Economic and Monetary Developments

Winter 2025

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Abbreviations

AI	artificial intelligence
bp	basis point(s)
CEE	central and eastern Europe(an)
CPI	Consumer Price Index
DSA	debt sustainability analysis
EA	euro area
EC	European Commission
ECB	European Central Bank
ESA 2010	European System of Accounts 2010
ESI	Economic Sentiment Indicator (of the European Union)
EU	European Union
EUR	euro
EURIBOR	euro interbank offered rate
GDP	gross domestic product
GSCPI	Global Supply Chain Pressure Index
HAI	housing affordability index
HICP	Harmonised Index of Consumer Prices
ICT	information and communication technology
IMF	International Monetary Fund
LFS	Labour Force Survey
MFF	Multiannual Financial Framework (of the European Union)
MF SR	Ministry of Finance of the Slovak Republic
MTF	medium-term forecast (of NBS)
NACE	Statistical Classification of Economic Activities in the European Community (Rev. 2)
NARKS	Národná asociácia realitných kancelárií Slovenska / National Association of Real Estate Agencies in Slovakia
NBS	Národná banka Slovenska
NPISHs	non-profit institutions serving households
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of the Petroleum Exporting Countries
p.a.	per annum
PMI	Purchasing Managers' Index
pp	percentage point(s)
RRF	Recovery and Resilience Facility (of the European Union)
RRP	Recovery and Resilience Plan (of the Slovak Republic)
SO SR	Statistical Office of the Slovak Republic
ÚPSVaR SR	Ústredie práce, sociálnych vecí a rodiny Slovenskej republiky / Central Office of Labour, Social Affairs and Family of the Slovak Republic
US	United States
USD	US dollar
VAT	value added tax

Conventions used in the tables

- data do not exist/data are not applicable
. data are not yet available
... nil or negligible
(p) provisional

1 Summary

The Slovak economy will continue to perform sluggishly in 2026, with a more pronounced recovery taking longer to emerge. At present, the main obstacle to stronger economic growth is a combination of a long-term unfavourable external environment and the ongoing consolidation of public finances. In the future, a strengthening global economy, together with increased domestic demand and investment activity, could bring a noticeable improvement. Its magnitude will, however, depend on the form of the further fiscal consolidation that is essential for Slovakia.

The global economy has remained resilient even amid this year's heightened trade tensions. Following the conclusion of trade deals between the United States and the rest of the world and a resulting reduction in uncertainty, our projections for the global economy have improved slightly. Stronger growth in demand for Slovak goods and services will provide a small fillip to Slovakia's open economy.

Although the Slovak economy is experiencing a difficult period, we have slightly revised up the projections for its growth – to 0.6% in 2026 and then to 2.5% in 2027 and 2028, with the acceleration supported by more favourable external developments and domestic demand. Exports will be driven by the expected launch of production at a new car plant. Households' disposable income has been declining for two years, but their purchasing power is expected to recover, supported by an anticipated fall in inflation. This forecast does not, however, take into account the impact of the necessary additional fiscal consolidation, which may dampen optimism among firms and households.

Weak economic growth is weighing on the labour market. The number of people in employment is expected to decline by around 20,000 by 2027, mainly due to adverse demographic trends, fiscal consolidation measures, and weaker economic performance. On the other hand, the worsening labour market situation is reducing labour shortages and slowing wage growth.

Inflation is expected to continue declining in the coming years, reflecting the fading of the impacts of tax increases and excessive growth in global commodity prices, as well as a softening of domestic demand. The slowdown in price growth in 2026 will be tempered by adjustments to administered energy prices for some households. In subsequent years, annual headline inflation is projected to stabilise between 2% and 3%. The European Council's decision to postpone by one year the introduction of payments for emission allowances for transport and heating (under the new Emissions Trading System 2 – ETS2) has had a downward impact on the inflation projection for 2027 and an upward impact on the projection for 2028.

Our outlook for Slovakia's public finances in 2026 has deteriorated. The general government deficit is now projected to be 4.5% of GDP in 2026, moving gradually further from the government's target owing to weaker revenues in the economy as well as to lower efficiency in tax collection. For public finances to show any noticeable improvement in the following years, additional fiscal consolidation measures must be adopted. The government debt-to-GDP ratio will exceed the 60% threshold already in 2025 and, under the current fiscal policy settings, will move towards 66% by 2028. Given the expected economic growth, not even recourse to accumulated cash reserves will be sufficient to offset the adverse impact of persistently high deficits on public debt levels.

The economic situation continues to be shaped by a highly uncertain environment. In addition to global developments, domestic factors are also a significant source of uncertainty. As a result, economic growth in 2026 could be higher or lower than projected, while in subsequent years the risks to the outlook are tilted more to the downside. Growth could be slowed by the consolidation of public finances and by the weakening competitiveness of industry in Europe, including Slovakia. Energy prices for 2027 and 2028 remain a major unknown, potentially swaying inflation and GDP growth developments during those years.

Table 1
Key economic indicators

	Actual data	Winter 2025 forecast (MTF-2025Q4)				Difference vis-à-vis the autumn 2025 forecast (MTF-2025Q3)		
	2024	2025	2026	2027	2028	2025	2026	2027
GDP (annual percentage change)	1.9	0.8	0.6	2.3	2.5	0.0	0.1	0.2
HICP (annual percentage change)	3.2	4.2	3.4	2.5	2.5	0.0	-0.2	-0.9
Average nominal wage (annual percentage change)	6.4	5.7	3.3	4.1	4.2	-0.2	-0.3	-0.6
Average real wage (annual percentage change)	3.5	1.7	0.0	1.5	1.6	-0.1	-0.1	-0.3
Employment (annual percentage change; ESA 2010)	-0.2	-0.2	-0.4	-0.2	0.2	-0.1	0.1	0.4
Unemployment rate (percentage; Labour Force Survey)	5.3	5.4	6.1	6.5	6.3	0.0	0.0	-0.2

Source: NBS.
Note: Real wages deflated by CPI inflation.

In the current forecast, we explain the following:

- **What lies behind the expected acceleration of economic growth in 2027**
  The main factor will be the fading of the impact of the fiscal consolidation effort in 2026. In addition, production will be launched at a new car plant. The global economy will gain momentum, and headline inflation is expected to slow.
- **How deteriorating tax collection is adversely affecting fiscal performance**
  The state is collecting less tax revenue than would be implied by economic developments and recently adopted legislative measures. Lower efficiency in tax collection then necessitates additional fiscal consolidation, further burdening the economy. Improvements in tax collection efficiency could significantly boost state revenues without requiring further tax rate increases, and this should be a priority in the period ahead.
- **What risks to price developments are associated with administered energy prices for households in the coming years**
  The impact of energy prices on headline inflation and households' purchasing power will be most pronounced in 2027 and 2028; however, their impact on the economy will not be significant. The better the economy performs in 2027, the worse it will perform in 2028. Moreover, this will require significant funds that could be used more efficiently elsewhere.

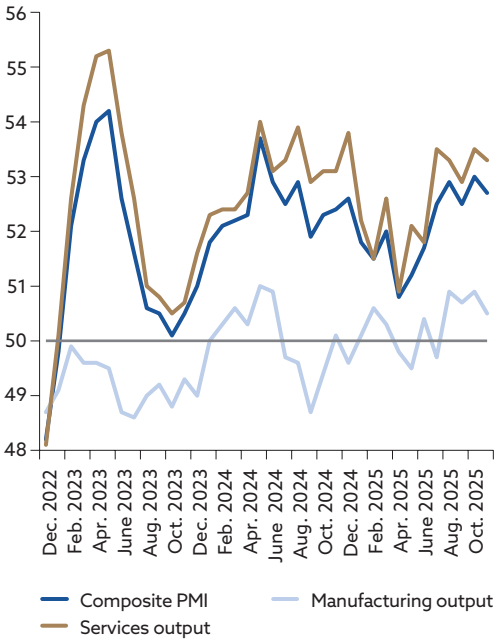
2 Macroeconomic developments in the external environment and Slovakia

2.1 External environment

The global economy has so far shown surprising resilience to trade-tension pressures. Global economic activity remained solid in the third quarter of 2025, and sentiment has also stayed favourable. According to the composite Purchasing Managers' Index (PMI), sentiment has continued to improve and in November was close to one-and-a-half-year highs. Economic growth is being driven mainly by services, and while industrial activity was moderate in the third quarter, it has improved since the start of the summer (Chart 1). Despite international trade tensions, the volume of global trade recorded a respectable performance (Chart 2). In particular, a number of advanced Asian economies benefited from exports of goods (especially semiconductors) related to rising investment in artificial intelligence. Part of the growth in global exports was again supported by US demand for pharmaceutical products imported from Europe, especially Ireland. Survey data suggest that economic activity in the United States remained solid in the third quarter, although the labour market has begun to show signs of cooling.

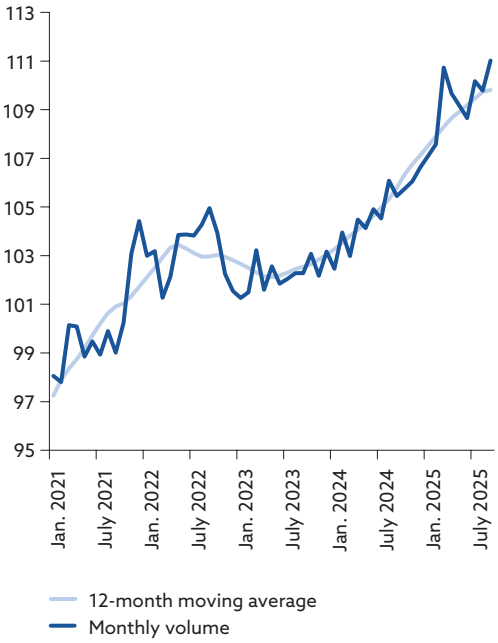
The trade truce agreed between the United States and China at the end of October should allay fears of more adverse future scenarios. In addition to mutual reductions in tariff rates, China also committed to suspending non-tariff retaliatory measures, including export licensing requirements for critical minerals. The United States, for its part, postponed the extension of export controls affecting selected Chinese companies.

Chart 1
Global Purchasing Managers' Index



Source: Macrobond.

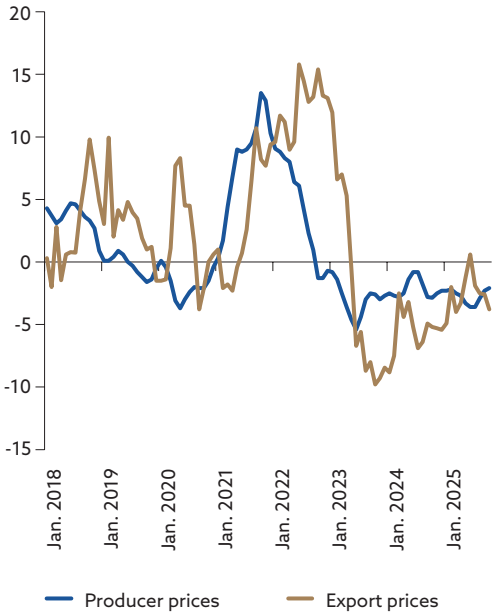
Chart 2
Global volume of trade (index: 2010 = 100; constant prices)



Source: Macrobond.

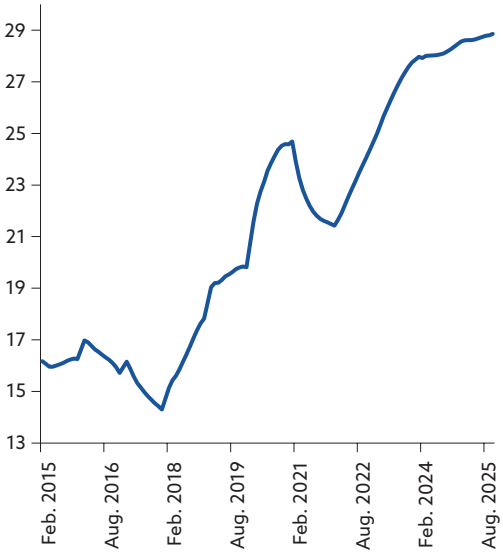
China's economy grew by just under 5% year-on-year in the third quarter, benefiting significantly from strong export performance. The country adapted flexibly to US tariff increases by deepening trade ties elsewhere, particularly with emerging economies, and was further supported by a shift towards more sophisticated and advanced products with higher value added (such as batteries, electric vehicles, and semiconductor components). China's trade truce with the United States, together with its ongoing support for modern industrial sectors in particular, is likely to further strengthen the country's export performance in the period ahead. On the other hand, the strong production side of the Chinese economy is constrained by weak domestic demand. The result is intense competitive pressure, which translates into lower prices not only for products sold in the domestic market but also for exported products (Chart 3). Producer prices have been declining year-on-year for almost three years, and this price war is reflected in a gradual increase in the number of loss-making firms in the Chinese economy (Chart 4).

Chart 3
China: Producer prices and export prices in manufacturing industry (annual percentage changes)



Source: Macrobond.

Chart 4
China: Share of loss-making firms (percentages)



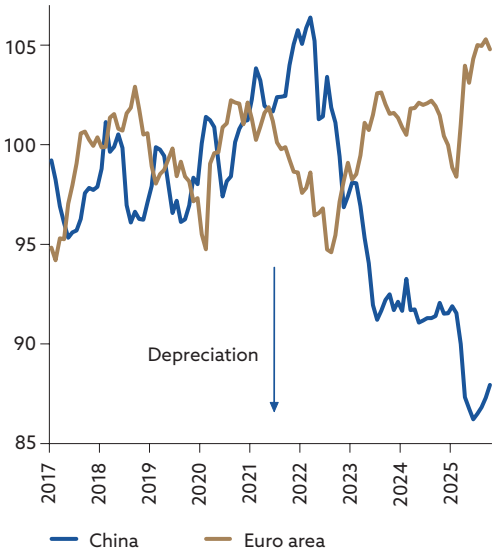
Source: Macrobond.

The euro area economy grew in the third quarter despite higher tariffs on exports to the United States and strong competitive pressure from China. Euro area GDP increased by 0.3% quarter-on-quarter. Economic performance continued to be supported by domestic demand, which benefited from higher public spending, rising real incomes, and a consistently strong labour market, as well as from the earlier easing of monetary policy. Increased interest in the implementation of advanced AI-related technologies has also contributed to economic growth. Leading indicators from early in the fourth quarter are sending positive signals about economic activity. Thanks mainly to its services component, the PMI approached 30-month highs. On the other hand, the outlook for industry remains subdued.

