



# Slovak economy and consumer prospects

March 30, 2026

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# Macroeconomic outlook

# Growth subdued by both domestic and external inhibitors

Growth in % (unless stated otherwise)	Actual	Forecast				
	2025	2026	2027	2028	2029	2030
Real GDP	0.8	0.9	1.6	1.6	1.3	1.7
Household consumption	0.2	0.3	2.4	1.5	1.1	0.7
Gross fixed capital formation	2.2	-0.7	-4.3	0.4	2.0	5.7
Government consumption	1.1	0.7	1.8	-0.7	-1.4	1.7
Exports	4.0	2.5	3.9	3.4	3.4	3.4
Imports	3.7	3.4	3.6	2.9	3.2	3.7
Employment (ESA)	-0.1	-0.4	-0.1	-0.2	-0.2	-0.1
Nominal wage	5.6	4.4	4.6	4.4	4.2	4.2
Real wage	1.5	0.8	2.4	1.3	1.7	1.8
Inflation (CPI)	4.0	3.6	2.2	3.1	2.4	2.4
Output gap	-0.6	-1.0	-0.8	-0.6	-0.6	-0.3

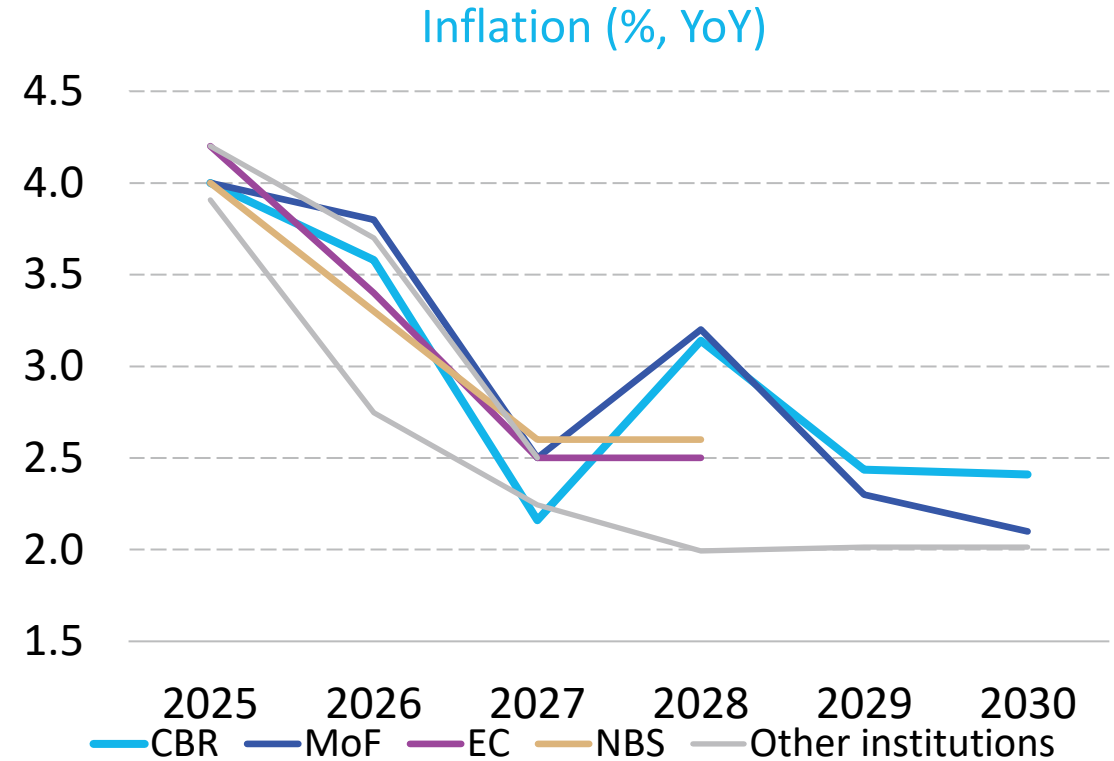
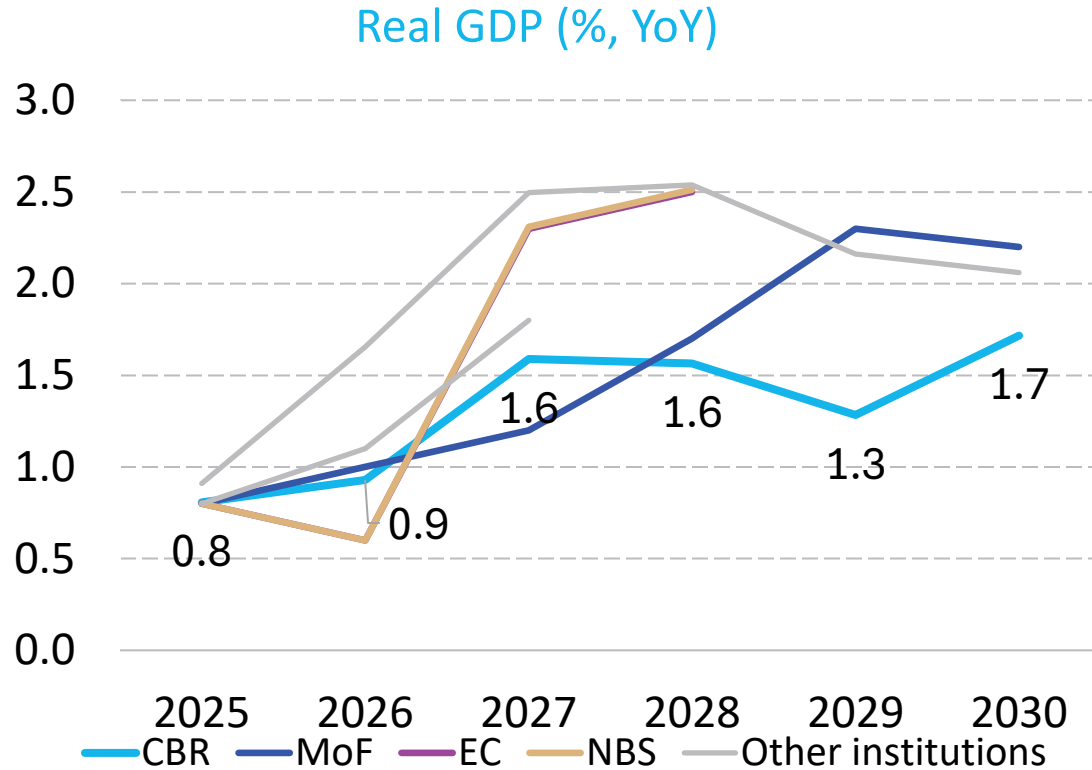
**2026:** price cap on regulated prices for most households (90 %), RRF, slow implementation of the remaining EU funds, ongoing anti-growth fiscal consolidation

**2027:** start of production at Volvo in 2H, EU funds fiscal cliff, no more fiscal tightening assumed (political cycle)

**2028-30:** consolidation resumed, decline in the labor force, economic growth similar to 2027, EU funds absorption cycle

**Risks:** global uncertainty, armed conflicts (Iran, Ukraine), volatility in trade tariff policy, only slow recovery of the European automotive, consolidation measures having an impact on competitiveness, trade deals (India)

