



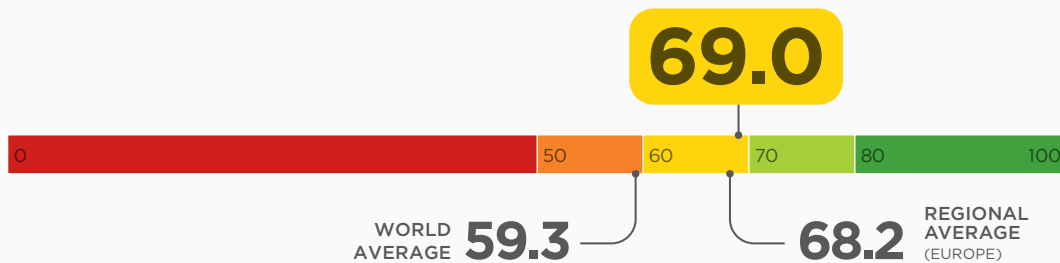
WORLD RANK:	REGIONAL RANK:
33	20
ECONOMIC FREEDOM STATUS: MODERATELY FREE	

SLOVAKIA

Slovakia's economic freedom score is 69.0, making its economy the 33rd freest in the 2023 *Index*. Its score has decreased by 0.7 point from last year. Slovakia is ranked 20th out of 44 countries in the Europe region, and its overall score is above the world and regional averages.

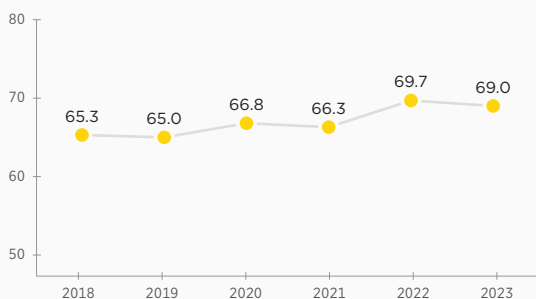
The pillars of economic freedom are relatively well maintained. Slovakia has a transparent and stable business climate and a dynamic entrepreneurial environment. Barriers to trade are low, and commercial operations are aided by efficient regulations that generally support open-market policies. Foreign investment is welcome, and the financial sector is relatively sound.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +8.6

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
5.4 million

GDP (PPP):
\$193.6 billion
3.0% growth in 2021
5-year compound
annual growth 1.6%
\$35,463 per capita