The euro area economy continues to face challenges, particularly with regard to weakening competitiveness. Exporters must contend not only with higher US tariffs, but also with an appreciation of the euro's real exchange rate and with strong, not only price-based, competition from China. Falling prices of Chinese exports have helped China significantly depreciate its real exchange rate (Chart 5). In recent years, the export structures of the euro area and China have become considerably more aligned, with the result that the two economies are competing more directly and euro area firms are having to vie for shares in what were their traditional markets. In

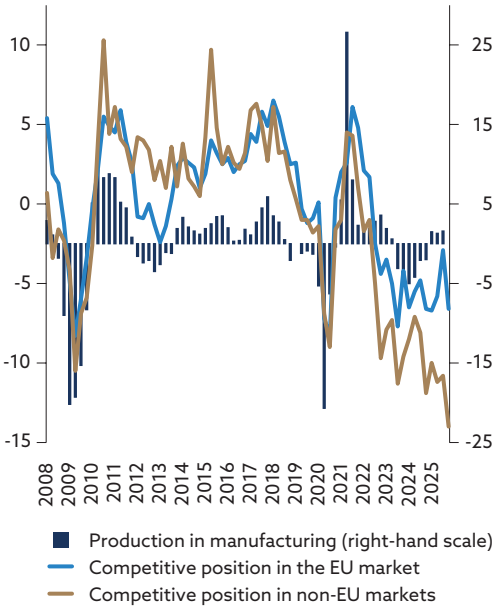
the euro area industrial sector, firms' perception of their competitiveness in foreign markets is weaker now than it was during the global financial crisis (Chart 6).

Chart 5
Real effective exchange rates (index: 2020 = 100)



Source: Macrobond.

Chart 6
Euro area: Industrial firms' assessment of their competitive position (percentage balances) and production in manufacturing (annual percentage changes)



Source: Macrobond.

Headline inflation in the euro area continues to hover close to the 2% target. Downward pressure on overall inflation is coming from declining energy prices and from slower growth in food prices, especially for unprocessed food. Core inflation,[2] however, accelerated slightly compared with the summer months, reaching 2.4% in November (up by 0.1 percentage points). This was due mainly to faster price growth in telecommunications and transport services in some large economies. By contrast, goods price inflation eased further, partly as a result of declining import prices. Slowing wage growth should gradually support renewed disinflationary trends in services prices as well. However, both wage growth and services prices in the euro area are easing more slowly than previously expected.

2.2 Slovakia

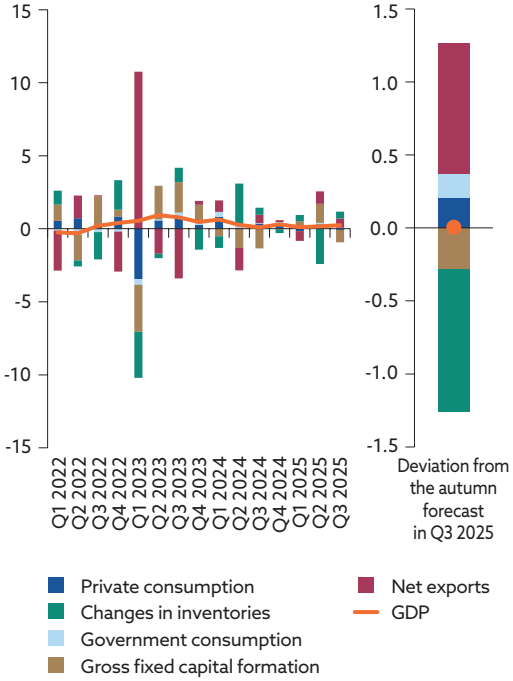
The Slovak economy continues to grow slowly, in line with what we expected in the autumn 2025 forecast. This confirms that domestic factors are exerting greater downward pressure on the economy. GDP growth is significantly lower in Slovakia than in neighbouring countries.

In the third quarter of 2025, the Slovak economy grew by 0.3% compared with the previous quarter. Consistent with our expectations, both domestic demand and exports declined (Chart 7). Households further reined in their spending, and most industrial sectors remained subdued.

[1] Business and consumer survey, European Commission.
[2] Inflation excluding energy and food prices.

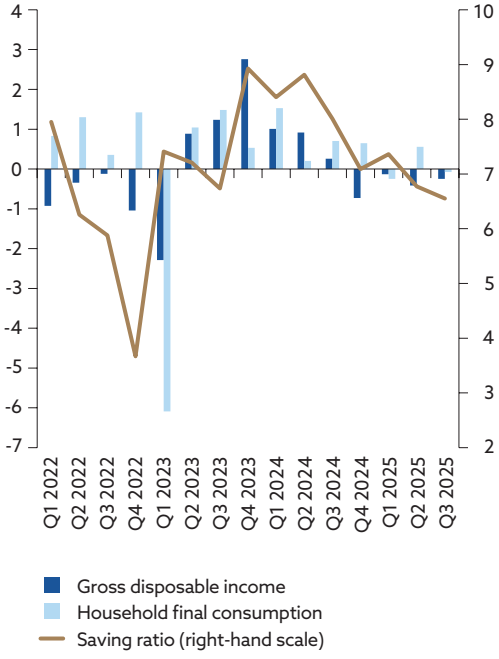
Although reduced uncertainty and the US-EU tariff deal helped stabilise the automotive industry, auto production was weaker during the summer than earlier in the year. Depressed exports and soft consumption were reflected in low imports. In addition, import intensity declined, providing some support to economic growth.

Chart 7
GDP and its components (quarter-on-quarter percentage changes; percentage point contributions)



Sources: SO SR, and NBS.

Chart 8
Households' income, consumption and savings (left-hand scale: quarter-on-quarter percentage changes; right-hand scale: percentages)



Sources: SO SR, and NBS.

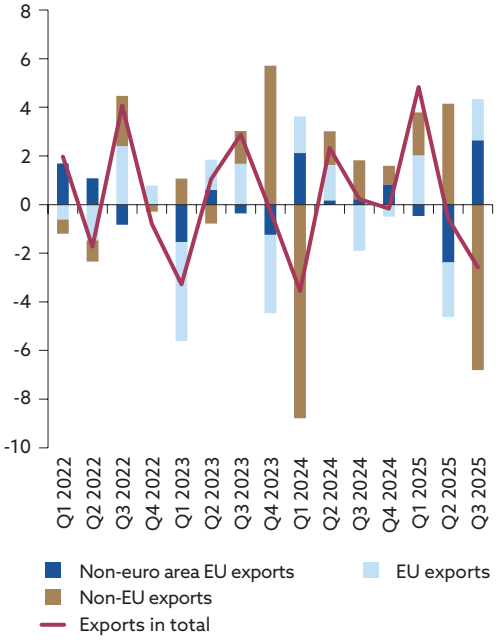
Households remain cautious in their consumption. With real income (adjusted for inflation) having been in decline for almost a year owing to fiscal consolidation measures, households' overall financial situation is deteriorating. Consumers are having to reassess their consumption habits, and in the third quarter they cut back on grocery purchases to a greater extent than in the first half of the year. To keep consumption at the same level as in the previous period, households had to allocate less of their income to savings (Chart 8), with the result that the saving ratio fell to its lowest level since the end of 2022.

Heightened trade tensions have weighed on exporters' performance, although the US-EU tariff deal struck during the summer has brought some stabilisation. Among industrial sectors, ammunition manufacturing has performed particularly well recently. In the Slovak automotive industry, exports started the year strongly before falling sharply in response to tariffs (Chart 9), while the new trade deal has reduced tariffs for carmakers, potentially helping preserve, to some extent, their foreign demand. Moreover, domestic carmakers may find that their new production structure provides an advantage in boosting demand. We observe producers adjusting to demand in terms of vehicle powertrains and size. Production of smaller and cheaper cars, as well as hybrid vehicles, has increased.

Government consumption growth in 2025 has not yet contributed to the year's fiscal consolidation effort. Public sector hiring did not slow even in the second half of the year, significantly increasing expenditure on employee compensation. This, together with a year-on-year rise in staffing expenditure in the defence and security services (soldiers, police officers,

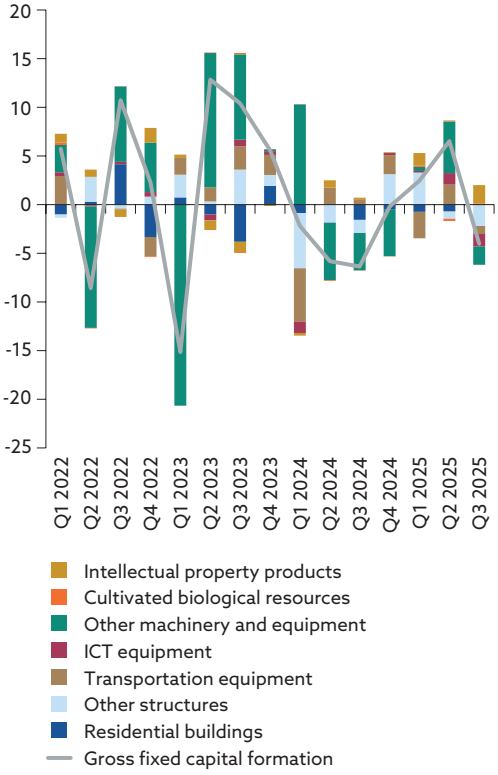
customs officers, and so on) and agreed wage increases in the education sector, accounts for most of the increase in government spending. At the same time, spending on goods and services, as well as on the maintenance of facilities and buildings, continues to rise rapidly, further increasing the overall expenditure burden on public finances.

Chart 9
Goods and services exports (quarter-on-quarter percentage changes; percentage point contributions)



Sources: SO SR, and NBS.

Chart 10
Gross fixed capital formation (quarter-on-quarter percentage changes; percentage point contributions)

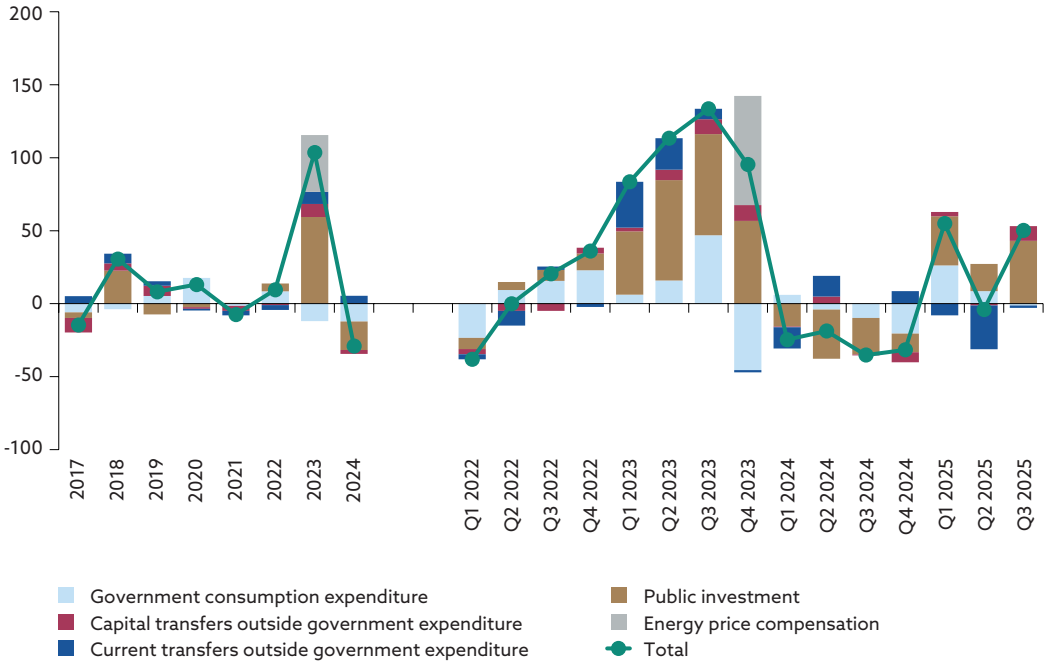


Sources: SO SR, and NBS.

During the summer, firms invested less, and government investment activity also slowed (Chart 10). An uncertain demand outlook in industry is compelling firms to take a cautious approach to investment. In the automotive industry, investment activity has gradually slowed following the successful launch of new production. In the third quarter, the services sector was among the main sources of investment, focused mostly on intellectual property products (software).

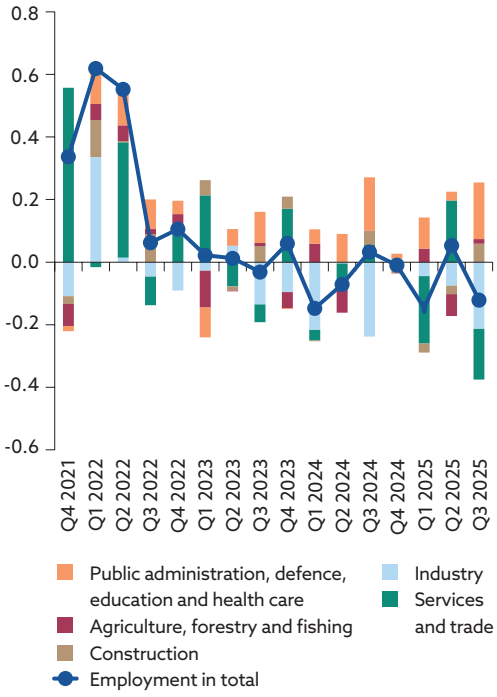
Total public investment continues to grow. This trend is largely supported by investments co-financed by the European Union (Chart 11), many of which – especially Recovery and Resilience Plan (RRP) projects – are nearly half financed by the EU. In addition to investments in the construction of new facilities (primarily hospitals), the renovation and modernisation of existing buildings, and the development of road and rail infrastructure, a significant share of investment is directed towards projects supporting the transition to a low-carbon economy (measures to improve the energy performance of buildings, climate measures, urban mobility developments, and emission-reducing investments). Another strong boost to investment comes from the disbursement of remaining funding from the Rural Development Programme under the previous EU programming period, which is supporting capital expenditures in both the public and private sectors. As a result, the quality of public infrastructure and the conditions for providing public services are gradually improving.

