

To the Seimas of the Republic of Lithuania

OPINION ON THE STRUCTURAL ADJUSTMENT TARGET

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Vilnius

THE 2026 BUDGET COMPLIES WITH EUROPEAN UNION RULES, BUT ADDITIONAL REVENUES WILL BE NEEDED

The Fiscal Institution, whose functions are performed by the National Audit Office (hereinafter – NAO FI) submits to the Seimas its opinion on the Draft Law on Budget Approval of the Republic of Lithuania for the period 2026–2028¹ (DB2026).

The NAO FI examined the DB2026 and assessed whether the 2025–2026 general government budgets comply with the applicable national fiscal discipline rules. It also analysed the projected growth in net expenditure over the medium term and provided forecasts for fiscal indicators (general government revenue, expenditure, balance and debt) for 2025–2028.

Key messages:

- **If the planned changes to national fiscal discipline rules are not adopted, the 2026 draft budget would not comply with some of the rules currently in force.**
- **When changing fiscal discipline rules, it is important to ensure that municipalities also contribute to the sustainability of public finances, as unreasonable loosening would reduce the state's ability to finance other important areas.**
- **The general government deficit in 2026 will be higher than in 2025, with advance payments for military equipment, weapons and inventories contributing to an even faster increase in debt.**
- **With defence expenditure on the rise, fiscal policy will stimulate the country's economy in 2026.**
- **Considering the decisions taken almost every year that are not provided for in the draft budget, the general government deficit will exceed the 3% of GDP threshold as early as 2028.**
- **While the national escape clause for defence is in force, the draft budget complies with EU rules, but before it expires, it is necessary to secure sustainable sources of funding for defence and other areas.**

¹ Available online: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAP/d78ebe70ab1311f09acade6e6b5e7456>.

SUMMARY

In 2025, the application of national fiscal discipline rules in Lithuania is narrowed because this year is considered a transitional period until the new EU directive on economic governance is transposed into national law. For this reason, the rules limiting the general government deficit do not apply in 2025. In the opinion of the NAO FI, the budget of the State Social Insurance Fund will comply with the requirements of the Constitutional Law on the Implementation of the Fiscal Treaty of the Republic of Lithuania (hereinafter – CL), but there is a risk that the budget of the Compulsory Health Insurance Fund will not comply with the rule. The deficit for 2026 envisaged in the draft budget for 2026–2028 does not comply with the requirements of the surplus general government rule. **If the amendments to the Constitutional Law on the Implementation of the Fiscal Treaty of the Republic of Lithuania were adopted, the fiscal discipline rules for budgets of social security funds would be abolished and the 2026 deficit would comply with the new rules.** The alignment of national legislation with the new EU rules will have to be completed by the end of 2025.

The CL Amendment Act transposes the European Union's fiscal discipline rules into national law. In the new EU economic governance framework, the main restrictive indicator is net expenditure, the growth trajectory of which is set by countries in their fiscal structural plans. Net expenditure includes general government expenditure net of interest expenditure, discretionary revenue measures, expenditure on programmes of the EU fully matched by revenue from EU funds, national expenditure on co-financing of programmes funded by the EU, cyclical elements of unemployment benefit expenditure, and one-offs and other temporary measures. The amendment to the CL also provides for changes to the fiscal discipline rules for municipalities – regardless of the economic cycle, municipalities will be allowed to run higher deficits. The Association of Local Authorities in Lithuania and the President of the Republic of Lithuania have submitted additional proposals providing for broad exemptions for municipalities to borrow for investment projects. **The NAO FI warns that such unreasonable flexibility would pose risks to the sustainability of public finances, reduce the credibility of fiscal discipline assessments and limit the fiscal space of the state budget, especially in view of rising defence expenditure.**

The general government deficit projections for 2025–2026 by the NAO FI and the Ministry of Finance do not differ significantly. The increasing structural deficit indicates that fiscal policy is stimulating the economy. The economic stimulus in 2026 will be driven mainly by rising defence expenditure. The draft budget for 2027–2028 does not include a large part of the decisions that are usually taken. As the NAO FI included assumptions about these decisions in its fiscal projections, the estimates for the balance differ for this period. **According to the NAO FI's assessment, the general government deficit will reach around 3% of GDP in 2027 and exceed this limit in 2028.** According to DB2026, Lithuania will comply with the net expenditure growth limits approved by the European Council in 2025–2028, considering that the defence expenditure clause allows for a deviation of up to 1.5% of GDP. According to the NAO FI assessment, the possible 0.6% of GDP margin of error may be exceeded in 2027–2028.

To avoid a sudden fiscal adjustment after 2028, Lithuania should take decisions in advance on sustainable sources of defence funding. As the EU defence expenditure escape clause is expected to be fully used by 2028, stricter measures will be needed to reduce the deficit after that period. This is linked to the fact that, due to high ageing costs, a worsening structural balance, and rising general government debt, the fiscal discipline rules will require a faster pace of reducing the general government deficit than the current rules require, even after taking into account the application of the escape clause. Due to the accrual basis of accounting, military

expenditure has a smaller impact on the general government deficit than it would under the cash basis. This means that in subsequent years, when military equipment, weapons and inventories are delivered, this dynamic will change and, in order not to exceed the deficit limits, it may be necessary to reduce expenditure in other areas of the public sector.

Advance payments for military equipment, weapons and inventories are already increasing the public debt. In the medium term, Lithuania's public debt will grow rapidly and, according to the NAO FI assessment, may reach around 51% of GDP in 2028. This would be 12.5 percentage points more than in 2024. This indicates that pressure on public finances will remain high in the medium term and will require additional sources of revenue.

1. FISCAL DISCIPLINE RULES

1.1. National fiscal discipline rules

The application of national fiscal discipline rules is narrowed in 2025. In Lithuania, fiscal discipline is defined by the Constitutional Law on the Implementation of the Fiscal Treaty (CL). Due to changes in economic governance at EU level in 2024, the CL and related laws are being amended to bring national fiscal discipline rules (FDR) in line with EU rules. With the transposition of the EU directive into national legislation, this year is considered a transitional period – it must be transposed by the end of 2025. At the end of 2024, the Seimas adopted the Government's proposal to amend the CL, according to which, when planning the 2025 budgets, the general government (GG) expenditure growth limitation and surplus GG rules do not apply, and no structural adjustment targets will be set². In its assessment of the 2025–2027 draft budget³, the NAO FI noted that this decision poses risks to long-term fiscal sustainability, as it creates uncertainty about the stability of the fiscal system and postpones the resolution of fiscal problems to the future. Considering the narrowed application of the FDR, only the compliance of social security funds and municipal budgets with the requirements of the CL is assessed this year.