# Inflation and GDP Forecasts: CBR vs. Other Institutions



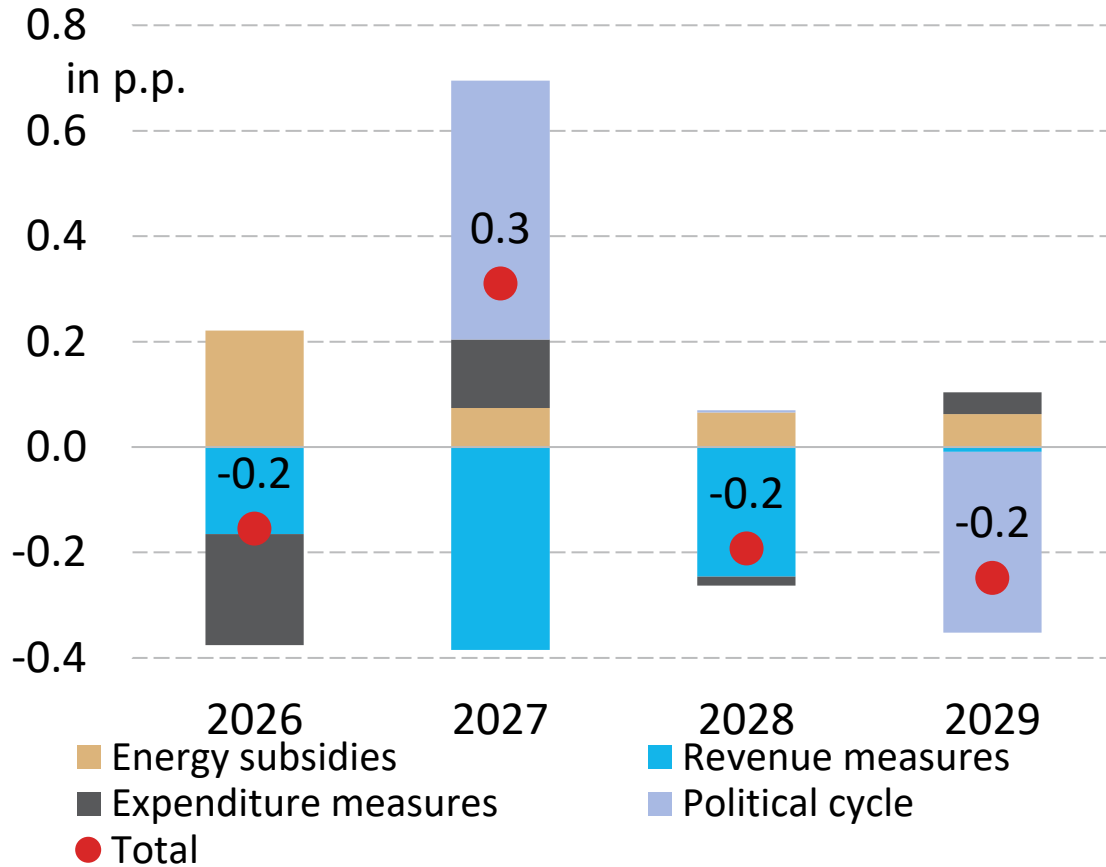
**MinFin assumptions:** stuck to the APR + no adjustment for the political cycle; generic structure of the future consolidation packages

**CBR assumptions:** smaller final fiscal package (1.7bn package in 2026) + no fiscal tightening in election's year 2027, stronger consolidation later on; most-likely structure of the future consolidation packages