Chart 11
EU co-financed expenditure in Slovakia[1] (annual percentage changes)



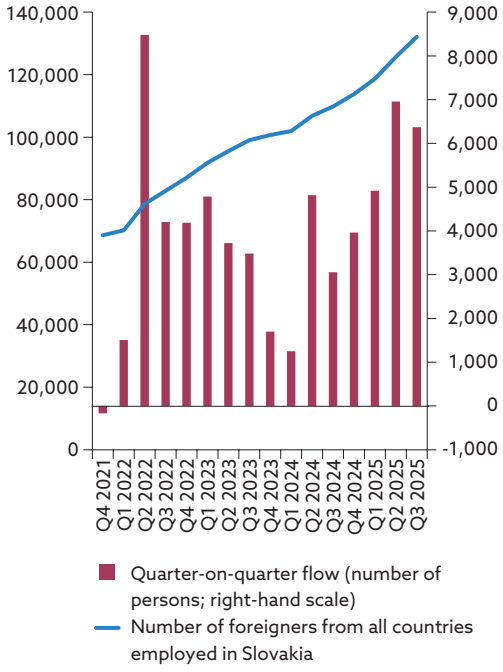
Sources: MF SR, and NBS.
1) Adjusted for absorption for financial instruments.

Chart 12
Employment by sector (annual percentage changes; percentage point contributions)



Sources: SO SR, and NBS.

Chart 13
Number of foreign workers



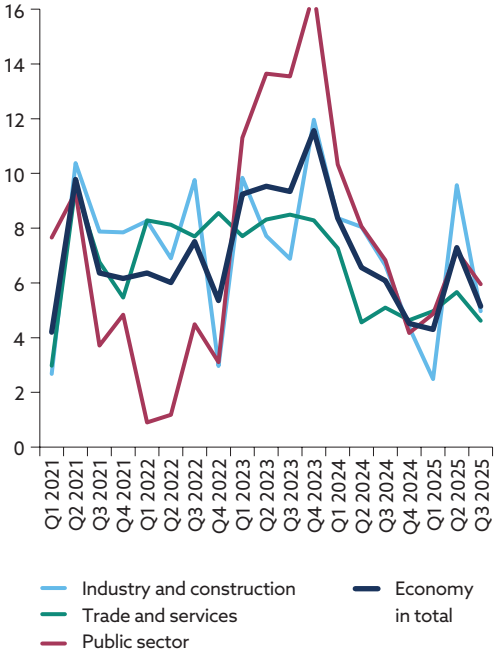
Sources: ÚPSVaR SR, and NBS.

In the third quarter of 2025, employment decreased by 0.1% quarter-on-quarter. The decline occurred mainly in the industry, trade, and services sectors (Chart 12). We are seeing a number

of trends in the economy that offset each other. One that has a regional dimension is the mismatch between labour supply and demand: while some regions have recently experienced mass lay-offs and a resulting rise in the unemployment rate, firms in western Slovakia continue to struggle with a shortage of skilled labour. Labour mobility in Slovakia has not yet improved. At the same time, however, we observe a higher inflow of foreign workers (Chart 13). A negative trend in recent months is the increasing number of economically inactive people. The rise in this population in the third quarter was driven not only by a higher number of people retiring, but also by an increase in the number of students and people caring for a household member. Short-term survey-based indicators provide mixed signals for the future. Firms' expectations regarding employment remained slightly positive during the third quarter and early in the fourth quarter, while households' expectations shifted over the same period towards higher unemployment.

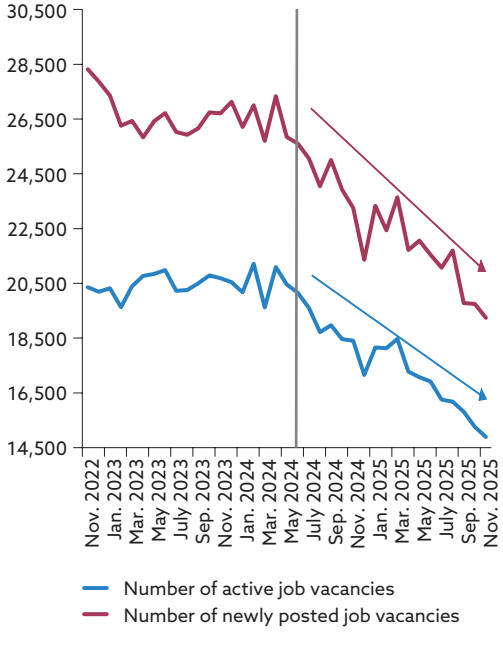
After wage growth accelerated strongly in the second quarter of 2025, driven mainly by one-off factors, it slowed appreciably in the third quarter (Chart 14). Annual wage growth declined to around 5%. In nominal terms, the impact of previously high inflation is gradually fading, while the easing of labour market tightness is becoming increasingly evident. Weaker demand for labour, reflected in a decline in both active and new job vacancies (Chart 15), is leading to an easing of upward pressure on wage growth. Despite the overall slowdown, public sector wages continue to record the highest growth. By contrast, the construction sector recorded the lowest wage growth in the third quarter. After adjusting for price developments, purchasing power remained on a growth path, although annual growth in real wages slowed noticeably.

Chart 14
Nominal wages by sector (annual percentage changes)



Sources: SO SR, and NBS.

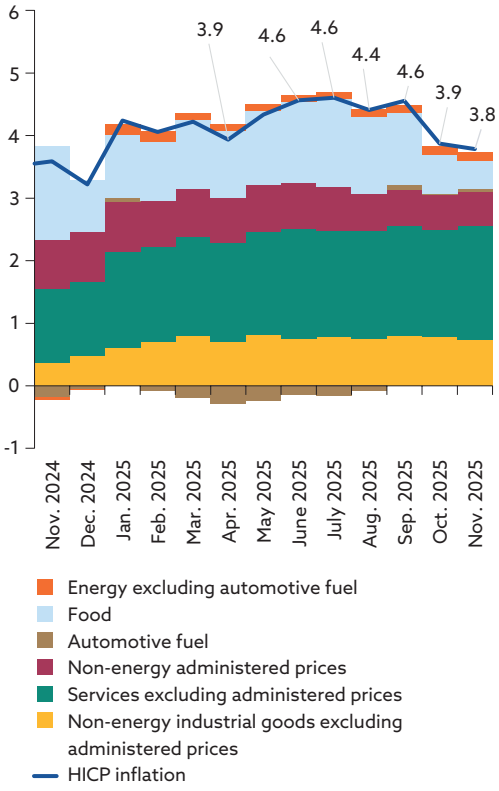
Chart 15
Number of active and newly posted job vacancies



Source: www.profesia.sk (online job portal).

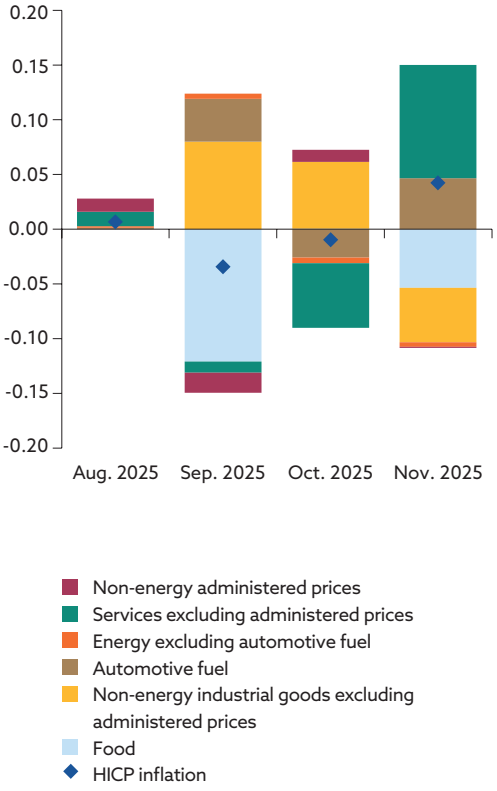
Slovakia's annual inflation rate stood at 3.8% in November 2025 (Chart 16), and, in line with the autumn 2025 forecast, continued to slow. Favourable developments in recent months were due mainly to food prices (Chart 17). Other components, with the exception of services, showed normal volatility.

Chart 16
HICP inflation and its components (annual percentage changes; percentage point contributions)



Sources: SO SR, and NBS.

Chart 17
HICP inflation – difference vis-à-vis the autumn forecast (percentage points)



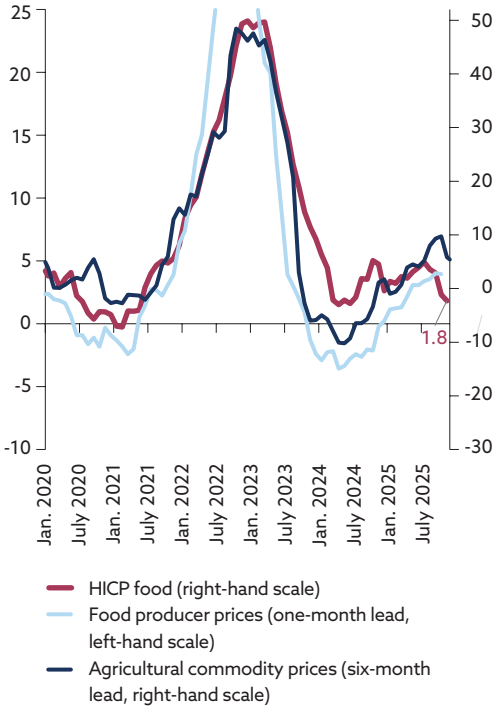
Sources: SO SR, and NBS.

Annual food inflation moderated in the third quarter (Chart 18). After a long upward trend, food price growth surprised on the downside amid a larger than expected decline in global commodity prices.

Net inflation[3] has hovered around 5% since mid-2025. Its ongoing elevated level is mainly due to services prices, with year-on-year growth in market prices of services continuing to run at close to 8% (Chart 19). Inflation remains strong in services on which VAT was reduced at the start of 2025 (restaurant and cafe services, recreational and sports services), as well as in services heavily influenced by labour costs (education, dental care, hairdressing services, etc.). Goods prices have also maintained a high rate of increase, owing mainly to VAT changes at the beginning of the year and tax increases. Input prices, especially import prices, have slowed markedly.

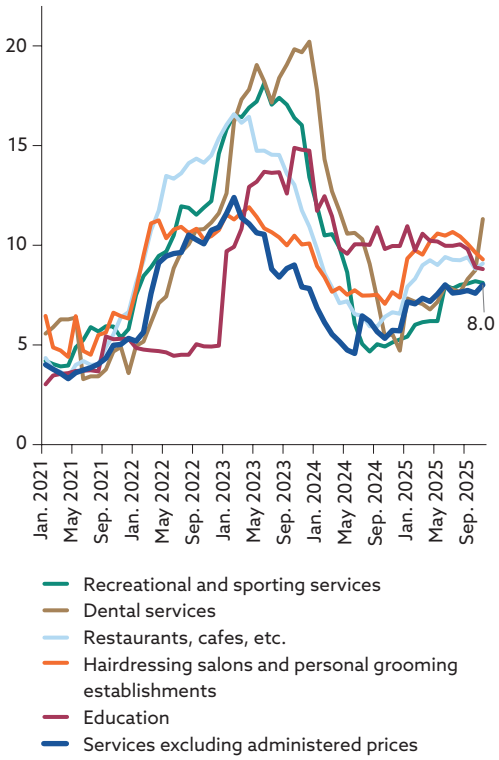
[3] Goods and services prices excluding administered prices.

Chart 18
Prices of food and inputs (annual percentage changes)



Sources: SO SR, and NBS.

Chart 19
Selected services prices excluding administered prices (annual percentage changes)



Sources: SO SR, and NBS.

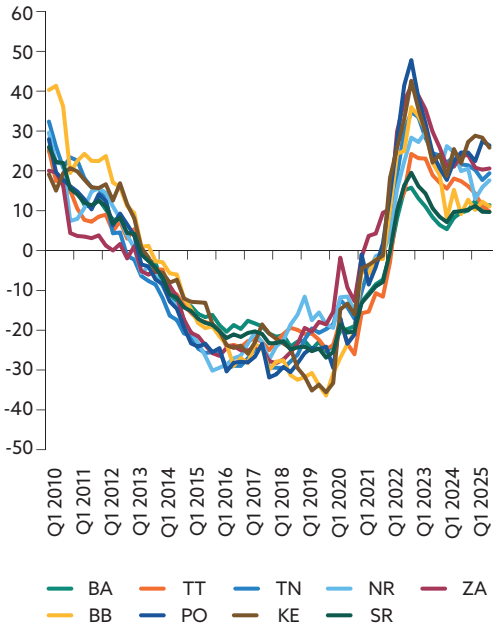
Housing price growth slowed slightly in the third quarter of 2025, to 1.3% quarter-on-quarter (11.7% year-on-year). This is the lowest rate observed so far this year. The price growth was driven primarily by prices of flats, while the average price of houses remained largely unchanged compared with the second quarter. In regional terms, prices increased mainly in western Slovakia, particularly in Trenčín and Bratislava regions. In Košice Region, prices corrected lower after three quarters of strong growth.

The slowdown in housing price growth had only a small impact on housing affordability (Chart 20), as wage growth also slowed and interest rates declined more moderately. As a result, the housing affordability index remained almost unchanged compared with the previous quarter. Despite experiencing a notable drop in housing prices, Košice region still ranks – together with Prešov region – among the regions with the worst housing affordability.

The composite index[4] rose above its long-term average for the first time since the end of 2022 (Chart 21). The index value indicates that the real estate market has definitively emerged from its period of slowdown. The factors contributing most to the index's growth are construction sector activity and an increase in mortgage volume relative to household income growth.