The interim assessment indicates a risk that the budget of the Compulsory Health Insurance Fund (CHIF) will not comply with fiscal discipline rules in 2025 (Table 1). The NAO FI forecasts that the structural balance of the State Social Insurance Fund (SSIF) will reach 1.3% of GDP and will be in surplus, thus meeting the requirements of the CL. Meanwhile, the rule that the CHIF budget must be in surplus or balanced may be breached, as the NAO FI estimates that the structural balance will be –0.1% of GDP. According to a preliminary assessment⁴, the 2025 budgets of two municipalities did not meet the requirements set for them. The final assessment will be presented in the first half of 2026.

Table 1. Compliance with fiscal discipline rules in 2025–2026

Fiscal discipline rules	2025	2026
Surplus GG rule	Not applicable	✘
GG expenditure growth limitation rule	Not applicable	Not applicable
Rules for the Budgets Attributable to GG, including:		
State Social Insurance Fund	✓	✓
Compulsory Health Insurance Fund	✘	✓
Local government sub-sector	Compliance with the FDR will be assessed in the first half of 2026	

✓ – compliance, ✘ – risk of non-compliance

Source: the National Audit Office, implementing the function of a fiscal institution

According to preliminary estimates, if the amendments to the CL are not adopted, there is a risk that some fiscal discipline rules will not be complied with in 2026. By the end of this year, national legislation needs to be aligned with the changed EU economic governance framework, so it is likely that compliance in 2026 will need to be assessed under the new rules. From 2026 onwards, the FDR would apply in full. However, the GG expenditure growth limitation rule would still not apply due to the projected negative output gap. The surplus GG rule is assessed against the medium-term objective (MTO), which is currently not set. Based on Article

² Available online: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/91298c90b3b011efbb3fe9794b4a33e2>.

³ Available online: <https://www.valstybeskontrole.lt/EN/Product/24284/opinion-on-the-structural-adjustment-target>.

⁴ Available online: <https://www.valstybeskontrole.lt/EN/Product/Download/4861>.

5 of the CL, given the medium risk to the long-term sustainability of Lithuania's public finances⁵, the MTO for 2026 should be –0.5% of GDP, i.e. the structural deficit should not exceed 0.5% of GDP. Lithuania has a national escape clause for defence expenditure activated for the period 2025–2028 (for more details, see Section 1.2). This clause allows for a structural deficit of up to 0.6% of GDP in 2026. However, the structural balance projected by the Ministry of Finance (MoF) is –2.5% of GDP, and according to the NAO FI assessment, –2.6% of GDP⁶, so the rules would not be complied with even taking into account the escape clause for defence expenditure. This conclusion would not change even if the lowest possible MTO of –1% of GDP was set. The rules would also not be complied with if a structural adjustment target was set. According to the preliminary assessment of the NAO FI, the rules applied to the SSIF and CHIF will be complied with, as the projected structural balances are 1.7% and 0.0% of GDP, respectively. However, it should be noted that, if national legislation is amended, compliance will be assessed in accordance with the updated rules.

1.2. EU fiscal discipline rules

Net expenditure is the key indicator in the new EU economic governance framework. In their fiscal structural plans (FSP), countries set out their net expenditure plans, which they commit to implementing. This is a multi-annual trajectory of a Member State's nominal net expenditure, defined in terms of annual growth rates. Net expenditure⁷ is general government expenditure net of interest expenditure, discretionary revenue measures, expenditure on programmes of the Union fully matched by revenue from Union funds, national expenditure on co-financing of programmes funded by the Union, cyclical elements of unemployment benefit expenditure, and one-offs and other temporary measures. The net expenditure growth limits set out in the FSP and approved by the European Council for Lithuania in July this year⁸ apply for 2025–2028. As Lithuania is using a national escape clause for defence expenditure⁹, which allows it to deviate from the approved net expenditure growth limits, the European Commission (EC) will assess the cumulative deviation of planned net expenditure growth each year when deciding on compliance with EU fiscal discipline rules (considering the clause). The cumulative deviation in each year of the FSP until 2028 cannot exceed 0.6% of GDP.

The net expenditure growth planned in the draft budget, considering the defence expenditure clause, complies with EU fiscal discipline rules. According to DB2026, the cumulative deviation (considering the clause) does not exceed 0.6% of GDP in any year, and therefore the growth in net expenditure complies with EU rules. The compliance of the expenditure envisaged in DB2026 with the net expenditure growth limits is presented in Annex 2. The defence expenditure clause allows for a deviation from the net expenditure growth limits set in the FSP of no more than 1.5% of GDP, provided that this deviation is explained by an increase in defence expenditure¹⁰ compared to the level of this expenditure in 2021. It should be noted that the draft budget foresees that 1.2% of GDP will be used in 2025. From 2026 onwards,

⁵ Available online: https://economy-finance.ec.europa.eu/document/download/581dbeab-4e86-44b9-afbe-6da8a1572491_en?filename=ip306_en.pdf.

⁶ Estimates differ due to different balance and potential GDP projections.

⁷ In accordance with Regulation (EU) No 2024/1263 of the European Parliament and of the Council. Available online at: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L_202401263.

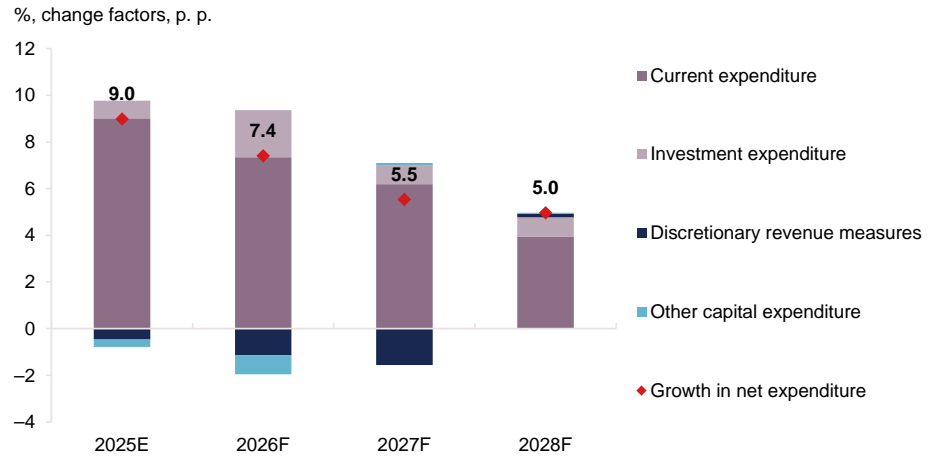
⁸ Council Recommendation on Lithuania's national medium-term fiscal framework plan. Available online at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C_202503959.

⁹ Council Recommendation allowing Lithuania to deviate from the maximum rate of net expenditure growth set by the Council in accordance with Regulation (EU) 2024/1263. Available online: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C_202503969.

¹⁰ According to COFOG.02.

it will be used in full. The biggest impact on the projected net expenditure growth rate in DB2026 is from current expenditure (social benefits, wages, intermediate consumption) (Figure 1). It should be noted that the level of nationally financed investment is maintained in the medium term. This is in line with the EC's recommendation to Lithuania of 21 October 2024¹¹. On the other hand, in 2028, the overall impact of discretionary revenue measures is expected to reduce fiscal space and contribute to faster net expenditure growth.