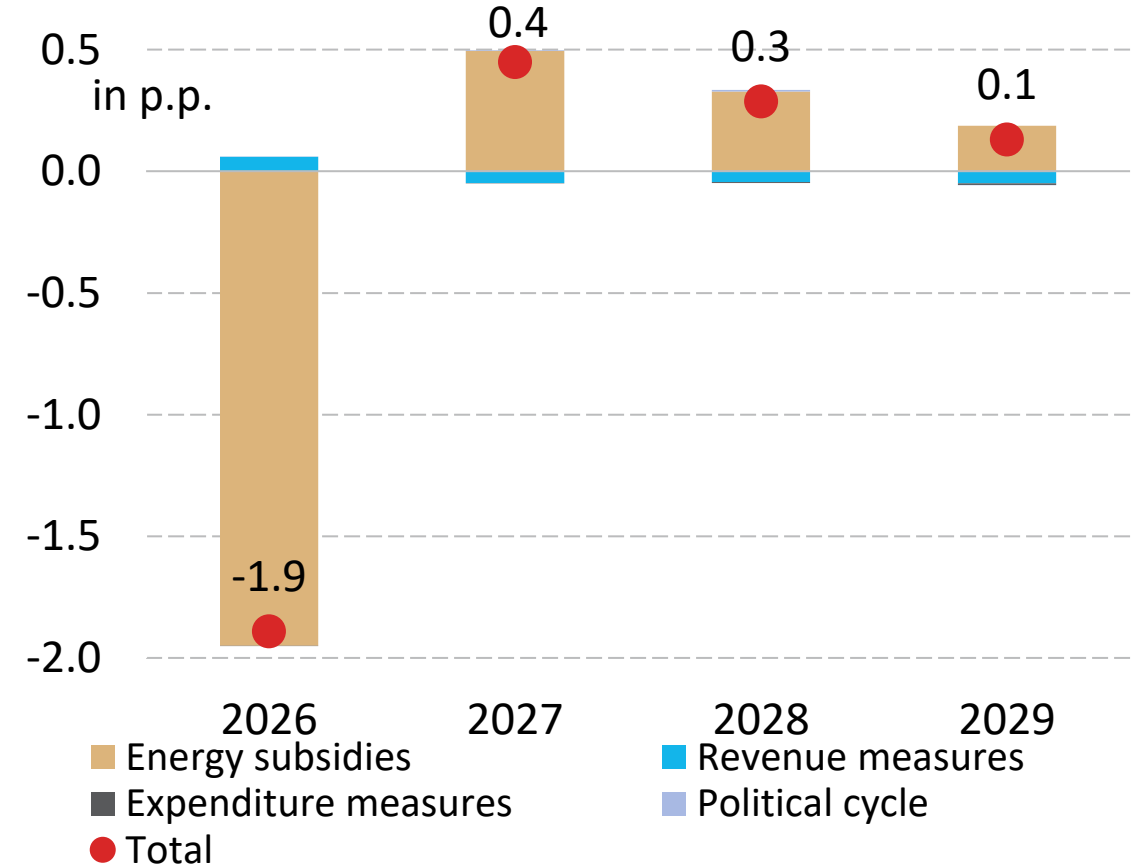
Source: CBR, MoF, EC, NBS, OECD, IMF

# Impact of current budget on growth and inflation

## Real GDP

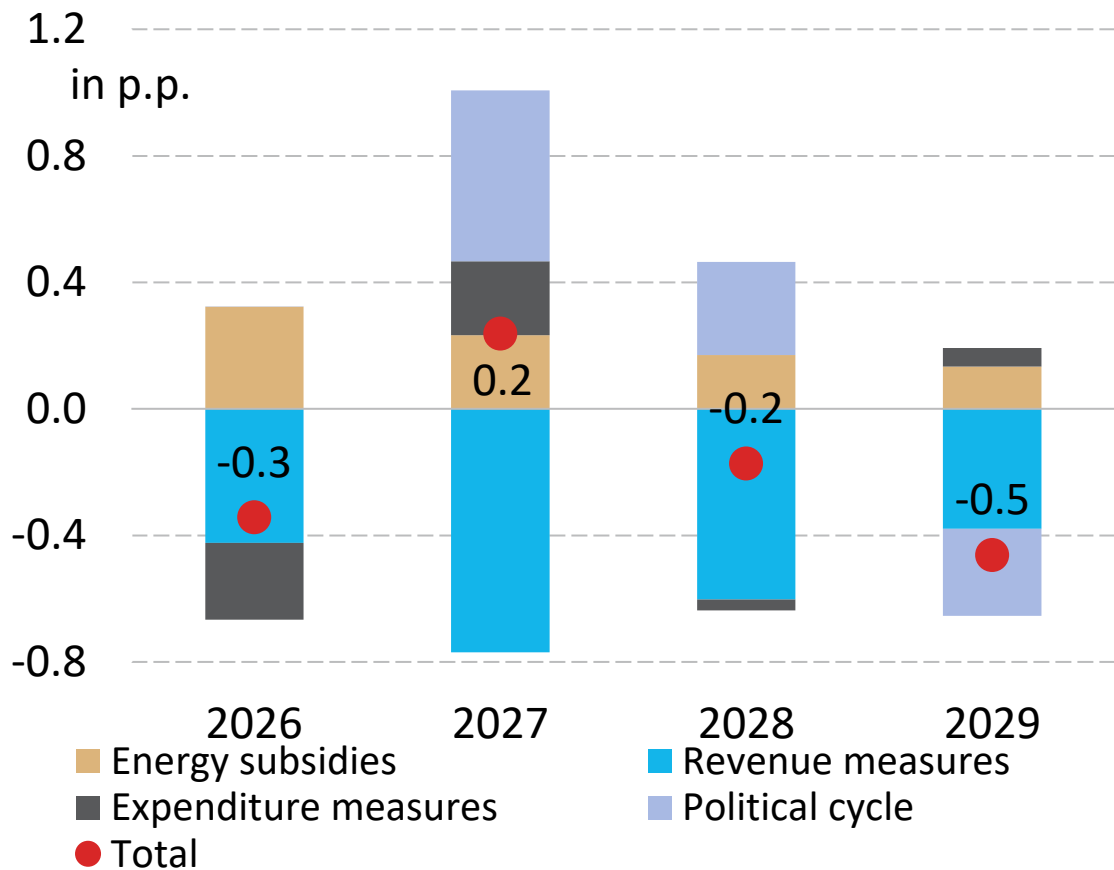


## Inflation

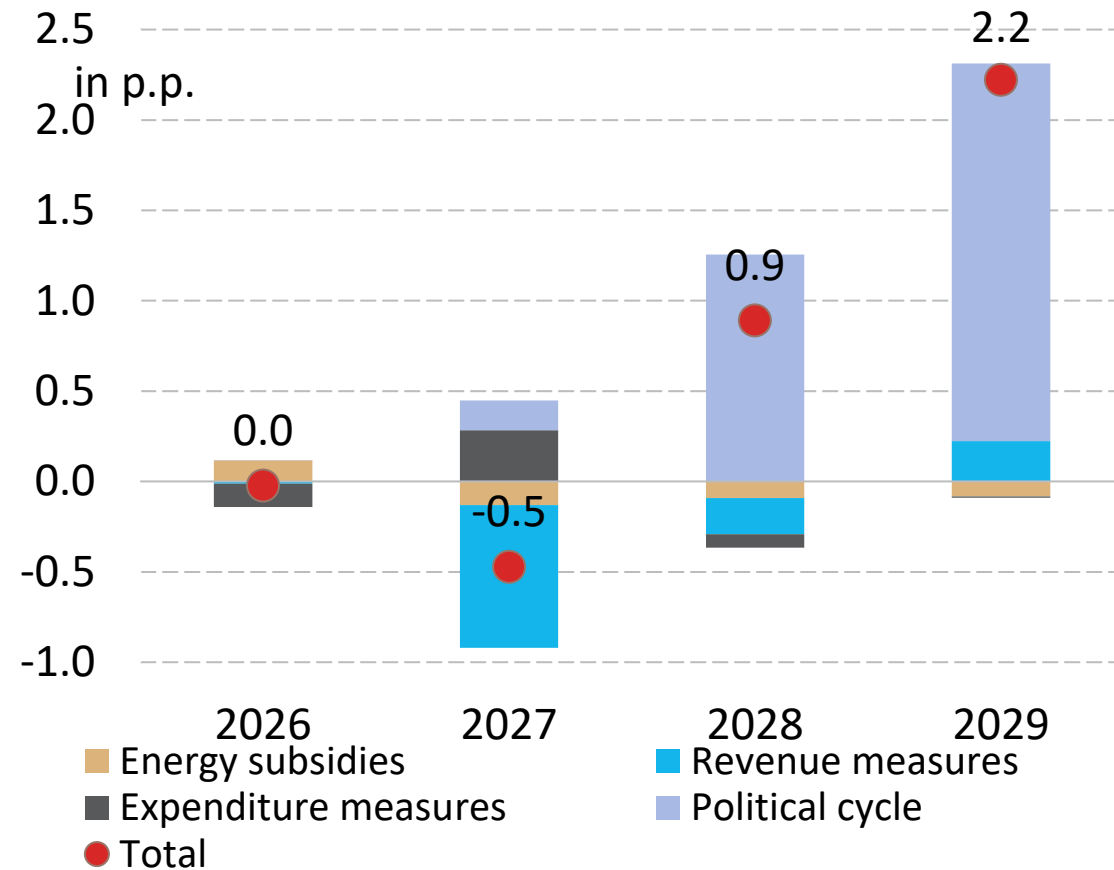


# Impact of current budget on households & firms

## Consumption

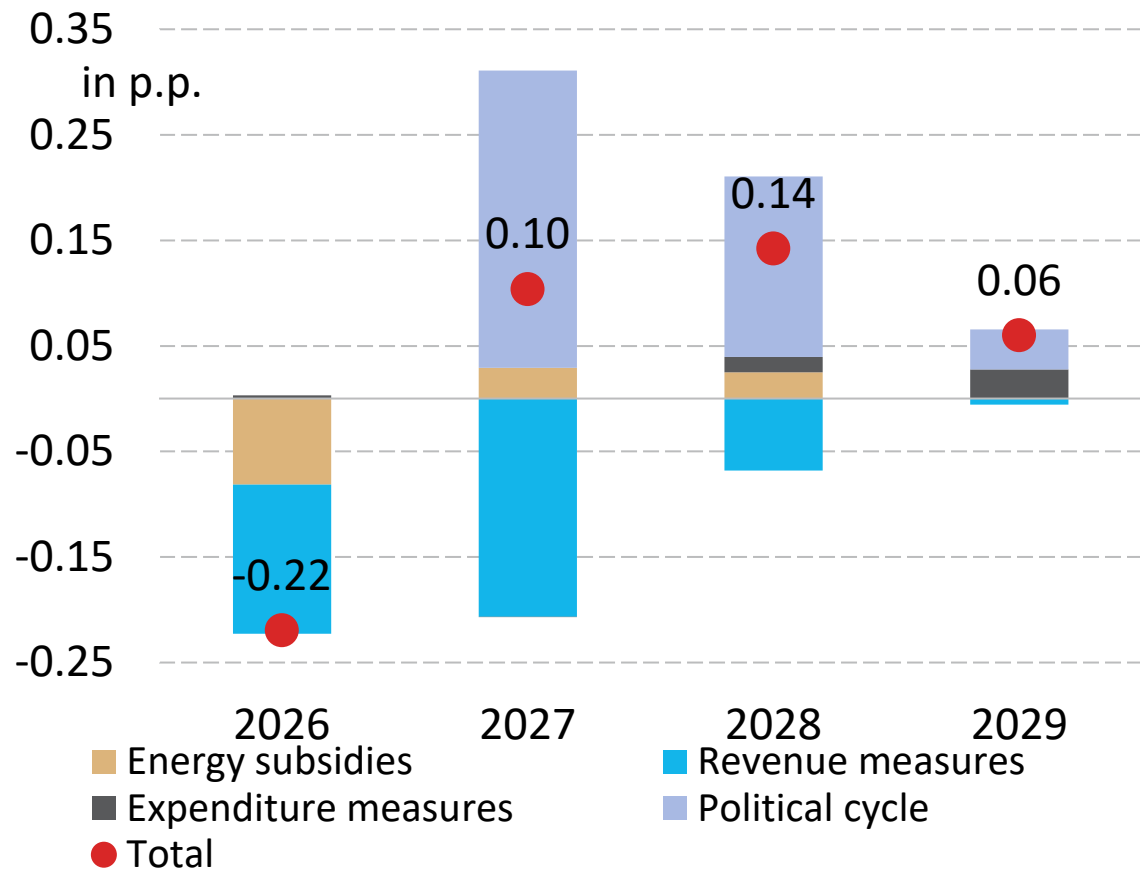


