (see also Annex 7). For the transport sector, this share remains negligible, at 2.4%. Further progress in electrification across sectors is required in order to cost-effectively decarbonise the economy and bring the benefits of affordable renewable generation to consumers.

Slovakia's electricity mix has seen a growing share of nuclear energy, rising to 65.9% in 2025. Slovakia is continuing to expand its nuclear fleet, with Mochovce 3, the newest nuclear reactor, having been connected to the grid and reaching

([207])The state-owned gas supplier.

([208])Gross inland consumption (Eurostat).

([209])Electricity and heat are excluded in order to avoid double counting.

([210])CAGR (compound annual growth rate) of −0.87% between 2015 and 2024 and minimum/maximum share of 19.8% and 22.0% respectively.

full production at the end of 2023. The construction of Mochovce 4, the fourth reactor at the site, is expected to be completed in 2026. In 2024, the government announced plans to construct an additional reactor at the existing site in Jaslovské Bohunice, with construction to be launched in 2032. In January 2025, framework contracts were announced between Newcleo and JAVYS and VUJE for the construction of advanced modular reactors (AMRs). Newcleo aims to construct up to four lead-cooled fast reactors (LFRs) that will make it possible for Slovak spent nuclear fuel to be used as fuel. Diversification has progressed with Slovenské elektrárne signing an alternative fuel supply contract with Westinghouse Sweden and Framatome for its VVER-440 reactor fleet. These steps will reduce dependence on nuclear fuel originating in Russia. It is important for Slovakia to continue efforts to diversify imports of nuclear fuel. Slovakia is pivoting from coal to nuclear by integrating Small Modular Reactors (SMRs) into its long-term energy strategy. Success hinges on adapting regulatory and licensing frameworks, securing multi-site financing, and upgrading grid infrastructure. Key enablers include international partnerships and repurposing former industrial sites to support local supply chains.

In response to rising energy prices following the regional crisis in the Middle East, Slovakia has restricted diesel sales to a full tank and one 10-litre container, and regulated diesel prices for foreign-registered vehicles based on regional averages. Slovakia extended the declared state of oil emergency by additional 30 days, with effect from 17 April 2026. Slovakia has also reduced VAT on electricity to 19%, introduced 50% excise refunds for farmers, and lifted the ban on diesel exports.

Fossil fuel subsidies

In 2024, environmentally harmful ([211]) fossil fuel subsidies without a planned phaseout before 2030 represented 0.04% ([212]) of Slovakia's GDP ([l]). However, Slovakia's 2023 effective carbon rate ([213]) averaged EUR 64.05 per tonne of CO_2, below the EU weighted mean of EUR 84.80([214]).

([211])Explicit fossil fuel subsidies (e.g. direct transfers) and implicit fossil fuel subsidies (i.e. tax expenditures linked to forgone tax revenues that have an identifiable fiscal impact for the central budget) that support fossil fuel energy production, transmission and/or consumption.

([212])European Commission calculation based on underlying data from the *Study on energy subsidies and other government interventions in the EU – 2025 edition,* Enerdata.

([213])The effective carbon rate is the sum of carbon taxes, ETS permit prices and fuel excise taxes, representing the aggregate effective carbon rate paid on emissions.

([214])OECD (2024), Pricing Greenhouse Gas Emissions 2024.

Slovakia remains vulnerable to extreme weather events, which, coupled with nature degradation, have a significant impact on Slovakia and its economy. Some progress was made last year in developing resilience and adaptation policies, but challenges remain. Despite having a large proportion of protected areas, effective conservation measures are not well implemented. The current Slovak government has diverted funding away from nature and diversity protection and has relaxed environmental protection laws. Slovakia is making strides in transitioning to sustainable agricultural practices, including increasing organic farming and implementing stricter environmental standards. However, these efforts are undermined by insufficient investment in biodiversity conservation, putting Slovakia's compliance with global biodiversity commitments and its long-term socio-economic development at risk. The water quality of Slovakia's surface water bodies did not significantly improve in 2025. Its wastewater treatment also remains a cause for concern. While some progress has been achieved last year, Slovakia is still facing challenges especially concerning water management and treatment, with many municipalities still not covered, and nature restoration, where 20% of its lands are still to be restored. For Slovakia, the 2025 country specific recommendations (CSRs) highlighted the need to increase water resilience by mainstreaming nature-based solutions and finalising the zonation of nature-protected areas.

Climate adaptation and preparedness

Slovakia is vulnerable to the impacts of climate change resulting from extreme weather events, including increased precipitation and rising temperatures, which increase the risk of flooding. Based on recent measurements, Slovakia - together with four other EU Member States - belonged to a group of EU countries, in which the highest burnt area ever was recorded by November 2025([215]), highlighting the growing vulnerability to wildfires ([216]). Climate risks directly affect Slovakia's economy and society. Between 1980 and 2024, Slovakia recorded EUR 2.549 billion in economic losses caused by extreme weather- and climate-related events (GDP at current prices). However, only 4% of the economic damages over that period were insured ([217]). Slovakia has one of the lowest rates of insurance coverage against weather- and climate-related extreme events in the EU (4% vs EU27: 19%). Projections for climate-related economic losses in Slovakia toward 2050 indicate that Slovakia will have to invest EUR 788 million per year up to 2050 ([218]). Based on the estimates in a recent study commissioned by DG CLIMA this would have to be first and foremost in infrastructure retrofitting and reinforcement (more than 55% of the total), followed by ecosystems restorations (around 27% of the total), while investments in the health and the resilience of agriculture play a smaller role than in other EU Member States ([219]).

The national adaptation framework is being further developed. An important step was the approval of the national adaptation plan (NAP) in 2021, which sets out the priorities for adaptation in the sectors identified as vulnerable to climate change (in particular water management, agriculture, forestry, nature, health and urban planning). A comprehensive assessment climate risk and vulnerability assessment was completed in 2024 and is available at www.klima-adapt.sk/narodna-adaptacna-strategia. Progress on the climate Plan, referred to in the Government Manifesto of October 2023, has stalled at least for the year 2026. It is unclear if the law will be adopted during the tenure of the current government.

The national adaptation strategy (NAS) was drafted in 2025, but has not yet been officially adopted by the government. A LIFE project

([215]) countryprofile

([216]) Ongoing climatic change increases the risk of wildfires. Case study: Carpathian spruce forests - ScienceDirect

([217]) Economic losses from weather- and climate-related extremes in Europe | Indicators | European Environment Agency (EEA).

([218]) Climate-related economic losses | Slovakia | Europe's environment 2025 (EEA).

([219]) European Commission (2026), *Assessment of adaptation investment needs*, Table 25, Link. The study provides detailed estimates of adaptation investment needs at the level of the EU and individual Member States per type of measure. It relies on a common methodology that makes estimates comparable across the EU. Four accompanying methodological reports provide a detailed description of how the results were estimated to ensure full transparency.

supporting the implementation of the strategy entitled NatAdaptSK (total amount approximately EUR 17 million over 10 years) ([220]) was launched on 1st of January 2026. It focuses on creating a framework for implementation of the NAS as well as is accompanying action plan through nature-based solutions in sustainable and resilient water management agriculture, forests, biodiversity, human settlements and health. This should lead to decreasing vulnerabilities and enhancing the overall adaptive capacity to cope with the negative consequences of climate change well beyond the validity of the current adaptation strategy. Actions included in the strategy are also supported via the RRP, which includes EUR 159 million in funding dedicated to adaptation. Key actions focus on transforming forests for drought resistance, updating urban infrastructure, and promoting sustainable agriculture to mitigate climate impact. Looking at the subnational level, the share of Slovakia's population covered by EU Covenant of Mayors ([221]) signatories stood at 18 % (vs EU27: 34 %) in 2024. Four of the signatories have submitted a sustainable energy and action plan as well as one monitoring report, which means that implementation can be further improved.

Climate proofing has not been systematically applied across sectors and key infrastructure so far. Despite advances in climate monitoring and modelling, Slovakia faces challenges in the effective implementation of adaptation solutions. As mentioned in the conclusions to the assessment of Slovakia's progress towards adaptation under European climate legislation, Slovakia has continued to develop its climate monitoring and modelling tools, but methodological gaps in the monitoring of adaptation and climate risks remain. Although enhanced climate-observation tools inform decision-making in specific sectors, there is limited capacity for systemic risk assessments. Challenges in translating climate risk information into practicable solutions therefore remain.

The climate vulnerability and risk analysis has not identified any further risks that were not reported in 2021, and the reported risks and sectors appear to be consistent with the results of independent analysis by the Joint Research Centre and the country's own national risk assessment. Guidelines are available on how to monitor and evaluate adaptation policy, but it is still difficult to determine how much public money is spent overall on climate adaptation and to measure results. Furthermore, personnel changes at the Ministry of the Environment during the tenure of the current government have weakened the Ministry's expertise capacity and, as a result, finding sufficient financing from appropriate sources in Slovakia and via EU funding remains a challenge in sectors that need to adapt. Other barriers to successful implementation, in addition to insufficient funding, are low awareness at regional and local level and an inadequate degree of interministerial cooperation (especially for mainstreaming climate adaptation into sectoral policies and plans). Further efforts are needed to enhance the climate resilience of infrastructure and to make more progress on adaptation solutions.

Slovakia needs to improve the climate resilience of TEN-T networks to prevent damages and socio-economic losses resulting from climate extremes. According to a Support study on the climate adaptation and cross-border investment needs to realise the TEN-T network ([222]) published by the Commission in December 2024, the vulnerability of the TEN-T network in Slovakia to climate change is assessed to be high. This is mainly driven by a lack of preparedness in terms of institutional capacity, challenges in maintaining and modernising ageing transport infrastructure that make it less resilient to climate shocks, and logistical capacity. The study shows that the most significant impacts on the infrastructure from weather-related events in the past have come from floods and storms, as well as extreme heat.

Intense rainfall events have frequently triggered landslides that sever critical transport links. A notable example occurred in July 2024, when extreme storms caused a massive landslide on the main rail corridor near Rimavská Sobota, halting international traffic. During the record-breaking heatwaves of 2022 and 2023, Slovak Railways (ŽSR) reported multiple

([220])LIFE 3.0 - LIFE24-IPC-SK-NatAdaptSK/101202890.

([221])Slovakia | EU Covenant of Mayors.

([222])Support study on the climate adaptation and cross-border investment needs to realise the TEN-T network - Publications Office of the EU.

instances of rail expansion and deformation, which necessitated emergency speed restrictions and line closures to prevent derailments. The Danube has also seen extreme volatility; during the 2022 European drought, water levels at the Bratislava gauge dropped so low that cargo ships were forced to reduce loads by 50–70% or stop entirely. Conversely, heavy rains in early 2024 led to rapid flooding that suspended all river traffic for safety reasons.

The medium-term risks identified in the study point to increasing impacts of extreme heat and flooding. There is a growing risk of droughts on the inland waterways TEN-T network.

While the government also focuses on nature-based solutions, there is significant scope for more transparency and funding allocation, as well as for better targeted measures that respect the protection of established nature reserves in Slovakia. The current measures include transforming coniferous plantations into more diverse, climate-resilient stands, adjusting tree species in lowlands for better drought resilience, and enhancing forest biodiversity to cope with changing conditions. In terms of water resource management, these cover strategies that aim to manage increased flood risks and water scarcity by improving water retention in the landscape and updating river basin management plans to address changing hydrological data. There is scope to tap into the nature-based solutions more widely and systematically. Nature-based solutions and prevention play a key role for increasing resilience.

Nature-based solutions offer broad-spectrum risk management. Tapping better into their potential of nature-based solutions could help not only contribute to disaster management by buffering hazards such as floods and droughts, but also protect the ecosystem services provided by biodiversity.

Water resilience

Slovakia received a CSR in 2025 on water management that achieved limited progress due to existing inefficiencies, especially in water treatment compliance with the Waste Water Treatment Directive (WWTD).

Water productivity in Slovakia ([223]) stood at EUR 155 per m³ of abstracted water in 2023, slightly above the EU-27 average of EUR 153 per m³. Slovakia water productivity shows a positive trend in water efficiency since 2020. The Water Exploitation Index Plus (WEI+) was 0.23 in 2023 ([224]), signalling the absence of systemic water scarcity.

Slovakia faces challenges concerning water quality and management. Slovakia's surface water bodies show a deteriorating trend concerning their ecological and chemical status. Slovakia needs to urgently reduce the harmful impacts of hydropower plants installed along the river Hron and other rivers.

Slovakia has 1 351 surface waterbodies and 106 groundwater bodies, divided over two river basin districts (Vistula and Danube). Approximately 20% of surface waters are designated as 'heavily modified' and about 4 % as 'artificial' ([225]). Heavily modified and artificial waterbodies must reach good ecological potential rather than good ecological status, which means that all measures must be taken to mitigate the adverse impact of the sustainable human development activities causing the waterbody to be heavily modified artificial, while not significantly affecting these activities.

It follows from the assessment of Slovakia's third river basin management plans (RBMPs) that there has been a deterioration in the ecological status of surface water bodies. In the third RBMP 48.7% were reported to be in good ecological status compared to 56.2% reported in the second RBMP (covering 2015-2021). By 2027, 67.7% of surface waterbodies are expected to have good ecological status.

Although data suggest that nutrient pollution is decreasing, agricultural eutrophication still exerts high pressure on surface waterbodies. Hydromorphological alterations, such as disruption

([223])Water productivity is a metric that is calculated by dividing GDP (in chain-linked volume) by total water abstraction. It indicates the average economic value (GDP) a Member State creates for each unit of water it takes from nature.

([224])[sdg_06_60] Water exploitation index, plus (WEI+).

([225])WISE, 2025, *Heavily modified water bodies and artificial water bodies,* Link.

of longitudinal continuity, are another source of pressure. Emerging issues are invasive species, sediment management and fish management.

Similarly, since the second RBMPs (covering 2015-2021), there has been a significant decrease in surface waterbodies with good chemical status that passed from 98% to 71%. This is reported to be mostly due to improved monitoring and increased confidence in classification.

In general, failure to achieve good chemical status in Slovakia water bodies is mostly due to ubiquitous persistent bioaccumulative and toxic substances, which are difficult to address and often have transboundary sources. In Slovakia, these are mainly mercury, polybrominated diphenyl ethers and polycyclic aromatic hydrocarbons. Pollution from industrial point sources is highlighted as a significant pressure, as well as organic pollution from municipal point sources and industry and agriculture.

Regarding groundwater bodies, the monitoring network has been improved in extent and quality, and the status of all groundwater bodies is now known. There has been a significant improvement in the quantitative status and chemical status of groundwater bodies. In fact, 90.6% of groundwater bodies are reported to have good quantitative status, showing a significant improvement since the second RBMPs. The monitoring network has been improved in extent and quality, and there are now no groundwater bodies with an unknown status.

The analysis of Slovakia's RBMPs has identified nutrients from agriculture as one of the main factors limiting the achievement of good status of water bodies as well as meeting the Water Framework Directive objectives.

Regarding the Waste Water Treatment Directive (WWTD), in Slovakia, 319 agglomerations complied with the requirements of the directive in 2020 (see Annex 19 for more information). Thirty-seven agglomerations, generating 246 150 population equivalent of urban wastewater, did not comply with the requirements of the directive.

Slovakia can experience seasonal water scarcity, **due to seasonal droughts, particularly in summer and early autumn in certain rural or infrastructure-limited areas.**

In 2022, the Commission continued the infringement procedure against Slovakia as regards authorisation of small hydropower plants. The focus is on insufficient assessment of the Slovak strategic planning document as well as the lack of assessment of several constructed hydroelectric power plants causing pressure on water supply and deterioration of waterbodies. Slovakia needs to take all necessary mitigation measures to reduce the harmful impacts of (small) hydropower plants installed along the river Hron and other rivers.

Looking ahead to meet the various environmental targets under the Water Framework Directive and the Floods Directive, Slovakia's water investment gap reaches EUR 223 million per year (0.2 % of GDP) out of an investment need of EUR 506 million, with EUR 105 million linked to wastewater measures. Drinking water measures require an additional EUR 43 million per year and the other aspects of the Water Framework Directive around EUR 75 million per year over the existing levels of financing.

Nature restoration

Slovakia received a CSR in 2025 addressing the zonation of nature-protected areas. While Slovakia's NATURA 2000 is one of the largest networks in the EU, Slovak forests sites are still facing high levels of logging that is not properly assessed. Crucially, Slovakia has not yet finalised the zonation of national parks.

Slovakia's economy is structurally exposed to nature loss and is economically vulnerable because of its dependency on ecosystem services.

Around 60 % of Slovakia's ecosystems are degraded ([226]), leading to significant losses in services such as climate regulation, flood control and timber provision. This degradation is estimated to cost about EUR 20 billion per year in lost ecosystem services – a major economic impact given the value these services provide to society and the economy.

In fact, 39% of Slovakia's economic gross value has high direct dependence on ecosystem services (compared to EU average of 44%) ([227]). In particular agriculture, forestry and water-related industries are the sectors the most dependent on ecosystem services.

Slovakia legally protects 37.4% of its land compared to the EU average of 26.4% and it needs to restore up to 9 649 km^2 of the land habitats listed in Annex I to the Habitats Directive, corresponding to up to 19.7% of its land ([228]).

Approximately 75% of species and 60% of habitats in the country are in a poor or bad conservation state due to pressures such as unsustainable agriculture, forestry practices, infrastructure development and invasive species ([229])([230]). These issues undermine ecosystem functioning and the services they support (e.g. pollination, soil fertility, water regulation).

Nature degradation is further amplified by invasive alien species. The total number of such species of Union concern in Slovakia is 28 ([231]). This includes 20 species recorded in the 2022 EIR and 8 new additions. Of these new additions, 4 were already on the Union concern list in 2021, and 4 were added later under Commission Implementing Regulation (EU) 2022/1203.

There is a persistent biodiversity investment gap in Slovakia. To meet the environmental objectives concerning the protection and restoration of biodiversity and ecosystems and other relevant cross-cutting measures, Slovakia's investment gap is estimated to be around EUR 416 million per year accounting for more than half of the need (EUR 781 million per year), corresponding to 0.38 % of its GDP.

Sustainable agriculture and land use

Slovakia's carbon removals exceed the level of ambition needed to meet its 2030 target for land use, land-use change and forestry (LULUCF). To meet its 2030 LULUCF target, additional carbon removals of -0.5 million tonnes of CO_2 equivalent (CO_2eq) ([232]). The latest available projections show a surplus over the 2030 target of 1 Mt CO_2eq ([233]). Further investments in healthy forests and soils are key to building resilient bio-based product value chains and enabling a growing, competitive bioeconomy. In particular, continued improvements in the monitoring system of net removal data and projections will be crucial in supporting timely and effective action in the sector.

Slovakia's functional urban area (FUA) has considerably expanded in the last years with a yearly net land taken between 2018 and 2021 that accounted for 826 ppm/year of the total urban surface of the country, where most land has been taken from arable land. This ongoing "land take" and the associated soil sealing causes less resilient ecosystem, decreased carbon sequestration, and impaired flood protection ([234]).

([226])OECD (2024), *OECD Environmental Performance Reviews: Slovak Republic 2024*, OECD Environmental Performance Reviews, OECD Publishing, Paris, link.

([227])JRC 2025, *The EU economy's dependency on nature,* Link.

([228])European Commission, 2022, *Impact assessment accompanying the proposal for a Regulation on nature restoration,* Link.

([229])EEA, 2021, *Conservation status of species under the EU Habitats Directive,* Link.

([230])EEA, 2021, *Conservation status of habitats under the EU Habitats Directive,* Link.

([231])European Commission, 2025, *Environmental Implementation Review, Slovakia Country Report*, Link.

([232])National LULUCF targets of the Member States in line with Regulation (EU) 2023/839 Link.

([233])Climate action progress report 2025. Link.

([234]) EEA, Land take and land degradation in functional urban areas (2022), link.

Water quality pressures are intensifying. Under the EU Nitrates Directive, 25% of Slovakia's groundwater monitoring stations recorded average nitrate concentrations exceeding 25 mg/l (and 12% above 50 mg/l, the EU threshold for safe drinking water) between 2016 and 2019 ([235]). This trend underscores systemic agricultural pressures, despite Slovakia's relatively low livestock density of 0.3 livestock units per hectare in 2023([236]), compared to the EU average of 0.75. Between 2018 and 2023, Slovakia registered a 9% reduction in agricultural ammonia emissions, making it one of the countries with the fewest kgs of ammonia per hectare in Europe (11.1 kg/ha compared to EU average of 19.1 kg/ha) ([237]). The greatest contributor to Slovakia's unhealthy soils is the loss of the soil's organic carbon in mineral soils (60), which affects 23 % of the land and 68 % of cropland and grassland areas. Unsustainable soil erosion by water, wind, tillage and harvest also impacts 22 % of the national territory and 62 % of cropland areas.