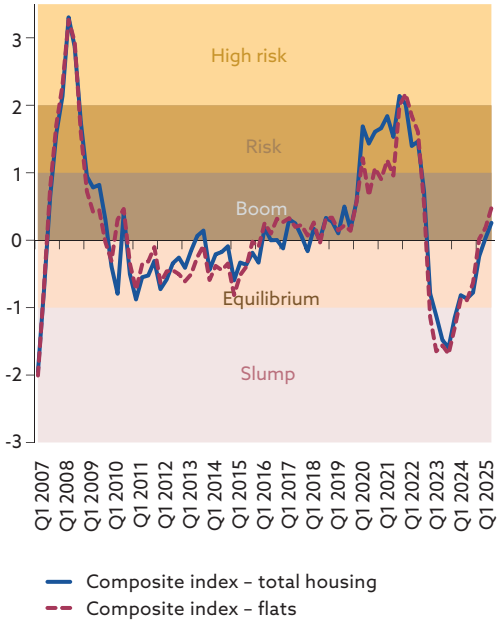
[4] In order to assess the impact of housing prices on financial and economic stability, we compare their evolution with the evolution of their underlying theoretical fundamentals. We do so using a composite index based on ratio indicators (the real housing price; price/income; price/rent; mortgage loans/households' gross disposable income; amount of residential construction/GDP). Further information on the composite index's compilation is provided in Cár, M. and Vrbovský, R., 'Composite index to assess housing price development in Slovakia', Biatec, Vol. 27, No 3, Národná banka Slovenska, Bratislava, 2019.

Chart 20
Housing affordability index (percentages of historical average)



Sources: NARKS, SO SR, United Classifieds, and NBS.
Note: BA stands for Bratislava Region; TT for Trnava Region; TN for Trenčín Region; NR for Nitra Region; ZA for Žilina Region; BB for Banská Bystrica Region; PO for Prešov Region; KE for Košice Region; and SR for Slovak Republic.

Chart 21
Composite index to assess housing price developments

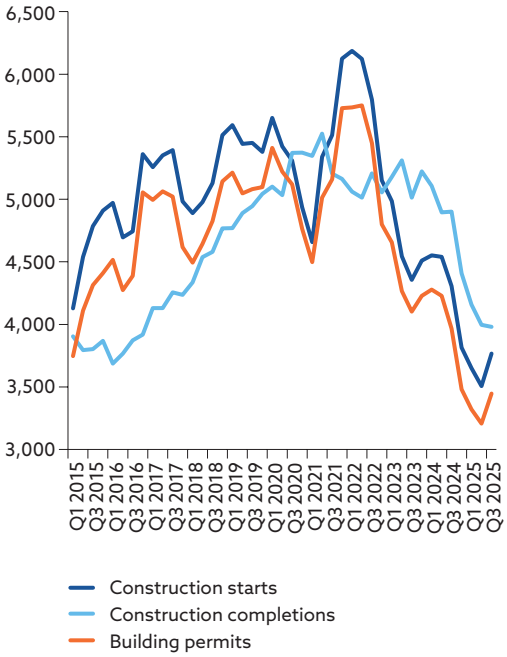


Sources: NARKS, SO SR, United Classifieds, and NBS.

The volume of mortgage originations remains around two-thirds higher than a year ago. The average interest rate on new mortgages (excluding refinancing) declined in the third quarter by just under one-tenth of a percentage point compared with the previous quarter (the quarterly average is 3.66%). The quarter-on-quarter increase in the volume of newly originated mortgages also moderated (to 0.8%).

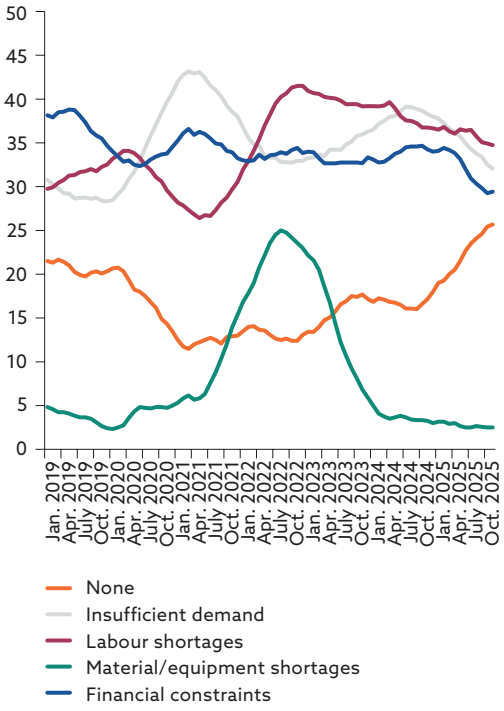
As regards the construction of new flats, signs of recovery are slowly appearing (Chart 22). The number of construction starts and new building permits for flats increased in the third quarter by almost one-third year-on-year. The situation with construction completions also improved; although the year-on-year change in their number remained negative (-1.5%), it was no longer in double digits. Despite this, the overall picture of new housing supply has changed only slightly, and the number of flats currently under construction implies only weak impetus for a change in the future trajectory of housing prices. According to the European Commission's November survey of the construction sector, one-quarter of builders see no factors limiting new construction (Chart 23). Therefore, the increase in construction starts may not be an outlier.

Chart 22
Construction of flats (moving annual averages)



Source: SO SR.

Chart 23
Factors limiting construction (percentage of respondents; 12-month average)



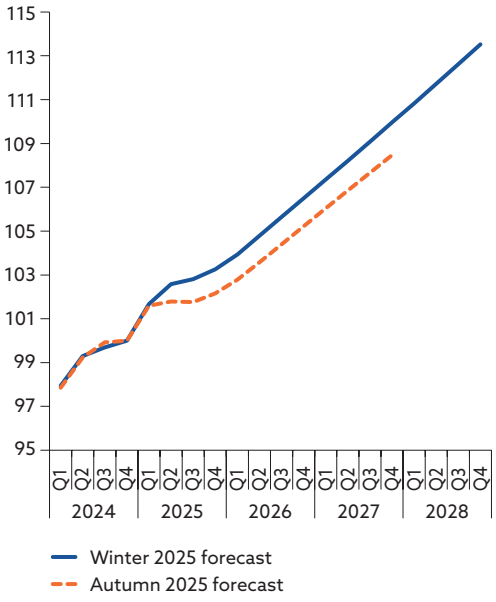
Source: European Commission.

3 Medium-term forecast

3.1 Global outlook and technical assumptions of the forecast[5]

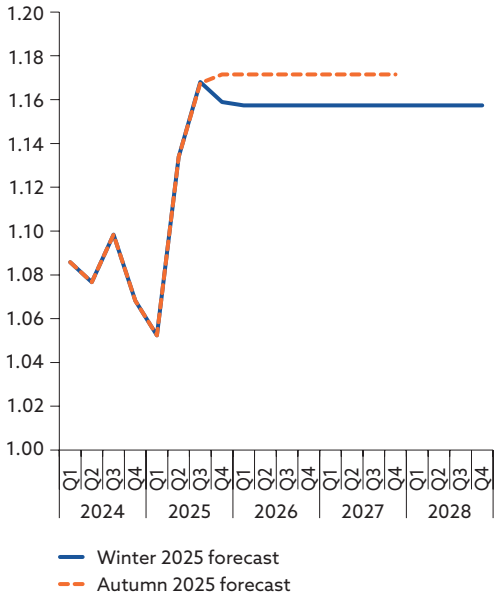
Foreign demand for Slovak products in the first half of 2025 was higher than expected in the autumn 2025 forecast. We assume that this improvement will persist and that foreign demand will continue increasing in 2026. Compared with the autumn forecast, the level of foreign demand up to the end of 2027 is assumed to be 1.4% higher (Chart 24).

Chart 24
Foreign demand (index: Q4 2022 = 100)



Source: NBS.

Chart 25
USD/EUR exchange rate



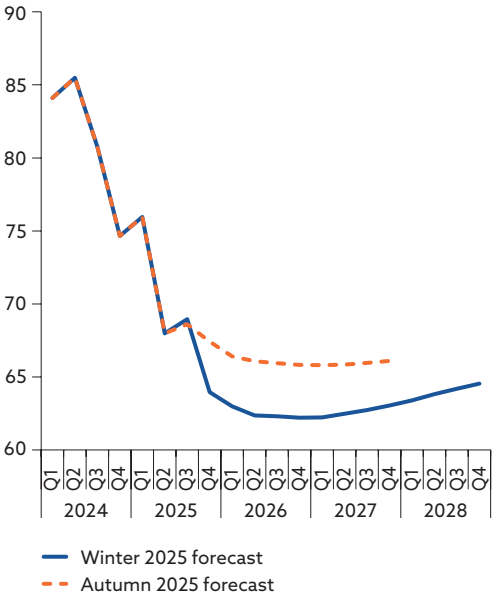
Source: NBS.

The euro's exchange rate against the US dollar has stopped appreciating (Chart 25). Compared with the previous forecast, the euro is assumed to weaken by around 1% over the projection horizon, from 1.17 dollars per euro in 2025 to below 1.16 dollars. Compared with the spring forecast, however, the assumption for the euro's exchange rate is around 10% stronger.

Oil and gas prices continue to decline, and the assumptions for their prices are lower in this forecast than in the autumn forecast (Charts 26 and 27). The price of a barrel of oil is assumed to be around USD 64 at the end of 2025 and USD 62 a year later, before rising moderately up to USD 65 by the end of 2028. The average wholesale gas price in 2025 fell to below €37/MWh, and in subsequent years it is assumed to decline steadily towards €25/MWh, despite seasonal fluctuations.

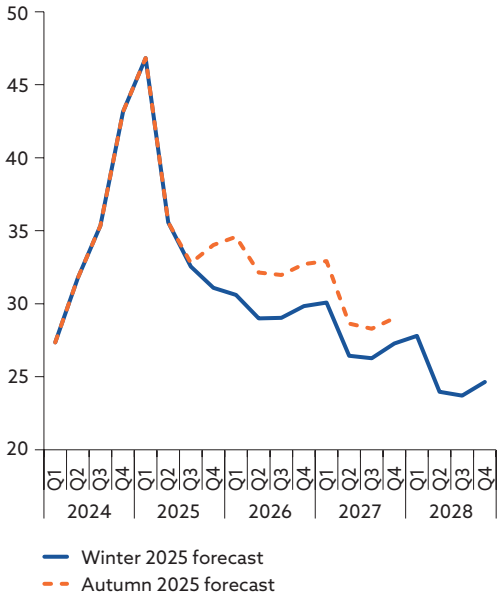
[5] The technical assumptions of this medium-term forecast are based on the December 2025 Eurosystem staff macroeconomic projections for the euro area.

Chart 26
Oil prices in USD



Source: NBS.

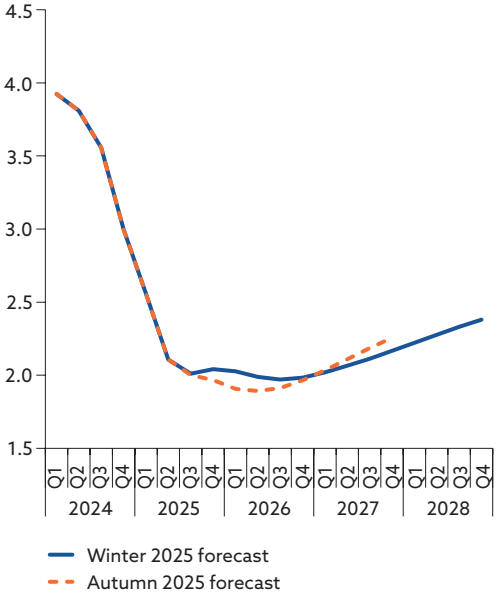
Chart 27
Gas price in EUR/MWh



Source: NBS

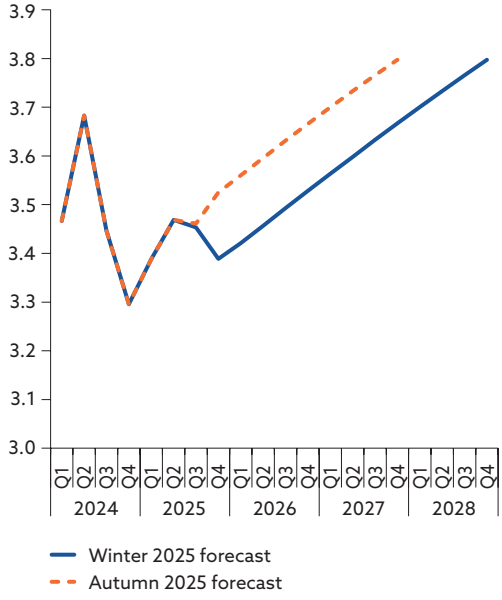
Assumptions for financial markets have also changed. While market expectations for short-term interest rates are slightly higher than in the autumn forecast (by 2 and 7 basis points for 2025 and 2026, respectively), market participants assume that long-term rates will decline by around 14 basis points in 2026. In subsequent years, yields are expected to rise gradually to around 3.8% by the end of 2028 (Charts 28 and 29). This still relatively favourable outlook is, however, to some extent conditional on at least some continuation of fiscal consolidation in the coming years. This is not an assumption of our forecast, which takes this yield curve as given.

Chart 28
Three-month EURIBOR (percentages)



Sources: European Commission, and NBS.

Chart 29
Ten-year Slovak government bond yield (percentages)



Sources: SO SR, and NBS.