## Investment

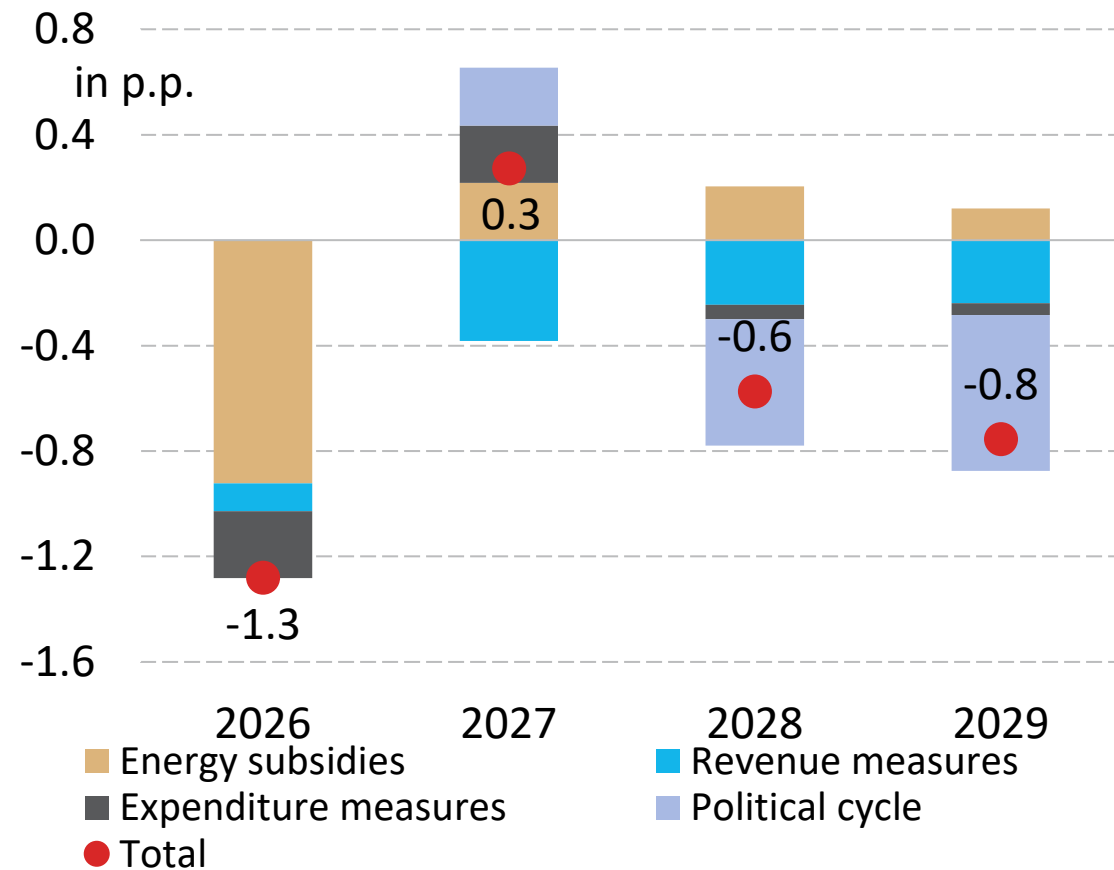


# Impact of current budget on labour market

## Employment



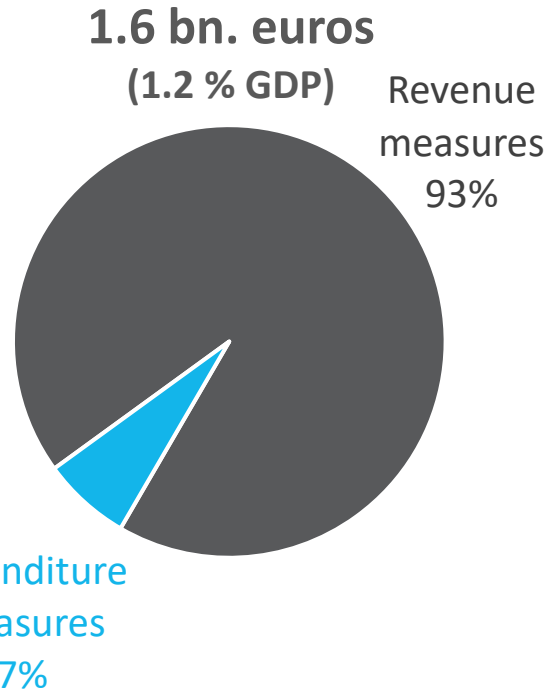
## Nominal wage



# Consolidation Package(s)

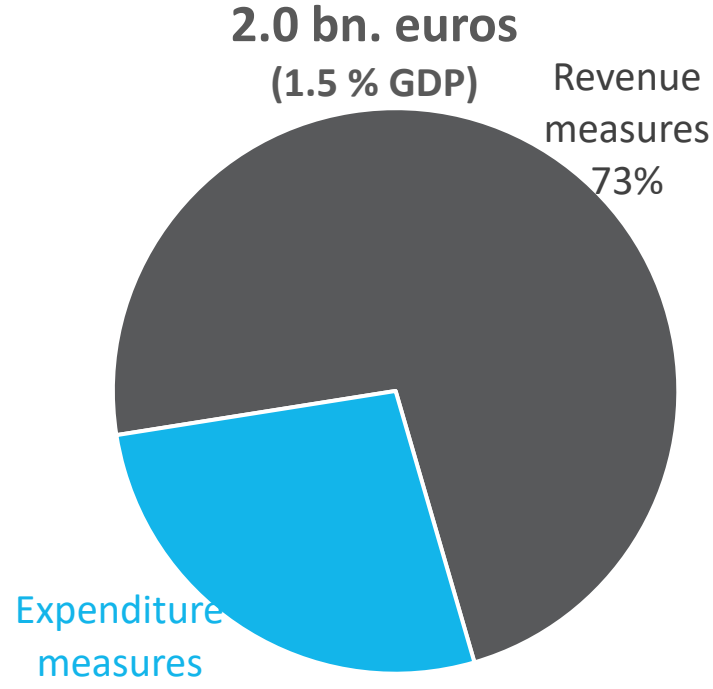
# Measures highly skewed towards revenues

2024



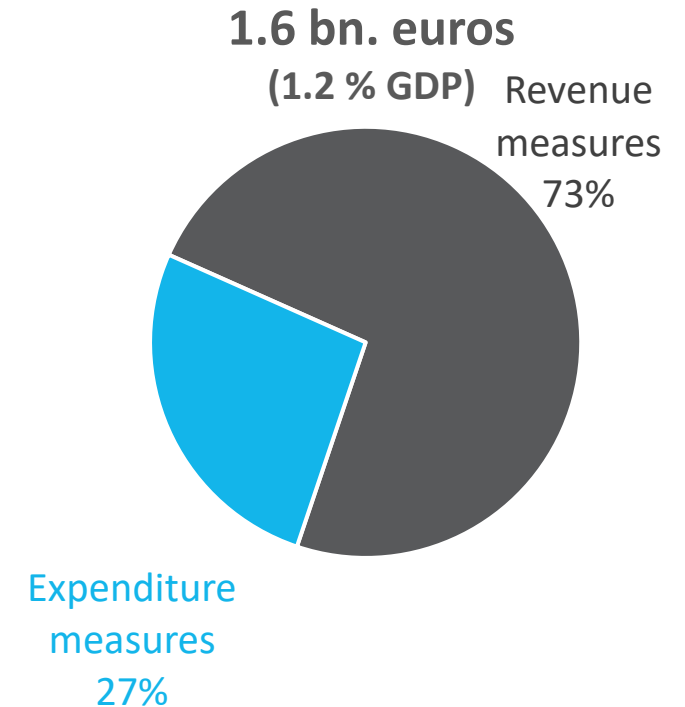
+ deconsolidation measures  
0.9 bn. euros (0.7 % GDP)