Figure 1. Most of the net expenditure growth projected in DB2026 consists of current expenditure



E – expected, F – forecast

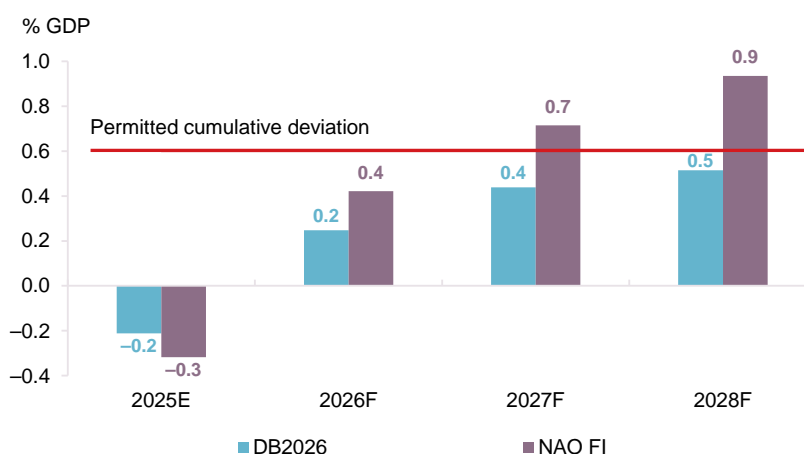
Source: DB2026, calculations by the National Audit Office implementing the function of a fiscal institution

Based on the NAO FI balance projections, which include typically envisaged long-term liabilities, there is a risk of non-compliance with EU fiscal discipline in 2027–2028. The projections prepared by the NAO FI include typically adopted decisions that increase long-term government expenditure (Table 2). The NAO FI estimates that net expenditure growth will average 7.0% per year over 2025–2028 (Annex 4). This is 0.3 percentage points higher than the 6.7% projected in DB2026. Based on the NAO FI projections and taking into account the escape clause for defence expenditure, the cumulative net expenditure deviation in 2027 and 2028 exceeds the 0.6% GDP thresholds, respectively by 0.1 and 0.3 p.p. (Figure 2 and Annex 3). If this risk materialises, the EC will prepare an opinion under Article 126(3) of the Treaty on the Functioning of the European Union¹² to assess whether there are grounds for initiating an excessive deficit procedure. The increasing pressure to take on long-term commitments poses risks that Lithuania will not comply with the net expenditure path during the fiscal adjustment period in 2027–2028. To ensure the sustainability of public finances in the medium and long term, it is necessary to identify new sources of long-term sustainable revenue.

¹¹ The Council recommended that Lithuania should maintain public investment financed from national resources and ensure the effective implementation of Union funds, with a view to promoting green and digital transitions. Available online: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C_202406822.

¹² Available online: https://eur-lex.europa.eu/eli/treaty/tfeu_2016/art_126/oj.

Figure 2. According to the NAO FI assessment, the cumulative net expenditure deviation exceeds the maximum permissible limit for 2027–2028



After taking into account the flexibility of the defence expenditure clause.

E – expected, F – forecast

Source: DB2026, calculations by the National Audit Office implementing the function of a fiscal institution

The estimate of discretionary revenue measures is one of the main sources of uncertainty in assessing compliance with the net expenditure trajectory.

The impact of discretionary revenue measures on net expenditure is difficult to assess, as the EC does not provide a clear and detailed methodology. Compliance of net expenditure with the FSP commitments will depend on how the European Commission quantifies discretionary revenue measures. The assessment of the impact of the measures may differ from the estimates used by the Ministry of Finance. Therefore, the final net expenditure growth, which the EC will use to assess compliance with the growth limits set out in the FSP, will only become clear after the Member States submit their annual progress reports.

1.3. Changes to national fiscal discipline rules

A draft amendment to the CL is currently under consideration, which aims to align national fiscal discipline rules with the new EU economic governance framework.

The Government has submitted a draft amendment to the Seimas¹³, which would simplify compliance with fiscal discipline – instead of several rules based on the structural balance, medium-term objective and other indicators, there would be one main rule limiting the growth of net expenditure. It is proposed that expenditure, regardless of the sign of the output gap, should be planned so that the structural balance of the general government is not less than -1% of GDP each year. There would also be no separate rules for the SSIF and CHIF budgets. The changes would also encourage medium-term planning, as the limits on net expenditure growth would be set for a period of five years. This would also allow for a clearer preliminary assessment of whether the budgets would comply with the FDR, as *ex-post* (outturn data) assessments of the budgets would avoid structural balance recalculations. However, if the expenditure growth limits were exceeded, the deviation would have to be compensated for in the following year's budget. This compensation obligation ensures consistent pursuit of medium-term objectives. At the same time, the Threshold of Maastricht criterion would also apply: debt should not exceed 60% of GDP and the deficit should not exceed 3% of GDP, thus maintaining the financial sustainability of the general government.

The rules also provide for a certain degree of flexibility: while meeting the Thresholds of Maastricht criterion and the fiscal sustainability criteria agreed by the EU Member States, the

¹³ Available online: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAP/a7f067b0a51211f09f0b91920886a0ad>.

limits on net expenditure growth may be increased by the amount committed to increasing public investment. In addition, expenditure may be increased by the amount of discretionary revenue measures.

When changing fiscal discipline rules of municipalities, it is important to ensure that they also contribute to the sustainability of public sector finances. According to the draft amendment to the Government act, municipalities whose debt level does not exceed the set limit could have an annual budget deficit of up to 4.5% of budget revenue, provided that the cumulative deficit for three consecutive years also does not exceed 4.5%. This would create more favourable conditions for municipalities to implement long-term investment projects without violating the FDR. It is also proposed to increase the limit of guarantees from 10% to 20% of revenue and to maintain the possibility of deducting appropriations allocated to co-finance European Union and other international financial assistance from expenditure. At the same time, the additional flexibility that allowed amounts to be deducted from appropriations covered by unused part of the accrued revenue is being abandoned. The value of this revenue reached almost EUR 600 million in 2025¹⁴. According to the NAO FI assessment, the possibility of using the unused part of the accrued revenue encourages municipalities to manage their financial resources more efficiently, but the extent of their use must be balanced against the risk of increasing the overall general government deficit. Municipalities are an integral part of the general government sector, so the inclusion of unused part of the accrued revenue from previous years increases the general government deficit for the current year.