Table 2
External environment and technical assumptions (annual percentage changes, unless otherwise indicated)

	Actual data	Winter 2025 forecast (MTF-2025Q4)				Difference vis-à-vis the autumn 2025 forecast (MTF-2025Q3) in pp		
	2024	2025	2026	2027	2028	2025	2026	2027
Slovakia's foreign demand	0.9	3.4	2.6	3.3	3.2	0.8	0.4	0.1
USD/EUR exchange rate [1)] (level)	1.08	1.13	1.16	1.16	1.16	-0.3	-1.2	-1.2
Oil price in USD [1)] (level)	81.2	69.2	62.5	62.6	64.0	-1.1	-5.4	-5.0
Oil price in USD	-2.9	-14.8	-9.7	0.2	2.2	-1.0	-4.1	0.5
Oil price in EUR	-2.9	-18.3	-12.0	0.2	2.2	-0.7	-3.2	0.5
Non-energy commodity prices in USD	9.2	5.7	0.1	0.5	-0.3	0.9	1.1	-0.4
Electricity price (EUR/MWh)	-24.9	8.0	-10.5	-1.8	-3.1	-0.8	-2.6	4.1
Gas price (EUR/MWh)	-15.3	6.1	-18.9	-7.1	-9.1	-2.3	-6.9	2.5
Three-month EURIBOR (percentage per annum)	3.6	2.2	2.0	2.1	2.3	0.0	0.1	-0.1
Ten-year Slovak government bond yield (percentage)	3.5	3.4	3.5	3.6	3.7	0.0	-0.1	-0.1

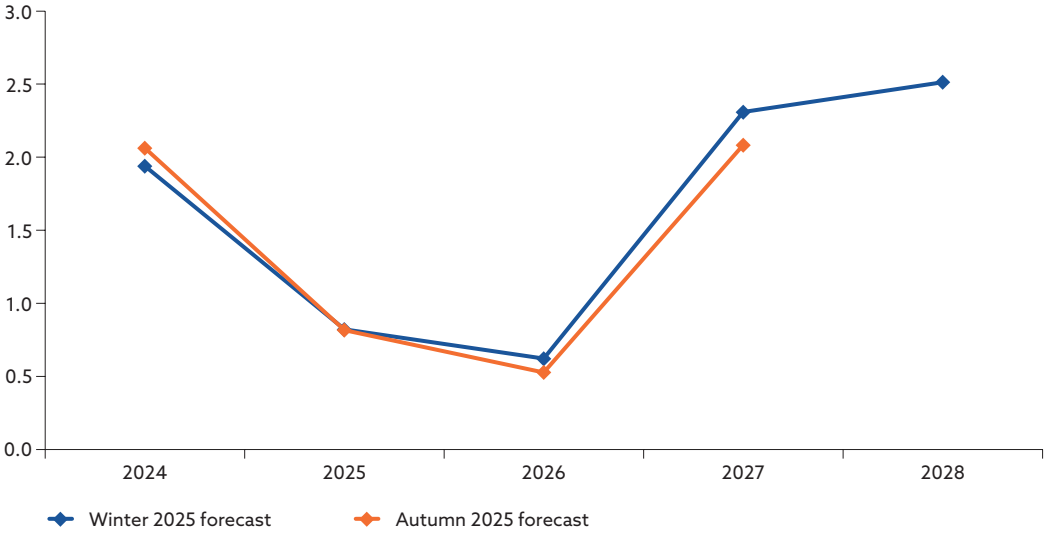
Sources: ECB, SO SR, and NBS.
Note: Annual percentage changes and changes vis-à-vis the previous forecast are calculated from unrounded figures.
1) Differences vis-à-vis the previous forecast are in percentages.

3.2 Macroeconomic forecast for Slovakia

Economic growth is expected to remain sluggish, not exceeding 1% even in 2026 (Chart 30). The effects of the fiscal consolidation plan will materialise, with workers bearing the brunt. As a result, and with at least some share of the population facing increased energy bills, household disposable income will decline. Consumer demand is therefore envisaged to stagnate at best, and households will also save less.

Subsequent years are projected to bring an improvement for both the economy and household finances. Under certain conditions, economic growth is estimated to accelerate to around 2.5% in 2027 and 2028. The global economy and trade flows are expected to pick up. Domestic industry and exports will be boosted by the start of new, expanded production in the automotive sector. Lower inflationary pressures will help restore households' purchasing power. It should be noted, however, that public finances will require further repair in the coming years, even after several years of consolidation effort. Costly energy price support will also need to be unwound at some point. The current forecast does not incorporate any measures to improve fiscal performance in 2027 and 2028.

Chart 30
Economic growth (annual percentage changes)



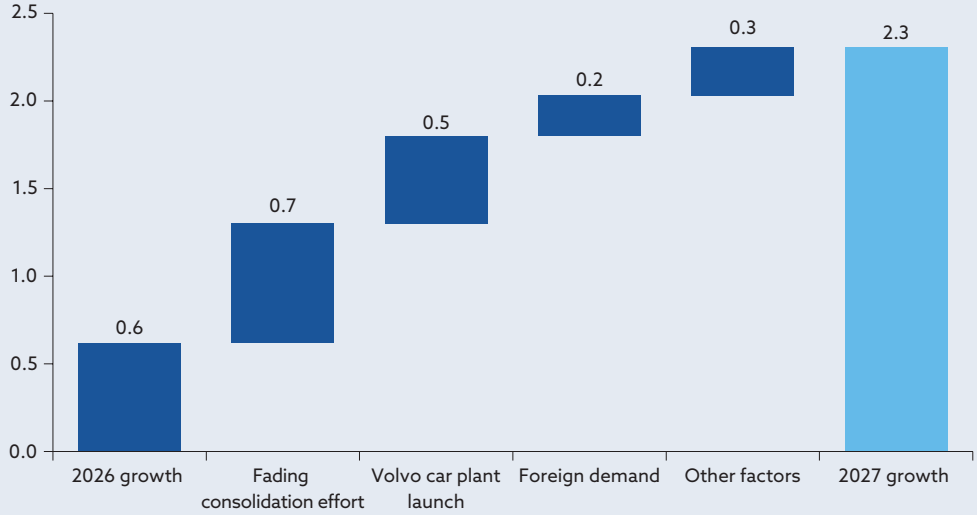
Sources: SO SR, and NBS.

BOX 1

Factors accelerating economic growth in 2027

In the current forecast, we assume that Slovakia's economic growth will accelerate from approximately **0.6%** in 2026 to **2.3%** in 2027. This reflects a combination of technical factors and a gradual recovery of both domestic and foreign demand (Chart A). Crucially, however, **the growth projection for 2027 does not include any new fiscal consolidation measures**. Hence, the growth acceleration is partly due to a gradual fading of the impact of the austerity package implemented in 2026.

Chart A
Decomposition of real GDP growth acceleration from 2026 to 2027 (growth in %, percentage points)



Source: NBS calculations.

Key factors behind the growth acceleration:

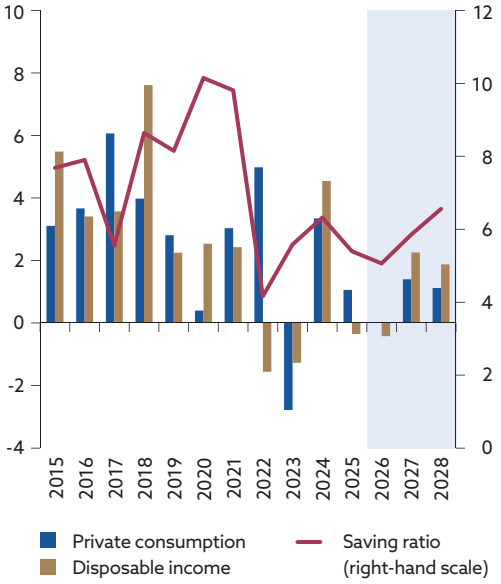
1. **Fading effects of fiscal consolidation (+0.7 pp)**
   The approved consolidation package dampens growth in 2026, but no new measures are embedded in the forecast for 2027.
2. **Launch of production at a new Volvo car plant (+0.5 pp)**
   The launch of serial production at the new Volvo plant in the Valaliky industrial park near Košice expands industrial capacity and creates new jobs.
3. **Improvement in foreign demand (+0.2 pp)**
   The recovery of key trading partners' economies boosts demand for Slovak exporters and contributes to GDP growth.
4. **Other factors (+0.3 pp)**
   These mainly include the return of export performance to normal levels after disruptions in 2025–2026 and an improving inflation environment that supports households' real incomes and consumption.

Exports are projected to accelerate economic growth, initially only modestly, but more visibly over time. After the world economy withstands the period of heightened trade tensions, global trade growth is expected to gather pace. This should have a gradual upward impact on demand for Slovak goods and services. Despite rising foreign competition, Slovakia is envisaged to increase its market shares, although not across all sectors; rather, the main driver will be the launch of new production in the automotive industry and the recently expanding manufacture of ammunition.

The scope for an increase in household consumption in 2026 will be limited. In both 2025 and the following year, real disposable income will decline, acting as a drag on private consumption (Chart 31). Consumer confidence has started to deteriorate again, with households viewing their financial situation unfavourably, perceiving the economic situation more negatively, and planning to limit spending on major purchases. At the same time, households have increased their inflation expectations, and their purchasing power is not projected to improve until 2027. Inflation will offset wage growth to a lesser extent, leaving households with greater scope for consumption, while allowing them to begin at least partially rebuilding their savings.

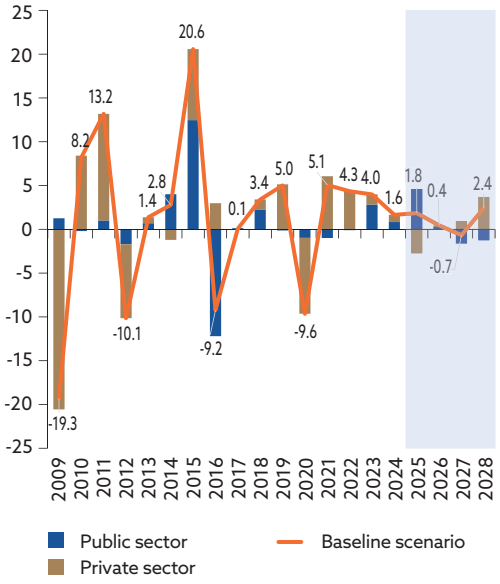
The main factor supporting investment growth in 2025 and 2026 is EU funds, while private investment will remain subdued. We assume substantial absorption of EU RRF funds for Slovakia's Recovery and Resilience Plan (RRP) projects. At a later stage, the absorption of structural funds is expected to resume, but its gradual pace will have a negative impact on overall investment growth. Private investment is likely to remain sluggish (Chart 32), while investment related to capacity expansion in the automotive industry will fade. Other sectors of industry are struggling to make ground in foreign markets, and their investment activity is expected to be limited as a result. Increased demand for housing should gradually spur investment in new residential construction.

Chart 31
Private consumption (left-hand scale: annual percentage changes; right-hand scale: percentages)



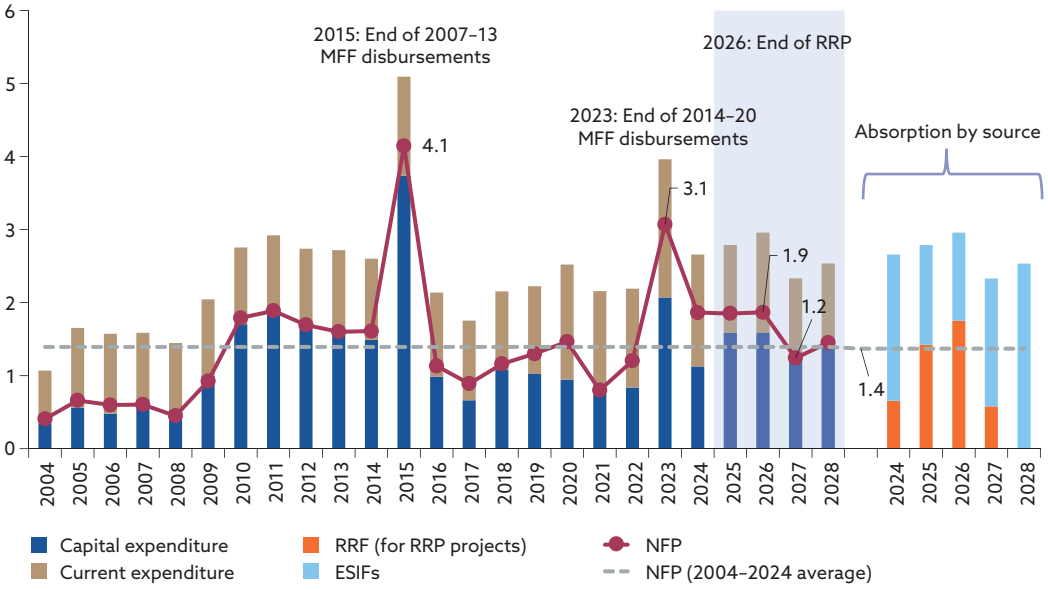
Sources: SO SR, and NBS.

Chart 32
Investment (annual percentage changes; percentage point contributions)



Sources: SO SR, and NBS.

Chart 33
Slovakia's absorption of EU funds and net financial position (percentages of GDP)



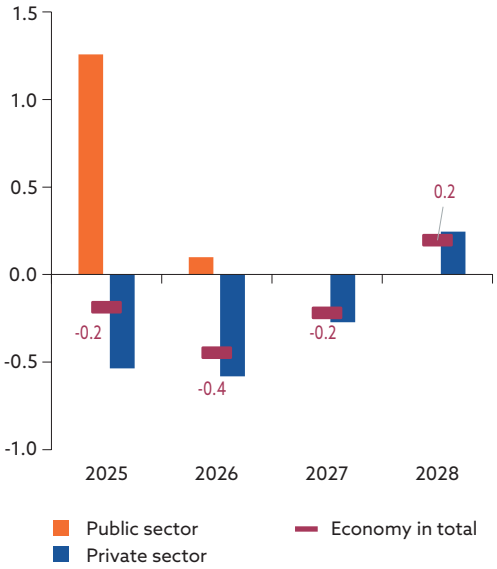
Source: NBS.
Note: NFP stands for net financial position; MFF stands for Multiannual Financial Framework; RRF stands for Recovery and Resilience Facility; RRP stands for Recovery and Resilience Plan; ESIFs stands for European Structural and Investment Funds.

The EU funds absorbed over the 2025–2026 horizon will consist largely of the remaining RRF disbursements for RRP projects (Chart 33). This keeps the absorption of EU funds above the long-term average, while also improving Slovakia's net financial position vis-à-vis the EU budget. From 2027 onwards, cohesion funds from the 2021–2027 programming period will return to the fore,

but overall absorption will lose momentum, as typically happens in Slovakia after the completion of EU programming cycles. Compared with the previous forecast, Slovakia's net position in 2026 and 2027 has been revised down, owing to higher contributions to the EU budget. This implies that, even with a similar pace of absorption of EU funds, Slovakia's net financial position (after deducting payments to the EU budget) will be lower than previously expected. In 2027 the net position is therefore projected to be slightly below the long-term average.