Pesticide contamination remains a critical issue in groundwaters, with 34% of groundwater bodies exceeding regulatory thresholds for pesticide residues between 2017 and 2022 ([238]), a figure well above the EU total contaminated area representing the 19% of the groundwaters. Pesticides not only threaten aquatic ecosystems but also pose long-term risks to human health through contaminated drinking water and food chains. Accordingly, Slovakia presents high levels of pesticide contamination in soil, with 51% of samples analysed exceeding 0.05 mg kg and 11% evaluated as extremely polluted ([239]).

([235]) EEA, Nitrate in groundwater in Europe (2025), link.
([236]) Eurostat, Livestock density index, link.
([237]) Eurostat, Ammonia emissions from agriculture, link.
([238]) EEA, Pesticides in rivers, lakes, and groundwater in Europe (2024), link.
([239]) Vieira et al. (JRC), Pesticides residues in European agricultural soils - Results from LUCAS 2018 soil module, *Publications Office of the European Union, 2023. Link.*

Table A10.1:**Key Adaptation Indicators**

Climate adaptation and preparedness:							EU-27
	2019	2020	2021	2022	2023	2024	latest data
Drought impact on ecosystems *[area impacted by drought as % of total]*	0.38	0.02	0.6	20.26	0.67	-	2.76
Forest fires burned area (1) *[burned area in ha. per year]*	-	85	115	317	-	-	354,510
Economic losses from extreme events *[EUR million at constant 2022 prices]*	34	22	41	88	4	114	40,452
Insurance protection gap (2) *[composite score between 0 and 4]*	-	-	-	2	2	2	-
Sub-national climate adaptation action *[% of population covered by the EU Covenant of Mayors for Climate & Energy]*	9	9	9	9	9	18	34

Water resilience:							EU-27
	2019	2020	2021	2022	2023	2024	latest data
Water Exploitation Index Plus, WEI+ (3) *[total water consumption as % of renewable freshwater resources]*	0.28	0.26	0.27	0.34	0.23	-	4.53
Water productivity *[EUR per m^3]*	150	147	153	152	155	-	151
Water abstraction							
Water abstraction by source (% from surface water)	41.72%	41.87%	41.55%	40.44%	41.37%		-
	Agriculture	Electricity cooling	Manufactu-ring	Public water supply	Mining and Quarrying	Constru-ction	
Water abstraction by sector	4.15%	10.07%	27.71%	56.27%	0.09%	1.71%	
Status of water bodies (4) *[% of water bodies in a good status]*							
Surface water bodies (ecological)	-	-	-	-	-	41%	38%
Groundwater bodies (quantitative)	-	-	-	-	-	91%	93%

Nature restoration:							EU-27
	2019	2020	2021	2022	2023	2024	latest data
Ecosystem dependency *[% of direct dependency]*	-	-	-	39%	-	-	44%
Protected area *[% of terrestrial protected areas]*	37.4	37.4	37.5	37.5	37.4		26.4
Invasive alien species (IAS) *[number of IAS of Union concern]*	-	-	-	-	-	28	29.2
Damage cost of IAS *[EUR billion]*	-	-	-	-	0.13		1.69
Eutrophication *[AAE of area at risk of euthrophication]*				303	303		295

Sustainable agriculture and land use:							EU-27
			2012-2018		2018-2021		latest data
Yearly net land taken by Member State *[ppm of total urban surface per Member State]*			750		826		670
Land conversion in functional urban area *[% of total land taken from 2018-2021]*							
Arable land					63%		
Complex and mixed cultivation					1%		
Forests					6%		
Herbaceous vegetation associations					4%		
Open spaces with little or no vegetation					0%		
Pastures					22%		
Permanent crops					3%		
Water					0%		
Wetlands					0%		
	2019	2020	2021	2022	2023	2024	latest data
Nitrates in groundwater (5) *[mgNO_3/l]*	15.8	15.9	15.9	15.9	16.1		
Livestock density *(number of livestock units per hectare of utilised agricultural area)*		0.33			0.3		0.75
Ammonia emissions *[% of total utilised agricultural area]*	88%	86%	86%	86%	87%	-	94%
Pesticide contamination on rivers and lakes water bodies *[% of monitoring sites with pesticides exceeding thresholds, 2018-2023]*				rivers	7%		27%
				lakes	n.d.		18%
Pesticide contamination in soil *[% of samples with a concentration over 0.5 mg/Kg^{-1}]*					51%		57%
Net greenhouse gas removals from LULUCF (6) *[ktCO_2-eq]*	-4995.2	-7179.8	-7212.8	-7227.2	-7775.6	-	-198,421

(1) EFFIS (European Forest Fire Information System). Link.
(2) The climate protection gap refers to the share of non-insured economic losses caused by climate-related disasters, based on modelling of the risk from floods, wildfires, windstorms, and the insurance penetration rate. Scale: 0 (no protection gap) – 4 (very high gap). EIOPA, 2025, Dashboard on insurance protection gap for natural catastrophes.
(3) Measures total water consumption as a percentage of the renewable freshwater resources available for a given territory and period. Values above 20 % are generally considered to be a sign of water scarcity, while values equal or greater than 40 % indicate situations of severe water scarcity.
(4) European Commission, 2024, seventh Implementation Report from the Commission to the Council and the European Parliament on the implementation of the Water Framework Directive (2000/60/EC) and the Floods Directive (2007/60/EC) (Third River Basin Management Plans and Second Flood Risk Management Plans).
(5) Indicator refers to concentrations of nitrate (NO3) in groundwater, measured as milligrams per litre (mg NO3/L). Nitrate can persist in groundwater for a long time and accumulate at a high level through inputs from anthropogenic sources (mainly agriculture). The EU drinking water standard is limited to 50 mg NO3/L to avoid threats to human health.
(6) Net removals are expressed in negative figures, net emissions in positive figures. Reported data are from the 2025 greenhouse gas inventory submission. 2030 value of net greenhouse gas removals as in Regulation (EU) 2023/839 – Annex IIa.
Source: Eurostat, EEA, JRC

While Slovakia's overall labour market performance is strong, remaining structural weaknesses limit its capacity to support balanced and sustainable economic growth. Persistent regional disparities, low labour mobility, underused human capital and shrinking workforce hinder growth prospects and competitiveness. The 2025 country-specific recommendations for Slovakia highlighted the need to strengthen the labour market participation of underrepresented groups and introduce more flexible work arrangements for parents.

Employment is comparatively high overall, but regional challenges remain. The employment rate reached 78.1% in 2025, exceeding both the 2030 national target (76.5%) and the EU average (76.2%). However, the aggregate figures mask pronounced territorial imbalances. Employers in western Slovakia face persistent labour shortages, while eastern regions continue to record high unemployment despite a large pool of job seekers. Parts of western Slovakia (the Trnava, Trenčín and Žilina regions) and Bratislava have a high employment rate (84.3% in the Bratislava Region), high incomes and robust labour demand, whereas eastern regions (Prešov, Košice) have a low employment level (72.5%) and a limited supply of quality jobs. Low mobility and a small number of jobs being created locally leave the labour potential untapped in eastern regions. While Bratislava has 186% more vacancies per one unemployed person than the national average, eastern Slovakia has 54% fewer of them ([240]).

In several regions, high unemployment coexists with unfilled vacancies for skilled professionals. Regions with high unemployment (Košice, Prešov, Banská Bystrica) face labour surpluses and shortages simultaneously, with unmet demand for skilled workers in engineering, healthcare (see Annex 15), manufacturing, transport and IT ([241]), alongside an oversupply of low-skilled labour. Additionally, over half of enterprises in Slovakia (54%) state that their workforce has some degree of skills gap ([242]). This points to deep skills mismatches across both advanced and traditional sectors ([243]),([244]),([245]). Despite large pools of jobseekers, many of them lack the required skills due to limited upskilling and reskilling, while others are unable or unwilling to relocate because of the low attractiveness of certain regions, including limited housing rental options ([246]).

The lack of adequate digital skills among the workforce and the broader population remains a challenge. The ICT sector is underdeveloped, with ICT specialists accounting for only 4.4% of total employment in 2025 (compared with an EU average of 5.0%) ([247]), and companies struggling to hire or train their employees. At the same time, 53.6% of the population had at least basic digital skills in 2025 (below the EU average of 60.4%). Older population groups, individuals with lower education levels and women were groups with relatively lower shares of individuals with at least basic digital skills ([248]).

([240])OECD, 2024, *Job creation and local economic development.*

([241])AmCham Slovakia, 2025, *Skilled workforce needed.*

([242])OECD, 2024, *PIAAC Employer Module* (also cited in OECD Survey of Adult Skills 2023).

([243])EURES, 2024, *Labour market information: Slovakia.*

([244])Inštitút zamestnanosti, 2024, *Banská Bystrica Region.*

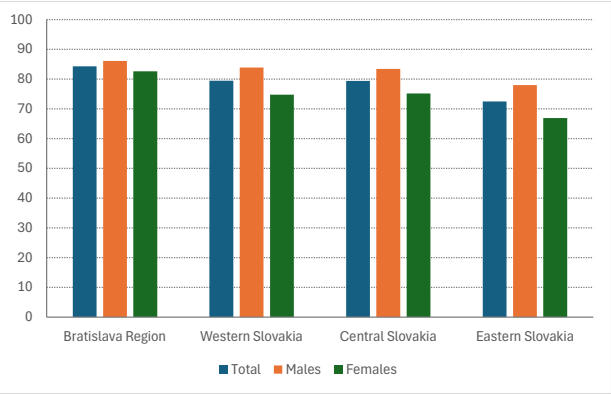
([245])The Košice Region lacks engineering/technical specialists, healthcare professionals (doctors, specialists, nurses), machine operators, drivers, sales representatives, and IT staff (programmers and software engineers); Prešov lacks drivers, metal welders, machine assemblers, healthcare professionals and hospitality workers; Banská Bystrica lacks workers in manufacturing, transport, healthcare, and construction and has a surplus of low-skilled labour.

([246])AmCham Slovakia, 2025, *Bridging regional labor gaps.*

([247])DESI, 2025, *Data on ICT specialists.*

([248])DESI, 2026, *Data on at least basic digital skills.*

Graph A11.1: **Employment rate by region and sex in 2025**



Source: Eurostat, LFS [lfst_r_lfe2emprt].

Persistent long-term unemployment reflects labour market mismatches and underuse of human potential. The unemployment rate stood at 5.4% in 2025, among the lowest levels in recent years. However, long-term unemployed people aged 20-64 (who have been jobless for 12 months or more) accounted for 64.7% of total unemployment in 2025. Although the long-term unemployment rate has gradually declined, reaching 3.5% in 2024 and 3.4% in 2025, it is still substantially higher than the EU average (1.9% in 2025). Mobilising underused labour resources is crucial to countering the effects of an ageing workforce and the negative fiscal implications of this trend ([249]). Long-term unemployed people are likely to be members of disadvantaged groups, low-skilled workers, people of Roma background and older workers, or residents of structurally weaker areas.

Shrinking workforce and constantly higher skill requirements are likely to outpace the supply of qualified workers. Slovakia is facing adverse demographic developments, as the number of workers reaching retirement age is significantly higher than the current supply of young and qualified workers. The total labour force in Slovakia is projected to increase by only 1% over 2020–35, a rate significantly lower than the expected 10% increase for the EU ([250]). The population aged 25-44 is forecast to shrink sharply, while the population aged 50-59 and 65+ is forecast to grow quite strongly. Slovakia is expected to have over one million job openings by 2035, driven primarily by demand for replacement (replacing retirees, emigrants, etc.) rather than new job creation. The number of new jobs is forecast to increase by 118 000, while replacement demand is forecast to be around 934 000, which cannot be matched by the supply of qualified graduates ([251]). Over half (52%) of the total number of job openings will require high-level qualifications, slightly less than half (47%) will require medium-level qualifications and just 1% will require low-level qualifications. The ongoing coordination efforts are focused on bridging a significant 'digital divide' and addressing a high skills mismatch: over half of future openings will require high-level qualifications that the current workforce is not yet equipped to meet.

Distressed regions are trapped in persistent socio-economic stagnation, characterised by high long-term unemployment rates and limited structural transformation. While the traditional mining towns in the Banská Bystrica Region ([252]) have largely transitioned towards tourism and services, the 'mining belt' in the south-east continues to be held back by mono-industrial structures (with 'single-employer' towns such as Jelšava and Lubeník), weak connectivity and a widening skills mismatch ([253]). The most acute labour market distress with the highest unemployment is observed in Rimavská Sobota and Revúca (Banská Bystrica Region), Kežmarok and Vranov nad Topľou (Prešov Region), and Rožňava (Košice Region) ([254]). The Just Transition Fund for the 2021-2027 funding period supports areas most negatively affected by the transition towards a climate-neutral economy (Rimavská Sobota, Revúca, Rožňava, Upper Nitra), but its effects remain uneven. It has effectively accelerated the coal phase-out in Upper Nitra (Trenčín region), but its impact in the structurally distressed zones of Rimavská Sobota, Revúca and Rožňava has been limited by administrative capacity and the lack of large anchor projects to replace the declining industries.

([249])OECD, 2022, *Economic surveys: Slovak Republic*.

([250])European Centre for the Development of Vocational Training (Cedefop), 2025, *Skills forecast*.

([251])European Centre for the Development of Vocational Training (Cedefop), 2025, *Skills forecast*.

([252])Banská Štiavnica, Kremnica, Banská Bystrica, Nová Baňa, Pukanec, Ľubietová, Banská Belá.

([253])Inštitút zamestnanosti, 2025, NUTS3 regions of Slovakia.

([254])Inštitút zamestnanosti, Labor statistics 2025/2026.

Total spending on active labour market policies (ALMPs) remains low and heavily reliant on EU funding. Under the European Social Fund Plus (ESF+), around EUR 700 million has been allocated to ALMPs, including employment support, skills development, labour market inclusion and measures for young people neither in employment nor in education and training (NEETs) (under the Youth Guarantee scheme). Despite substantial EU support, evaluations reveal limited effectiveness, particularly for disadvantaged groups, and a persistent lack of sustainable funding from the national budget ([255]). Moreover, ALMPs are often insufficiently targeted and inconsistently delivered, which limits their impact and prevents lasting integration of disadvantaged groups into the labour market.

Implementation of the Youth Guarantee scheme is progressing well, but differences across regions and population groups persist. The proportion of young people (aged 15-29) neither in employment nor in education and training (NEETs) declined overall between 2020 and 2024, but increased again in 2025 to 11.1% (equal to the EU average of 11.1%). The NEET rate in rural areas reached 13.2% (EU: 12.2%) against 8.4% (EU: 10.3%) in cities ([256]). The rural–urban gap reflects persistent regional disparities and higher exclusion risks for the rural youth. Structural challenges also remain acute among specific groups. These include a high NEET share among women (12.7% vs 9.5% among men) ([257]), low-skilled people and vulnerable unemployed young people, typically from marginalised Roma communities, with 63% of young Roma people aged 16–24 neither in employment nor education and training ([258]). Critically high NEET rates are also observed among young Roma women (69%) ([259]). More than 40% of young persons with disabilities are neither in employment nor in education and training (43% in 2023), resulting in a low rate of transition to employment and a persistent disability employment gap. Slovakia uses a range of outreach tools (social work, online platforms, targeted campaigns), but marginalised groups, especially young Roma, remain under-reached. While the coverage of young people neither in employment nor in education and training by the Youth Guarantee scheme increased from 38.5% to 40.9% in 2024, it remains below the EU average of 41.3% ([260]). Uneven coverage, limited staffing and insufficient coordination among key institutions (ministries, public employment services, education institutions, employers) weaken the scheme's outreach. Developing regional social economy ecosystems could help strengthen effective work integration and upskilling capacity.

Roma employment outcomes are significantly below the outcomes for general population. Despite substantial EU support ([261]), economic activity and employment in marginalised Roma communities remain critically low, although there are signs of progress. The employment rate among Roma aged 16–24 stands at only 30% (up from 23% in 2020), while the employment of Roma women is significantly lower (21%, up from 14% in 2020) ([262]). The gender employment gap between marginalised Roma men and women is 17% ([263]), which is substantially higher than the overall gender employment gap in Slovakia (8.9%) and higher than the average gap in the EU (10%). The Roma people are still largely excluded from the mainstream labour market. Some 29% of Roma aged 16 and above who were looking for a job reported experiencing discrimination due to their ethnicity (down from 33% in 2020) ([264]). Many 'Roma-targeted' jobs remain segregated and limited to low-skilled, informal, seasonal roles or positions within the Roma communities, such as community or social-work assistants ([265]). These jobs offer limited opportunities to build up meaningful skills, leaving most marginalised Roma households at risk of poverty. Flagship initiatives such as Development Teams I (EUR 60.5 million

([255])OECD, 2024, *Economic surveys: Slovak Republic*.

([256])Eurostat, 2026.

([257])Eurostat, 2026.

([258])EU SILC, 2024/2025.

([259])Policy Department for Economic, Scientific and Quality of Life Policies, 2021, *The social and employment situation of Roma communities in Slovakia*.

([260])Joint Employment Report, 2025.

([261])The Office of the Plenipotentiary for Roma Communities coordinates Roma inclusion and manages EUR 400 million in EU funding (ESF+, ERDF), Programme Slovakia 2021–2027.

([262])EU SILC, 2024/2025.

([263])EU SILC, 2024/2025.

([264])EU SILC, 2024/2025.

([265])Roma Civil Monitor, 2025.

under the ESF+) ([266]) supported employment for about 400 Roma, while broader programmes in 2024 employed around 2 500 Roma and funded scholarships ([267]),([268]) for them. However, audits and civil society reports point to weak impact assessments, limited Roma involvement and uneven implementation ([269]),([270]).

Insufficient labour market integration of non-EU nationals reflects untapped human potential and constrains competitiveness. Non-EU nationals represent 5.1% of Slovakia's population (278 595 people), the majority of whom are Ukrainians ([271]),([272]). Despite the growing numbers of foreign nationals, Slovakia struggles to convert migration into relief for labour and skills shortages. At the same time, rapid population ageing and youth emigration deepen the existing skills gaps and regional disparities. Slovakia scores only 39/100 on the Migrant Integration Policy Index ([273]) – well below the EU average – with particularly weak results in labour market mobility. In addition, Slovakia's ability to attract global talent is weak: it ranks 58 out of 69 countries in the World Talent Ranking, significantly behind its neighbours, Czechia and Poland. An audit of the causes of this uncovered prolonged government inaction on social integration and listed weak strategy, coordination, low-quality data and inability to attract highly skilled migrants (low Blue Card uptake) as possible explanations ([274]). Slovakia could draw more benefits from integrating legally residing non-EU nationals into its active labour market policy programmes, including registration, training and wage subsidies. A centralised coordination mechanism would be beneficial, linking key institutions, supported by a single platform on employment, training and rights.

([266])ESF+, 2025, *Development teams bring change for the Roma communities in Slovakia*.

([267])Úrad splnomocnenca vlády SR pre rómske komunity, 2025.

([268])TASR, 2025, *V úvode roka plánujú tri národné projekty na pomoc rómskym komunitám*.

([269])Supreme Audit Office of the Slovak Republic, 2025.

([270])Rómske advokačné a výskumné stredisko, 2025.

([271])Official population statistics available in Eurostat do not include people fleeing the war in Ukraine who benefit from temporary protection.

([272])Ministerstvo vnútra SR, 2025.

([273])Migrant Integration Policy Index, Slovakia, 2023.

([274])Supreme Audit Office of the Slovak Republic (NKÚ SR), 2025.

A high share of workers in energy-intensive industries poses a risk to long-term development and competitiveness. Around 20.1% of workers are still employed in 'polluting jobs' that face a greater risk of displacement due to the green transition, compared with 11.7% on average in OECD countries ([275]). Slovakia's competitiveness relies heavily on its automotive sector, which is undergoing a disruptive shift towards electric and autonomous vehicles. Demand for green jobs has been growing, with large-scale investments requiring thousands of workers with advanced automation and electrical skills. However, ongoing public retraining efforts struggle to bridge the widening gap between traditional work skills and the rapidly evolving industry needs. In places such as Rimavská Sobota and Revúca, the available workforce often has skills tied to 20th-century manual mining or agriculture, which are no longer relevant to the growing green sectors ([276]). Slovakia risks losing foreign investment in advanced manufacturing by becoming a high-cost production hub. Slow labour relocation could lower productivity, raise the long-term unemployment risk and discourage investors seeking a skilled and adaptable workforce.

Not enough persons with disabilities are active participants in the labour market in Slovakia. The disability employment gap remains at 23.8 pps (against 24 pps at EU level).