On 14 October, members of the Seimas submitted a proposal¹⁵, which would essentially apply a similar procedure to the one currently in force, whereby municipalities must balance their finances if the output gap is positive and may have deficits of up to 1.5% of revenue in other cases. In addition, not only co-financing of EU funds but also unused part of the accrued revenue may be added to revenues. This proposal differs most from the current FDR in relation to large municipalities, as the procedure for them would be harmonised with that for other municipalities. On 20 October, in response to this proposal, the Association of Local Authorities in Lithuania submitted possible amendments¹⁶. The Association of Local Authorities proposes to allow all municipalities to have a deficit of up to 1.5% of their revenue, regardless of the economic cycle, and to apply exceptions for investments financed by borrowing from the National Development Bank or international financial institutions, as well as for investment projects implemented jointly with other municipalities. On 21 October, the President of the Republic of Lithuania also submitted a proposal¹⁷ to amend the CL. This proposal is essentially in line with that submitted by the Association of Local Authorities. It provides for the municipality, when assessing the compliance of the budget with the fiscal discipline rule, to deduct from the budget appropriations allocated to investment projects financed by borrowing from international financial institutions or national development banks, and to joint investment projects implemented together with other municipalities.

The NAO FI notes that the proposals for additional flexibility for investment projects pose risks to the sustainability of public sector finances. Under the proposed provisions, municipal deficits would become virtually unlimited until the established municipal debt limits are

¹⁴ Available online: <https://www.valstybeskontrolė.lt/EN/Product/24345/opinion-on-the-compliance-with-the-fiscal-discipline-rules-of-municipal-budgets-d>.

¹⁵ Available online: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAK/440c20e0a8c311f09acade6e6b5e7456>.

¹⁶ Available online: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAK/264ee620afe211f0b28af49e6544ad31>.

¹⁷ Available online: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAK/cea07fc0ae5a11f0b28af49e6544ad31>.

reached. Based on actual debt data for 2024 and projected revenues for 2025, the borrowing space for municipalities up to the set limits amounted to more than EUR 2 billion. The wording used in these proposals is extremely broad and could cover projects that do not have a sufficient economic return to justify their implementation with borrowed funds. The term "jointly implemented projects" is particularly vague, which could potentially pave the way for excessive relaxation of fiscal discipline rules and could change the behaviour of municipalities for legal rather than economic reasons. Furthermore, the application of exemptions for investment projects would significantly increase the administrative burden on municipalities and the NAO FI. In its annual assessment of fiscal discipline rules, the NAO FI notes that municipalities face difficulties in submitting financial reports and ensuring the accuracy of data. A more complex assessment of indicators could reduce the reliability and clarity of the opinions on compliance with fiscal discipline rules. Due to the unlimited annual deficit, unrestricted municipal borrowing would have negative consequences for state budget planning, as the state would have to compensate for increased municipal deficits. Public finances must be balanced across the entire government sector. **Given the increased expenditure needs, particularly on defence, an unreasonable expansion of fiscal space for municipalities would reduce the state's ability to finance other important areas.**

2. PROJECTIONS OF GENERAL GOVERNMENT SECTOR FINANCES

2.1. Projections of general government finances for 2025–2026

The general government revenue projections in the draft budget of Lithuania for 2026–2028 are based on the latest Economic Development Scenario projections endorsed¹⁸ by the NAO FI in September 2025. The NAO FI also uses this macroeconomic scenario as a basis for its fiscal projections.

In the opinion of the NAO FI, the general government deficit projections for 2025–2026 announced in the draft budget are plausible. The draft budget for 2026–2028 envisages that the overall revenue plan from personal income tax (PIT), value added tax (VAT), excise duties and corporate income tax (CIT) will be implemented in 2025. Lower-than-planned revenues from excise duties and corporate income tax will be offset by higher revenues from VAT and PIT. Considering the revenues received from PIT, VAT, excise duties and CIT in January–September 2025 and macroeconomic projections, the NAO FI assesses the collection of revenues from these taxes in 2025 to be similar. The revenue projections for 2026 presented in DB2026 are realistic and in line with macroeconomic trends. The NAO FI's projected growth in personal income tax and excise duties revenue is similar to the projections presented in DB2026. Meanwhile, the forecast for corporate income tax revenue is somewhat more moderate, but faster growth in VAT revenue than anticipated in the draft budget results in a slightly higher overall level of general government revenue in 2026.

According to the NAO FI assessment, general government expenditure in 2025–2026 will be lower than projected in DB2026, by approximately 0.3% and 0.2% of GDP, respectively. This is due to lower projected interest, social benefits and intermediate consumption expenditure. The overall level of expenditure and revenue is increased by EU funds, but in accordance with the principle of fiscal neutrality, this has no impact on the budget deficit indicator. According to the assumptions of the NAO FI, the highest level of EU funds will be in 2026, reaching around

¹⁸ On 18 September 2025, the NAO FI announced its Opinion on the Endorsement of the Economic Development Scenario. Available online: <https://www.valstybeskontrolė.lt/EN/Product/24358/opinion-on-the-endorsement-of-the-economic-development-scenario>.

2% of GDP, and will halve in 2028. For these reasons, the general government deficits projected in DB2026 are plausible.

It should be noted that at the time of the assessment, the NAO FI encountered data limitations. Usually, all appropriations provided for in draft budgets were entered into the State Budget Accounting and Payment System (Lithuanian VBAMS) within a few days of their submission to the Seimas. According to the Ministry of Finance, this process will be delayed this year because the Ministry of Environment of the Republic of Lithuania did not provide the necessary data on time. This may reduce the reliability of the projections of the institutions using this data, as the breakdown of appropriations by economic classification items is based more on assumptions than on data provided by the administrators of the appropriations.

2.2. Projections of general government finances for 2027–2028

In the opinion of the NAO FI, the fiscal indicators presented in the draft budget for 2027–2028 do not reflect the most likely scenario, as the information currently provided does not cover all decisions that would normally increase expenditure. According to the Law on the Budget Structure, indicators, coefficients and other figures that affect the state budget should be forecasted for a period of at least three years. Although some of the indicators in the draft budget are presented for three years, in the opinion of the NAO FI, these plans should be more comprehensive and include other amounts that are usually adjusted and depend on discretionary policy decisions. Such more detailed plans should be presented together with the draft budget. More detailed three-year budgets would contribute to greater fiscal transparency, allow for a more accurate assessment and inclusion of the impact of discretionary decisions on public finances, and help to better identify risks to compliance with fiscal discipline rules.

In the DB2026 it is foreseen that the deficit will not exceed the 3% of GDP threshold in 2027–2028. According to the NAO FI assessment, this scenario is unlikely, as decisions are made every year that increase long-term public expenditure, or the level of expenditure increases due to previously made commitments. No decisions such as additional pension indexation, increases in the tax-exempt amount of income or public sector wage increases are planned for 2027–2028. There also remains uncertainty about commitments to increase the salaries of teachers and other educational staff. The NAO FI bases its projections on the assumption that decisions to increase these indicators in 2027–2028 are highly likely and will be taken in the future. The assumptions used by the NAO FI in forecasting the general government deficit for 2027–2028 are presented in Table 2.