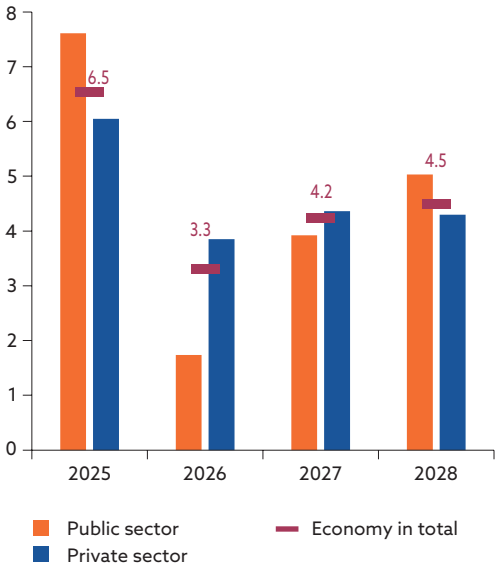
Employment is expected to continue declining over the next two years (Chart 34), reflecting both structural and cyclical factors. While a combination of necessary consolidation of public finances and weak economic growth should weigh on employment in the short term, adverse demographic developments will have a longer-term downward impact. We assume, however, that their negative effects will be mitigated by an increasing number of people returning to the labour market or remaining in it. We also envisage greater labour mobility within Slovakia, with people relocating from regions where jobs are being shed to areas facing labour shortages. Another source of employment growth will be inflows of foreign workers. Economic recovery could support job growth, but assessments of developments in 2028 must take into account the ongoing fiscal consolidation effort, which is not embedded in the current forecast.

Chart 34
Employment (annual percentage changes)



Sources: SO SR, and NBS.

Chart 35
Nominal compensation per employee (annual percentage changes)



Sources: SO SR, and NBS.

Wage growth is projected to slow temporarily (Chart 35). Weaker economic performance, decelerating inflation and an easing of labour market tightness are expected to dampen wage growth. Fiscal consolidation is likely to have a stronger downward impact on wage growth in the public sector. As a result, private sector wage growth could slightly outpace public sector wage growth, after having trailed it for some time. With inflation still elevated, workers' real purchasing power will not improve even in 2026, but it is projected to do so in subsequent years. Faster economic growth could also have a bolstering effect on household finances. Wage growth is expected to pick up and, as higher inflation fades, households should have greater capacity for consumption and for rebuilding savings.

Table 3
Wages (annual percentage changes)

	2024	2025	2026	2027	2028
Nominal labour productivity	5.6	5.0	4.2	5.0	4.7
Nominal wages – whole economy	6.4	5.7	3.3	4.1	4.2
Real wages – whole economy	3.5	1.7	0.0	1.5	1.6
Nominal wages – private sector	6.0	5.2	3.4	4.3	4.3
Real wages – private sector	3.2	1.1	0.1	1.7	1.6
Nominal wages – public sector	7.2	7.3	2.5	3.7	4.1
Real wages – public sector	4.3	3.2	-0.8	1.1	1.5

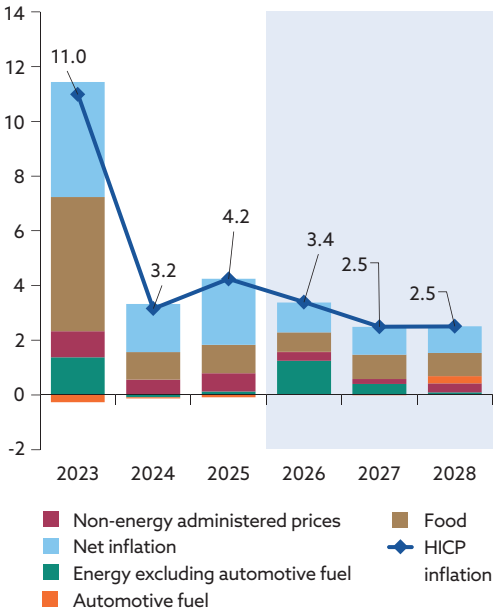
Sources: SO SR, and NBS.
Notes: Deflated by the CPI. Nominal labour productivity is defined as GDP per person in employment (ESA 2010).

The disinflationary process is expected to continue, with price growth potentially stabilising around 2.5% (Chart 36). In addition to the fading of the impact of this year's tax changes, downward pressure on inflation should also come from weaker consumer demand. Moreover, the inflation projection for 2027 has been revised down by a greater margin in response to the postponement of the EU Emissions Trading System 2 (ETS2) from 2027 to 2028.

Global prices are expected to rise more slowly than envisaged in the autumn forecast, acting as a drag on price growth in Slovakia. A favourable trend is particularly evident in prices of food – a major item of household expenditure. Other global commodity prices also imply downward pressure on headline inflation. This, together with exchange rate appreciation, will lower import price growth.

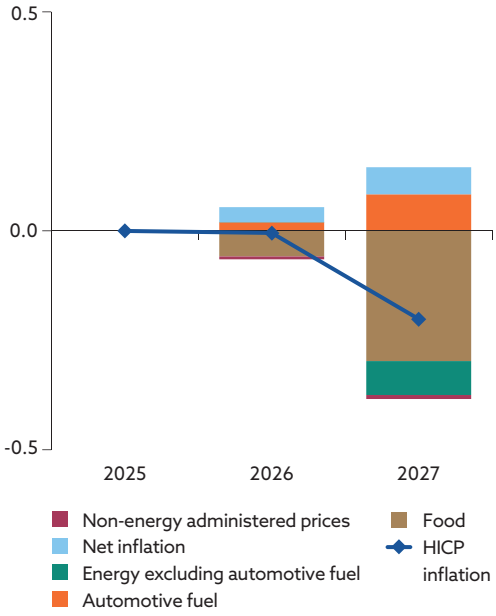
As regards administered energy prices, the assumptions of this forecast are unchanged from the autumn forecast, i.e. administered energy prices will rise gradually towards market levels in 2027, with broad segments of the population receiving price support from the state. We still consider this estimated price trajectory to be, at least in 2026, close to that which will be implied by whatever specific state price support policies are announced during this period. These remain surrounded by a considerable degree of uncertainty. Administered energy prices and the potential impact of alternative developments are discussed in Box 3.

Chart 36
HICP inflation and its components (annual percentage changes; percentage point contributions)



Sources: SO SR, and NBS.

Chart 37
Change in projection vis-à-vis the autumn 2025 forecast (percentage points)



Sources: SO SR, and NBS.

Table 4
Components of HICP inflation (annual percentage changes)

	Average for 2004–08 (pre-crisis period)	Average for 2010–14 (post-crisis period with euro currency)	2024	2025	2026	2027	2028
HICP	**4.1**	**2.0**	**3.2**	**4.2**	**3.4**	**2.5**	**2.5**
Food	3.6	3.1	3.2	3.6	2.5	3.1	2.9
Non-energy industrial goods	0.2	0.3	2.6	2.9	1.2	1.3	1.4
Energy	8.3	2.3	-0.9	0.4	9.8	3.1	2.8
Services	5.3	2.5	5.9	8.0	3.5	2.8	3.0
Net inflation	1.8	1.0	3.9	5.2	2.2	2.1	2.0

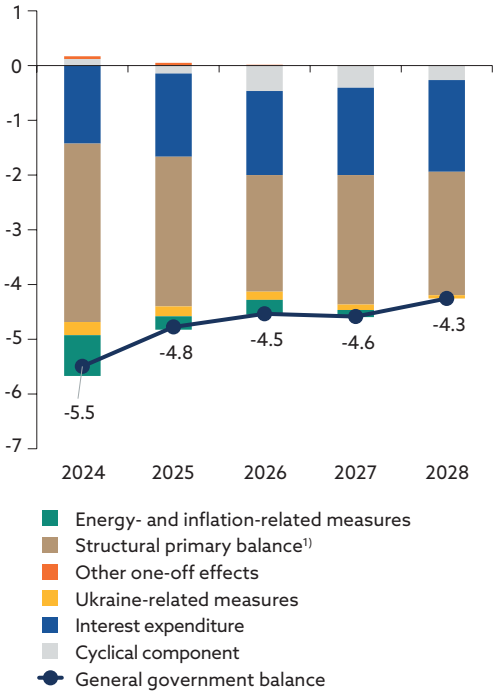
Sources: SO SR, and NBS.

3.3 Public finance projections

Slovakia's general government deficit for 2025 is projected to be 4.8% of GDP (Chart 38). Its year-on-year improvement is due largely to the declining need for measures related to energy price support and to the existing fiscal consolidation effort. The fiscal deficit is expected to narrow further in 2026, to 4.5% of GDP. This should reflect mainly the effect of the third consolidation package, which we assume will bring a structural improvement of 0.6 percentage points. On the other hand, business cycle developments and continuously rising public debt servicing costs will have a negative impact. Public debt is already projected to exceed 60%

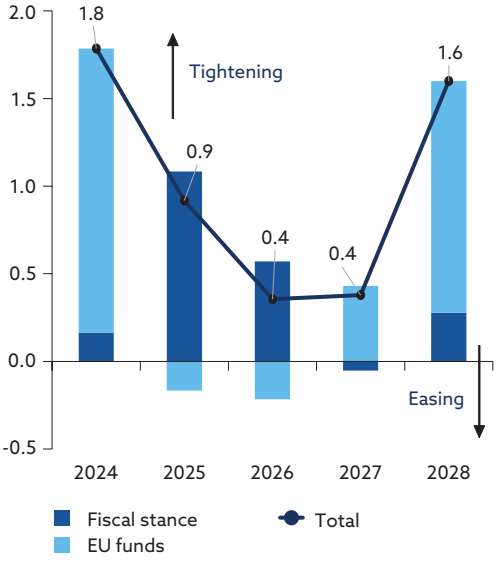
of GDP this year and to continue rising until the end of the projection period, primarily due to persistently high deficits and to the interest-growth differential being too low to contain debt accumulation.

Chart 38
Decomposition of the general government balance (percentages of GDP)



Sources: SO SR, and NBS.
1) Excluding pandemic-, Ukraine- and energy-related measures.
Notes: One-off factors include non-cyclical effects that have a temporary impact on the general government balance and are supposed to be eliminated in the future. Additional government spending from 2025 should include targeted social assistance for vulnerable groups at risk from rising gas prices. Given, however, that the form and size of these expenditures is still unclear, they are classified within the structural primary balance.

Chart 39
Fiscal stance (percentage points of GDP)



Sources: SO SR, and NBS.
Note: Fiscal stance – annual rate of change in the cyclically adjusted primary balance.

The fact that the fiscal deficit projections across the forecast horizon from 2026 have been revised up from the autumn forecast (Chart 40) is structural in nature. Two main factors are behind this: lower revenue projections and the deferral of some investments to later years. In 2025 tax revenue growth is due largely to the VAT rate increases contained in the consolidation package approved in 2024. However, VAT collection efficiency is gradually weakening, notably reflecting the impact of the new legislation (Box 2). This effect carries over into the forecast horizon, reducing the consolidation impact of the measures taken. From 2026 onwards, lower revenues also become a significant factor. On the expenditure side, the deficit is widened by higher other current spending, and in 2027 this is compounded by higher investment related to delayed deliveries of military equipment and the start of the new EU programming period.

BOX 2

Declining efficiency of tax collection worsens tax revenue estimation

In principle, the amount the state collects in taxes each year should depend on two main factors: how the economy is performing, and the legislative environment – in particular statutory tax rates. In reality, however, the amount of tax actually collected differs from the 'theoretical' figure, being also affected by how effectively the state apparatus operates in combating tax evasion. Greater efficiency in tax collection can translate into higher tax revenues without the need for additional legislative changes. Conversely, a decline in effective tax rates means that less tax is collected than could be. This implies that our fiscal deficit projection models must also take into account developments in tax collection efficiency.

How we estimate tax revenues

Estimates of tax revenue developments are primarily based on the macroeconomic forecast. When we foresee higher wage growth, we can expect higher revenues from employees' income tax. When we forecast higher household consumption, we can expect more revenue from consumption taxes and VAT. In general, tax revenue growth depends mainly on nominal economic growth. If nothing unusual happens, budget revenues rise slightly from year to year.

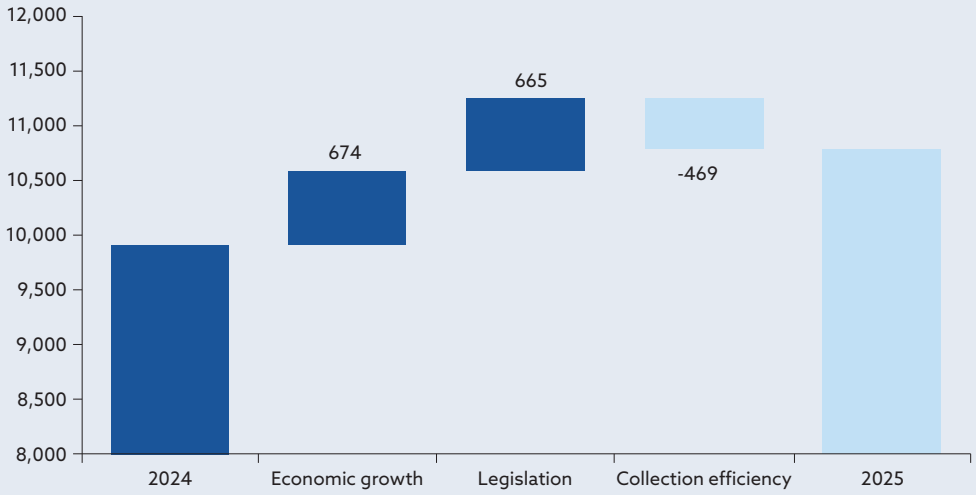
Another important factor embedded in our forecast is changes in legislation. For example, if a tax rate is increased, we expect this to bring additional funds into the public coffers. More funds are collected under a VAT rate of 23% than under a VAT rate of 22%.

There is, however, a third way to collect more money under the same macroeconomic conditions and the same legislative framework: by improving the efficiency of tax collection itself. If we were more successful in preventing tax evasion and plugging the system's holes through which taxes leak, we would increase what is called the effective tax rate. This is the tax rate calculated on the basis of the tax actually collected – that is, taking into account all tax exemptions, reduced rates, reliefs, and deductible items, as well as intentional and unintentional tax evasion. If this rate declines, the state loses revenue.

Declining efficiency of VAT collection

The declining efficiency of tax collection is most evident in value added tax (VAT), the largest source of tax revenue. In 2025, we assume an increase in VAT revenue of almost €900 million. Growth in domestic consumption alone would year-on-year bring an additional €670 million. Taking into account statutory adjustments to VAT rates, the additional VAT revenue in 2025 should, however, be higher. The negative impact is caused precisely by the expected lower efficiency of collection (Chart A).

