

Slovakia leaps out of recession

On 12 May the Slovak Statistical Office announced that in the first quarter of 2010 the Slovak GDP has increased by 4.5% year on year, which probably constitutes the best result in the EU (Poland has not yet revealed its quarterly statistics). The data shows that after the deep recession of 2009 (a decrease in GDP of 4.7%) Slovakia has entered a period of a high economic growth rate. This is confirmed by the EC's forecasts for April, according to which Slovakia will be the most dynamically developing EU country in 2010 (an expected growth of 2.7% of GDP).

The Slovak economy (similarly to the Polish one) has been growing decidedly faster than the economies of other EU countries from Central and South-Eastern Europe. Besides Slovakia and Poland, only the Czech Republic noted an increase in GDP (1.2%), whereas the remaining states are still struggling with the recession – Hungary (-0.8%), Estonia (-2.3%), Romania (-2.5%), Lithuania (-2.8%), Bulgaria (-4.0%), Latvia (-5.1%).

Detailed data about the structure of Slovakia's increase in GDP in the first quarter of 2010 are lacking but its main driving force is probably export (in the first quarter a record increase was observed – 16.9% year on year. A high degree of openness and a structure of exports not very diversified (motor industry, electronics) make the Slovak economy vulnerable to large variations in the speed of economic growth. Currently, Slovakia is making use of the improving economic situation in the EU (particularly in Germany). However, earlier its recession had a strong impact on the Slovak economy. Slovakia in the first quarter of 2009 experienced one of the largest slumps in GDP in Europe (-11.2%).

Good economic results will be an asset in the election campaign of the centre-left party, Smer, of Prime Minister Robert Fico in the parliamentary election scheduled for 12 June. Surveys reveal that support for Smer, although it shows a downward tendency, is at 40%.<dab>