Table 2. Additional assumptions made by the NAO FI that differ from the DB2026 indicators for 2027–2028

Given that discretionary decisions are made each year, which typically reduce general government revenues and increase long-term general government expenditures, the NAO FI applied the following assumptions in its projections:

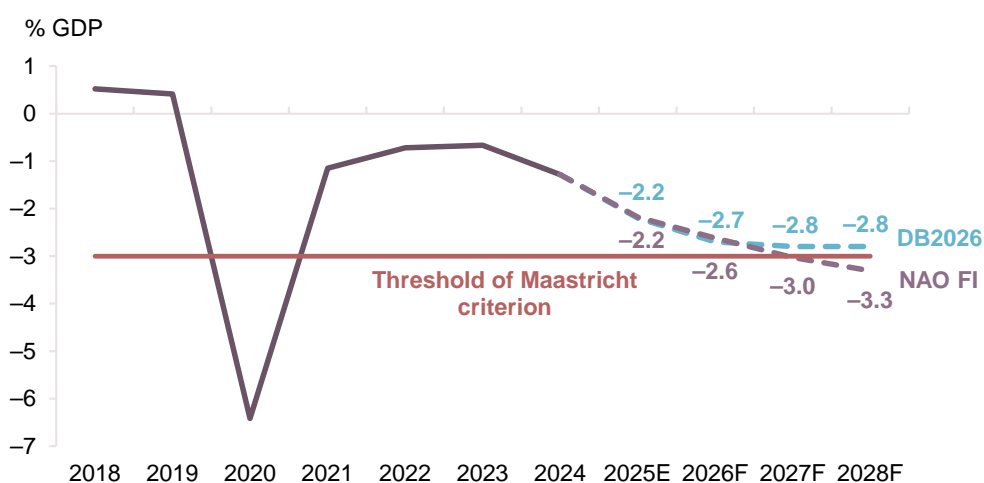
- An additional indexation coefficient of 1.033 (3.3%) for the individual part of social insurance pension, calculated based on the 5-year indexation average.
- Increase of tax-exempt amount of income.
- Faster salary increases for public sector employees.
- Positive impact on GG revenue due to the assumption of increased salaries.
- The EU and international financial assistance plan is not fully implemented (does not affect the GG balance).

Source: the National Audit Office implementing the function of a fiscal institution

Based on the assumptions applied, the NAO FI estimates that the general government deficit will reach around 3% of GDP in 2027 and exceed this limit in 2028. The projected revenue level will reach 39.9% of GDP in 2027 and decline to 39.4% of GDP in 2028. We project that

general government expenditure will reach 42.9% and 42.7% of GDP in 2027 and 2028, respectively. Higher expenditure will be driven by growth in social benefits and compensation of employees. This results in a higher general government deficit projection than in DB2026 (Figure 3). It should be noted that the draft budget forecasts are in line with the net expenditure path only when taking into account the possible deviation recorded in the control account¹⁹. DB2026 also projects a relatively slow growth in social benefits and a structural decline in compensation of employees from 11.8% of GDP in 2026 to 11.3% of GDP in 2028. Thus, the gap between the projections of the NAO FI and DB2026 GG indicators shows that pressure on public finances will remain strong in the medium term and will require higher revenues and/or a reduction in the volume of public services.

Figure 3. According to the NAO FI assessment, it is likely that the general government deficit will exceed the Maastricht criterion threshold in 2028



E – expected, F – forecast

Source: State Data Agency, DB2026, calculations by the National Audit Office implementing the function of a fiscal institution

It should be noted that if economic development is slower than projected in the September 2025 Economic Development Scenario, this could increase pressure for additional expenditure and reduce general government revenue. The general government balance is also likely to be affected by the adjustment to the accrual accounting principle applied to defence expenditure data under ESA 2010 and by the revision of national accounts.

In order to increase old-age pensions more rapidly and not reduce funding for other public services, additional sustainable sources of income are needed. A proposal to change the procedure for the additional indexation of the individual social insurance pension component is currently being considered by the Seimas²⁰. It is proposed to set a lower limit of 20% for additional funds from the planned SSIF budget surplus, which would be used to index the individual pension component. Taking into account the current procedure, this means that in a given year, these funds would amount to no less than 20% and no more than 75% of the planned SSIF budget surplus. The 2026–2028 SSIF draft budget (SSIF2026) includes additional indexation of the individual part in 2026²¹, but none is planned for 2027–2028. In preparing its fiscal projections, the NAO FI included an additional indexation of the individual part of pensions in 2027–2028 amounting to 3.3%

¹⁹ Control account – accounting information on the cumulative deviations of net expenditure recorded in a Member State from the net expenditure plan set by the Council, when they are higher or lower.

²⁰ Available online: <https://e-seimas.lrs.lt/portal/legalAct/lt/TAP/Of623208f0e11f0b351ee31aa0a26b8>.

²¹ Applying an indexation coefficient of 1.03.

(calculated based on the 5-year indexation average), which would correspond to a 13–17% surplus. Together with demographic projections, this contributed to the SSIF surplus being almost half of what it was in 2024. According to the NAO FI assessment, if 20–75% of the SSIF surplus were allocated to additional indexation, SSIF pension expenditure in 2027 would be 0.2–0.5% of GDP higher, and in 2028, 0.3–0.6% of GDP higher than in 2026. This means that faster pension indexation would not only lead to higher expenditure in a given year but would also increase liabilities for the future. The SSIF budget is part of the government sector, so reducing the SSIF surplus would require reducing the budget deficits of other sub-sectors in order to prevent an increase in the overall government sector deficit. Alternatively, additional sustainable sources of revenue would be needed to avoid reducing funding for other areas of importance to the state.

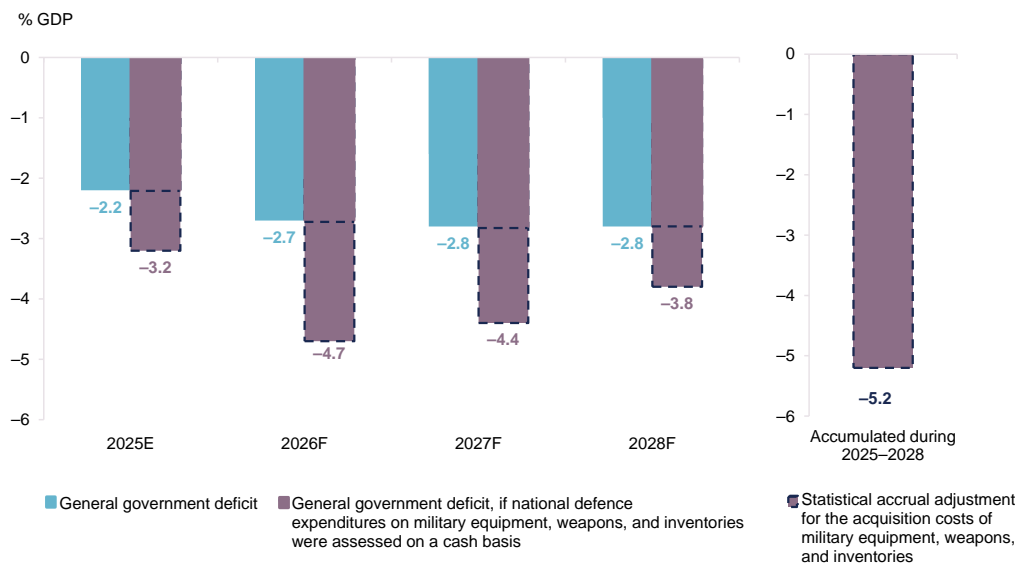
It should be noted that the current pension system also lacks a sustainable source of revenue²². The portion of personal income tax allocated to finance the general part of pensions does not cover the state budget allocations to the SSIF budget. Accordingly, this deficit exceeds the surplus generated in the SSIF budget.