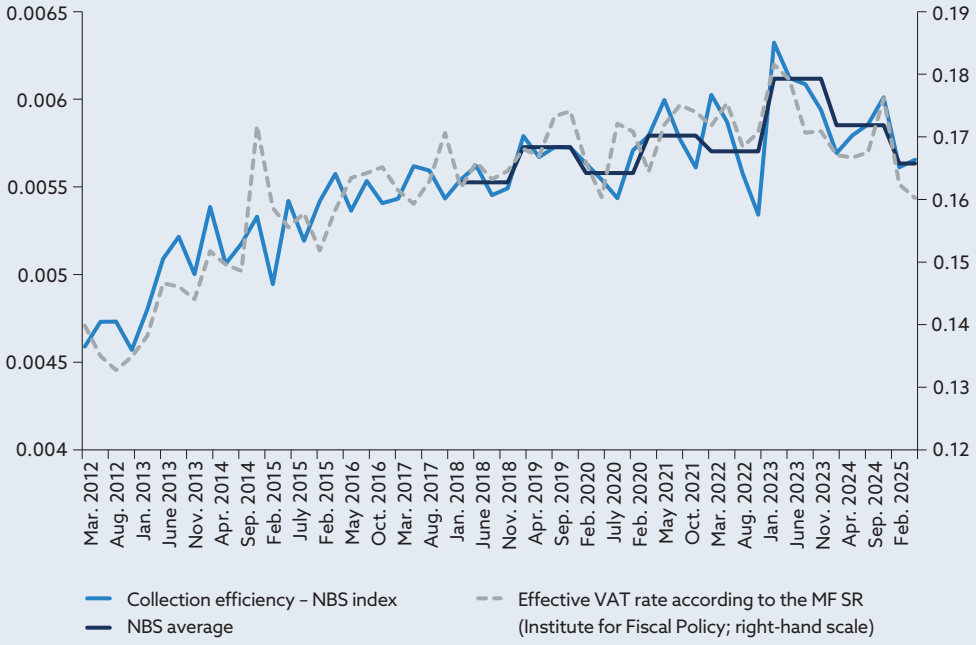
Chart A
Source of VAT revenue growth (EUR millions)



Source: NBS calculations.

Several factors affect VAT collection efficiency. There are positive effects in the form of, for example, tax system simplification, promotion of cashless payments, digitalisation of corporate monitoring (e.g. the eKasa system and the eFaktúra electronic invoicing system), and effective targeting and performance of tax audits. Many of these and similar measures have also been implemented in Slovakia, contributing to a steady increase in VAT collection efficiency from 2012 to early 2023. Since then, however, it has been gradually declining, and in the first half of 2025 it returned to levels previously seen in 2018–2020 (Chart B).

Chart B
VAT collection efficiency and the effective VAT rate (NBS index; MF SR percentages)



Sources: Ministry of Finance of the Slovak Republic (MF SR),[6] and NBS calculations.

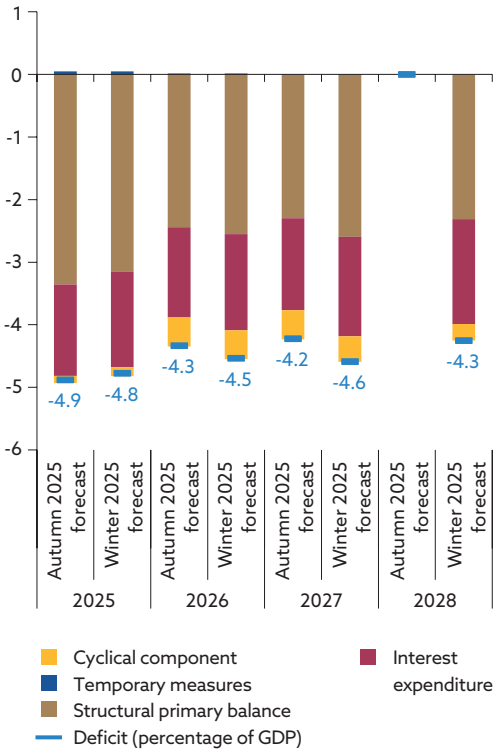
[6] https://www.mfsr.sk/sk/financie/institut-financnej-politiky/ekonomicke-statistiky/danove-prijmy/

How to increase revenues without raising taxes

Declining collection efficiency means that, in forecasts and assessments of fiscal developments, we must assume a lower volume of revenues than that implied by the same tax rates. There are, however, several proven tools to improve tax collection efficiency. First and foremost is simplifying tax legislation and making it more transparent, with fewer exemptions. A lower basic tax rate could then to some extent disincentivise intentional tax evasion. Further digitalisation of tax reporting and better-targeted audits based on analytical tools can reduce the scope for evasion without unduly burdening compliant firms.

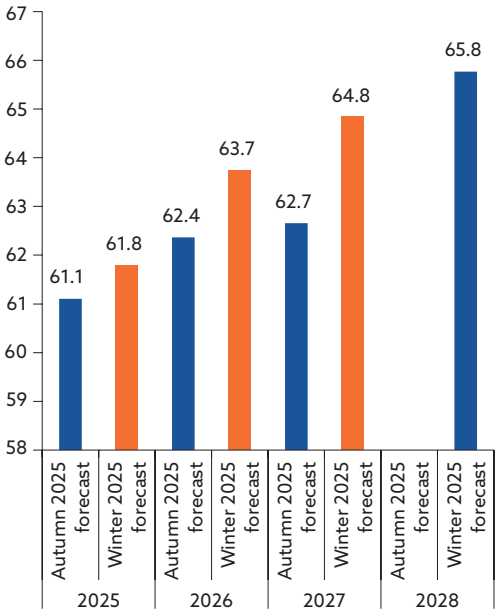
Collection efficiency is an important parameter that has a considerable direct impact on tax revenue forecasts. Given the current state of public finances and the ongoing need for fiscal consolidation, it makes sense to focus attention on this issue. It represents a relatively painless way to generate additional budget revenues

Chart 40
Comparison of projections for the deficit and its decomposition (percentages of GDP; percentage point contributions)



Source: NBS.

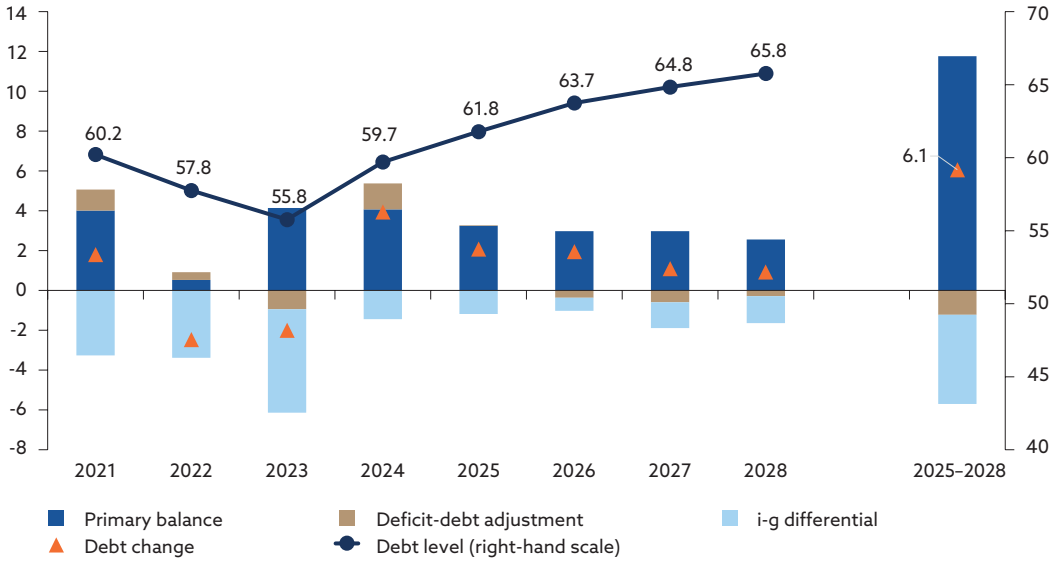
Chart 41
Comparison of public debt projections (percentages of GDP)



Source: NBS.

Gross general government debt is projected to rise to above 60% of GDP in 2025 and, according to the current outlook, to remain above that level throughout the forecast horizon (Chart 41). Debt accumulation is being driven by deficit financing. With the moderate impact of the interest-growth differential and partial financing from liquid reserves, the pace of debt accumulation slows somewhat but continues to increase steadily (Chart 42). Despite fiscal consolidation measures, debt remains elevated until the end of the horizon, approaching 66% of GDP.

Chart 42
Public debt and factors of its change (left-hand scale: percentage points of GDP; right-hand scale: percentages of GDP)



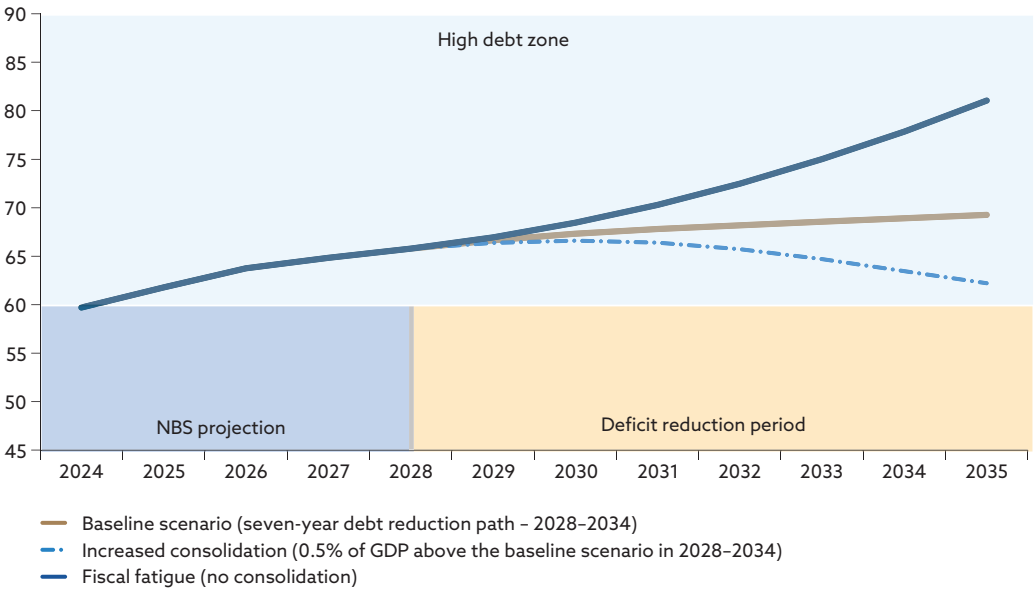
Sources: NBS, and SO SR.
Notes: The deficit-debt adjustment refers to the factor that reconciles the fiscal deficit with the debt change. The i-g differential captures the impact of interest rates and economic growth on the debt change.

If Slovakia were to meet only the minimum fiscal consolidation criteria set by the European Commission, gross public debt would not stabilise in the coming years and would be expected to continue rising.[7] Simulations of future scenarios indicate (Chart 43) that public debt will continue to grow (baseline scenario), with its level potentially approaching around 70% of GDP by 2035. Such a trend suggests that Slovakia's fiscal stance is exposed to significant risks – whether from cyclical fluctuations, expected demographic pressures, or rising debt servicing costs.

Reversing the unfavourable public debt trajectory cannot be achieved through one-off policy tightening in the next three years. Model calculations confirm that an ongoing additional consolidation effort of at least 0.5% of GDP per year beyond 2028 is a prerequisite to reducing public debt and returning it to below 60% of GDP. This figure represents a threshold enabling gradual debt stabilisation and minimisation of the risk to public finance sustainability.

[7] Public debt is considered sustainable if the government is able to meet its obligations over the medium term under realistic assumptions for economic growth, interest rates, and fiscal policy. The NBS debt sustainability baseline scenario (DSA) is constructed on such assumptions and is regularly updated in NBS forecasts. It serves as a reference scenario providing a consistent, model-based projection of future debt over a ten-year horizon. It is derived from NBS forecasts (typically for a shorter three-year horizon), while the trajectory of the structural primary deficit and government debt beyond the forecast horizon is set so that fiscal rules are met at the minimum required level (i.e. no European Commission sanctions are triggered). The rules are based on the current economic situation (over the three years to the end of the forecast) and on simulated expected economic developments (convergence of key variables: GDP growth converges towards potential growth; inflation converges towards long-term inflation; interest rates converge towards average market expectations).

Chart 43
General government gross debt under DSA[8] scenarios (percentages of GDP)



Source: NBS.

3.4 Risks to the forecast

The Slovak economy continues to face substantial uncertainty. The risks to the economic growth outlook for 2026 are balanced, while the risks in subsequent years are tilted to the downside. On the one hand, a more resilient global economy, coupled with reduced uncertainty and a better outlook, could support Slovakia's export-oriented economy. On the other hand, public finances still need to be repaired, as only around one-third of the desired consolidation effort has been achieved. This may limit growth prospects, particularly in the near term. Moreover, although heightened trade tensions have not significantly scarred the global economy, Slovakia and the euro area could lose further ground in global markets due to declining competitiveness.

As regards the inflation outlook, the biggest risk continues to be energy price adjustments (Box 3). Some information on energy price support for households has been released, reducing the risk for 2026.However the risk to the 2027 and 2028 inflation outlooks remains high, as it is unclear whether and in what form price support will continue. It is therefore not possible to determine the prevailing direction of the risks to price developments. Given that price support for households is targeted at only part of the population, it is difficult to foresee how households will respond and what the impact will be on consumer demand and inflation.

[8] DSA stands for debt sustainability analysis. The DSA analyses debt sustainability by simulating possible scenarios of public debt developments under certain assumptions. This approach is suitable for projecting medium to long-term trajectories over a horizon of 3 to 15 years. The DSA's core component includes a set of deterministic projections based on fiscal consolidation scenarios up to 2034 and on assumptions for macroeconomic and financial variables, including the assumption of population ageing.