2025



+ deconsolidation measures  
0.7 bn. euros (0.5 % GDP)

2026 (CBR estimate)



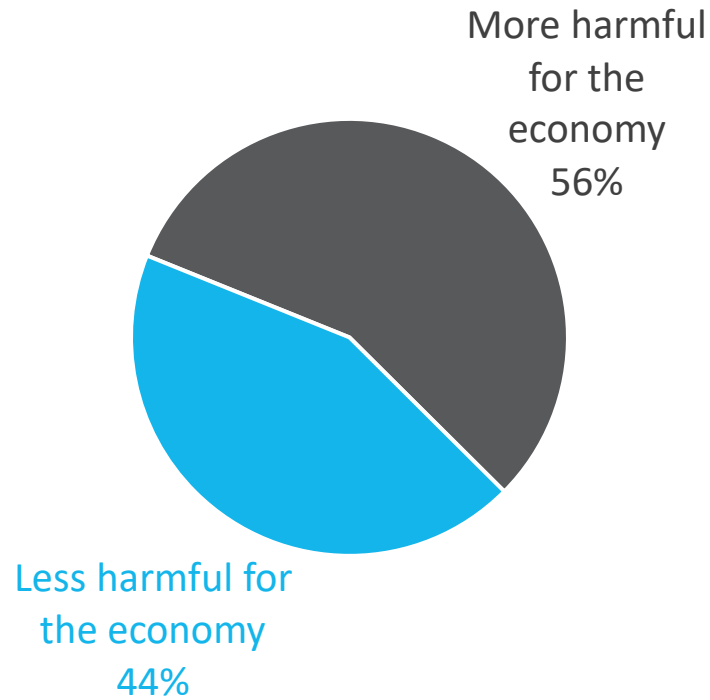
+ deconsolidation measures  
0.6 bn. euros (0.4 % GDP)

- **The total size of the packages is 3.9 % GDP ( 5.2 bn euros )** in terms of immediate impact
- Revenue-increasing measures contribute a high **79 %** of the total amount

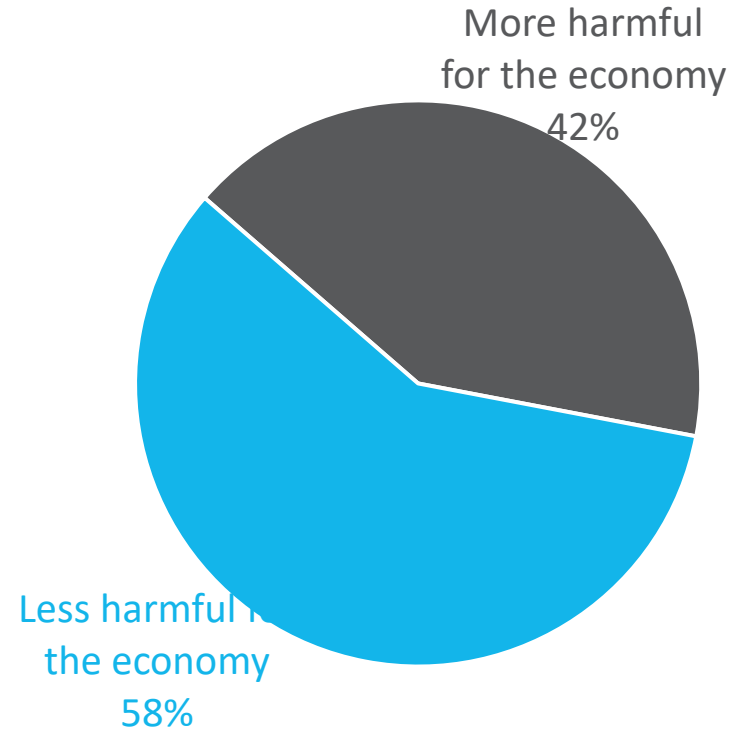


# Half of measures painful for potential output

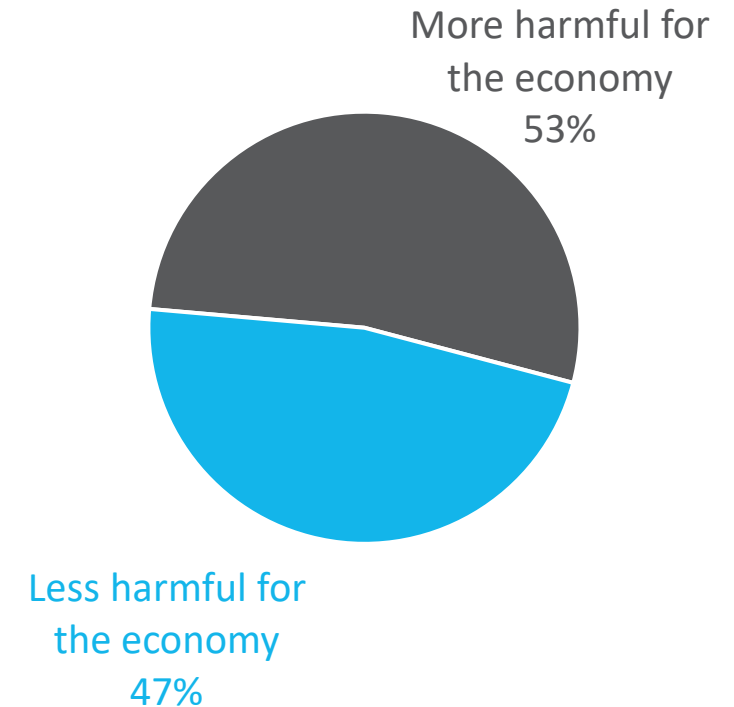
2024



2025



2026 (CBR estimate)