In order to avoid a major fiscal adjustment after 2028, decisions on sustainable defence financing should be taken before the end of the period covered by the escape clause for defence expenditure. Experience in recent years shows that defence financing needs are growing. Although it is difficult to predict their scale in the future with any precision, it is unlikely that these needs will decrease significantly after 2028. Based on the information provided in DB2026, Lithuania will make full use of the defence expenditure clause by 2028, so a significant adjustment of public finances may be expected after 2028. This is due to the fact that, given the high ageing costs, the deteriorating structural balance and the increasing general government debt, the fiscal discipline rules will require a faster reduction of the general government deficit than required by the current rules, taking into account the application of the escape clause. In addition, according to the ESA 2010 methodology, the accrual principle applies to military expenditure. Thus, expenditure is recorded when economic ownership of the goods arises, usually at the time of delivery. This means that advance payments for some military equipment, weapons and inventories (hereinafter – military equipment) are only reflected in the general government balance when they are delivered. Currently, the general government deficit figures calculated on an accrual basis are lower than those calculated on a cash basis. According to DB2026 data, if defence expenditure on the purchase of military equipment were assessed on a cash basis, the general government deficit would average around 4% of GDP in 2025–2028. The statistical accumulation adjustment for the acquisition of military equipment, weapons and inventories during the same period would be around 5.2% of GDP²³ (Figure 4). This means that in subsequent years, when military equipment is delivered, this dynamic will change and, in order not to exceed the deficit limits, it may be necessary to reduce expenditure in other areas of the public sector.

²² NAO FI 08/11/2021 Opinion on the structural adjustment target. Available online: <https://www.valstybeskontrolė.lt/EN/Product/24050/opinion-on-the-structural-adjustment-target-set-out-in-the-draft-law-on-the-appro>.

²³ Compared to the 2028 GDP projection in the Economic Development Scenario.

Figure 4. Based on DB2026 data, the statistical accrual adjustment for the acquisition of military equipment, weapons and inventories during 2025–2028 would amount to 5.2% of GDP



E – expected, F – forecast

Source: DB2026, calculations by the National Audit Office implementing the function of a fiscal institution

The European Fiscal Board also draws attention to the need for sustainable financing of defence expenditure.

In its assessment of the appropriate fiscal policy for the euro area in 2026²⁴, it noted that the application of national escape clause should not become a means of fiscal loosening beyond what is allowed by the rules. This flexibility is temporary: it gives Member States time to develop and consistently implement credible multi-annual fiscal strategies that, while meeting increased defence financing needs, also ensure the sustainability of public finances. Higher defence spending is a structural change – an adjustment to a new reality. In order to reconcile the political priority of strengthening defence capabilities with fiscal sustainability constraints, it is necessary to assess possible financing options in a responsible manner. Countries should therefore seek to offset higher defence spending by adopting long-term sources of revenue.

When looking for sustainable sources of revenue to finance defence, it is important to follow the recommendations of international organisations.

International organisations recommend expanding environmental and property taxes, as well as adjusting the tax system – reviewing existing exemptions, eliminating those that are ineffective, and ensuring that individuals with similar incomes pay similar amounts of tax. Although some of these recommendations have already been implemented in this year's tax reform²⁵, the current system still has shortcomings. For example, the remaining corporate income tax relief encourages companies to artificially remain small. NAO FI points out that the level of tax revenue in Lithuania is one of the lowest among EU countries.

At present, it is difficult to assess whether the defence expenditure structure planned in the draft budget will comply with the NATO agreement.

DB2026 provides that defence funding, including the State Defence Fund, will exceed 5% of GDP in 2026–2028 on a cash basis, while according to the COFOG classification of government functions, when the accrual principle is applied, it will increase from 3.6% to 4.1% of GDP over the same period. The latter indicator is important because it forms the basis for the defence expenditure

²⁴ Available online: https://commission.europa.eu/document/download/78bb879f-e788-4e46-9e47-0e774e9eae2_en?filename=2025_06_17_efb_assessment_of_euro_area_fiscal_stance_in_2026_final_en.pdf.

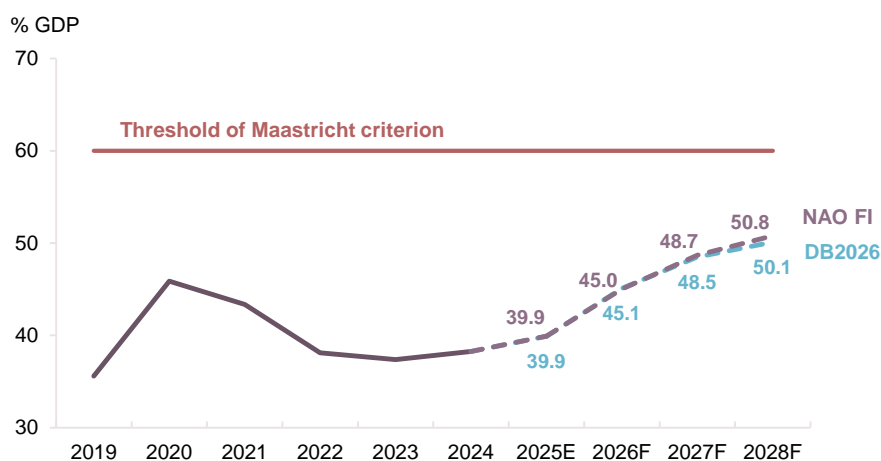
²⁵ Available online: <https://finmin.lrv.lt/lt/naujienos/seimo-priimti-mokesciu-istatymu-pakeitimai/>.

clause. The NAO FI notes that the outturn COFOG indicators will be provided by the State Data Agency. According to the NATO agreement²⁶, the target level of 5% of GDP for defence by 2035 consists of at least 3.5% of GDP in core defence expenditure, and the remaining 1.5% of GDP may be allocated to security and defence-related critical infrastructure – public preparedness and resilience, innovation, the defence industrial base, etc. Therefore, it is currently difficult to assess whether the planned defence expenditure structure will comply with the NATO agreement. Compliance will only become clear once the projects have been implemented and assigned to the relevant categories.