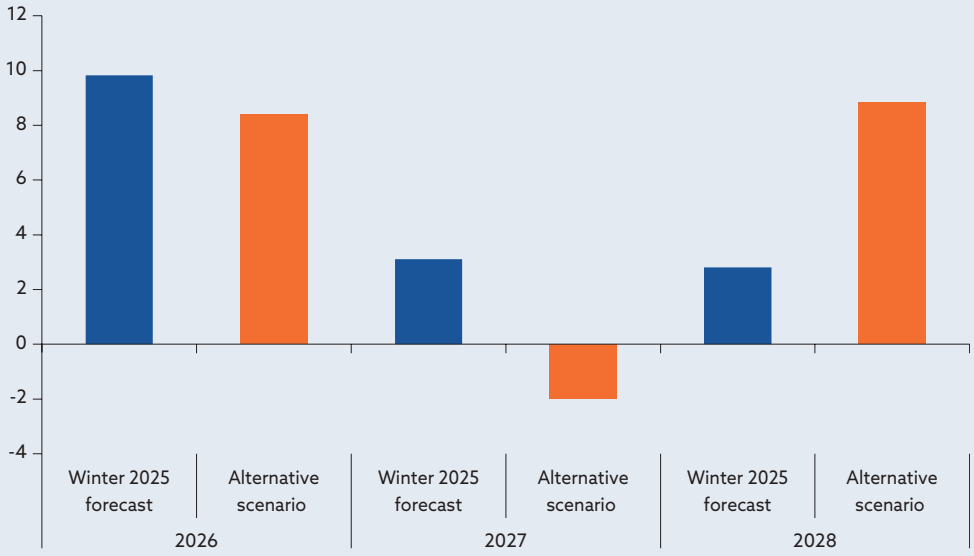
BOX 3

Scenario with alternative adjustments to administered energy prices

At the end of November 2025, the Slovak government announced more detailed information on the energy price support scheme for households in 2026. According to our calculations, energy prices could increase somewhat less next year than assumed in the baseline scenario of the winter 2025 forecast. As a result, headline inflation in 2026 could be lower by 0.2 percentage points, while the impact on the economy would be negligible.

To what extent administered energy prices will be adjusted in the following years remains, however, a major unknown. For this reason, we have designed an alternative scenario in which, in addition to slightly improving the outlook for 2026, we also reassess the technical assumptions for the subsequent two years. Under this scenario, energy price support in 2027 remains roughly at the same level as that announced for 2026, with energy prices not returning to market levels until 2028. This differs substantially from the winter forecast, in which energy prices are assumed to be brought fully in line with market levels in 2027. In the energy price support scenario, headline inflation is lower in 2027 (just below 2%), but higher in 2028 (3.3%), with corresponding effects on economic growth.

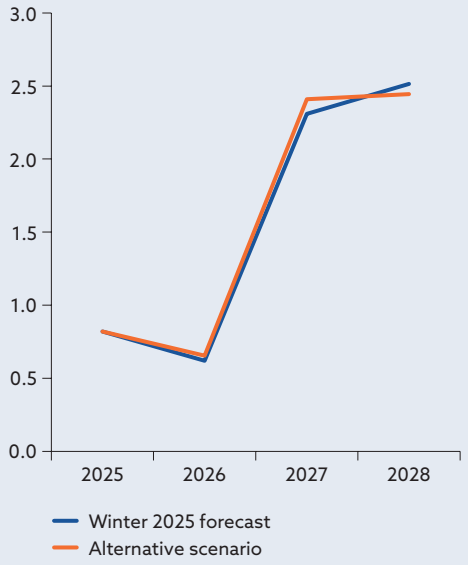
Chart A
Energy prices (annual percentage changes)



Source: NBS calculations.

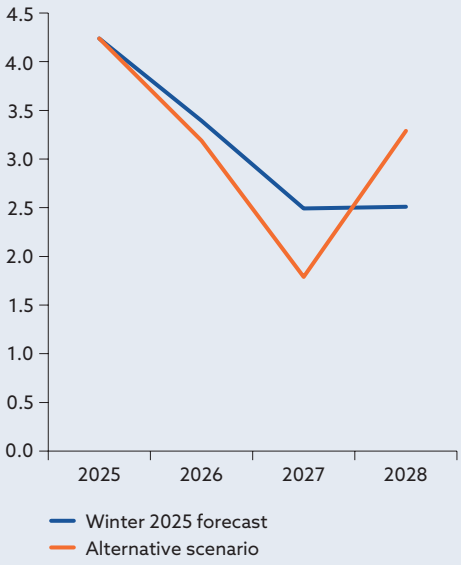
In the alternative scenario, the additional energy price support in 2027 slightly boosts economic growth (by 0.1 pp), but at the cost of slower growth in 2028.

Chart B
GDP (annual percentage changes)



Source: NBS calculations.

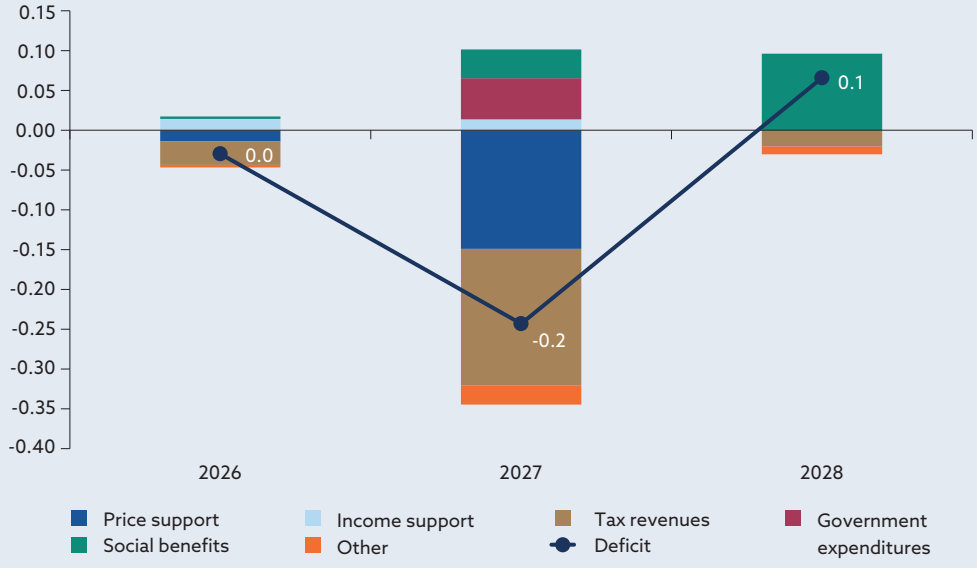
Chart C
Inflation (annual percentage changes)



Source: NBS calculations.

The alternative scenario's additional energy price support in 2027 implies costs that increase the general government deficit by 0.2 pp of GDP. These are mainly the direct additional costs of price support related to households' gas payments, as well as the negative price effects on tax revenues stemming from lower nominal economic growth – with slower price growth also resulting in lower tax revenues. The negative effects are partly offset by savings for the government arising from lower inflation – in particular from slower wage growth in the public sector and, to a lesser extent, from lower growth in government consumption. In 2028 the negative impact of higher energy price support on public finances fades. By contrast, in the same year, the lagged positive impact of lower inflation on the indexation of social benefits improves the fiscal deficit by 0.1 pp of GDP.

Chart D
Impacts of energy price support on public finances (percentages of GDP)



Source: NBS calculations.

Table 5
Forecast for key macroeconomic indicators

Winter 2025 medium-term forecast (MTF-2025Q4)									
Indicator	Unit	Actual data	Winter 2025 forecast (MTF-2025Q4)				Difference vis-à-vis the autumn 2025 forecast (MTF-2025Q3)		
		2024	2025	2026	2027	2028	2025	2026	2027
Price developments									
HICP inflation	annual percentage change	3.2	4.2	3.4	2.5	2.5	0.0	-0.2	-0.9
CPI inflation	annual percentage change	2.8	4.0	3.3	2.6	2.6	-0.1	-0.2	-0.9
GDP deflator	annual percentage change	3.4	3.9	3.1	2.4	2.3	0.1	-0.2	-0.6
Economic activity									
Gross domestic product	annual percentage change, constant prices	1.9	0.8	0.6	2.3	2.5	0.0	0.1	0.2
Private consumption	annual percentage change, constant prices	3.3	1.1	0.0	1.4	1.1	0.0	0.3	0.4
General government final consumption	annual percentage change, constant prices	4.0	1.0	0.1	1.6	1.5	-0.1	0.6	0.3
Gross fixed capital formation	annual percentage change, constant prices	1.6	1.8	0.4	-0.7	2.4	0.1	-0.4	1.2
Exports of goods and services	annual percentage change, constant prices	-0.5	4.1	1.1	4.1	4.2	0.4	0.0	0.1
Imports of goods and services	annual percentage change, constant prices	1.9	4.3	0.4	2.8	3.2	-0.8	-0.4	0.5
Net exports	EUR millions at constant prices	3,419	3,425	4,126	5,554	6,749	630.8	1,016.2	698.2
Output gap	percentage of potential output	0.3	-0.6	-1.6	-1.2	-0.8	-0.1	0.0	0.2
Gross domestic product	EUR millions at current prices	130,208	136,413	141,479	148,225	155,506	-716.1	-941.5	-1,476.4
Labour market									
Employment	thousands of persons, ESA 2010	2,430	2,426	2,415	2,410	2,414	-3.3	-0.8	9.3
Employment	annual percentage change, ESA 2010	-0.2	-0.2	-0.4	-0.2	0.2	-0.1	0.1	0.4
Number of unemployed	thousands of persons, LFS [1)]	148	149	169	179	173	0.8	1.6	-4.3
Unemployment rate	percentage	5.3	5.4	6.1	6.5	6.3	0.0	0.0	-0.2
NAIRU estimate [2)]	percentage	6.1	6.1	6.1	6.0	6.0	0.0	0.0	0.0
Labour productivity [3)]	annual percentage change	2.1	1.0	1.1	2.5	2.3	0.1	0.0	-0.2
Nominal productivity [4)]	annual percentage change	5.6	5.0	4.2	5.0	4.7	0.3	-0.2	-0.8
Nominal compensation per employee	annual percentage change, ESA 2010	7.7	6.5	3.3	4.2	4.5	0.2	-0.3	-0.6
Nominal wages [5)]	annual percentage change	6.4	5.7	3.3	4.1	4.2	-0.2	-0.3	-0.6
Real wages [6)]	annual percentage change	3.5	1.7	0.0	1.5	1.6	-0.1	-0.1	0.3
Households and non-profit institutions serving households									
Disposable income	annual percentage change, constant prices	4.3	-0.4	-0.4	2.3	1.9	-0.1	0.4	0.6
Saving ratio [7)]	percentage of disposable income	8.1	7.1	6.8	7.6	8.3	2.3	2.4	2.6

Table 5
Forecast for key macroeconomic indicators (continued)

Indicator	Unit	Actual data	Winter 2025 forecast (MTF-2025Q4)				Difference vis-à-vis the autumn 2025 forecast (MTF-2025Q3)		
		2024	2025	2026	2027	2028	2025	2026	2027
General government sector [8]									
Total revenue	percentage of GDP	42.0	43.3	43.1	42.0	41.5	0.5	-0.3	-0.3
Total expenditure	percentage of GDP	47.5	47.5	48.0	47.7	46.6	0.4	-0.1	0.1
General government balance [9]	percentage of GDP	-5.5	-4.8	-4.5	-4.6	-4.3	0.1	-0.2	-0.4
Cyclical component	percentage of trend GDP	0.1	-0.1	-0.5	-0.4	-0.3	0.0	0.0	0.1
Structural balance	percentage of trend GDP	-5.7	-4.7	-4.1	-4.2	-4.0	0.1	-0.2	-0.4
Cyclically adjusted primary balance	percentage of trend GDP	-4.2	-3.1	-2.5	-2.6	-2.3	0.2	-0.1	-0.3
Fiscal stance [10]	annual percentage point change	0.2	1.1	0.6	-0.1	0.3	0.4	-0.3	-0.2
General government gross debt	percentage of GDP	59.7	61.8	63.7	64.8	65.8	0.7	1.4	2.2
Balance of payments									
Goods balance	percentage of GDP	-0.8	-1.1	-1.0	0.1	1.0	0.5	0.4	0.2
Current account	percentage of GDP	-4.6	-4.0	-4.2	-3.1	-2.0	0.5	0.4	0.2
External environment and technical assumptions									
Slovakia's foreign demand	annual percentage change	0.9	3.4	2.6	3.3	3.2	0.8	0.5	0.2
USD/EUR exchange rate [11], [12]	level	1.08	1.13	1.16	1.16	1.16	-0.3	-1.2	-1.2
Oil price in USD [11], [12]	level	81.2	69.2	62.5	62.6	64.0	-1.1	-5.4	-5.0
Oil price in USD [11]	annual percentage change	-2.9	-14.8	-9.7	0.2	2.2	-1.0	-4.1	0.5
Oil price in EUR [11]	annual percentage change	-2.9	-18.3	-12.0	0.2	2.2	-0.7	-3.2	0.5
Non-energy commodity prices in USD	annual percentage change	9.2	5.7	0.1	0.5	-0.3	0.9	1.1	-0.4
Electricity price in EUR/MWh [11]	annual percentage change	-24.9	8.0	-10.5	-1.8	-3.1	-0.8	-2.5	4.1
Gas price in EUR/MWh [11]	annual percentage change	-15.3	6.1	-18.9	-7.1	-9.1	-2.3	-7.0	2.5
Three-month EURIBOR	percentage per annum	3.6	2.2	2.0	2.1	2.3	0.0	0.1	0.0
Ten-year Slovak government bond yield	percentage	3.5	3.4	3.5	3.6	3.7	-0.1	-0.1	-0.1

Sources: NBS, ECB, and SO SR.
Note:
1) Labour Force Survey.
2) Non-accelerating inflation rate of unemployment
3) GDP at constant prices / employment (ESA 2010).
4) Nominal GDP divided by persons in employment (according to SO SR quarterly statistical reporting).
5) Average monthly wages (ESA 2010).
6) Wages (ESA 2010) deflated by CPI inflation.
7) Saving ratio = gross savings / (gross disposable income + adjustments for any pension entitlement change)*100. Gross savings = gross disposable income + adjustments for any pension entitlement change – private consumption.
8) Sector S.13.
9) B9n – Net lending (+) / net borrowing (-).
10) Year-on-year change in cyclically adjusted primary balance; a positive value denotes a restrictive stance.
11) Year-on-year percentage changes and changes vis-à-vis the previous forecast are calculated from unrounded figures.
12) Changes vis-à-vis the previous forecast (percentages).

More detailed time series of selected macroeconomic indicators can be found on the NBS website at:
https://nbs.sk/en/publications/economic-and-monetary-developments/