A large gender pay gap and limited access to flexible work options make it difficult to combine paid work with care responsibilities. Despite efforts towards equality, Slovakia still has one of the highest gender pay gaps in the EU (15.7% vs EU: 12% in 2023). Women aged 30-49, particularly those with children under three years of age, experience the highest gender pay gap ([277]) reaching approximately 18.3% ([278]). Employment rates among mothers with small children show a similar trend: although the overall female employment rate in Slovakia is high (73.7% in 2025), with a moderate gender gap of 8.7% in 2025 (EU: 9.6%) ([279]), only about 40% of mothers

([275])OECD, 2023, *Job creation and local economic development*.

([276])OECD, 2024/2025, *Economic survey of the Slovak Republic*.

([277])National Bank of Slovakia, 2024, *Gender wage gaps*.

([278])Economic review, 2025, *Analysis of wage differences between women and men in Slovakia*.

([279])OECD, 2024, *Economic surveys: Slovak Republic*.

with two young children are employed (EU: 70%) ([280]). Part-time work, which is an important factor facilitating mothers' participation in the labour market across the EU, with nearly one third (31.7%) of employed women with children working part-time, is uncommon in Slovakia (only 4.2% of all employed people work part-time), reflecting much lower work flexibility, which probably drives down the employment rate among mothers ([281]). A project funded by the TSI will help Slovakia carry out a comprehensive analysis of the current situation of the early childhood education and care system and its impact on women's employment. It will also involve the development of a national framework for affordable high-quality early childhood education and care and a roadmap for the (re)integration of mothers with children under three years of age into the labour market. Increasing the employment of mothers through better childcare, flexible work options and a smaller gender pay gap would help counter workforce decline and support competitiveness ([282]).

Women are significantly underrepresented in green and STEM jobs. Slovak women account for 24.9% of workers in green-task jobs. Bratislava is closest to gender parity in green jobs (38% women), compared with just 18.3% in eastern Slovakia ([283]). Women represented only 15.5% of ICT specialists in employment in 2025, marking a decline from the 2024 value of 17.2%. In view of the growing demand for STEM professionals, failure to increase the low rate of female participation (see Annex 13) is a missed opportunity to fill skills gaps and support economic growth.

Many self-employed people, including those working in agriculture, have low levels of social protection and depend on continued (post-retirement age) work. Compared with the EU average, Slovakia has a higher solo self-employment rate (12.2% vs EU: 9.7%) but also a greater share of dependent self-employment (15.5% vs EU: 5%) ([284]) with weaker social protection coverage for self-employed people ([285]). Various professions are affected, for example farmers, most of whom are self-employed and who have limited social protection, low pension contributions and minimal access to unemployment benefits ([286]). This contributes to the decision to delay retirement and slows generational renewal. Coupled with structural labour shortages, this has resulted in an ageing agricultural workforce, with only about 20% of farm holders being younger than 40 ([287]), which may undermine the sector's sustainability in the long term.

Low collective bargaining coverage reflects a limited capacity for social partners to influence national wage standards and working conditions. Two-tier collective bargaining takes place at sector and company levels, where multi-employer and single-employer collective agreements can be concluded. Collective bargaining coverage is low, with only about 27.6% of employees covered by collective agreements. Trade union density was among the lowest in the EU (11.8% in 2022), while employer organisation density was 62.6% in 2022 ([288]). Social partners have limited capacity, reach and influence in shaping wages and working conditions compared with many other Member States, even though formal consultation mechanisms (tripartite dialogue) exist. Slovakia did prepare and adopt a formal national action plan to promote collective bargaining to comply with the Directive on Adequate Minimum Wages, also addressing the requirement to increase coverage to meet the 80% target.

Implementation of Slovakia's country-specific recommendations is in line with EU priorities but remains at an early, project-driven stage. Despite multiple ESF+-funded initiatives on inclusion, childcare and skills, implementing the recommendations requires better coordination, employer engagement, results monitoring, nationwide coverage and sustainable domestic funding. Initial steps to expand affordable childcare (for children under three years of age) began in early 2026, but major

([280])OECD, 2022, *Economic surveys: Slovak Republic*.

([281])Eurostat, 2026.

([282])OECD, 2022, *Economic surveys: Slovak Republic*.

([283])OECD, 2023, *Job creation and local economic development*.

([284])European Research Council, 2022, *SHARE Slovakia*.

([285])European Research Council, 2022, *SHARE Slovakia*.

([286])European Research Council, 2022, *SHARE Slovakia*.

([287])Eurostat, 2023.

([288])OECD/AIAS ICTWSS v2.0.

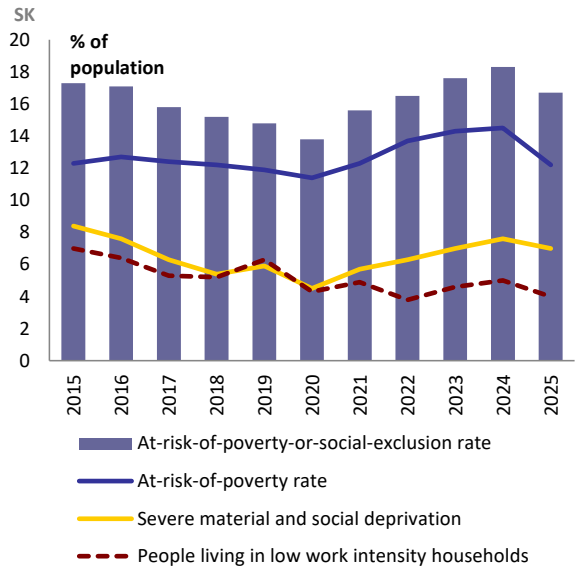
efforts still need to be made to reach EU participation levels. Some projects targeting digital skills, vocational excellence, Science, Technology, Engineering, Arts, Mathematics (STEAM) pathways and teacher training face long-term sustainability risks in the absence of EU funding.

Moderate overall poverty rates mask significant regional and other disparities. Slovakia's social situation is characterised by deep regional inequalities, underinvestment in care systems and uneven access to public services. The 2025 country-specific recommendations called for affordable, quality long-term care, but challenges in this area remain. National averages often obscure severe deprivation in central and eastern regions, where weaker labour markets, lower incomes and limited public-service capacity exacerbate disadvantages. Five out of Slovakia's eight regions have seen an increase in the proportion of the population at risk of poverty. Marginalised Roma communities in Slovakia continue to face extreme poverty and social exclusion, with risks far above national averages. Addressing these challenges will contribute to fostering Slovakia's competitiveness and inclusive growth.

Although Slovakia's poverty and social exclusion rate improved, it remains above pre-pandemic levels, highlighting persistent social and economic pressures. In 2025, Slovakia recorded an improvement in the risk of poverty or social exclusion compared with 2024, staying below the EU average (20.9%). Yet, the rate remained higher than before the pandemic. In 2025, 16.7% (EU: 20.9%) of Slovakia's population and 22.7% (EU: 24.3%) of children under 18 were at risk of poverty or social exclusion. After a period of progress between 2015 and 2020, Slovakia experienced a significant reversal, with the AROPE (at-risk-of-poverty or social exclusion) rate increasing from 13.8% in 2020 to 18.3% in 2024. During this period, the poverty indicators worsened due to rising living costs, inflation, and increasing economic insecurity. In 2025, approximately one in six people in Slovakia remained at risk of poverty or social exclusion, confirming that the deterioration observed since the pandemic has not yet been reversed. Slovakia has committed to reducing its AROPE rate by 2030, but with more adults at risk of poverty or social exclusion than in 2019, achieving this target remains challenging. Self-employed people are particularly affected. To address the multiple dimensions of poverty, the implementation of a comprehensive approach, as set out in the EU anti-poverty strategy, can support progress towards achieving the national anti-poverty target.

Material and social deprivation showed a modest improvement in 2025 after several years of worsening. After worsening between 2021 and 2024, severe material and social deprivation improved in 2025, declining to 7.0% from 7.6% in 2024, although it remained above the EU average of 6.3%. Eastern Slovakia recorded the highest levels of severe material and social deprivation in 2025 at 17.7%, with rates peaking in the Prešov region and the Banská Bystrica region. Other eastern and central regions also exceeded the national average. The Bratislava region was the least affected, with fewer than 2% of residents experiencing severe deprivation. In most western and some central regions, the rate remained below 10%, highlighting persistent regional inequalities in living standards across Slovakia.

Graph A12.1: **At-risk-of-poverty or social exclusion rate and its components (% of total population)**



Source: Eurostat, EU-SILC [ilc_peps01n, ilc_li02, ilc_mdsd11, ilc_lvhl11n]

Minimum income support remains inadequate and ineffective at protecting vulnerable households. The minimum income/subsistence support system provides a basic safety net for households with income below the subsistence minimum ([289]). This often includes minimum income or cash support, child allowances, housing support and additional family benefits. However, Slovak social benefits provide only a small fraction of what households need to escape poverty,

([289])In Slovakia, the subsistence minimum is calculated as the amount of money required to pay for essential goods and services such as food, clothing, housing and energy, personal hygiene, transport and communication essentials.

covering only 26.4% of the national poverty threshold in 2023, which is far below the EU average of 56.3% ([290]). Even when a household receives all available social benefits, the total amount reaches only about 26% of the amount they need to stay above the poverty line, which particularly affects single-parent families and families with children. For example, for 2025–2026, the monthly subsistence minimum is set at EUR 284.13 for an adult, EUR 198.12 for an additional adult, and EUR 129.74 per child. Additionally, as social benefits are uniform nationwide, they often fall short of meeting the higher living costs in cities like Bratislava. Raising benefit levels and improving active inclusion measures, in line with the Council Recommendation on minimum income, would help support the most vulnerable.

Child poverty remained below the EU average, despite a slight increase in 2025. The risk of poverty or social exclusion among children in Slovakia positively declined between 2023-2024, but increased slightly to 22.7% in 2025 (EU: 24.3%). Slovakia aims to reduce the number of children at risk of poverty or social exclusion by 21 000 by 2030 compared with the 2019 level of 207 000. However, due to a significant increase between 2020 and 2022, this remains a challenge. To mitigate the impact of poverty on children, Slovakia is implementing the European Child Guarantee. Despite progress in areas such as school meals, gaps remain in guaranteeing access for children in need to key services such as early childhood education and care, quality education (see Annex 13) and housing. The risk of poverty among the Roma children, at around 87% ([291]), remains critical due to long-standing disadvantages in education, jobs and living conditions.

Unemployed adults and older women are more exposed to poverty and social exclusion risks due to gaps in effective access to social protection. For instance, people working under agreements outside an employment relationship and earning an irregular income are only covered by sickness and unemployment insurance on a voluntary basis. Both civil-law and seasonal workers remain voluntarily insured in most sectors, with very low take-up. Unemployed people face by far the highest risk of poverty or social exclusion compared with retirees and other inactive persons, particularly unemployed women. In 2025, the rate of unemployed adults at risk of poverty positively decreased from 64.1% in 2024 to 58.5%, but it remains far above the EU average of 49.3% ([292]). Unemployed women (69.8%) were significantly more affected than men (57.6%) ([293]). In 2025, Slovakia had one of the EU's lowest net replacement rates after six months of unemployment, covering only a small proportion of previous income after that period ([294]). Additionally, access to unemployment benefits is conditional on previous social insurance contributions.

Many workers in precarious or informal roles fail to meet requirements to access the unemployment benefits, which leaves them without a safety net. About 27.5% of unemployed people at risk of poverty without social benefits receive social cash benefits, compared with 52.8% for EU-27. According to the 2024 EU labour force survey, only 22.8% of people who have been unemployed for less than 12 months in Slovakia report receiving unemployment benefits compared with 36.8% for EU-27. Unemployment support typically lasts only six months. Once this expires, individuals transition to 'Assistance in material need,' a flat-rate benefit that is significantly lower and often falls below the survival threshold for a household. Additional poverty risk factors include lower levels of education, household type, regional disparities and gender differences, with women being particularly vulnerable. Specific groups, such as the Roma community, face systemic barriers, including lower educational attainment (see Annex 13) and discrimination, which leads to deeper cycles of poverty during unemployment. Overall, the poverty risk among people aged 65 and over is much lower (9.6%) than the EU average (19.4% in 2024). However, women aged 65+ living alone without children in the same age group are among

([290])European Commission, Directorate-General for Employment, Social Affairs and Inclusion: The 2025 minimum income report – An overview of the implementation of the 2023 Council recommendation on adequate minimum income ensuring active inclusion across EU Member States.

([291])EU SILC MRC, 2020.

([292])Eurostat, 2026.

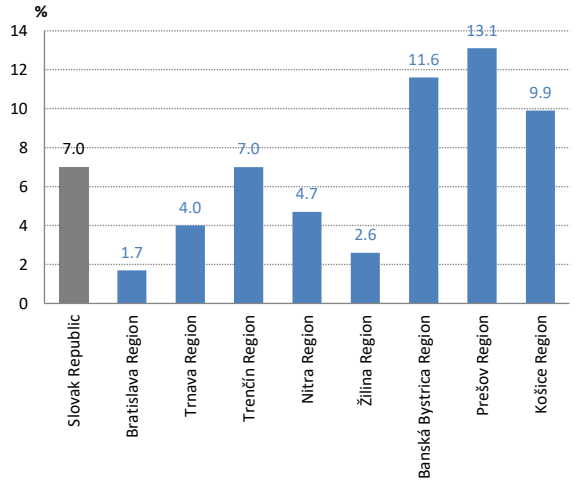
([293])EU SILC 2024, Chudoba a sociálne vylúčenie na Slovensku.

([294])The simulation was performed by the European Commission, Joint Research Centre, based on the EUROMOD model, J2.0+.

the groups most at-risk of poverty (30.3% in 2024) ([295]). Lifelong gender pay gaps and lower lifetime earnings lead to smaller pension entitlements, and women are more likely than men to take time out of paid work for caregiving responsibilities, which reduces both pension contributions and savings.

Self-employed people face gaps in social protection as they have no access to insurance for accidents at work or occupational diseases. They must opt in for unemployment insurance, but only 2% do so. Those below the income threshold must also opt in for most types of insurance, and only around 60% do so. Solo self-employed workers accounted for 11.8% of total employment in Slovakia in 2024 (EU: 9.3%). Almost 30% of them are economically dependent, which represents 3.2% of the total employed population, compared with 1.5% for EU-27 ([296]). Overall, very few self-employed people receive social cash benefits (when at risk of poverty before social benefits): 4.5% vs 11.5% in the EU ([297]). Around 20% of this group are at risk of poverty, which is just below the EU average of 20.9%.

Graph A12.2: **Severe Material and Social Deprivation by NUTS3 region, EU_SILC 2023**



Source: Statistical Office of the Slovak Republic, EU SILC 2023 report.

Regional disparities in poverty levels are pronounced despite the relatively low national averages. Persistent structural inequalities, such as regional differences, the urban-rural divide, gender inequalities and ethnic disparities, hinder social cohesion and regional convergence. While poverty affects only 8.6% of the population in the Bratislava region, the rate rises to around 28% in Prešov ([298]). Bratislava is the least affected region, followed by Trnava (12.1%) and Žilina (13.7%). The most severely affected regions are Prešov (28%), Banská Bystrica (23.1%) and Košice (20.5%), with over 20% of the population in each living at risk of poverty or social exclusion. Meanwhile, regions such as Nitra and Trenčín have seen rising poverty rates in recent years, which highlights growing regional inequalities. The Nitra Region, in particular, experienced Slovakia's most significant social setback.

In-work poverty declined in 2025, though challenges remain. The in-work poverty ([299]) has decreased. After peaking in previous years, the rate fell from 10.2% in 2024 to 6.5% in 2025, bringing it below the EU average of 8.2% and reversing the upward trend from the historical low of 4.4% in 2019. The increases in the minimum

([295])Slovakia's 30.3% was reported by the Slovak Statistical Office using EU-SILC data (2024 release, relating to 2023 incomes). Eurostat does not publish EU averages specifically for women aged 65 and over living alone. However, research indicates that, on average, single older women across the EU face a much lower (21.4%) poverty risk than the 30.3% seen in Slovakia (https://link.springer.com/article/10.1007/s12232-024-00455-w).

([296])EWCS, 2024.

([297])EU SILC, 2024.

([298])Statistical Office of the Slovak Republic, 2025 (2024 EU-SILC results).

([299])People aged 18+ who are working but live in a household with an equivalised disposable income below 60% of the national median.

wage (EUR 816 in 2025 and EUR 915 ([300]) in 2026) did not stop the real wage erosion (see Annex 11), leaving many minimum wage households struggling. Among the 22 Member States with statutory minimum wages, Slovakia belongs to the group with the lowest levels – below EUR 1 000 per month ([301]).

Policies and measures to address energy poverty remain limited and do not sufficiently tackle its structural drivers. The share of people unable to keep their homes adequately warm in Slovakia was 8.1% in 2025. Although this remains below the EU average of 8.8%, the trend diverges from the general EU trajectory. Energy poverty affects about 49% of marginalised Roma community households, which means they are about six times more likely to experience this hardship ([302]). At the EU level, the percentage of people facing energy poverty declined from 10.6% in 2023 to 9.2% in 2024, indicating a gradual improvement across the EU. In Slovakia, challenges remain in terms of structural vulnerabilities, particularly among low-income households and those living in energy-inefficient housing, where rising energy prices can quickly make adequate heating unaffordable. While some schemes support household energy-efficiency improvements, further measures specifically targeting consumers experiencing energy poverty are needed. Slovakia has adopted a law on targeted energy assistance ('energopomoc') to replace broad compensation schemes, but implementation showed many challenges, particularly given the difficulty of identifying vulnerable households.

Transport poverty is a problem in Slovakia, namely for households in rural areas. According to the Slovak Institute for Environmental Policy ([303]), around 7% of Slovakia's population resides in areas at high risk of transport poverty. Prešov and Banská Bystrica regions are among the most affected, with nearly half of the municipalities at risk. The most vulnerable areas include Gemer, Horný Zemplín, and Northern Šariš. Transport affordability is a moderate issue overall but remains a significant concern for low-income households. The percentage of people unable to afford a car is higher in Slovakia (11% in 2024) than the EU average (5.6%). The problem is particularly severe in rural areas, where 12.2% of the population cannot afford a car (EU: 4%), and among people at risk of poverty, where the rate of transport poverty stands at 36% (EU average: 15.9%). Possible measures to ease transport poverty include, for example, improving connectivity and providing social taxi and on-demand transport services (see also Annex 19).

Slovakia's fragmented long-term care system faces significant challenges in meeting the needs of its ageing population. Slovakia has higher levels of self-reported unmet needs for long-term care (37%) than the EU average (26.6%). With expenditure at around 1% of GDP (EU: 1.7%), the system is insufficiently financed and poorly coordinated, which leads to heavy dependence on informal family care. Public social protection reduces poverty risks for long-term care recipients in Slovakia to levels well-below the EU average, but they remain at least twice as high as the national poverty rate among older people ([304]). The system suffers from workforce shortages, low wages, regional disparities, and limited access to formal care, particularly home care. Slovakia's long-term care system is not equipped to cope with rapid population ageing despite substantial EU-funded initiatives. EU support for long-term care in Slovakia combines multiple funding streams. Under the programme Slovakia 2021–2027, around EUR 286 million from the European Social Fund Plus (ESF+) is dedicated to social and inclusive objectives, including long-term care. This is complemented by approximately EUR 97 million from the European Regional Development Fund (ERDF) for related investments. In addition, Slovakia's RRP allocates about EUR 289 million to long-term care reforms and infrastructure, accelerating the transition from traditional large-scale institutional care to community-based, person-centred services, such as home nursing,

([300])Slovakia has transposed the EU Minimum Wage Directive (2022/2041). In January 2026, the minimum wage rose to EUR 915, which is equal to 60% of the national average wage and in line with the Directive's recommendations. A four-year adequacy assessment mechanism is in place, but its implementation is only now starting under the new law.

([301])Eurostat, 2025.

([302])EU SILC, 2024/2025.

([303])Institute for Environmental Policy, 2025, Analysis of Transport Poverty in Slovakia in Support of the Social Climate Plan.

([304])OECD, 2026, Adequacy of social protection for long-term care.

ambulatory care, and smaller group homes. The ratio of 3.7 long-term care workers per 100 people aged 65 and over ([305]) illustrates the scale of the workforce shortages in the sector, although it is still slightly above the EU average of 3.3. Only 12.1% of older people (65 and over) with severe difficulties in personal care or household activities used home care services for personal needs in the past 12 months, which is well-below the EU average of 28.6%. As services are scarce in rural areas, families, particularly women, bear the burden of care, which limits labour-market participation and exacerbates gender inequalities. The percentage of women aged 45-64 providing high-intensity informal care (more than 20 hours per week) is much higher in Slovakia (31.8%) than the EU average (19.9%). Lower healthcare supply, coupled with poor transport connectivity, amplifies the vulnerability of rural and low-income households. Shortages of general practitioners and specialists disproportionately affect the regions of Prešov and Košice (see Annex 15).