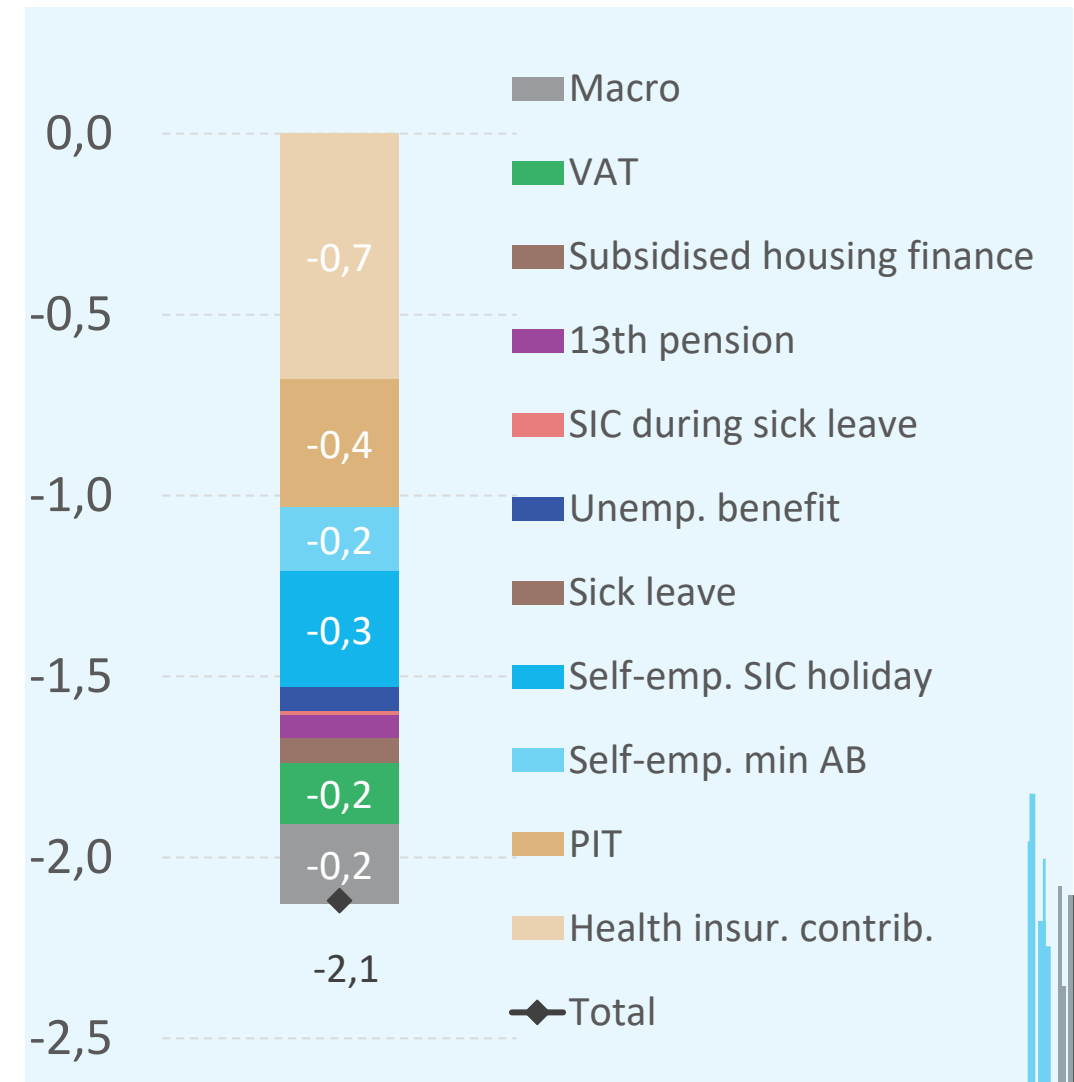


- Total share of measures more harmful for the economy (i.e. taxation of activity, lower investment) cumulatively stands at a high **49 %**

