Slovakia

1. EU Competitiveness

Question 1	To what extent do you consider the European Commission's overall policy stance supportive of competitiveness and growth compared to 12 months ago?	Unchanged
Question 2	In light of the legislative changes introduced and implemented by the European Commission, how would you evaluate the evolution of administrative burden compared to a year ago?	Increased slightly
Question 3	How do you think the EU investment environment is seen by global firms compared to 12 months ago?	Unchanged
Question 4	What does your federation see as the three main challenges threatening the attractiveness of the EU as an investment environment vis-a-vis international competitors?	1. Regulatory environment 2. Energy prices 3. Access to finance

2. National Recovery and Resilience Plans

Question 8	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan?	Satisfied
Question 9	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	Neutral
Question 10	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident

3. Assessment of Country Specific recommendations 2023 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR **1**	Wind down the emergency energy support measures in force, using the related savings to reduce the government deficit, as soon as possible in 2023 and 2024. Should renewed energy price increases necessitate new or continued support measures, ensure that such support measures are targeted at protecting vulnerable households and firms, are fiscally affordable and preserve incentives for energy savings. Ensure prudent fiscal policy, in particular by limiting the nominal increase in nationally financed net primary expenditure in 2024 to not more than 5,7 %. Preserve nationally financed public investment and ensure the effective absorption of grants under the Facility and of other Union funds, in particular to foster the green and digital transitions. For the period beyond 2024, continue to pursue a medium-term fiscal strategy of gradual and sustainable consolidation, combined with investments and reforms conducive to higher sustainable growth, in order to achieve a prudent medium-term fiscal position. Make the tax mix more efficient and more supportive of inclusive and sustainable growth, including by leveraging the potential of environmental and property taxation. Continue to strengthen tax compliance, including by further digitalising the tax administration. Reduce the risks related to household debt by supporting housing supply and the expansion of the rental market.	Extremely important	Unsatisfactory	The effort of the government to ensure a stable and balanced state budget has not been adequate, with the proposed level of consolidation also inadequate. The need to stabilize the state budget has mostly been addressed by increasing budget income via additional taxation or increase in government fees for citizen services, yet no effort has been made to curtail government spending via consolidation measures in the public sector.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR **2**	Maintain the momentum in the steady implementation of its recovery and resilience plan and, following the recent submission of the addendum, including the REPowerEU chapter, rapidly start the implementation of the related measures. Proceed with the speedy implementation of cohesion policy programmes, in close complementarity and synergy with the recovery and resilience plan.	Important	Mixed	While overall, the implementation of the RRF has continued, there were several draft laws/reforms linked to RRF milestones that have proven difficult to implement or have not yet been implemented. With the introduction of a new government in late 2023, we also expect some backtracking on the reform effort, in some specific areas of the RRF priorities.
CSR **3**	Reduce the economy's reliance on fossil fuels, in particular natural gas in industry and heating, and diversify imports of fossil fuels. Accelerate the deployment of renewables, particularly for wind, solar, geothermal and renewable gases, in line with relevant sustainability criteria. Simplify permitting and administrative procedures for deploying renewables, including by establishing 'one-stop shops' and 'go-to' areas. Modernise the electricity network and make the procedures for connecting renewables to the grid more efficient and less burdensome. Accelerate and incentivise deep renovations of public and private buildings, address energy poverty through housing renovations for low-income households, and step up policy efforts aimed at the provision and acquisition of skills and competences needed for the green transition.	Important	Unsatisfactory	The situation with renewables remains unchanged and the new government programme shows little ambition to change the status quo (in terms of sources coming online or length of permitting). The programme affirms the need to diversify gas supplies and support LNG terminal construction, to use waste as an energy source (most likely in incineration), as well as to support nuclear energy in general (diversify fuel supplies, additional reactors/SMRs) or geothermal sources. There is an explicit committment to modernize existing hydropower plants, but very little detail as to what the support measures will be for additional renewable sources or support for expansion of the electricity grids.

4. Reform Progress in your Member State in 2023

How would you assess reform progress in 2023, for the following broad areas:

Taxation and Public Finances	Unsatisfactory
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	Mixed
Innovation and skills	Unsatisfactory
Access to finance and Financial stability	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2024 Reform Barometer?

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5. Reform priorities for 2024

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Pension and health care reforms	The healthcare sector remains underfunded and understaffed, with public hospitals remaining in deep debt and labour shortages, leading to a declining quality of care and serious issues with timely access to necessary healthcare services (especially access to specialist doctors). The number of medical professionals (family doctors, nurses, specialist doctors) continues to decline and the government is not proposing any measures to address the brain-drain in healthcare or the severe under-funding of the public hospital system. Measures need to be taken in all of these areas. With regards to pensions, the country faces negative demographic trends and increased number of pensioners, which has had a devastating effect on the labour market. The stability of the public pension system as a whole is therefore under threat and the reforms of the so-called 2nd pension pillar disproportionately affect younger workers. A valorization of pensions is proposed for 2024, but the stability of the pension system needs to be strengthened.	no
Priority 2	Consolidation of public expenditures	The proposed level of consolidation of public finances, according to the state budget for 2024, remains insufficiently ambitious and could lead to fiscal instability in the medium- and long-term, with public debt further rising as the government continues to support expansive social policies. There are no spending limits introduced, which goes contrary to EU fiscal policy and endangers public finances and access to EU/RRF funding. The government has introduced several measures to further increase govt income (mainly additional, sector-specific taxation), but no measures to curtail its own spending.	no

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 3	Business Environment - Regulatory barriers to entrepreneurship	There is a need to ensure the stability of the business environment via standard legislative procedures, prevent the overuse of the shortened legislative procedure, ensure due consultations with the social partners and efficient impact assessments of proposed draft laws, ensure well-functioning court system and rule of law, minimize gold-plating. So far, several crucial pieces of legislation were introduced under the expedited legislative procedure and therefore government priorities in this area are mostly declaratory.	Yes, to some extent, some purely declaratory
Priority 4	Labour market mismatch and labour mobility	There is a long-term need to support investments into higher learning, long-life learning and dual learning, active labour policies for the unemployed, prepare a strategy for addressing current demographic trends (increase in pensioners), labour shortages and barriers to labour market access for women, migrant workers.	Yes, to some extent, some purely declaratory
Priority 5	R&D and Innovation	The government should continue to implement R&D and innovation policies already set, incl. talent retention and attraction policies and measures, retain the system of research grants and carry on with planned calls for proposals (linked to RRF), generally support R&D cooperation between academia and the private sector, increase the quality of science management (finance, infrastructure, support to excellence).	no

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