Slovakia has taken steps to ensure affordable, quality long-term care. The reform of the financing of social services, which came into effect in January 2026 with certain provisions beginning to apply gradually, aims to expand care options. However, its success will depend on addressing workforce shortages, increasing service quality and improving rural accessibility. The reform will provide direct allowances to dependent people, allowing them to choose between formal services and home care provided by family members or other caregivers. The aim is to make the system more person-centred, flexible and community-oriented. Key challenges include ensuring sufficient workforce capacity, improving the quality and availability of services, especially in rural areas, supporting informal caregivers, and managing the transition from institution-focused funding to a new, person-centred model. Social economy organisations have shown their ability to deliver care that focuses on people's needs and could therefore be a promising option for further development and support.

([305])EU Monitoring Framework on the Council Recommendation on access to affordable high-quality long-term care, 2025.

Slovakia's current skills base supports high employment but increasingly constrains productivity, competitiveness and social inclusion. Progress in green and digital skills is slow, and the share of people with tertiary education and enrolled in science, technology, engineering, and mathematics (STEM) studies remains relatively low. This limits Slovakia's capacity to innovate and adapt to technological change. The education and training system does not sufficiently equip all young people with basic skills essential for further upskilling and reskilling. The low level of basic skills, in particular among disadvantaged learners, is exacerbated by rising absenteeism in schools and early school leaving in rural areas. Persistent educational and skills gaps among disadvantaged groups, in particular Roma, reduce their labour market participation, leading to untapped human capital potential. Legal measures have been adopted to increase participation in early childhood education and care (ECEC), but additional policy attention to the youngest and most disadvantaged children remains important to lay the foundations for skills development. Many significant systemic reforms were adopted in 2024-2025 with potential to improve the quality of education and skills in Slovakia, but their implementation is still at an early stage. Their success will also be largely dependent on stable funding. The 2025 country-specific recommendations for Slovakia called for greater participation in ECEC among the youngest children (age 0-3), improvements in the teaching of basic skills (in particular for children from disadvantaged backgrounds), increased enrolment in STEM, investment in teacher training, and reskilling and upskilling opportunities for adults.

Increasing participation in high-quality ECEC, in particular among the youngest children, Roma and children with disabilities, would help strengthen foundational skills development. Enrolment among children between three and the starting age of compulsory primary education has increased by 2.2 pps since 2022, reaching 80.8% in 2023, but still significantly below the EU average of 94% ([306]). There are substantial regional differences: 88.2% of children in western Slovakia participated in ECEC, compared to just 70.4% in eastern Slovakia. In particular, Prešov and Košice regions have fewer available places than children (with ratios 0.94 and 0.98 places per child) ([307]). Although the participation rate of children under three in formal childcare increased in 2024, it dropped back in 2025 and remains the lowest in the EU (1.8% vs EU average: 40.5%). Even taking into account demographic decline ([308]), further focus on improving access to high-quality, affordable ECEC and foundational skills development among the youngest disadvantaged children is key. In 2024, less than 1% of Roma children aged 0–3 attended early childcare programmes, while around 55% (up from 33% in 2020) of Roma children aged 3–6 participate in pre-primary education and 75% (up from 46% in 2020) of Roma children aged 5–6 participate in compulsory pre-primary education ([309]). These values are still far below the national averages but there are significant improvements.

Slovakia is implementing ambitious reforms, but further investments in capacity for the youngest children and closer cooperation among services is needed to ensure access to high-quality and affordable ECEC services for all children. In December 2025, the government adopted an action plan for 2026-2030 ([310]) with 19 measures focusing on early care development. Kindergarten capacity expanded in 2025 with support from the RRF, and the responsibility for funding kindergartens has been transferred from municipalities to the state, improving the stability of the funding. From September 2027, pre-primary education will be mandatory from the age of four, and from September 2028 from the age of three ([311]). The number of teaching assistants increased by 18% year-on-year in the school year 2025/2026 ([312]). From 2026, the European Regional Development Fund will support renovation and new construction of nurseries, aiming to increase overall capacity by 1 000 places. The European Social Fund Plus (ESF+) will also co-finance measures to strengthen

([306])According to national estimates, the participation rate for 3-5-year-olds reached 85.7% in 2024 (Education Policy Institute, ME, 2025).

([307])Dashboard on ECEC availability, EPI 2024.

([308])Pre-school population is estimated to decrease by 18% by 2028 (from 177 000 to 145 000), ME 2025.

([309])EU SILC MRC, 2024/2025.

([310])National Strategy for the Development of Coordinated Early Intervention and Early Care Services 2022-2030.

([311])The School Act (245/2008) includes some exceptions linked to health, special needs and home education.

([312])Slovak Centre of Scientific and Technical Information, 2026.

staff capacity and enhance parenting skills among parents from disadvantaged backgrounds. Furthermore, the TSI also supports Slovakia in strengthening access to universal, inclusive and high-quality ECEC and promoting flexible work arrangements. However, further expansion of small-scale solutions and flexible childcare arrangements would help increase uptake. Revisiting the content of pre-primary education and improving support for language development would increase school readiness among children from disadvantaged backgrounds, including Roma. Expanding the work of counselling and prevention centres and closer coordination with ECEC would enhance quality and availability of early intervention for children with disabilities and special educational needs (age 0-7). These measures could contribute to supporting parental employment and strengthening gender equality ([313]).

Deteriorating basic skills among students and rising absenteeism and early school leaving in rural areas limit future skills and human capital development. About one third of 15-year-olds do not reach minimum proficiency in mathematics (33.2%), reading (35.4%) and science (30.6%), all above EU averages (29.5%, 26.2% and 24.2% respectively in 2022) and among the highest underachievement rates in the EU ([314]). Top performance among 15-year-olds in reading is among the lowest in the EU (3.4% vs EU: 6.5%). This reduces the pool of candidates for STEM studies and limits the supply of skills needed for competitive participation in a digital and green economy. While the proportion of early leavers from education and training (ELET) in the 18-24 age group is comparatively low (6.8% vs EU average: 9.1% in 2025) in rural areas it is 8.1%. Long-term absenteeism is high with 11.2% of students reporting having missed school for more than three consecutive months, among the highest in the EU ([315]). More than 6 out of 10 students from the disadvantaged socioeconomic background have not achieved the minimum competence level in mathematics (62.6% vs EU 48%), according to PISA 2022. The share of Roma aged 18–24 who had left education prematurely fell slightly from 72% in 2020 to 67% in 2024 but remains significant ([316]).

Slovakia will introduce a new curriculum in all primary schools from September 2026. The provision of high-quality learning and teaching materials, and systemic in-service training and mentoring for teachers will be crucial to successfully implement the new curriculum ([317]). Furthermore, preparations for secondary education curriculum reform are under way, focusing on future skills needs and updates to final examination standards (*maturita*).

Unequal access to quality education and limited support for disadvantaged learners result in significant untapped human capital. While pilot projects and new legal measures such as adaptation classes aim to integrate Roma children into mainstream schooling, close monitoring of the impact and further policy measures are required to address this challenge. Between 2020 and 2024, the share of Roma children aged 6–15 attending schools where most of their classmates are also Roma slightly increased from 65% to 66% ([318]). In 2025, the Slovak State School Inspectorate reported cases of segregation and breaching the principle of equal access to education ([319]). An update of the current methodology and monitoring system for Roma desegregation is being developed with support from the TSI. The number of children with disabilities in mainstream primary education increased by 1.6 times between 2014 and 2024, and the number of teaching assistants rose sharply (by 4.7 at primary level and by 10.96 at lower-secondary level). Despite this growth in staff, the availability of support to children with special education needs is still insufficient and substantial gaps in inclusion remain. For example, even though children with special education needs make up one-third of all pupils, support measures were provided to only 14% of them during the 2024/2025 school year ([320]). More action is needed

([313])Slovakia is 6.2 points below the EU average (with 57.2 points out of 100). European Institute for Gender Equality, 2025.

([314])PISA, 2022.

([315])PISA, 2022.

([316])EU SILC MRC, 2024/2025.

([317])www.vzdelavanie21.sk.

([318])EU SILC MRC, 2024/2025.

([319])School State Inspectorate Report, 2025.

([320])School State Inspectorate Report, 2025.

to address this challenge, including ensuring systematic teacher training and support ([321]).

Teacher shortages persist, in particular in STEM subjects. Teacher shortages are most acute in three regions ([322]), and the highest unmet demand for teachers in STEM subjects is in the Bratislava region ([323]). Regional differences are also significant in terms of availability of fully qualified teachers in lower-secondary education, with Nitra, Bratislava and Trnava regions lagging behind ([324]). Furthermore, according to TALIS 2024, 17.5% of young teachers intend to leave the profession within the next five years, above the EU average (at 15.2% in 2024). The salary ratio to earnings of tertiary-educated stagnated (at 0.74) for both primary and secondary teachers between 2018 and 2024 and remains below the EU average (0.82 and 0.85 respectively). This may limit the competitiveness of the teaching profession, in particular in the capital region, and may contribute to a strong gender imbalance, as women make up 80% of teachers (vs 70% in the EU-22) ([325]). Teacher salaries in education were increased by 7% in September 2025, and a further increase of 7% was envisaged from January 2026.

The 2025 amendment of the law on pedagogical and professional staff aims to address teacher shortages. The amendment introduced measures to facilitate entry into the profession and shorter courses to acquire pedagogical competence for non-teachers entering the profession. A law on higher education (300/2025), effective from September 2026, strengthens practical training for future teachers by introducing the concept of faculty schools and mandating the minimum length of practical training. The Ministry of Education has also launched a communication campaign targeting Generation Z to encourage secondary school leavers to become teachers ([326]). Although continuous professional development is mandatory for teachers' career and salary progression, TALIS 2024 shows that only around half of teachers (53.3%) took part in effective professional development in Slovakia, close to the EU-22 average of 56% ([327]). Measures to increase the attractiveness of the teaching profession, including teachers' status and pay, in particular in shortage regions, together with expanding training and mentoring, offering student loans and implementing faster access to the profession for non-teachers would help improve quality and address shortages.

While participation in workplace-based learning among VET students remains below the EU average, this does not appear to significantly hinder graduates' transition into the labour market. In 2025, the share of recent VET participants with at least one month of workplace-based learning (50.7%) dropped further below both the EU average (66%) and the EU's 2025 target of at least 60%. VET quality has been improved by strengthening links between schools and employers and establishing centres of vocational excellence across the country. However, the persistent gap with the EU average indicates that such initiatives and employer partnerships need to be further reinforced to align Slovakia fully with broader EU work-based learning practices. Participation in STEM in medium-level VET was above the EU average, while female representation in STEM-related fields in VET remains low, with only 11.6% of VET pupils in STEM being female in 2024, below the EU average of 15.4% ([328]).

([321])Recommendation for school level from the School State Inspectorate Report, 2025.

([322])Education Policy Institute, 2025.

([323])Education and Training Monitor: Slovakia 2023, 2025; Edujobs/Profesia portal June 2025-May 2025.

([324])Janotíková, Balberčáková, 2024 https://www.minedu.sk/data/att/09f/29110.d33696.pdf.

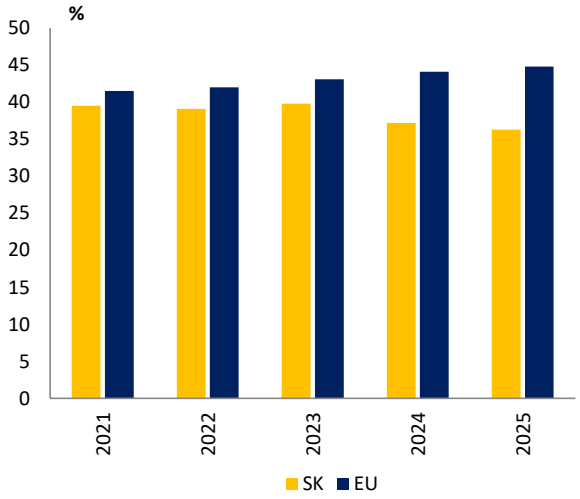
([325])EU-22 refers to the 22 Member States that participated in TALIS 2024, being Austria, Belgium, Bulgaria, Croatia, Cyprus, Malta, Czechia, Denmark, Estonia, Finland, France, Hungary, Italy, Latvia, Lithuania, Malta, The Netherlands, Portugal, Slovakia, Slovenia, Spain and Sweden.

([326])Glow-up of Education Starts with You! – poducit.sk.

([327])TALIS, 2024.

([328])Education and Training Monitor, 2025.

Graph A13.1: **Tertiary education attainment (levels 5-8, age 25-34)**



Source: Eurostat, LFS [edat_lfse_03]

Tertiary education is below the EU average. Only 36.3% of Slovaks aged 25-34 had a tertiary education degree (level 5-8) in 2025 (EU average: 44.8%), following a slight decrease (of 0.9pps) from 2024 (see Graph A12.1), and well below the EU target. The highest share of people with tertiary education (age 25-64) is in the Bratislava region (54.8%), far more than in the other regions (see Annex 19). Approximately one in five secondary school leavers continues in tertiary education abroad, mostly in Czechia. The analysis showed that the majority of them did not return to Slovak labour market ([329]). The gender gap in favour of women (18.9 pps) remained among the highest in the EU (EU average: 11.2) ([330]). The proportion of graduates at doctoral level slightly decreased during the last decade (from 1.8% in 2013 to 1.3% in 2023) and now is in line with the EU average ([331]). In 2023, the share of tertiary students enrolled in STEM programmes (23%) was lower than the EU average (26.9%), and well below the proposed EU target of 32%. Raising the quality of tertiary education, increasing women enrolment in STEM and deeper collaboration between businesses and universities would enhance talent retention and knowledge spillovers in the economy ([332]). Some measures are on the way to increase enrolment in STEM. Slovakia has adopted a compulsory school-leaving *maturita* examination in mathematics from 2027, starting from the school year 2030/2031 ([333]). The aim is to increase the pool of candidates for STEM studies. In addition, a talent scholarship is available for students, including those from disadvantaged backgrounds ([334]). A new Higher Education Act with effect from 2026 introduced new flexible pathways and short-cycle programmes, which can boost participation in higher education.

Low levels of basic digital skills constrain upskilling and reskilling and the uptake of green jobs. Nearly one in four adults has only basic literacy (24%) and numeracy (22%), and over a quarter (27%) struggle with adaptive problem solving. This is particularly relevant for the adoption of AI and automation, where workers must frequently adapt to new software ([335]). Both numeracy and literacy scores declined over the past decade, with average literacy scores falling by about 19.4 points ([336]). Despite progress and ongoing investments in the digital area, only 53.6% of adults aged 16-74 have at least basic digital skills (EU: 60.4% in 2025) ([337]). This indicates that the workforce is relatively less prepared for the digital transformation of work. Slovakia's digital and green skills development is guided by the 2030 digital transformation strategy and the 2023-2026 national digital skills strategy, linking digital literacy improvements with competences needed for the green transition. However, growth in green-driven employment may be hindered by labour shortages in occupations and sectors relevant for the green transition. The vacancy rate in energy is among the highest in the EU (3.6% in 2024), and persistent shortages have been reported, for instance for insulation workers, building and related electricians, welders and

([329])Odliv mozgov | Ministerstvo školstva, výskumu, vývoja a mládeže Slovenskej republiky, https://www.minedu.sk/brain-drain-odliv-mozgov/ 2024.

([330])Gender gap is the percentage point difference between female and male tertiary educational attainment rate.

([331])Eurostat: educ_uoe_grad06__custom_16362943.

([332])International Monetary Fund, 2026.

([333])It will apply to students of grammar schools, secondary industrial schools and selected secondary vocational schools.

([334])Study at Home, Slovakia Rewards Me: https://stipendia.portalvs.sk/.

([335])OECD, 2024, Survey of Adult Skills (PIAAC): Slovak Republic.

([336])The comparison is between OECD PIAAC cycle 2011–2012 and 2022–2023.

([337])Eurostat, 2025, Individuals' level of digital skills, isoc_sk_dskl_i21 [I_DSK2_BAB].

flame cutters. The Ministry of Education has approved a new 'Educated Slovakia' strategy and aims to create a national framework for literacy and skills for the 21st century, with a strong emphasis on reducing the underperformance in reading.

Digital skills development is uneven. While a promising trend emerges among young adults (16-24), 80.5% of whom have at least basic digital skills, above the EU average of 74.5%, the share of people with digital skills in older population groups is consistently lower ([338]). Significant regional challenges also exist, including an urban–rural connectivity gap, and a lower share of digitally skilled individuals among lower-educated and vulnerable groups. Within the education system, the ongoing curriculum reform aims to promote digital skills across all education levels. Measures such as digital coordinators in schools and specialised training modules aim to strengthen teachers' digital proficiency, which has been identified as one of the main structural weaknesses behind low digital skills levels. Work is also being carried out to promote digital inclusion among disadvantaged groups, particularly through the distribution of vouchers for the purchase of digital equipment and targeted programmes for elderly people and disadvantaged groups. The annual Digital Slovakia IT Fitness Test assesses digital skills among students and teachers. However, skills development is a long-term process, and the impact of these measures will only become apparent gradually.

The proportion of ICT specialists in the workforce is insufficient to meet the labour demand. It has decreased from 4.6% in 2024 to 4.4% in 2025 ([339]), remaining below the EU average of 5%. Lack of ICT specialists, particularly among women, and insufficient knowledge of digital processes are a pressing issue within the business population. Projects such as 'Digital Skills for the Green Future of Slovakia', 'Activation of Young NEETs for the Digital Age' and 'Support for Workforce Adaptation to the Digital Transformation of the Labour Market', along with ongoing cross-ministerial cooperation to reform university curricula aim to promote the acquisition of relevant digital skills. However, despite an increase in the number of ICT graduates to 5.3% of total graduates in 2024, companies still struggle to support adequate training due to limited funding, time and specialised training available. ([340])

Upskilling and reskilling of adults needs to better respond to labour market demands, with active involvement of employers. The availability of skilled staff, including on aspects such as AI literacy, cybersecurity, cloud-based technologies, is a significant concern for businesses, with 93% of Slovak companies reporting that difficulties in hiring skilled staff are an obstacle to investment, compared with 77% across the EU. This indicates a pressing need for strategic action to address skills shortages and enhance the talent pool ([341]). Slovakia continues to face ICT workforce shortages and limited female participation in tech ([342]). Recent projections point to up to 1 million job openings by 2035, primarily in manufacturing and highly skilled services, outpacing the expected supply of graduates ([343]) (see Annex 11).

While participation in adult learning is comparatively high, the intensity of engagement is low. Despite a participation rate of 49.5% in 2022 according to the adult education survey – already nearing the national target of 50% and exceeding the EU average of 39.5% – Slovak adults spend significantly less time on learning, averaging just 48 hours per person compared to the EU's 144 hours ([344]). More recent data from the labour force survey suggest a possible decrease in participation rates between 2022 and 2024. The lower intensity of engagement suggests that while a majority of the workforce undergoes occasional, likely mandatory employer-led training, continuous, self-directed learning remains insufficient to sustain a high-tech economy. The new Adult Learning Law, effective

([338])Eurostat, 2025, Individuals' level of digital skills, isoc_sk_dskl_i21 [I_DSK2_BAB].

([339])Eurostat, 2025, Digitalisation Report; European Commission, 2025, Digital Decade Country Report – Slovakia.

([340])Eurostat, Distribution of graduates at education level and programme orientation by sex and field of education, educ_uoe_grad03.

([341])EIB Investment Survey, 2024.

([342])The National Coalition for Digital Skills and Jobs of the Slovak Republic, 2025.

([343])European Centre for the Development of Vocational Training (Cedefop), 2025.

([344])Adult Education Survey, 2022; State education institute VET.

from 2025, and the launch of individual learning accounts from 1 April 2026 will help reach the 2030 national target and the EU target of 60%. Other programmes such as CEOVP, DiTEdu, the 'Catching-Up Regions' initiative and pilot centres of excellence aim to strengthen vocational and lifelong learning, align education with labour market demands and support talent development. Attention to regional disparities and effective implementation and monitoring remain critical for achieving nationwide impact and quality of learning.

Strengthening the quality of spending on education is key in Slovakia. Education spending increased slightly from 4.7% of GDP in 2020 to 5.0% in 2023 and stands above the EU average (at 4.7%). Despite this uptick, the share of total government spending that goes to education decreased slightly during the same period (from 10.6% to 10.3%) ([345]) and the system continues to yield relatively poor results. The country faces persistent challenges that have led to a country-specific recommendation focused on ensuring equal and inclusive access to quality education at all levels. The need to address the quality of spending is key, as increasing resource levels have not yet successfully narrowed the achievement gaps. A recent spending review (2025) analysed the poor results in Slovak primary and secondary education and identified several underlying factors, including low expenditure on primary and secondary education. Several measures have been identified that could reinforce focus on key priority areas ([346]).