3. 2025–2028 GENERAL GOVERNMENT DEBT PROJECTIONS

In the medium term, public debt will grow rapidly and may reach half of the country's GDP in 2028. Based on the International Monetary Fund's methodology²⁷, the NAO FI projects that this indicator will reach 39.9% of GDP this year and rise to 45.0% of GDP in 2026 (Figure 5). The projected debt level for this period is close to that envisaged in DB2026. Due to the usual discretionary decisions (Table 2), the debt is likely to grow faster than projected in the draft budget over the remaining medium term and will reach 50.8% of GDP in 2028. This is 12.5 percentage points more than in 2024. DB2026 projects that in 2028, the general government debt will increase to 50.1% of GDP.

Figure 5. It is projected that in the medium term, public debt will grow rapidly and is likely to reach half of the country's GDP in 2028



E – expected, F – forecast

Source: State Data Agency, DB2026, calculations by the National Audit Office implementing the function of a fiscal institution

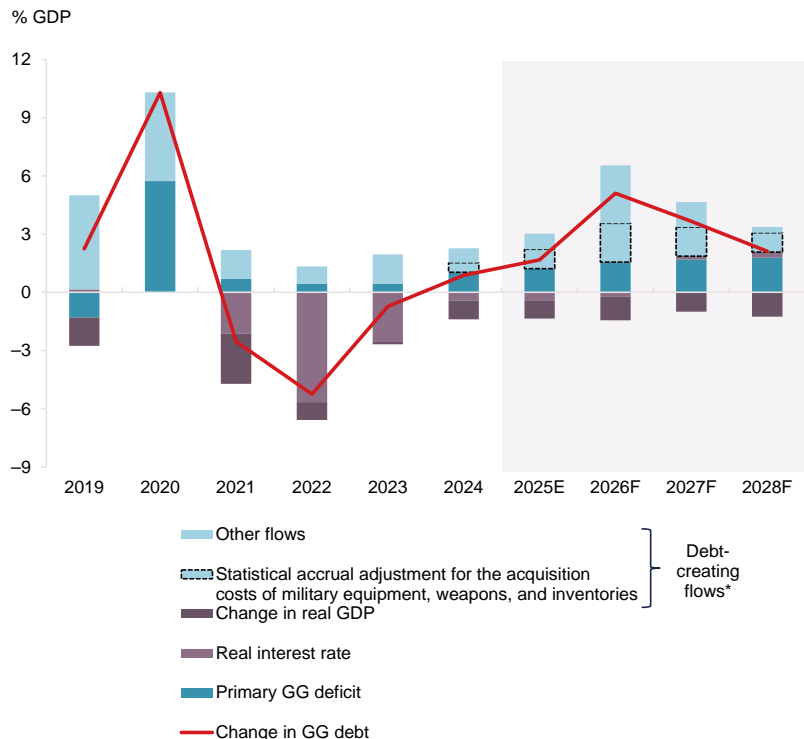
According to the NAO FI assessment, the growth of public debt will be driven not only by the increasing primary deficit of the general government sector, but also by advance payments for the purchase of military equipment, weapons and inventories, as well as other flows. It is projected that the growing primary deficit could average around 1.6% of GDP per year in 2025–2028 (Figure 6). A significant part of other debt-creating flows (according to the stock-flow adjustment set out in DB2026) will consist of the statistical accrual adjustment for expenditure on the acquisition of military equipment, weapons and inventories. It should be noted that advance payments for the purchase of military equipment increase the public debt immediately but will be reflected in the GG deficit in the future. These payments will peak in 2026, amounting to 2% of GDP. This year, debt growth is expected to be the fastest in the projection period. In the medium term, real GDP growth is expected to moderate debt growth by an average of 1.1% of GDP per year.

²⁶ Available online: https://www.nato.int/cps/en/natohq/official_texts_236705.htm.

²⁷ IMF Staff Guidance Note for Public Debt Sustainability Analysis in Market-Access Countries, 9 May 2013. Available online at: <https://www.imf.org/external/np/pp/eng/2013/050913.pdf>.

With the average nominal interest rate on debt increasing and inflation slowing, the favourable impact of the real interest rate on debt will diminish. It is expected to contribute to debt growth in 2027–2028 (Table 3 in Annex 1).

Figure 6. The growth of general government debt in the medium term will be driven mainly by the primary general government deficit and other debt-creating flows, including advance payments for the purchase of military equipment



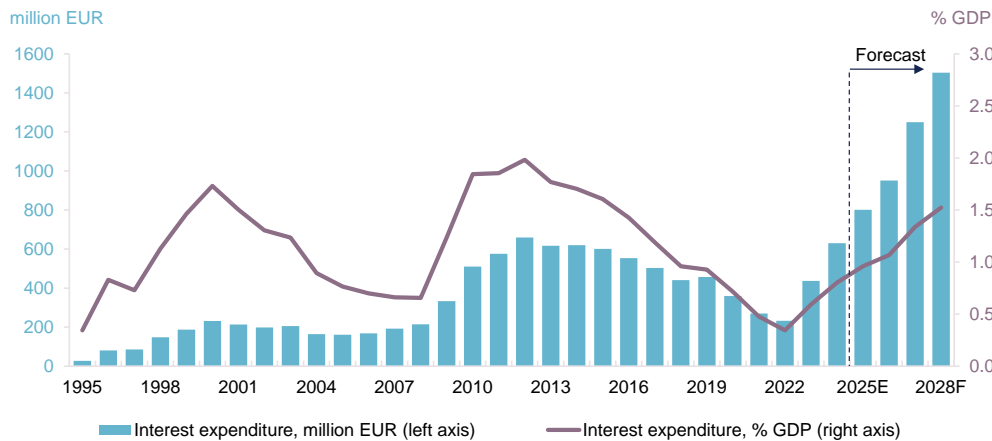
* Calculated as a balance until 2024 and including the *stock-flow adjustment* projected in DB2026 for 2025–2028. This includes adjustments between the general government and central government deficits, the impact of the EU balance, changes in treasury liquid assets, and others.

E – expected, F – forecast

Source: State Data Agency, DB2026, calculations by the National Audit Office implementing the function of a fiscal institution

It is expected that expenditure on interest payments on public debt will continue to grow. NAO FI projects that expenditure on interest payments on public debt will reach EUR 0.8 and 1.0 billion in 2025–2026 (1 and 1.1% of GDP) (Figure 7 and Table 3 in Annex 1). It is likely that in 2028 they could reach EUR 1.5 billion (1.5% of GDP). These higher expenditures mean that in the future more resources will need to be allocated to debt servicing, when they could be used for other important public areas.