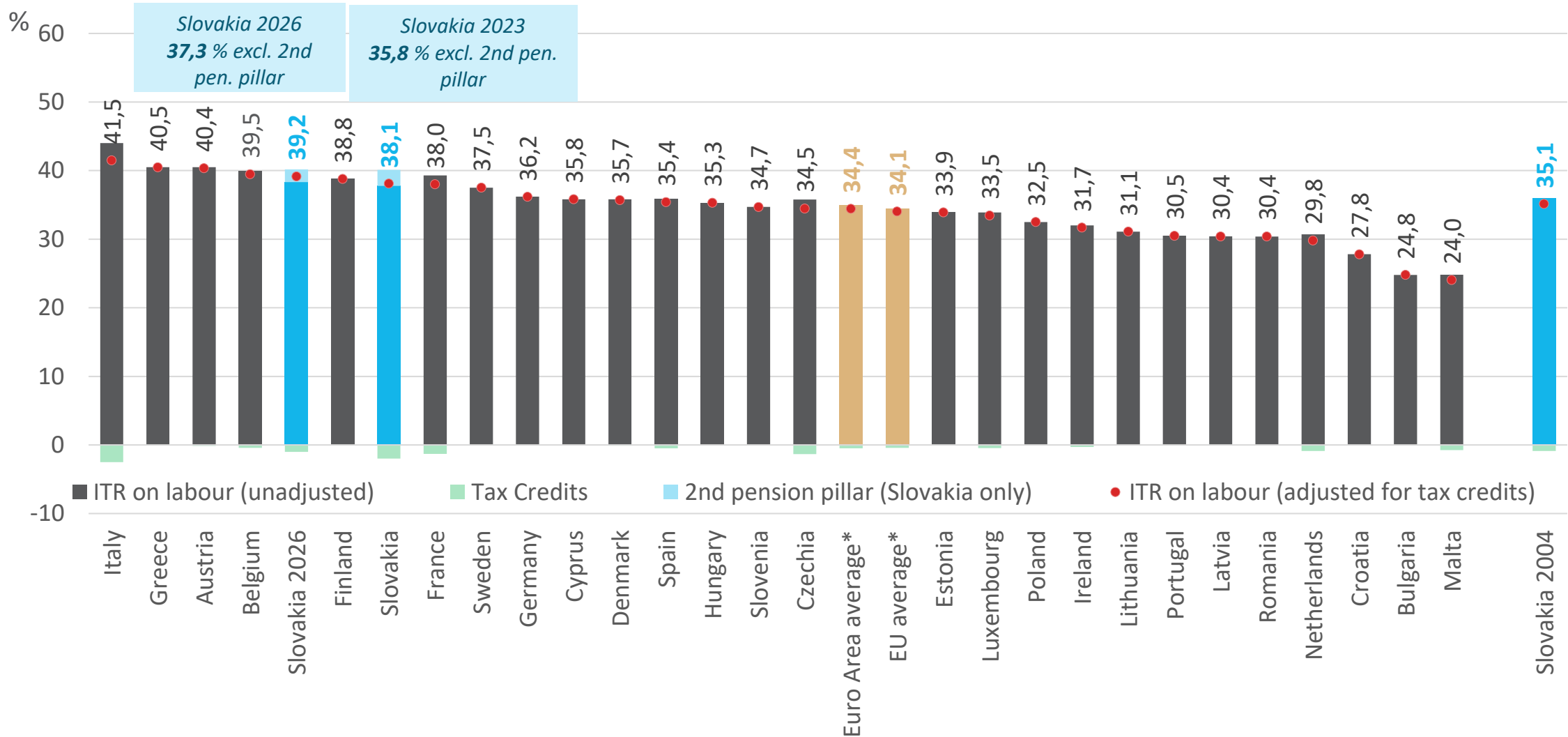


# Impact of measures on net family income

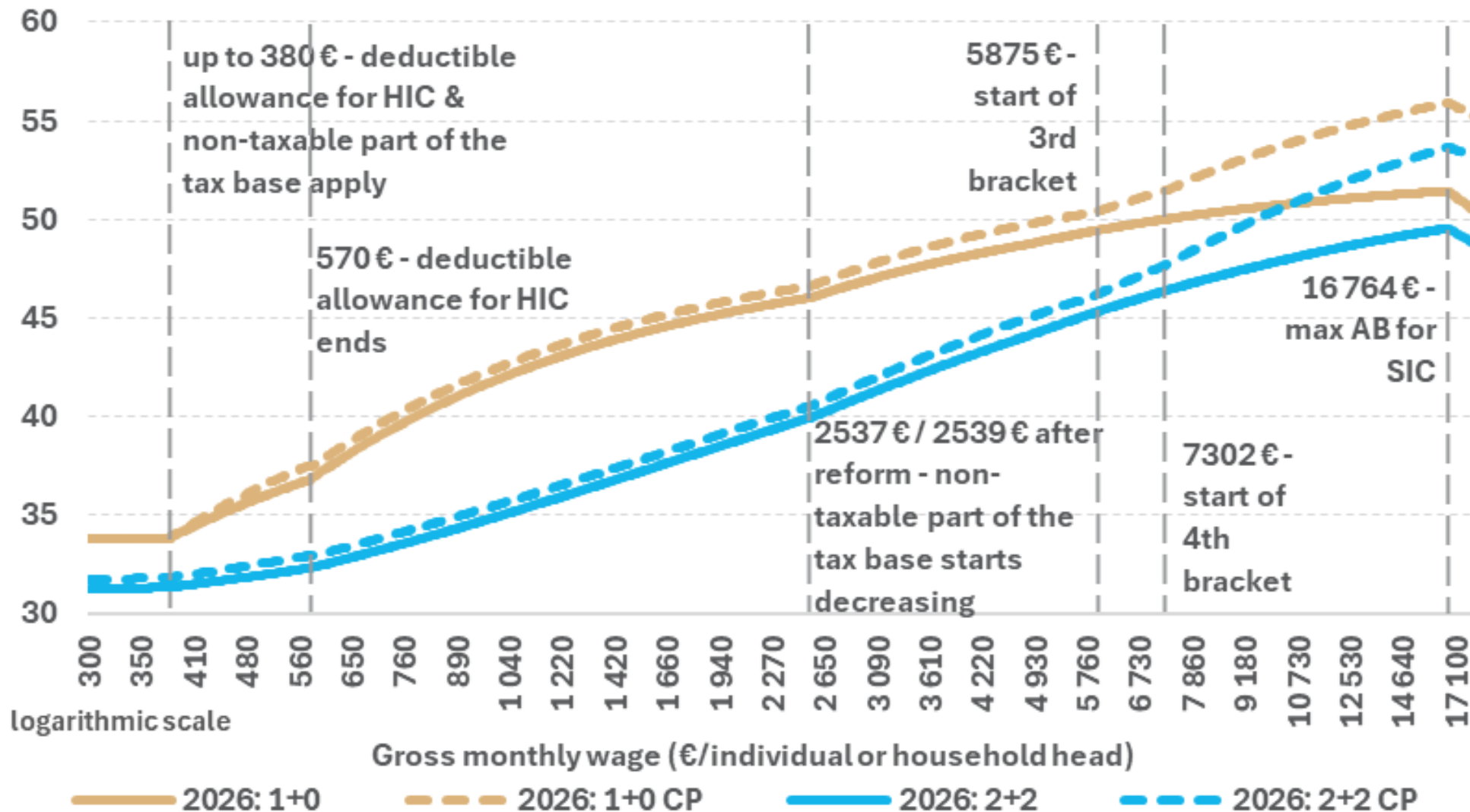
Family type	in euros	in %
<b>Single, no children</b>	<b>-247</b>	<b>-2,2</b>
Single + 1 child	-264	-1,9
Single + 2 children	-251	-1,7
Single + 3+ children	-158	-1,2
Couple, no children	-405	-1,7
<b>Couple + 1 child</b>	<b>-742</b>	<b>-2,4</b>
<b>Couple + 2 children</b>	<b>-858</b>	<b>-2,5</b>
Couple + 3+ children	-721	-2,3
<b>All families</b>	<b>-376</b>	<b>-2,1</b>



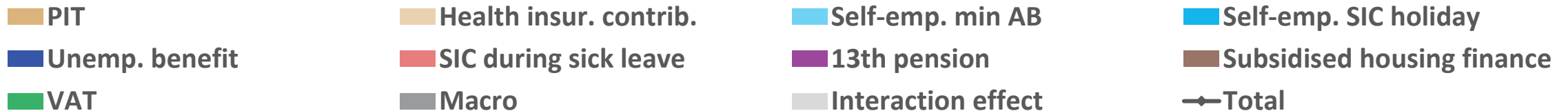
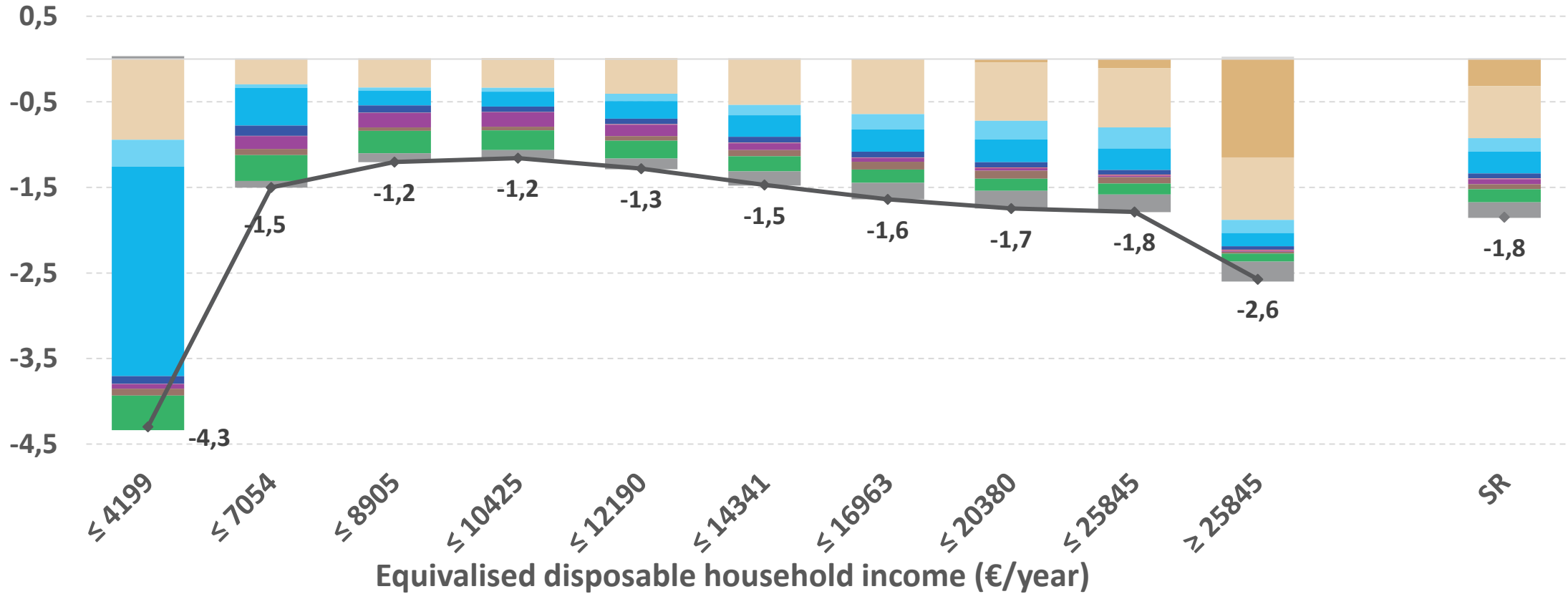
# Labor taxes among highest in Europe