([345])[gov_10a_exp__custom_16025691].

([346])Ministry of Finance, Education Policy Institute of the Ministry of Education, Slovakia. Spending Review on Education, 2025.

Table A14.1:**Social Scoreboard for Slovakia**

Equal opportunities and access to the labour market	Adult participation in learning (during the last 12 months, excl. guided on the job training, % of the population aged 25-64, 2022)	49.5
	Early leavers from education and training (% of the population aged 18-24, 2025)	6.8
	Share of individuals who have basic or above basic overall digital skills (% of the population aged 16-74, 2025)	53.6
	Young people not in employment, education or training (% of the population aged 15-29, 2025)	11.1
	Gender employment gap (percentage points, population aged 20-64, 2025)	8.7
	Income quintile ratio (S80/S20, 2025)	3.27
Dynamic labour markets and fair working conditions	Employment rate (% of the population aged 20-64, 2025)	78.1
	Unemployment rate (% of the active population aged 15-74, 2025)	5.4
	Long term unemployment (% of the active population aged 15-74, 2025)	3.4
	Gross disposable household income (GDHI) per capita growth (index, 2008=100, 2024)	133.6
Social protection and inclusion	At risk of poverty or social exclusion (AROPE) rate (% of the total population, 2025)	16.7
	At risk of poverty or social exclusion (AROPE) rate for children (% of the population aged 0-17, 2025)	22.7
	Impact of social transfers (other than pensions) on poverty reduction (% reduction of AROP, 2025)	40.8
	Disability employment gap (percentage points, population aged 20-64, 2025)	20.7
	Housing cost overburden (% of the total population, 2025)	3.5
	Children aged less than 3 years in formal childcare (% of the under 3-years-old population, 2025)	1.8
	Self-reported unmet need for medical care (% of the population aged 16+, 2025)	1.1

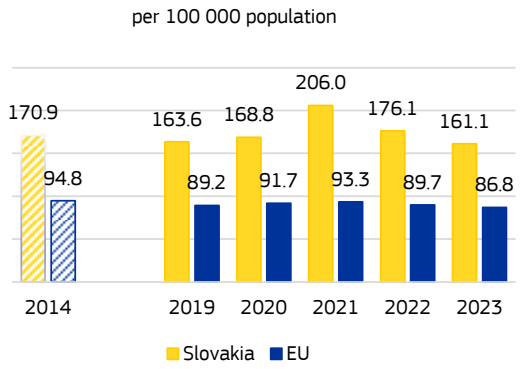
Critical situation	To watch	Weak but improving	Good but to monitor	On average	Better than average	Best performers

Update of 4 May 2026. Members States are categorised based on the Social Scoreboard according to a methodology agreed with the EMCO and SPC Committees. Please consult the Annex of the Joint Employment Report 2026 for details on the methodology (https://employment-social-affairs.ec.europa.eu/joint-employment-report-2026_en).

Source: Eurostat

Slovakia's health system faces significant challenges that need to be addressed to improve the health of its population, social fairness and productivity. Key challenges include: (i) low life expectancy, linked to high treatable and preventable mortality; (ii) suboptimal funding and cost-effectiveness of the health system; (iii) an insufficient focus on outpatient care and disease prevention; and (iv) shortages of health workers. The 2025 country-specific recommendations (CSRs) emphasised the need to strengthen primary care – particularly for vulnerable groups – expand preventive services and improve health system resilience in medical supplies, infrastructure and the workforce, while maintaining fiscal sustainability.

Graph A15.1: **Treatable mortality**



Age-standardised death rate - mortality that could be avoided through optimal quality healthcare.
Source: Eurostat (indicator: hlth_cd_apr)

Life expectancy at birth in Slovakia was still among the lowest in the EU in 2024, with a high rate of avoidable mortality – preventable or treatable. There is a gender gap, with women expecting to live 6.5 years longer than men. In 2023, treatable mortality was among the highest in the EU, suggesting shortcomings in the effectiveness of the health system. Moreover, Slovakia recorded one of the EU's lowest falls in mortality from treatable causes over the last 10 years, reaching almost twice the EU average in 2023 (see Graph A15.1). Diseases of the circulatory system – cardiovascular diseases (CVDs) – were the leading cause of mortality in Slovakia in 2023, followed by cancer; together, they accounted for more than two thirds of all deaths and were also major causes of morbidity and disability, in line with EU patterns. Cancer mortality remains among the highest in the EU, particularly for breast, cervical and colorectal cancers. To address this burden, Slovakia updated its National Oncology Plan for 2021–25 ([347]) and is finalising its further update. Slovakia also invests in public education, screening promotion – especially for marginalised groups – and data systems. These could expand preventive services, as highlighted in the 2025 CSR.

Despite some improvements since 2022, preventable mortality remained very high in 2023 The share allocated to prevention was just 2.7% of total health expenditure in 2023 (EU average 3.7%). The main contributors to preventable mortality were ischaemic heart disease, alcohol-related deaths and lung cancer, together accounting for nearly half of such deaths. Slovakia has accelerated the shift to population-based screening, building national programmes for breast, cervical and colorectal cancers and piloting lung and prostate screening. Under the Swiss Slovak Programme, launched in April 2025, Slovakia aims to strengthen the prevention of non-communicable diseases (NCDs). Under EU4Health, Slovakia is also involved in the EUCanScreen joint action supporting the implementation of cancer screening in the EU and in the joint action CARE4DIABETES, aimed at reducing the burden of type 2 diabetes (T2D) ([348]). Influenza vaccination coverage among people aged 59 years and over in Slovakia is the second lowest in the EU, with only around 12% vaccinated in 2022/23. In 2024, HPV vaccination coverage among eligible girls remained well below the EU average ([349]).

Preventable mortality in Slovakia is closely linked to exposure to lifestyle risk factors. Environmental factors such as air pollution also contribute to a considerable number of deaths ([350]). In 2022, 17% of Slovak adults were obese, up from 14% in 2017 and above the EU average (15%), with the rise mainly due to men (male obesity rose by almost 30% between 2017 and 2022). Among adolescents the share of overweight or obese 15-year-olds doubled to 22% between 2010 and 2022, slightly above the EU

([347])NOI (2022), National Oncology Programme - updated NOP action plans for 2021-2025. National Oncology Institute.

([348])EUCanScreen Joint Action and Home - Care4Diabetes4JointAction.

([349])OECD/European Observatory on Health Systems and Policies, 2025, *Country Health Profile 2025: Slovakia. State of Health in the EU.*

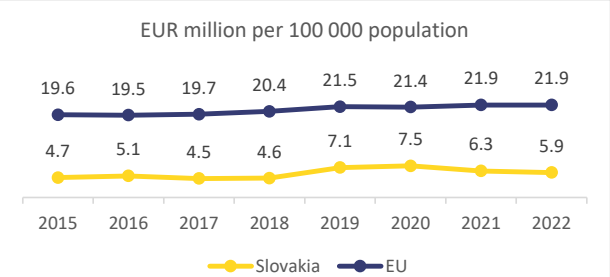
([350])*Country Health Profile 2025: Slovakia* – see earlier footnote.

average (21%). Unhealthy nutrition and physical inactivity are key drivers. Only about half of the population consumed fruit or vegetables daily, well below the EU average, and just 17% of adults engaged in physical activity more than three times per week in 2022, one of the lowest rates in the EU. In response, the government approved the 2024-30 National Action Plan for the promotion of Physical Activity, aiming to cut physical inactivity by 5% in both adults and adolescents by 2030. Smoking among adults and adolescents also remains a major public health challenge. The share of daily smokers in Slovakia is slightly above the EU average, in particular for men. While regular cigarette smoking has declined over the past decade, e-cigarette use has grown. However, new laws and regulations have been adopted to reduce smoking since 2023.

These poor health outcomes negatively affect Slovakia's workforce and hence its productivity and competitiveness. In Slovakia, mortality at working age as a proportion of total mortality was among the highest in the EU in 2024 despite a slight improvement from 2023 (20.7%vs 21.3%), exacerbating the effects of population ageing on a shrinking labour force. Expanding preventive action could deliver health gains that would help mitigate this impact. For example, preventing all deaths from NCDs in Slovakia – in particular CVDs – would result in a 1.3% gain in working-life years from 2022 to 2040 (vs 0.9% for the EU). This would correspond to saving about 700 000 life years over 2022-2040. This increase would mitigate an otherwise expected 7% reduction of the workforce due to population ageing, which is equal to the EU average ([351]).

Rising healthcare demands are placing pressure on an underfunded Slovak healthcare system. Health spending per inhabitant is one of the lowest in the EU. The persistently low level of investment in the health sector is also accompanied by limited per capita investment in health infrastructure and low availability of some equipment, such as for medical imaging. In 2023 spending on outpatient and inpatient care each accounted for around 30% of total health expenditure. Pharmaceutical and medical devices dispensed in the outpatient sector represented a further 30%, among the highest shares in the EU. This high share partly reflects a methodological difference: Slovakia records some hospital medicines and devices under the outpatient sector. Even so, pharmaceutical spending has risen further since 2022 following reforms to improve access to innovative medicines. This led to uncontrolled spending, prompting the government to limit the application of extraordinary reimbursement regimes. The sharp rise in public spending in 2023 signals growing fiscal pressure that may intensify in the coming decades. Current persistent hospital debt is one aspect of this financial strain, fuelled largely by rising input costs, particularly for hospitals' workforce and pharmaceuticals.

Graph A15.2: **Healthcare infrastructure investment by year**



Source: Country Health Profiles - Dashboard.

Slovakia is implementing measures to improve cost-effectiveness within its health system, which currently faces efficiency constraints. In October 2024, the country established a Central Management Section for large public hospitals, aiming to achieve savings through centralised management and procurement. In its pilot phase, the central procurement covers energy and some medical devices. There are plans to expand it to selected high-use medicines, optimising budgeting, purchasing and services in 19 hospitals. In 2025, Slovakia published a spending review on hospitals addressing efficiency and financial sustainability challenges and established a Healthcare Budget Council to coordinate and monitor healthcare funding. Promoting a more efficient use of resources is a long-term strategic priority for strengthening resilience, as underscored by the 2025 CSR, and in light of future potential health crises, demographic ageing and persistent funding pressures (see Annex 2). The 2022 update of Slovakia's Strategic Healthcare Framework strengthened the focus on health system resilience, incorporating lessons from the pandemic and setting priorities for emergency

([351])EC/OECD, State of Health in the EU: 2025 Synthesis Report.

Table A15.1:**Key health indicators**

	2020	2021	2022	2023	2024	10-year change	EU average* (latest year)
Cancer mortality per 100 000 population	301.8	275.1	267.7	270.3	n.a	0.83	233.1 (2023)
Mortality due to circulatory diseases per 100 000 population	607.1	641.2	627.8	600.5	n.a	0.92	313.0 (2023)
Current expenditure on health, purchasing power standards, per capita	1 593	1 875	1 963	2 088	n.a	1.42	3834.9 (2023)
Public share of health expenditure, % of current health expenditure	80.3	79.7	79.9	79.0	n.a	0.98	80.6 (2023)
Spending on prevention, % of current health expenditure	1.0	1.6	2.0	2.7	n.a	1.43	3.7 (2023)
Available hospital beds per 100 000 population***	488	488	489	486	n.a	0.98	440 (2023)
Doctors per 1 000 population*	3.7	3.7	3.7	3.8	n.a	1.12	4.3 (2023)*
Nurses per 1 000 population*	n.a	5.7	5.7	5.7	n.a	-	7.6 (2023)*
Mortality at working age (20-64 years), % of total mortality	21.7	22.2	21.3	21.3	20.7	0.79	14.3 (2023)
Consumption of antibiotics in the community and hospital sectors	14.4	16.0	20.8	20.1	20.4	0.84	20.3 (2024)

*The EU average is weighted for all indicators except for doctors and nurses per 1 000 population, for which the EU simple average is used based on 2023 data (or latest available). Doctors' density data refer to practising doctors in all countries except Greece, Portugal (licensed to practise) and Slovakia (professionally active). Density of nurses: data refer to practising nurses (EU recognised qualification) in most countries except Portugal (licensed to practice) and Slovakia (professionally active). Latest data update on nurses for Belgium and Sweden: 2022; for France: 2021; for Luxembourg: 2017.
** latest available 10-year trend: ratio 2023/2014 or 2024/2013; a factor of 2.00 means that it has doubled in 10 years.
***'Available hospital beds' covers somatic care, not psychiatric care.
Source: Eurostat

preparedness, public health capacities and readiness for biological, chemical and radiological threats. However, a 2023 evaluation found implementation progress to be insufficient, prompting calls for faster action and stronger governance ([352]). The health system performance assessment framework under the TSI project should be launched and the new methodology implemented in 2026. This should strengthen evidence-based policymaking and data use and support better planning and mechanisms for priority setting.

Slovakia still has a relatively high number of hospital beds and one of the EU's highest hospital admission rates, indicating limited access to primary care. Bed occupancy rates are among the lowest in the EU, signalling scope to optimise the use of hospital resources. On the other hand, rates of hospital admissions were particularly high for congestive heart failure and diabetes, reflecting the need to strengthen primary care services as highlighted by the 2025 CSR. Slovakia allocates 21% of its RRP to healthcare, with a particular focus on the hospital optimisation reform and investments in the construction and modernisation of hospital infrastructure. In addition, the plan includes measures to improve access to primary care in underserved areas and modernise mental health legislation and services. Its full implementation as well as 2021-2027 cohesion policy investments could support the shift of the system towards more community-based and integrated models of care, as highlighted in the 2025 CSR. Antibiotic consumption is around the EU average, but heavy use of broad-spectrum antibiotics is concerning, with over one third of bacterial isolates resistant to key antibiotics in 2022-2023, one of the highest rates in the EU ([353]). Slovakia has not yet updated its National Action Plan on Antimicrobial resistance (AMR). However, the country is involved in the Joint Action on Antimicrobial Resistance and Healthcare-Associated Infections, JAMRAI 2 ([354]).

Household out-of-pocket (OOP) payments are above the EU average (20% vs 16%), with a high percentage accounted for by outpatient pharmaceuticals. Health services are widely covered by public funding and, as elsewhere, dental care coverage is limited compared with other services. Despite near-universal statutory health insurance, marginalised groups such as Roma communities face persistent obstacles. To address these gaps, the Ministry of Health has

([352])Ministry of Health (2024), Summary report on developments in the Strategic Framework for Health Care for 2014-2030 for 2023.

([353])ECDC (2024) Point prevalence survey of healthcare-associated infections and antimicrobial use in European acute care hospitals. Stockholm: European Centre for Disease Prevention and Control.

([354])EU-JAMRAI 2 - Joint Action Antimicrobial Resistance and Healthcare-Associated Infections 2.

supported the National Healthy Communities Project since 2017 (co-funded by EU grants), strengthening primary prevention and delivering basic services via health mediators. Beyond its direct impact on health status, healthcare coverage is a powerful tool against poverty and inequality. For instance, analyses suggest that in the case of Slovakia, income inequality as measured via the Gini coefficient would increase by 42% in the absence of public coverage for healthcare ([355]).

Slovakia's pharmaceutical sector is of comparatively modest economic significance. Employment in pharmaceutical manufacturing is among the lowest in the EU. Slovakia is among the EU countries that report the lowest levels of public spending on health research and development, with a very low number of European patents granted and clinical trials per million population decreasing in 2024 compared with 2023([356]). The industry also maintains a very low share of extra-EU exports (0.41% in 2024 vs 13.85% for the EU average). Furthermore, the country is facing a growing shortage of medicines. For instance, despite legislative reforms aimed at accelerating market entry, the introduction of new oncology medicines has stalled, with almost no new entries in the first quarter of 2025.

Access to care in Slovakia is constrained by a persistent shortage of general practitioners (GPs), nurses and certain medical specialists. In the primary care setting, in 2024, the estimated shortfall reached 533 GPs and 236 paediatricians, equivalent to around 21% of the respective public primary-care workforces. Compared with 2022, this reflects a 33% increase in the GP shortfall and a 5% increase for paediatricians ([357]). These gaps are expected to worsen due to an ageing workforce. At the same time, limited interest in primary-care careers has weakened inflows, while emigration continues to undermine workforce retention ([358]). To improve access to primary care and address the 2025 CSR, in 2023 the Slovak government approved a general outpatient care strategy running until 2030, partially supported by RRP funds. It is focusing on enhancing education and training, reforming GP payments, strengthening competencies, and new forms of collaboration. Under the RRP, nearly 150 outpatient practices were supported to further address the increasing shortages. However, the density of doctors and nurses in Slovakia has been below the EU average for several years, with uneven distribution across the regions (see Annex 18). Challenges in retention are linked to poor working conditions, high job strain and increasing depression rates. In addition, in 2023, a high share of the country's nursing personnel was between 55 and 64 years of age (23.7%), and a low share was between 25 and 34 years of age (9.8%). This poses a significant challenge to the health system and, more broadly, the care system (see Annex 12). Since 2025, the base salaries for selected healthcare professionals have increased in an effort to address health workforce challenges highlighted in the 2025 CSR. Slovakia also participates in the EU4Health-funded HEROES joint action ([359]), through which EU countries share best practices and expertise on health workforce planning.

The opportunities offered by e-health are not yet fully embraced in Slovakia, with uptake varying across education levels. In 2024, the shares of people using online health services (excluding phone) instead of in-person consultations (16%) and accessing their personal health records online (16.2%) were below the EU average. Digital engagement varies by education level: people with a higher education qualification are two to over three times more likely to use the internet for these activities than those with a low level of education. Planned investments under the RRP aim to boost the digital transformation of Slovak hospitals. In addition, Slovakia participates in grants under the EU4Health programme to

([355])European Commission: Directorate-General for Health and Food Safety, Cruces et al. (2025), The role of healthcare in reducing inequalities and poverty in the EU. As regards health coverage, poverty and income refer in the present analysis to a different measure than the one usually reported, which is defined, for instance, in Annex 12. Here, it also estimates the impact of benefits in kind, while the standard measure only accounts for cash transfers.

([356])European Patent Office: Statistics & Trends Centre | epo.org. US National Library of Medicine, https://clinicaltrials.gov.

([357])*Country Health Profile 2025: Slovakia* – see earlier footnote.

([358])ÚDZS (2025). Status report on implementation of public health insurance for 2024. Bratislava: Healthcare Surveillance Authority (ÚDZS).

([359])JA HEROES | Health Workforce Planning Project – A WordPress Full-Site Editor Theme.

facilitate the implementation of the European Health Data Space ([360]).

([360]) Second Joint Action Towards the European Health Data Space – TEHDAS2.

Slovakia continues to experience structural insufficiency in housing supply, with demand persistently outstripping supply, particularly in urban regions. The 2025 country-specific recommendations (CSR) on housing focused on supporting housing supply and expanding the rental market by accelerating residential construction and promoting social housing, while considering regional disparities. Although residential construction has increased over recent years, it remains far below the estimated needs. Slovakia ranks among the countries with the lowest housing stock per capita in the EU. Despite increased residential construction in 2012-2023, the housing supply gap has not been closed. The cumulative housing deficit in Slovakia can be attributed partly to higher interest rates and is estimated at between 200 000 and 400 000 dwellings ([361]) or even 500 000 dwellings. The 2025 CSR recommended accelerating residential construction. A new Building Act that aims to streamline permitting procedures has been adopted, yet its implementation is still in the early stages. The organisational capacity of construction offices, especially in the largest cities, remains unaddressed.

The rental housing sector remains underdeveloped, with a very low proportion of subsidised rental housing. The 2025 CSR recommended expanding housing supply in Slovakia, where about 93–94% of the population live in owner-occupied dwellings, standing out as one of the highest homeownership rates in the EU. At the same time, Slovakia lags far behind the EU average in social and affordable housing, with public rental options being very limited, which contributes to long waiting lists and affordability pressures for low-income households ([362]). The lack of affordable rental housing in urbanised areas also hinders labour mobility and thus productivity.

Public support for affordable and social rental housing is insufficient, both on the supply and demand sides. The 2025 CSR recommended promoting social housing, while considering regional disparities. Slovakia traditionally supports the construction of social housing by municipalities and cities, with about 50 000 flats having been built under the support scheme over the last 25 years. However, the scheme fails to support housing where it is most needed: in urban areas with rising populations. Demand-side subsidies, such as housing allowance, are either missing altogether, or cover only a fraction of the real cost, and thus do not ensure affordability.