UNEMPLOYMENT:
6.7%

INFLATION (CPI):
2.8%

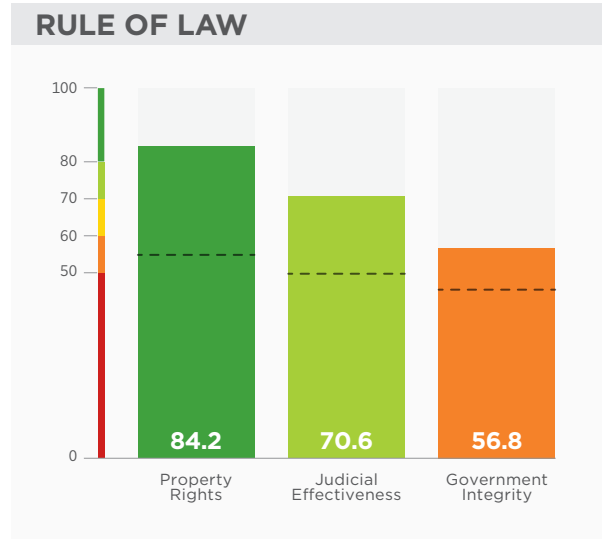
FDI INFLOW:
\$58.7 million

PUBLIC DEBT:
63.1% of GDP

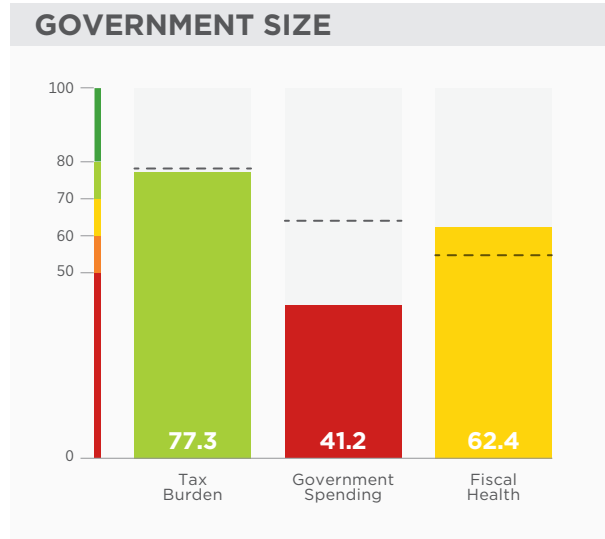
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: After Slovakia gained independence from Czechoslovakia in 1993, market reforms made it one of Europe's rising economic stars. Slovakia entered the European Union and NATO in 2004 and the eurozone in 2009. Prime Minister Eduard Heger of the anticorruption Ordinary People and Independent Personalities–New Majority (OLaNO–NOVA) leads a four-party center-right governing coalition. The 2018 murder of an investigative journalist sparked massive anticorruption protests and a backlash against the once-dominant center-left Smer party. Slovakia's first female president, independent Zuzana Caputová, was elected in 2019. The country's small, open economy is driven mainly by exports of automobiles and electronics.

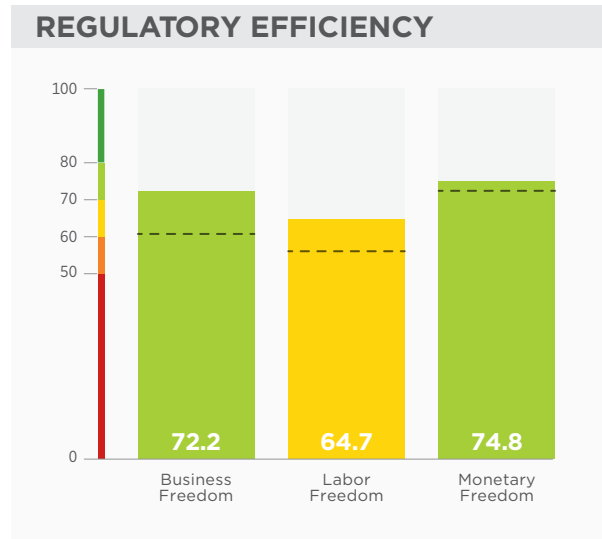
12 ECONOMIC FREEDOMS | SLOVAKIA



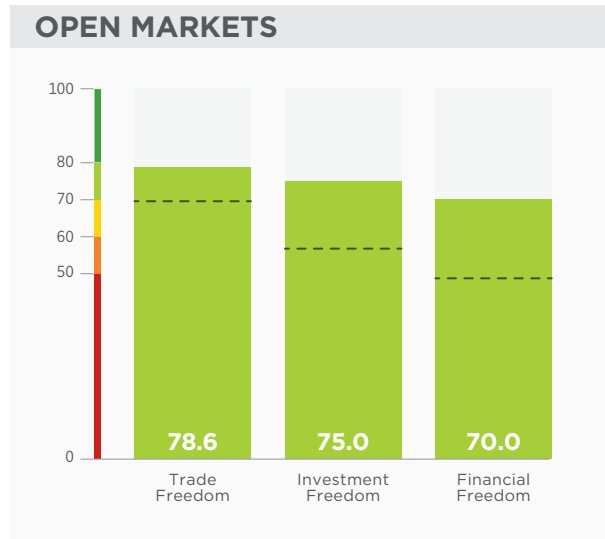
The overall rule of law is well respected in Slovakia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 25 percent and 21 percent. The tax burden equals 34.8 percent of GDP. Three-year government spending and budget balance averages are, respectively, 44.3 percent and -4.3 percent of GDP. Public debt equals 63.1 percent of GDP.



The regulatory framework has undergone a series of reforms to facilitate entrepreneurial activity, but the pace of reform has slowed in comparison to other emerging economies. The labor market lacks flexibility. The most recent available inflation rate is 2.8 percent.



The trade-weighted average tariff rate (common among EU members) is 3.2 percent, and more than 600 EU-mandated nontariff measures are in force. Full foreign ownership is permitted in most sectors. The banking sector remains relatively sound.