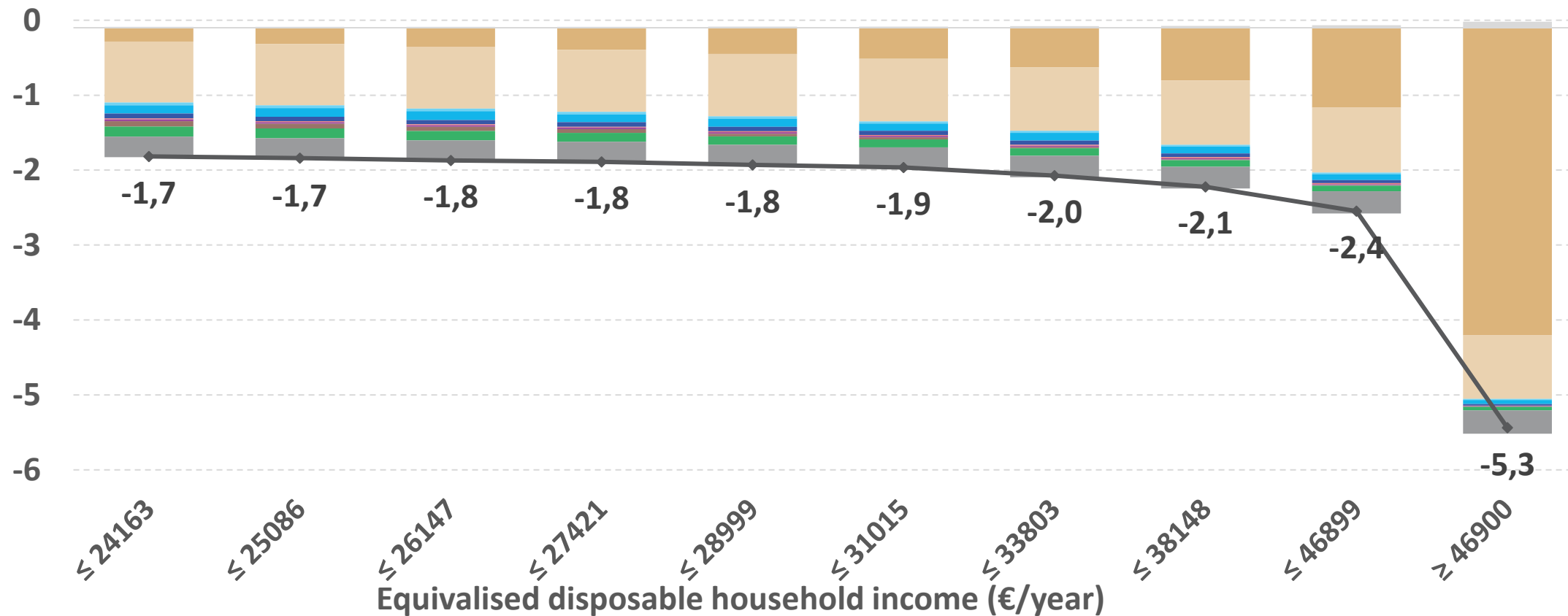
# Increasing tax wedge



# Distributional impact – 1<sup>st</sup> and 10<sup>th</sup> decile hit hardest



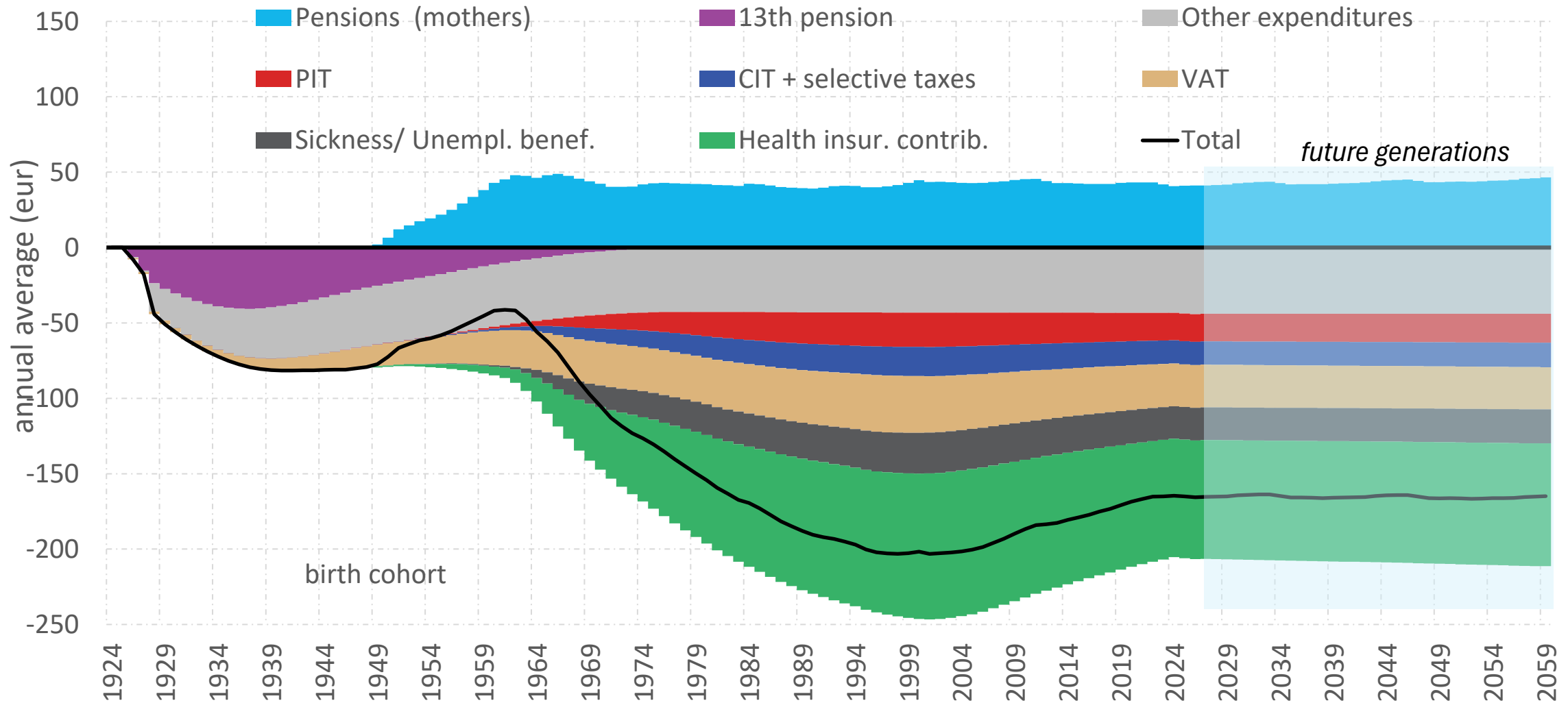
# ... and among top earners the 100<sup>th</sup> %ile



- PIT
- Health insur. contrib.
- Self-emp. min AB
- Self-emp. SIC holiday
- Unemp. benefit
- SIC during sick leave
- 13th pension
- Subsidised housing finance
- VAT
- Macro
- Interaction effect
- Total



# Generational impact – annualized effect





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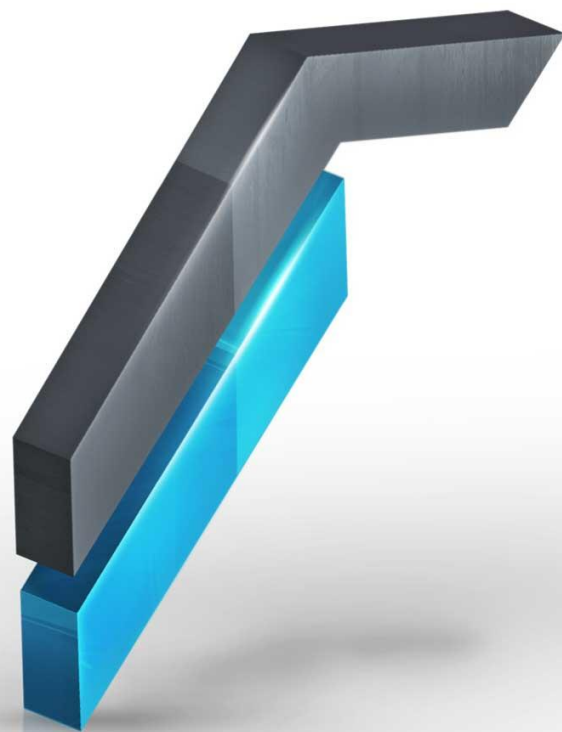
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