Housing market developments

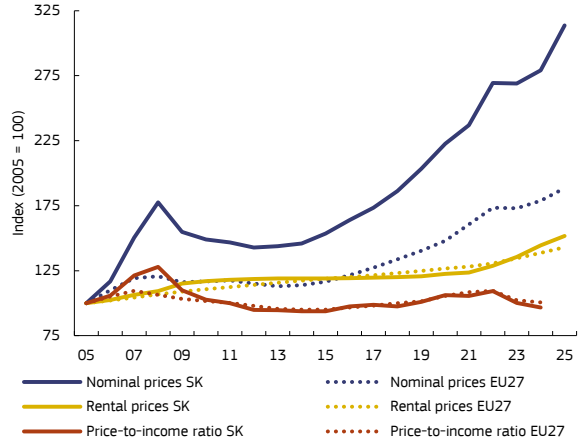
After the financial crisis, house prices surged vigorously. The 2008 financial crisis triggered a downturn in house prices, lasting until 2012. After that, prices began to accelerate, driven by affordable mortgages, limited housing supply and rising real wages (Graph A7.1). The nominal growth rate of house prices peaked at 13.7% in 2022, then experienced a correction in 2023 due to the rise in mortgage rates. Since 2024, nominal house prices recovered, and their growth accelerated to 12.4% year-on-year in 2025 when they showed signs of overvaluation of about 16% (based on the standard European Commission methodology). The house prices are nominally the highest in the capital of Bratislava followed by the second most-populated region of Košice.

Housing affordability worsened in the last years. The price-to-income ratio reached its peak in 2008, before declining during the financial crisis and rising again from 2015. In 2022, rising interest rates, high housing prices and weakened real wages due to high inflation significantly undermined housing affordability for first-time buyers. Although declining interest rates in subsequent years have stimulated mortgage demand, the improvement in housing affordability has been only marginal in 2024 and with worsening again in 2025 as house price growth outpaced the income growth.

([361])Výbošťok, Ján and Dušan, Paur. 2025. 'Housing in Slovakia: COVID-19 Pandemic Impacts on Regions, Affordability and Residential Development.' *Regional Studies, Regional Science* 12 (1): 881–895, https://doi.org/10.1080/21681376.2025.2572482.

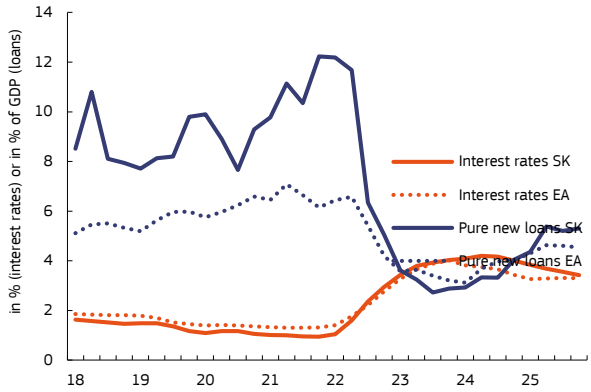
([362])OECD. *Economic Surveys: Slovak Republic.* Paris: OECD Publishing, 2024.

Graph A16.1: **House prices, rents and price-to-income evolution in SK and EU27 since 2005**



Source: Eurostat

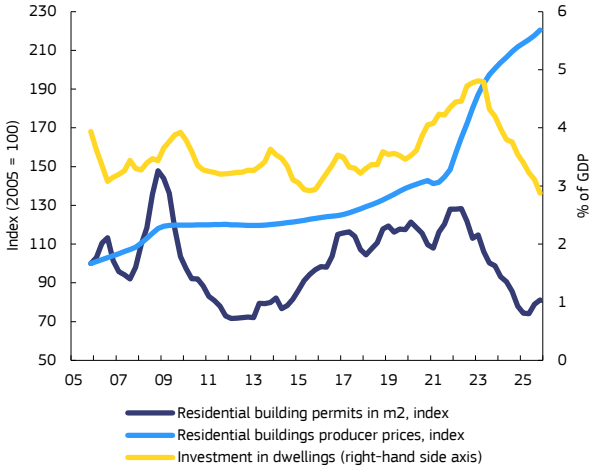
Graph A16.2: **Borrowing costs and housing loans, in SK and EA since 2018**



Source: ECB and Eurostat

Slovakia's housing supply is insufficient, with limited housing stock and fluctuating construction investments. While the mortgage market, and hence demand, has started to recover, housing supply has not kept pace. In the first half of 2025, construction began on only 7 241 new dwellings, representing a year-on-year decline of almost 14.5%. After peaking in 2021, residential building permits gradually declined until 2024, with Slovakia's existing housing stock remaining below the EU average. While residential investment has also declined in recent years, the cost of residential construction has remained relative stable, at around 63% of the 2020 EU average, signalling structural supply-side issues linked to the administrative environment. Suburban districts, such as the Bratislava hinterland, have absorbed the bulk of new construction, while density levels in large cities remain very low.

Graph A16.3: **House supply indicators in SK since 2005**



(1) 4-quarters moving sums (average for prices)
Source: Eurostat

The rental housing sector in Slovakia remains significantly underdeveloped. The proportion of rental housing is very low compared with the EU average and has not increased over time. Between 2011 and 2021, census data indicate a decline in the proportion of private rental dwellings in the total housing stock from 3% to 0.86% ([363]).

The tight rental supply does not meet the growing demand from Ukrainian refugees, putting pressure on rents. As the supply of both market-based and regulated rental housing has not expanded accordingly, heightened demand has translated into rising rents. The shortage of rental housing also negatively affects regional labour mobility, which is identified as a key factor behind the underutilisation of the labour force ([364]).

([363])However, the government itself considers these figures to be highly unreliable, as a substantially larger proportion of rental housing is likely to operate in the grey economy, outside tax compliance.

([364])Institute for Financial Policy (IFP) (2023), *V nájme ďalej zájdeš*, Ministry of Finance of the Slovak Republic, Bratislava.

Structural policies

Housing policy in Slovakia is institutionally fragmented and characterised by a dispersed allocation of competencies across several ministries and public bodies. The overall responsibility for housing policy lies with the Ministry of Transport, which lacks the means to ensure coherent and coordinated housing policies ([365]). Several other ministries and agencies are also crucial for housing policy, including the Ministry of Finance, the Ministry of Economy and the Ministry of Labour, Social Affairs and Family ([366]). More recently, a distinct segment of housing policy – state-supported rental housing – had been designed and implemented directly by the Government Office, through the Agency for State-Supported Rental Housing.

Urban density in Slovakia is very low, and current spatial planning does not promote higher density. Around 40% of the population lives in areas with population density comparable to rural areas, while only 21% of the population lives in densely populated areas, which is the second lowest proportion in EU after Slovenia. Settlement patterns are highly dispersed and contribute to urban sprawl. Bratislava's population density is roughly four times higher than Vienna's ([367]). Existing planning practices and residential development patterns do not promote higher-density housing, particularly in urban and peri-urban areas where demand is strongest.

Spatial planning represents a major structural constraint on housing supply. More than one third of municipalities lack a valid spatial (land-use) plan, which limits effective regulation and the ability to enable new residential construction. Under recent legislation, municipalities are required to adopt spatial plans by 2032. Not having a spatial plan by this deadline poses a risk for the quality of urbanism, because the land would not be regulated by default. However, amending spatial plans to allow new housing development is financially burdensome for municipalities where this is not mitigated, for example, by a developers' contribution. In addition, cases have been identified where existing Roma settlements are omitted from newly adopted spatial plans, creating potential long-term legal and social risks. This issue is currently being addressed by the Office of the Government Plenipotentiary for Roma Communities. Municipalities also face limited technical capacity and insufficient know-how for land preparation, further constraining housing development.

State policy does not sufficiently support the development of both the public and the private rental housing sector. For the regulation of rental housing, the 2014 Short-Term Lease Act, which increased flexibility in rental relations, largely at the expense of tenants, failed to generate additional incentives for expanding the rental sector. Support for public rental housing construction remains low and is predominantly directed towards renovation rather than new supply. Instead of expanding supply, capital subsidies are used to fill structural gaps in an underfunded public rental housing stock, where rental revenues are insufficient to finance proper maintenance and renewal ([368]). The city of Bratislava significantly underperforms in making use of these support schemes, partly due to limited land availability and high land prices. On the demand side, housing allowances cover only a very small fraction of rental costs and therefore do not constitute an effective instrument to support rental affordability. A public-private rental housing scheme under the Agency for state-supported rental housing is now operational. Investment contracts with private partners have been concluded, the first 70 rental flats were marketed in early 2025, and one partner committed to delivering at least 3 000 units.

Slovakia's tax system is significantly skewed towards supporting homeownership and demand-side incentives. The main instrument is mortgage interest rate subsidisation, which is available to young households aged 18–35 that

([365])Ministerstvo dopravy Slovenskej republiky. 2025. *Správa o plnení úloh Bytovej politiky Slovenskej republiky do roku 2030 a návrh na jej aktualizáciu*. Bratislava: Ministersto dopravy SR.

([366])ESPON (2024), *House for All: Access to Affordable and Quality Housing for All People – Country Fiche: Slovakia*, ESPON 2030 Cooperation Programme, Luxembourg.

([367])Gromóczki, Anton. 2024. *Ako vyriešiť bytovú krízu na Slovensku.* Bratislava: Friedrich Naumann Stiftung für die Freiheit.

([368])Institute for Financial Policy (IFP) (2023), *V nájme ďalej zájdeš*, Ministry of Finance of the Slovak Republic, Bratislava, pp. 15.

meet income eligibility criteria and occupy the supported dwelling as their primary residence. Such demand-side support contributes to higher housing demand and upward pressure on prices. Landlords are allowed to deduct from their tax base only direct operational costs incurred through rental activity, but not mortgage interest expenses or maintenance costs, unlike in many OECD countries ([369]). Recurrent property taxes are very low by international comparison and are assessed based on *area* rather than on land and property value, limiting their effectiveness as a neutral and efficiency-enhancing housing tax instrument (see Annex 3 on taxation).

For the first time, housing has been elevated to a strategic priority in the 2021–2027 Operational Programme for Slovakia, with over EU 150 million in EU funding deployed to strengthen affordable and social housing. The revised 2021-2027 Operational Programme for Slovakia allocates EUR 153 million in funding from the European Regional Development Fund and the Just Transition Fund to affordable and sustainable housing, including social housing. Housing has been introduced as a new priority in the programme, with planned investments in energy-efficient reconstruction of student dormitories, as well as construction of social housing for Roma and other vulnerable groups. Some of these investments will be undertaken by regions and cities under their integrated territorial strategies.

Vulnerable groups

Slovakia's housing cost overburden rate remains below the EU average, although housing affordability pressures remain for some households. Slovakia's housing cost overburden rate dropped from 6.4% in 2024 (EU: 8.2%) to 3.5% in 2025 (7.7%) ([370]). This means that a smaller share of Slovak households spent more than 40% of their disposable income on housing than the European average. While the energy poverty remains slightly below the EU average, is has increased markedly in recent years. The proportion of people unable to keep their home adequately warm rose sharply between 2021 (5.8%) and 2024 (8.3%), but declined slightly in 2025 (8.1%), while the EU average peaked at 10.6% in 2023 and declined to 8.8% in 2025. This indicates a slower recovery in Slovakia despite the EU-wide easing of energy pressures([371]).

The proportion of social housing remains low and, while demand continues to increase, public support has declined. The proportion of social housing in the total housing stock is among the lowest in the EU (2.5%). An insufficient supply of housing at below-market rents that is allocated based on social criteria increases the risk of homelessness and housing exclusion, while at the same time limiting the capacity to address these challenges effectively ([372]).

The Roma community continues to face large-scale housing exclusion. In Slovakia, many families live in segregated settlements without reliable access to water, basic infrastructure or secure legal ownership or rent the land they inhabit. 86% of Roma live in overcrowded conditions, often in segregated settlements that lack basic facilities such as access to tap water ([373]). Families encounter problems with land ownership rights and legal tenure, either ownership or tenancy, restricting infrastructure investment and increasing eviction risk ([374]). Overcrowded, unsanitary and inadequate housing in marginalised Roma communities undermines physical and psychological health and exacerbates exclusion. Children are often exposed to serious health risks from playing near illegal dumps, while

([369])OECD, *OECD Economic Surveys: Slovak Republic 2024* (Paris: OECD Publishing, 2024), pp. 92.

([370])The overburden rate should be read together with the tenure structure (homeowner, tenants), that may differ across country and regions.

([371])Eurostat, 2024, EU-SILC – Slovakia.

([372])OECD. 2024. *OECD Economic Surveys: Slovak Republic 2024* https://www.oecd.org/en/publications/oecd-economic-surveys-slovak-republic-2024_397ca086-en.html

([373])Atlas of Roma communities, 2013 (note: the Office of the Government Plenipotentiary of the Slovak Republic for Roma Communities is preparing an update on the basis of the data collected in April 2025).

The Fundamental Rights Agency (FRA) conducted its 2024 Roma Survey across 13 EU countries to monitor progress on the EU's Roma strategic framework up to 2030. Slovakia finished collecting data in spring 2025 but its results were not included in the published survey database at the time of release. Slovakia was included in the FRA's 2016 survey.

([374])European Roma Rights Centre, 2016.

Graph A16.4: **Housing affordability selected indicators**

		EU27				SK							
	unit	2000-25 avg.	2023	2024	2025	2000-25 avg.	2023	2024	2025	unit	2023	2024	2025
House price to income ratio	*2000-25 avg = 100*	100.0	102.0	100.2		100.0	97.0	93.6		YoY%	-8.3	-3.5	
Rent to income ratio	*2000-25 avg = 100*	100.0	85.1	83.5	84.5	100.0	69.3	68.7	69.8	YoY%	-3.2	-0.9	1.6
Overburden rate, total	%	9.9	8.8	8.2		8.3	5.9	6.4		PPS/y	3.4	0.5	
Overburden rate, tenant with market rent	%	23.8	20.3	19.2		18.4	24.2	29.1		PPS/y	11.4	4.9	
Overvaluation gap	%					0.2	12.3	8.8	16.2				
Deflated construction production price	*2010 = 100*	102.2	112.2	111.8	110.5	98.5	110.6	113.2	113.0	YoY%	0.4	2.5	-0.1
Building permits	*m^2 per ths persons*	483.5	376.9	362.9	379.9	378.1	366.5	293.1	311.6	YoY%	-13.0	-20.0	6.3
Residential construction investment	*% GDP*	5.5	5.8	5.1	5.0	3.7	4.2	3.5	2.9	YoY%	-12.5	-16.7	-17.1
Share of ownership	%	70.0	69.1	68.4		90.3	93.6	93.1		PPS/y	0.6	-0.5	
Share of people living in overcrowded homes	%	17.7	16.8	16.9		37.5	30.5	29.9		PPS/y	-1.3	-0.6	

Source: Eurostat and European Commission calculations. The overburden rate should be read together with the tenure structure (homeowner, tenants), that may differ across country and regions.

basic sanitation is largely absent ([375]), with only 5 359 out of 13 100 residents connected to a sewage system.

Homelessness in Slovakia rose markedly in 2011-2021. The 2021 population and housing census recorded 71 076 people experiencing homelessness (1.31% of the population) using a broad European typology of homelessness 'Light' definition, compared with about 23 483 people (0.4%) in 2011. This reflects not only changes in data collection methods but also a real rise in housing insecurity. In Bratislava's 2023 homelessness census, 2 199 ([376]) people were recorded as experiencing homelessness or housing exclusion. In Košice, around 2 300 people experience homelessness ([377]). In April 2023, Slovakia adopted its first 2023–2030 national concept for preventing and ending homelessness, with the aim of providing a coordinated strategic basis for reducing homelessness. An action plan, involving government, NGOs and local authorities was also drawn up to operationalise the strategy.

Around half of Ukrainian refugee households still identify accommodation as a priority need, pointing to ongoing housing insecurity alongside broader integration challenges. Slovakia has granted temporary protection to approximately 136 000 people displaced from Ukraine since the start of the war in 2022 ([378]). Many refugees initially lived in state-supported or collective accommodation, but securing stable, long-term housing remains difficult ([379]). Accommodation is the top priority need for about half of refugee households, highlighting ongoing housing insecurity, even though two thirds of refugees are employed. Structural barriers include the reduction in state-supported accommodation allowances from 120 to 60 days for new arrivals as of March 2025. This was intended to encourage integration but also intensifies pressure on refugees to find their own housing quickly.

New projects are adopting Housing First principles. Projects supported by the European Social Fund Plus and national partnerships use Housing First approaches to provide affordable housing with comprehensive support. The aim is to scale up this model, starting in Košice and continuing in Prešov and Bratislava. The target groups include homeless families. While cooperation with NGOs and the launching of pilot projects show promise, in the future, Slovakia urgently needs to: (i) scale up housing-led and Housing First solutions; (ii) expand social housing; and (iii) align housing allowances and support services with the long-term needs of people at risk of homelessness.

([375])Eurochild. 2025. Alarming Report on the Situation of Roma Children in Slovakia. Brussels: Eurochild.

([376])Bratislava. Ľudia bez domova sa rátajú: Záverečná správa zo sčítania ľudí bez domova v Bratislave 2023. Bratislava.

([377])https://enrsi.stvr.sk/articles/topical-issue/418769/more-than-2300-homeless-people-live-in-kosice-with-about-150-on-streets.

([378])Directorate-General for Migration and Home Affairs. 2025. Slovakia: Progress and Challenges in the Integration of Displaced People from Ukraine. European Commission.

([379])UNHCR (United Nations High Commissioner for Refugees), 2024, Slovakia: Socio-Economic Insights Survey 2024. UNHCR.

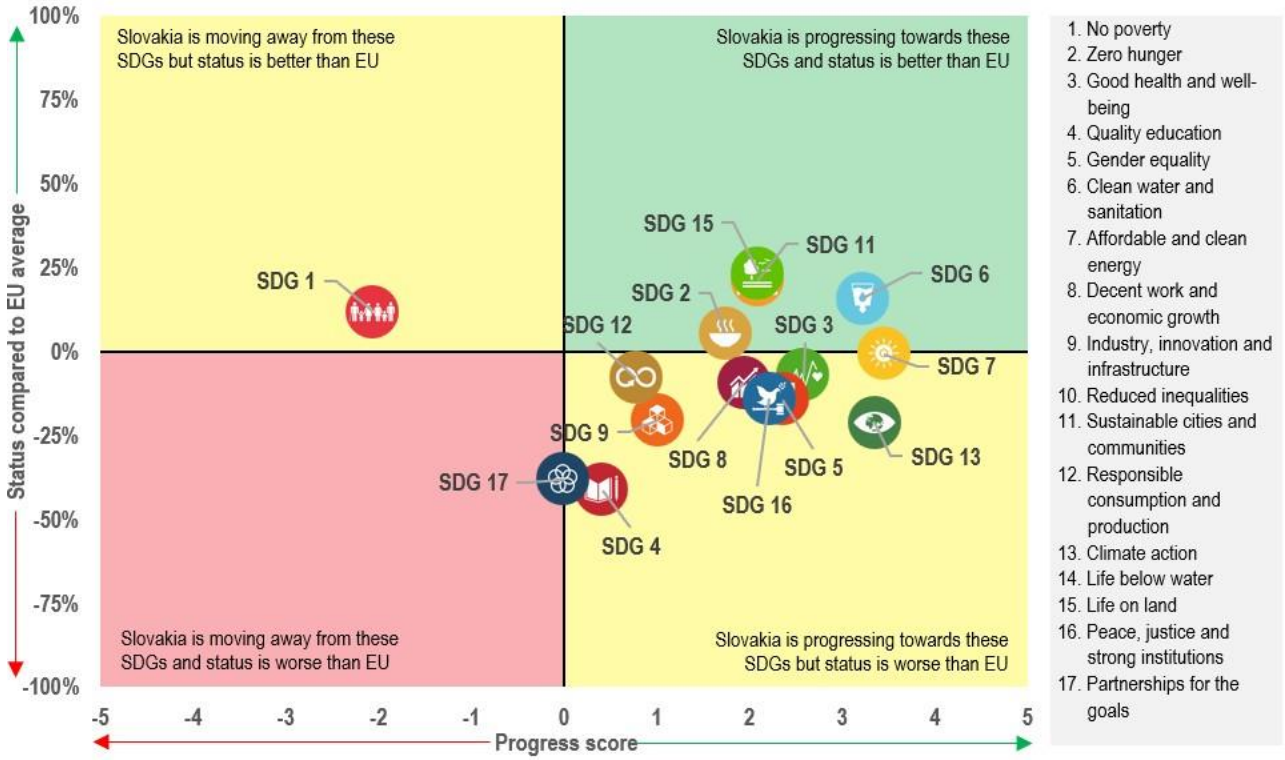
ANNEX 17: SUSTAINABLE DEVELOPMENT GOALS

This annex assesses Slovakia's progress on the sustainable development goals (SDGs) along the dimensions of competitiveness, sustainability, social fairness and macroeconomic stability. The 17 SDGs and their related indicators provide a policy framework under the UN's 2030 Agenda for Sustainable Development. The aim is to end all forms of poverty, fight inequalities and tackle climate change and the environmental crisis, while ensuring that no one is left behind. The EU and its Member States are committed to this historic global framework agreement and to playing an active role in maximising progress on the SDGs. The graph below is based on the EU SDG indicator set developed to monitor progress on the SDGs in the EU.

Slovakia is progressing towards the SDG indicators related to *competitiveness* (SDGs 4, 8 and 9), but remains below the EU average. At 0.98% of GDP in 2024, R&D expenditure was significantly below the EU average of 2.24% (SDG 9). This stifles innovation and prevents Slovakia from boosting its productivity by employing more technological solutions such as artificial intelligence, digitalisation, automation, cloud systems and other scientific and hi-tech breakthroughs. Only 22 patent applications (per million inhabitants) were submitted in 2025 compared to the EU average of 156. The percentage of the population aged 25-34 completing tertiary education, a crucial ingredient for raising the proficiency, competitiveness, and technological aptitude of the Slovak population, dropped to 36.3% in 2025, far below the EU average of 44.8% for this indicator.

However, the proportion of adults participating in learning is increasing, almost catching up with the EU average. In 2025, 11.9% of the Slovak adult population had attended an education course in the previous

Graph A17.1: **Progress towards the SDGs in Slovakia**



For a detailed progress assessment towards the various SDGs, see the annual Eurostat report 'Sustainable development in the European Union'; for extensive data on the short-term SDG progress of EU countries, see Key findings – Sustainable development indicators; for an interactive visualization of SDG progress of EU countries, see SDG country overview. A high status does not mean that a country is close to reaching a specific SDG, but signals that it is doing better than the EU on average. The progress score is an absolute measure based on the indicator trends over the past five or six years. The calculation does not take into account any target values, as most EU policy targets are only valid for the aggregate EU level. Depending on data availability for each goal, not all 17 SDGs are shown for each country.

Source: Eurostat, latest update of 29 April 2026. Data refer mainly to the period 2019-2024 or 2019-2025. Data on SDGs may vary across the report and its annexes due to different cut-off dates.

4 weeks, compared to the EU average of 13.7% (SDG 4).

At the same time, the percentage of households with a high-speed internet connection increased from 45.5% in 2019 to 73% in 2024, slightly below the EU average of 82.5% (SDG 9). Investment in digital infrastructure and educational reforms, outlined in the RRP, should further improve long-term productivity.

Slovakia is progressing towards several SDG indicators related to *sustainability* (SDGs 2, 6, 7, 9, 11, 12, 13 and 15) and performs well on SDGs 2, 6, 11 and 15. Slovakia's severe housing deprivation rate was at 4.0% in 2023, at par with the EU average (SDG 1). It performs well on sustainable mobility. Buses and trains accounted for 21.7% of total passenger transport in 2023, well above the EU average of 16.9% (SDG 11). It also performs well on the share of municipal waste that is recycled (SDG 11). The country increased the percentage recycled from 36.3% in 2018 to 50.3% in 2023, which is above the EU average of 47.9%. Slovakia is making progress on its net greenhouse gas emissions, which decreased from 6.6 tonnes per capita in 2019 to 5.3 tonnes in 2024, performing better than the EU average of 6.5 tonnes per capita (SDG 13).

However, it needs to catch up with the EU average on SDGs 7, 9, 12 and 13. Slovakia is slightly underperforming on indices pertaining to affordable and clean energy (SDG 7). While Slovakia's capacity for generating energy from renewable sources increased from 16.9% of gross final energy consumption in 2019 to 18.1% in 2024, this percentage is still below the EU average of 25.2%. Over the same period, energy productivity improved only marginally - from EUR 5.1 per kilogram of oil equivalent (kgoe) to EUR 6.0 per kgoe against the average EU improvement from EUR 8.4 per kgoe to EUR 10.0 per kgoe). Slovakia's dependency on imported energy as a percentage of its overall energy mix fell from 69.8% in 2019 to 53.5% in 2024, standing just below the EU average of 57.3%. Investments and reforms that are set out in the RRP (sections on renewables, industry decarbonisation, energy efficiency, waste disposal and R&D) as well as cohesion policy investments under 'Programme Slovakia' will boost Slovakia's performance on environmental SDGs.

On SDG indicators related to *social fairness,* Slovakia performs above the EU average on SDG 1 but needs to catch up on SDG 4. Slovakia performs better than the EU average on poverty-related indicators (SDG 1), partly because of the relatively little variation in earnings among workers within the same industry. Although still lagging behind the EU average, it is progressing on some quality education indicators (SDG 4). For example, participation in early childhood education rose from 77.8% in 2019 to 81.8% in 2024, although this rate was still below the EU average of 95%. The high percentage of low-achieving fifteen-year-olds in mathematics (33.2% in 2022 compared to the EU average 29.5%) is another cause for concern.

It is also lagging behind on SDGs 5 and 7. On SDG 5 (Gender equality), Slovakia is improving on the ratio of senior management positions held by women. The percentage of women in senior management increased from 22.0% in 2019 to 25.8% in 2025, though that figure is still significantly below the EU average of 33.6%. On SDG 7, Slovakia's ability to provide affordable energy has declined. The percentage of people unable to adequately heat their homes rose from 7.8% in 2019 to 8.3% in 2024. However, this is still below the EU average of 9.2%. The RRP and 'Programme Slovakia' include measures to improve pupils' skills and to make the various levels of the education system fairer and more inclusive. For example, by creating more places in preschool establishments, updating school curricula, tackling the segregation of the Roma population, providing specialised training for teachers and raising the professional qualifications required of teaching staff (Components 6, 7, 8).

While Slovakia is progressing towards several indicators related to *macroeconomic stability* (SDGs 8 and 16), it is moving away from SDG 17 and needs to catch up with the EU average on SDGs 8, 16 and 17. Real GDP per capita in Slovakia rose to EUR 19 270 in 2025, but was still below the EU average of EUR 34 110. Furthermore, the investment share of GDP slightly decreased from 21.7% in 2019 to 20.4% in 2024 (EU average: 21.7%). The employment rate increased to 78.1% of the population aged 20-64 in 2025, outpacing the EU average of 76.1%. The long-term unemployment rate also fell to 3.5% in 2025, though this was still above the EU average of 1.9% (SDG 8).

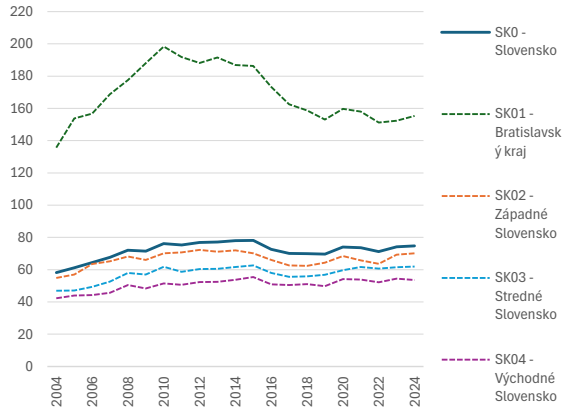
As the SDGs form an overarching framework, any links to relevant SDGs are either explained or depicted with icons in the other annexes.

Regional development trends

The fast convergence of Slovakia's economy with its EU peers since accession to the EU in 2004 halted in the last 10 years because of the slowdown in the capital region in and around Bratislava. Up to the 2008 financial crisis, Slovakia's integration into global value chains, foreign direct investments and EU accession all acted to drive rapid real convergence of the country's GDP per head with the EU average. However, these same processes that drove rapid convergence also led to a widening of regional disparities. Since 2015, economic growth has merely kept up with the EU average, and internal disparities between different parts of the country diminished due to the relative decline of the capital region. The capital region of Bratislava, where economic activity is concentrated, experienced much faster growth than the country's other three regions until 2008. However, in 2014-2024, Bratislava's real GDP per head grew by a mere 0.9% per year on average, while the growth rate in the other regions was between 2.5% and 2.8%. Despite this growth in the regions outside the capital, GDP per head there remains far below the EU average – at 70% of the EU average in Western Slovakia, 62% in Central Slovakia, and 54% in Eastern Slovakia in 2024. In turn, and despite their recent outperformance of the capital in terms of growth, the gap between these three Slovak regions and Bratislava remains significant (Bratislava has GDP per head that is 153% of the EU average) (Graph A18.1 and Map A18.1). At NUTS 3 level, Trnava in Western Slovakia has the highest GDP per capita after Bratislava, while Prešov in Eastern Slovakia has the lowest.

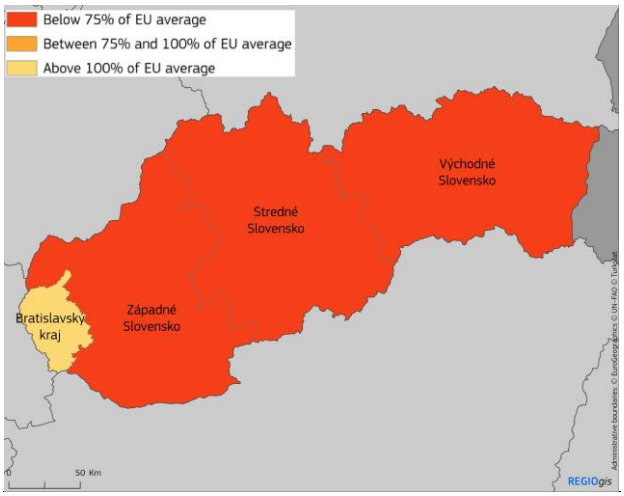
Disparities in GDP per capita between Slovakia's regions reflect productivity gaps and weak innovation outside the capital region. Labour productivity, measured as real gross value added per worker, was 111% of EU average in Bratislava in 2023, but only between 67% and 73% in the other three regions. On the positive side, in the region with the lowest labour productivity, Eastern Slovakia, hourly productivity grew more quickly than in the capital region in 2013-2023. The Bratislava region is a moderate innovator, while the other three regions are classified as emerging innovators (the lowest category) on the regional innovation scoreboard 2025 ([380]). Bratislava outperforms the other regions across nearly all social and economic dimensions, especially in human capital, research capacity, and digitalisation. Nevertheless, there are significant differences between GDP per capita and disposable income in the capital region due to non-resident workers. As much as 16% of the workforce lives in neighbouring regions while working in Bratislava.

Graph A18.1: **GDP per head (PPS) in % of the EU-27 average**



Source: Eurostat and ARDECO.

Map A18.1: **GDP per head compared with the EU average**

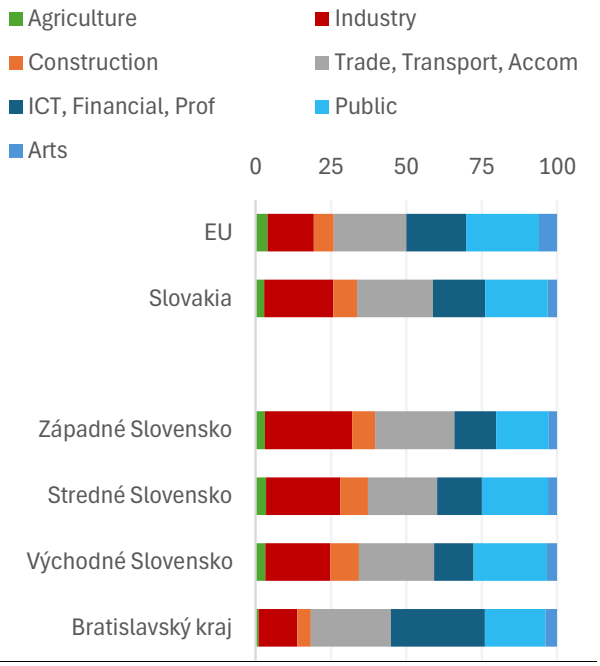


2021-2023 average GDP per head in purchasing power standard compared with the EU average.
Source: Commission calculations based on 16 July 2025 Eurostat data.

([380]) Regional innovation scoreboard - Research and innovation.

Slovakia's economy remains strongly oriented towards industry, with the notable exception of Bratislava, where high-value services dominate. Nationally, in 2024 industry accounts for around 23% of gross value added (GVA) and 23% of employment. The manufacturing of motor vehicles is the country's strongest industry, followed by metals and metal products. Industry is particularly important in Western Slovakia, where it accounts for 34% of GVA and 29% of employment. By contrast, more than a third of GVA in the Bratislava region originates from information and communications technologies and financial activities. These two sectors, together with professional services, account for around 30% of employment in the Bratislava region (Graph A18.2).

Graph A18.2: **Share of employment in different sectors (2023), Slovakia, NUTS 2 regions**



Source: Commission calculations based on Eurostat and JRC (ARDECO) data.

Key challenges for regional competitiveness

R&D expenditure in Slovakia is low, even in the capital region. R&D spending reached 1.77% of GDP in the Bratislava region in 2023, considerably below the EU average of 2.26%. The other three regions lag behind with a significant gap: 0.9% was spent on R&D in Western Slovakia, 0.74% in Central Slovakia and 0.57% in Eastern Slovakia. Looking at R&D investment in the business sector only, Western Slovakia's investment equivalent to 0.70% of GDP is quite close to the Bratislava region (0.89% of GDP), while enterprises in Central and Eastern Slovakia spend less than half of that (0.32% and 0.26% of GDP respectively). This distribution reflects both: (i) the concentration of high-value, innovation-intensive activities in and around the capital, mainly by large foreign-owned companies; and (ii) the existing financial infrastructure that can support these activities. In particular, the take up of equity, concentrated in the Bratislava region, could be expanded in other regions, to stimulate regional financial ecosystems and innovation ([381]). Slovakia's 2021-2027 research and innovation strategy for smart specialisation, as well as the related regional innovation strategies, set out planned measures to stimulate innovation. These measures include the creation of financing tools, the building of research infrastructure, the promotion of collaboration between academia and business, and talent development.

Eastern Slovakia suffers from significant weaknesses in its labour market. By 2025, the employment rate in the Bratislava region reached 84.3%, exceeding the EU average (76.1%) by a wide margin. Employment was also above the EU average in Western and Central Slovakia (79.5% and 79.4% respectively). However, Eastern Slovakia, with an employment rate of just 72.5%, performed much worse. Moreover, the unemployment rate of 9.5% in 2025 in Eastern Slovakia (well above the national average of 5.4%) makes Eastern Slovakia one of the 20% of EU regions that perform the worst on unemployment. Eastern Slovakia's share of young people not in employment, education or training (NEET), at 16.4% in 2025, is almost double that of the other three regions, where NEET rates range from 6.6% to 8.7%. Long-term unemployment (6.9% in Eastern Slovakia vs the national average of 3.4%) shows the same pattern. The gender employment gap (the difference between the employment rates of men and women) is small in the capital region (3.5 percentage points), but sizeable in the other three regions (ranging from 8 to 11 pps, against the EU average of 10 pps). The degree of

([381])OECD (2022), Strengthening FDI and SME Linkages in the Slovak Republic, EIB (2025), EIB Investment Survey 2025.

Table A18.1:**Key regional indicators (at NUTS2 level) for Slovakia**

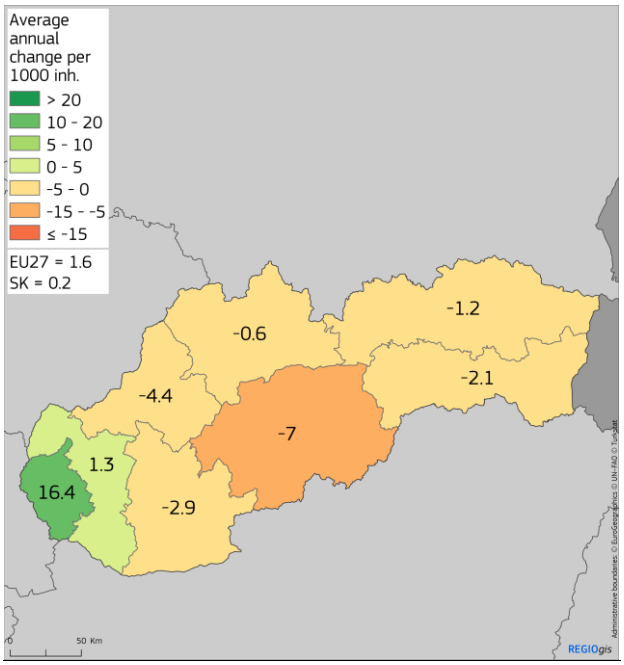
	GDP per head (PPS, index)	Real GDP per head growth	Productivity: GDP (PPS) per hour worked (index)	Real productivity growth (per hour worked)	Population aged 25-34 with high educational attainment	Unemployment rate	At-risk-of-poverty or social exclusion rate (AROPE)	Access to primary schools - Rural areas	Access to alternative fuel infrastructure
	EU27=100	Average annual % change	EU27=100	Average annual % change	% of population aged 25-34	% of labour force	% of population	Children under 15 within 15-minute walk to primary school (%)	Electric vehicles charging points within 10 km
	2024	2014-2024	2023	2013-2023	2025	2025	2025	2023	2022
EU	100	1.4	100	0.7	44.8	6.0	21.0	34	288
Slovakia	75	2.4	79	2.3	36.3	5.4	16.7	51	47
Bratislavský kraj	153	0.9	111	1.6	55.5	2.5	2.9	55	221
Západné Slovensko	70	2.5	73	2.4	35.3	3.3	14.0	52	17
Stredné Slovensko	62	2.8	67	2.4	31.1	5.4	16.5	46	15
Východné Slovensko	54	2.7	73	2.8	34.0	9.5	26.3	54	28

Dark green - the indicator is 120% or more of the EU average.
Light green - the indicator is 100% or more, but less than 120% of the EU average.
Yellow - the indicator is 90% or more, but less than 100% of the EU average.
Light red – the indicator is 75% or more, but less than 90% of the EU average.
Dark red – the indicator is below 75% of the EU average.
This colour scale applies to 'positive' indicators, where higher values are favourable.
For 'negative' indicators (where higher values are unfavourable), the colours are reversed.
Source: Eurostat and JRC.

urbanisation of an area also plays a role in its employment profile. The employment rate in Slovakia's rural areas (75%) is 7 percentage points lower than in its cities, while the unemployment rate and NEET rate are almost more than twice as high in rural areas (see also Annex 11).

Many young people are leaving the less developed regions of the country because of better job opportunities in Bratislava. The Bratislava region saw its population grow by 16.4 people per 1 000 residents per year between 2015 and 2024, mainly thanks to net inward migration (14.4), but also due to an excess of births over deaths (Map A18.2). Among the other three regions, only Eastern Slovakia recorded positive growth in natural population (i.e. more births than deaths) between 2015 and 2024. However, this was outweighed by net outward migration. The migration flows to the capital are particularly strong among young people. Over 2014-2023, Bratislava gained 24.1 new inhabitants aged 15-39 per 1 000 residents annually while 1.4 young people per 1 000 left Western Slovakia per year. Over the same period, Central and Eastern Slovakia lost 5.1 and 6.2 young inhabitants per 1 000 per year respectively.

Map A18.2: **Population growth (average ‰ change per year), Slovakia, NUTS3 regions, 2015-2024**



Source: Eurostat.

Table A18.2:**Main development trends, challenges and the concentration of resources**

	Main development Trends
Less developed regions (population 4.7 million)	With the exception of the capital region, all NUTS 2 regions of Slovakia have GDP per head that is less than 75% of the EU average. Eastern Slovakia has the lowest GDP per capita of all the country's regions, but it has recorded fast growth in both real GDP and productivity, exceeding other two regions in real GDP growth over the past decade. The poor quality of roads and rail connections, in particular in Eastern Slovakia, contributes to regional disparities. The bulk of foreign direct investment is located in Western Slovakia and the north-west of Central Slovakia, which are well connected to the rest of Europe by dual carriageway roads. Social indicators tend to deteriorate going from west to east. This is the case for long-term unemployment, early leaving from education and training, the percentage of young people neither working nor studying, and energy poverty. This phenomenon is partly related to the presence of sizeable Roma communities in Central and mainly Eastern Slovakia and the specific challenges they face. These two regions also suffer from outward migration. On the other hand, thanks to its universities and related business activity, the NUTS 3 Košice region in Eastern Slovakia is among the most productive ones in Slovakia and has seen fast growth in employment in high-technology sectors.
More developed regions (population 0.7 million)	The Bratislava region stands out as the most competitive in Slovakia, attracting businesses and skilled workers with its infrastructure, market size and proximity to the other major economic centres of central and eastern Europe. Most public institutions, universities, and business headquarters are located in the capital. However, the Bratislava region is also facing challenges in housing affordability and public transport. Extremely high property prices and rents in Bratislava restrict labour mobility to the capital and reduce the disposable incomes of its residents. There are significant bottlenecks in the capacity and frequency of public transport connections between Bratislava and its satellite towns.
Specific Territories	There are still economic, environmental and social challenges to be tackled in the regions that are undergoing the transition to a low-carbon economy. Slovakia's territorial Just Transition Plan identifies specific territories that are the most affected by these transition processes, namely within the Trenčín and Banská Bystrica regions in Central Slovakia and within the Košice region in Eastern Slovakia. Although carbon combustion is no longer used for electricity production, Slovakia's vast potential for renewable energy sources (mainly geothermal) remains unused, and the energy efficiency of public buildings continues to be an issue. The Eastern Border Region [bordering Ukraine] is facing specific challenges from Russia's war of aggression against Ukraine, related to security concerns and a potential renewed influx of refugees. Rural areas are affected by depopulation linked to limited job opportunities. Specific issues in rural areas include access to healthcare and the low energy efficiency of dwellings. In major cities, and the capital in particular, housing affordability is an acute problem, putting financial pressure on young families and public sector workers. At the same time, the problem of housing affordability is leading to urban sprawl and the overloading of suburban transport infrastructure.
National cohesion aspects	Slovakia has no high-speed railway and no firm plan to build any, although the country would greatly benefit from it given its elongated shape and its position at the crossroads of central Europe's major transport corridors. Slovakia also stands out in Europe for not having an uninterrupted dual-carriageway connection between its two largest cities, Bratislava and Košice. A significant portion of the railway network consists of single-track lines without electrification, which restricts both speed and capacity. Trains travel at relatively slow speeds and are prone to delays and accidents. These are major bottlenecks for the economic development of Eastern Slovakia. The transport infrastructure in the capital region itself has also not kept up with the needs of the growing population. Slovakia still allows mixed municipal waste to be landfilled without pre-treatment. Slovakia has still not remediated its many contaminated waste sites. Significant investment gaps exist in water and wastewater management, with many agglomerations in less developed regions not meeting EU standards on urban wastewater treatment. Nature and biodiversity protection is severely underfinanced. The deployment of renewables and energy efficiency improvements could accelerate.

Source: European Commission based on Eurostat data; categories of regions based on Map A18.1.

Highly skilled workers and university students are concentrated in the capital. In 2025, the share of people with a tertiary education in the working age population (aged 25-64) is 54.8% in the Bratislava region, far more than in Western, Central and Eastern Slovakia (25%, 25.8% and 26.7%, respectively) and has been rising over time. In 2024, the Bratislava region accounted for 40.7% of all full-time university students in Slovakia. This imbalance in the location of tertiary education institutions contributes to a sustained brain drain from the

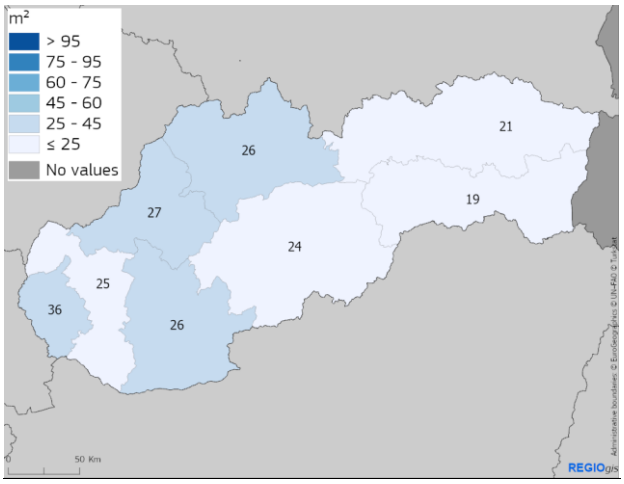
country's other regions. The brain drain is even more severe at national level. Around 20% of secondary school leavers who choose to pursue tertiary education enrol in foreign universities ([382]).

Slovakia's less developed regions have much worse transport connectivity, in particular by train. Rail connectivity, defined as the share of the population within a 120 km radius who can be reached within 1h30 by train, is below the EU average in all regions except Bratislava (18%), the country's main rail hub. This share drops to around 4% in Western and Eastern Slovakia and to 3% in mountainous Central Slovakia, reflecting the lower network density and slower connections. The country's road network compensates to a certain extent for its weak rail accessibility. By car, 88.5% of the population within a 120 km radius can be reached within 1h30 in the Bratislava region, 57% in Western Slovakia, 38% in Central Slovakia, and 44% in Eastern Slovakia.

Access to schools is good even in the less developed regions, although access to healthcare services could be improved. In the Bratislava region, 75% of children under the age of 15 live within a 15-minute walk to a school. In the other three regions, this share is lower (between 60% and 66%), but still above the EU average of 59%. Even in rural areas, where over 40% of the country's population reside, about half of children can walk to school in 15 minutes, while in the EU as a whole only 34% of children living in rural areas can do so. Access to healthcare is equally important in preventing the depopulation of rural areas and attracting highly skilled workers to less developed regions. The number of physicians (generalist and specialist medical practitioners) per 100 000 inhabitants in the less developed regions of Slovakia is less than half the number in the Bratislava region. With the help of EU funding, Slovakia has been taking measures to develop out-patient healthcare services and increase the number of general practitioners in underserved areas (see also Annex 15).

Digital connectivity can be further improved, particularly in rural areas. Despite some recent improvement, Slovakia still lags behind in the rollout of digital infrastructure and in business digitalisation (see also Annex 4) ([383]). While overall broadband coverage in rural areas is above the EU average, access to high-speed broadband services by rural households is significantly lower than on average in the EU, especially in Central Slovakia ([384]). In 2024, only 39.6% of rural households had access to high-speed internet, compared with the EU average of 61.9%.

Map A18.3: **Rent capacity relative to income, 2024**



Square metres that can be rented using 1/3 of disposable income in 2024 by NUTS3 region.
Source: ESPON-H4ALL.

Housing affordability is problematic not only in Bratislava, but also in Slovakia's less developed regions. The preference for owner-occupied housing is strong in Slovakia. Only 7% of the population (the second lowest share in the EU) live in rented dwellings. However, people's home purchase capacity is lower in Slovakia than in most other European regions. Using the rule that no more than one third of disposable income should be spent on shelter, the Slovak incomes are only enough to purchase (via mortgage) a home of between 30 and 40 square metres across most of the country, and even less than that in Eastern Slovakia. Renting offers even less space than buying. Rental affordability for new contracts is among the worst in Europe in all three of the country's less developed regions and only slightly better in the Bratislava region, reflecting much higher incomes there than in the rest of the country (Map A18.3). Younger households and public sector workers are particularly affected by

([382]) Brain drain - Odliv mozgov | Ministerstvo školstva, výskumu, vývoja a mládeže Slovenskej republiky.

([383]) Slovakia 2025 Digital Decade Country Report.

([384]) Digital Decade 2025: Broadband Coverage in Europe 2024.

the high cost of housing in big cities (see also Annex 16).

Eastern Slovakia performs distinctly worse on social inclusion than the other regions. In 2025, the share of the population at risk of poverty and social exclusion (AROPE rate) was very low (2.9%) in the Bratislava region and moderate in Western and Central Slovakia (14.0% and 16.5%), but it stood at 26.3% in Eastern Slovakia, making this one of the weakest-performing regions in the EU. The same picture emerges for energy poverty, which is more than twice as high in Eastern Slovakia as in the second worst performing region of Central Slovakia. These outcomes, strongly correlated with poor education and labour market performance, are linked to the remote character of the region and to the strong presence there of marginalised Roma communities. Improving living conditions by investing in infrastructure; improving education outcomes; and better socio-economic inclusion of Roma remains a high priority (see also Annexes 11, 12 and 13).

Regional disparities in greenhouse-gas emissions persist and the penetration of electromobility is low. In 2024, greenhouse gas emissions per head were below the EU average (7.0 tCO_2 equivalent) in Central Slovakia (the region with the lowest emissions per head at 5.0 tCO_2 equivalent), close to the EU average in the Bratislava region and above it in Western Slovakia and Eastern Slovakia (Eastern Slovakia was the region with the highest emissions per head at 8.1 tCO_2 equivalent). While the Bratislava region had twice as many charging points for electric vehicles per million inhabitants as the other regions in 2021 (65 vs 30-35), it was still barely half of the EU average (120).

There is untapped potential for renewable energy production in Slovakia, especially in rural areas. In 2023, wind energy production in Slovakia was virtually zero, while the production of solar photovoltaic energy was less than half of the EU average (see also Annex 9). There is significant untapped potential for solar energy in rural areas and some untapped potential in semiurban areas (Table A18.3). While preserving natural and agricultural resources, citizen-led energy initiatives can be important drivers to empower rural communities to tap into their local renewable energy sources. There is also room for greater exploitation of geothermal energy in all the less developed regions, in particular to supply district heating networks. The largest geothermal project in Slovakia will soon supply the central energy supply system in Košice. It would be possible to double the capacity currently being built for this system in Košice. There is also great potential in other transforming regions, e.g. in the Žiarska kotlina basin (in the Banská Bystrica region in Central Slovakia) or Hornonitranska kotlina (Trenčín region in Western Slovakia) with already existing, often unused geothermal wells ([385]).

Table A18.3:**Wind and solar photovoltaic energy production and potential in Slovakia, by degree of urbanisation, 2023**

Indicator		Total	Cities	Towns/ suburbs	Rural areas
Onshore wind					
Production	SK	0.00	0.00	0.00	0.00
	EU-27	0.77	0.05	0.38	2.38
Technical potential	SK	0.41	0.04	0.22	0.69
	EU-27	3.29	0.12	1.41	10.59
Solar PV					
Production	SK	0.23	0.05	0.23	0.30
	EU-27	0.56	0.14	0.58	1.17
Technical potential	SK	9.53	1.88	5.13	15.50
	EU-27	24.84	2.44	13.18	74.20

Units are MWh/year/capita.
Source: Rural observatory, Perpiña Castillo et al., "Renewable Energy production and potential in EU Rural Areas," JRC, European Commission, 2024.

The 2025 country-specific recommendation for Slovakia highlighted the importance of providing quality public services at the local level, stating the need to ensure quality public services through better coordination and policymaking. To address fragmented local administrative capacity, Slovakia created, with the support of EU funds, a network of 21 Shared Service Centres by combining expertise and back-office functions across groups of municipalities, especially in lagging regions (see also Annex 7). The strategies developed by regions and cities for integrated territorial investments supported by cohesion policy funding also help to: (i) overcome fragmentation; (ii) build capacity at local level; and (iii) coordinate investment activities beyond municipal borders.

Limited fiscal decentralisation and the high degree of fragmentation of municipalities lead to inefficiencies in local governance and

([385])Geothermal Energy Use – Country Update for Slovakia (2019 – 2022), Proceedings World Geothermal Congress 2023.

restrain investment capacity at subnational level. There are almost 3 000 municipalities in Slovakia, 65% of which have fewer than 1 000 residents ([386]). Own-source tax revenues, mainly from property tax, form only 5.7% of subnational revenues (compared to the EU average of 39.9%) ([387]) and regions have no tax autonomy at all (i.e. they cannot raise their own taxes). Municipalities largely rely on transfers from the central government (revenue sharing from personal income tax and grants to finance local expenditure). These transfers are calculated based on the number of registered residents, which often does not correspond to the actual population living in the municipality. As a result, some municipalities to which people move for work are underfunded. Similarly, small municipalities with large tourist inflows do not get enough resources to cover demand for basic services ([388]).

([386]) Statistical Office of the Slovak Republic, Size Groups of Municipalities, 2024.

([387]) OECD (2025), Subnational governments' structure and finances in OECD countries: Key data. Indicator: subnational tax revenue as % of subnational revenue in 2023.

([388]) OECD (2025), *Preparing for Demographic Change in the Banská Bystrica Region, Slovak Republic*, OECD Regional Development Studies, OECD Publishing, Paris.

This Transport Annex presents the state of play and the challenges Slovakia faces with the implementation of the trans-European transport network (TEN-T), the European railway traffic management system (ERTMS) and road safety

Three European transport corridors cross Slovakia (Baltic Sea-Adriatic Sea, Baltic Sea – Black Sea – Aegean Sea, Rhine – Danube). The Slovakian TEN-T rail network is 1 576 km long (727 of which are on the core network). The road network is 1 559 km long (846 of which on the core network). Slovakia has 413 km of inland waterways, three airports (including one core airport), 2 ports (including two core port) and four urban nodes on TEN-T ([389]).

Rail infrastructure in Slovakia has improved considerably over last two decades but significant investments are still needed on the core and extended core network to ensure full compliance with TEN-T requirements in the country. The most important transport projects in Slovakia will be to finalise the modernisation of the Žilina-Košice railway line, which is part of the main east-west axis between the second biggest city of Slovakia and its capital. Furthermore, the Bratislava rail node is currently a major bottleneck and its modernisation will greatly improve traffic flows not only in Slovakia but also in neighbouring countries.

The ERTMS is essential to digitalising the railways and to modernising and harmonising railway operations across Europe. The ERTMS ensures the safety of rail networks by providing a unified signalling system that significantly reduces the risk of accidents. It also provides interoperability between national rail systems, improving cross-border train movements. Finally, the ERTMS enhances network capacity and operational efficiency, increasing the competitiveness of the rail sector.

By the end of 2024 ([390]), **the ERTMS was in operation on 9% of the TEN-T network in Slovakia.** To meet its national plan's ERTMS roll-out target by 2035, Slovakia aims to deploy ERTMS over an additional length of 497 km.

Slovakia faces several challenges in implementing major infrastructure projects. Delays in delivery are predominantly generated during the project preparation and permitting phases. This often results in prolonged pre-investment phases and delays in reaching sufficient project maturity for procurement and construction.

Public procurement procedures also remain a source of delay. These are often linked to requests for clarifications as well as appeals from bidders, which extend tender timelines and postpone contract signature. Delays are also observed during zoning and building permit procedures, where public consultations are frequently prolonged due to administrative appeals.

The implementation of infrastructure projects has been further affected by the entry into force of the new Construction Act in 2025. While the reform was intended to streamline and accelerate approvals, its initial implementation has revealed significant capacity constraints, which still need to be addressed.

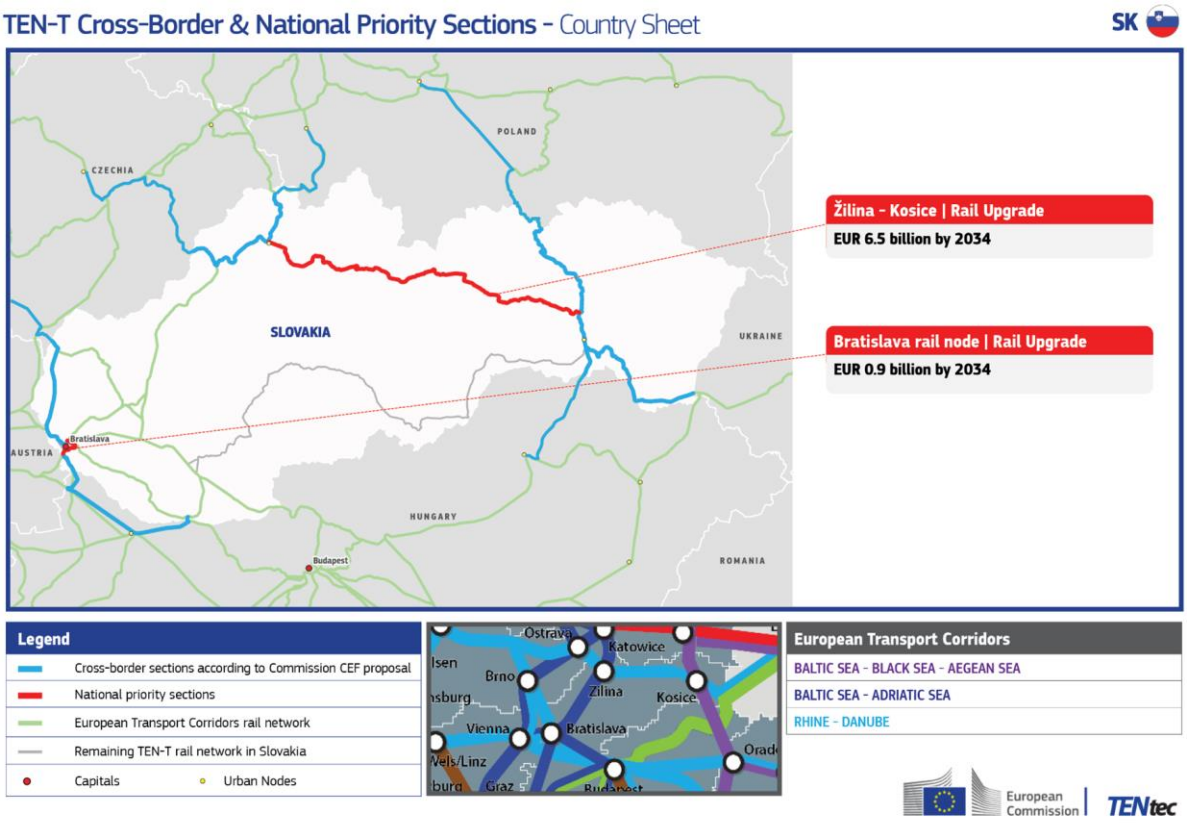
It would benefit Slovakia to continue to improve the National Safety Authority's operating conditions. It still faces challenges related to its budgetary and staffing autonomyand the need to strengthen both the effectiveness and the risk-based nature of supervision.

Harmonising technical and operational rules with the minimisation of national rules in line with the EU directives on rail interoperability and safety remains critical to ensuring seamless cross-border rail transport. The proper notification and clean-up of its national rules by committing to the envisaged processes at EU level is not yet completed.

([389])TENtec Information System, according to Reg. 2024/1679

([390])Based on ERTMS – Third work plan of the European Coordinator Matthias Ruete.

Map A19.1: **TEN-T**



Road crashes impose an enormous social, economic and health burden on the EU economy. The external socio-economic costs of fatal, serious and minor injuries have remained persistently high despite the progress made in reducing crash frequency and severity. These resources could otherwise fuel innovation, education, healthcare and other crucial public investments ([391]).

In 2024, Slovakia was slightly above the EU average (45), with 48 road fatalities per million inhabitants. A decrease of 5% in road fatalities was achieved compared with 2019. In 2023, 894 serious injuries were recorded, which is 15% lower than the figure for 2019. Compared with the EU average, the distribution of fatalities in Slovakia included a high proportion of car occupants and pedestrians, as well as of people aged between 25-49 years old. Additionally, a significant increase was recorded in fatalities in single vehicle crashes and on motorways between 2019 and 2023.

Based on the latest available data, Slovakia is not yet on track to meeting the 2030 target of 50% fewer fatalities. The lack of

Table A19.1:**ERTMS deployment in Slovakia.**

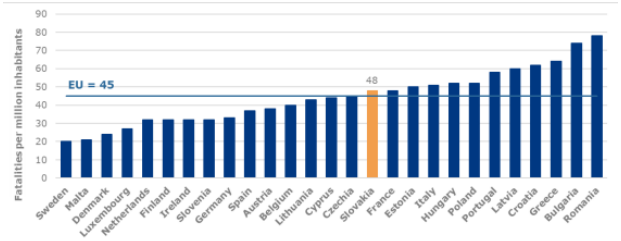
ERTMS in Slovakia				
Total TEN-T rail network	ERTMS (trackside) in operation			Min. estimated cost of additional deployment until 2035
	year	length	% of total TEN-T	
1 578 km	end 2024	135 km	9 %	
	by 2035	632 km	40 %	EUR 119 million

([391])Report on the implementation of the EU Road Safety Policy framework at the Mid-Point, COM(2026) 77 final.

Source: Based on ERTMS – Third work plan of the European Coordinator Matthias Ruete.

progress is mainly attributed to the high rate of risky driver behaviour (in particular speeding and disregarding traffic regulations), the underestimation of road safety risks by the general public, the inadequate systematic cooperation between national and regional authorities in implementing road safety measures, and the increase in the number of registered motor vehicles in Slovakia over the period. A possible way to address this could be by re-defining the road safety management model, ensuring better coordination between national and regional authorities, increased funding for preventive activities to implement effective measures, and exploring any other relevant actions, that could better address the road safety challenges set out above([392]).

Graph A19.1: **Slovakia's road fatalities per million, 2024**



Source: Report at the Mid-Point - Slovakia, SWD(2026) 56 final.

The map below presents the roads where the safety of the infrastructure is poor and thus where urgent action is required.

Map A19.2: **Slovakia's road safety map**

Source: TENtec Information System and TEN-T map library – European Commission

([392])More details in Report on the implementation of the EU Road Safety Policy framework at the Mid-Point – Slovakia, SWD(2026) 56 final.