Figure 7. It is projected that expenditure on interest payments on public debt will continue to grow

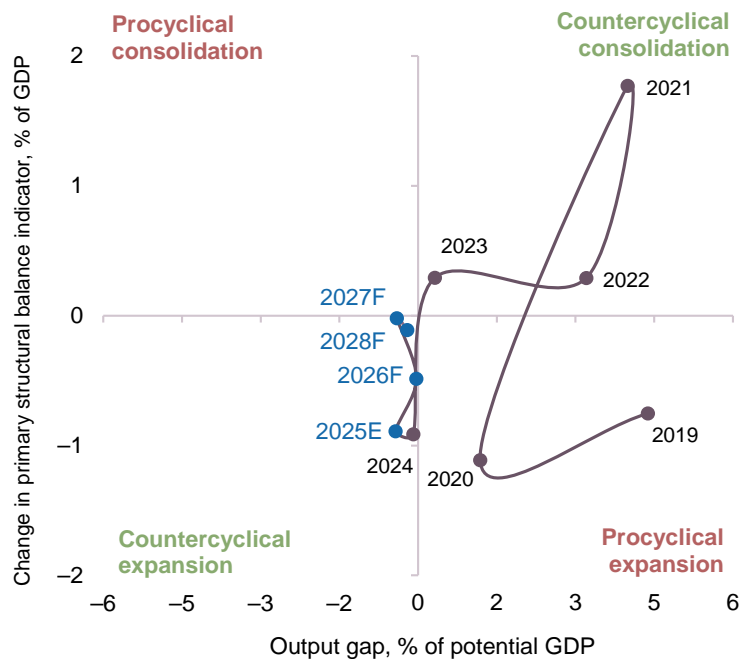


Source: State Data Agency, calculations by the National Audit Office implementing the function of a fiscal institution

4. FISCAL STANCE FOR 2025–2028

With defence spending on the rise, further economic stimulus is expected in 2026. The NAO FI projects an annual change of -0.5% of GDP in the general government structural primary balance in 2026 (Annex 5). The increasing structural deficit indicates that fiscal policy is stimulating the economy. The structural deficit is mainly due to the growing nominal general government deficit: increased expenditure on defence, social security, health care, etc. With the output gap close to 0 in 2026, fiscal policy should not stimulate domestic demand growth (Figure 8). However, uncertainty about economic developments makes it difficult to assess the position of the economic cycle. Economic stimulus in 2026 will be driven mainly by rising defence expenditure²⁸. Given that the stimulus is mainly based on defence spending, the NAO FI considers the fiscal policy stance to be appropriate. For 2027–2028, the NAO FI projects that the fiscal policy stance will be neutral. This means that fiscal policy will support the cyclical position of the economy – economic growth would neither be stimulated nor constrained.

Figure 8. With increased defence spending, the fiscal impulse remains expansionary in 2026



Based on the NAO FI's projections of the general government balance and the output gap.

The figure shows the impact of temporary measures that have been eliminated: COVID-19-related measures, measures to mitigate the impact of rising energy prices, assistance to the Ukrainian people fleeing Russian military aggression and other support to Ukraine, the installation of a physical barrier and security systems on the Lithuanian-Belarusian border, and support for Lithuania's railway infrastructure.

E – expected, F – forecast

Source: State Data Agency, Ministry of Finance, calculations by the National Audit Office implementing the function of a fiscal institution

²⁸ The actual impact on aggregate demand will depend on the fiscal multiplier: it would be higher if more expenditure were spent on domestic goods and services, and lower if the share of imports in defence expenditure were higher.

The National Audit Office of the Republic of Lithuania, in its capacity as the budget policy monitoring authority, is responsible for monitoring compliance with the rules of fiscal discipline and the fulfilment of tasks set out in the Constitutional Law on the Implementation of the Fiscal Treaty of the Republic of Lithuania, carried out an assessment the Draft Law on Budget Approval of the Republic of Lithuania for the period 2026–2028 submitted by the Government to the Seimas on 17 October 2025 and prepared an opinion. In accordance with Article 4(1) of the Constitutional Law on the Implementation of the Fiscal Treaty of the Republic of Lithuania and Article 8(7)(2) of the Law on National Audit Office, it submits the opinion to the Parliament of the Republic of Lithuania.

Head of the Budget Monitoring Department

Jurga Rukšėnaitė

ANNEXES

Opinion
"On the structural adjustment target"
Annex 1

NAO FI PROJECTIONS OF FISCAL INDICATORS

Table 1. General government revenue and expenditure projected in ESA 2010 by the NAO FI

Indicator (% of GDP, unless otherwise specified)	ESA 2010 code	2024	2025E	2026F	2027F	2028F
Total revenue	OTR	38.4	39.1	40.0	39.9	39.4
Tax revenue		22.4	22.5	23.5	23.8	23.7
Revenue from indirect taxes	D.2	11.7	11.8	12.1	12.1	12.0
Revenue from direct taxes	D.5	10.7	10.8	11.4	11.7	11.7
Net social contributions	D.61	11.1	11.4	11.5	11.7	11.8
Other income, of which:		5.0	5.2	5.0	4.4	4.0
Revenue from property	D.4	0.9	0.9	0.6	0.7	0.4
Total expenditure	OTE	39.7	41.3	42.6	42.9	42.7
Compensation of employees	D.1	11.7	11.8	11.8	11.8	11.8
Intermediate consumption	P.2	4.4	4.6	4.7	4.5	4.3
Subsidies	D.3	0.3	0.3	0.3	0.3	0.3
Interest payments	D.41	0.8	1.0	1.1	1.3	1.5
Social benefits	D.6M	15.4	16.3	16.7	17.5	17.7
Other expenditure, of which:		7.1	7.4	8.0	7.5	7.1
Gross fixed capital formation	P.5L	4.4	4.9	5.7	4.9	4.8
Capital transfers	D.9	0.7	0.7	0.5	0.4	0.4
Net lending (+) / net borrowing (-)	B9	-1.3	-2.2	-2.6	-3.0	-3.3
Net lending (+) / net borrowing (-), billion EUR		-1.0	-1.8	-2.3	-2.8	-3.3

E – expected, F – forecast

Due to rounding, the sum of the rows may not match the detailed data.

Source: State Data Agency, calculations by the National Audit Office implementing the function of a fiscal institution

Table 2. Projections of general government and sub-sectoral balances

Indicator, % of GDP	2024	2025E	2026F	2027F	2028F
Central government subsector	-2.5	-3.5	-3.8	-3.8	-3.9
Social insurance funds subsector	1.3	1.3	1.2	0.9	0.7
Local government subsector	0.0	0.0	-0.1	-0.1	-0.1
Government sector	-1.3	-2.2	-2.6	-3.0	-3.3

E – expected, F – forecast

Due to rounding, the sum of the rows may not match the detailed data.

Source: State Data Agency, calculations by the National Audit Office implementing the function of a fiscal institution

Table 3. Projected general government debt and its drivers of change by the NAO FI

No.	Indicator (% of GDP, unless otherwise specified)	2024	2025E	2026F	2027F	2028F
1.	GG debt	38.3	39.9	45.0	48.7	50.8
2.	Change in GG debt (3 + 4 + 7)	0.9	1.7	5.1	3.7	2.1
3.	Primary government deficit	1.0	1.2	1.6	1.7	1.8
4.	Automatic debt dynamics (5 + 6)	-1.4	-1.4	-1.4	-0.8	-1.0
5.	Real interest rate	-0.4	-0.4	-0.2	0.2	0.3
6.	Change in real GDP	-1.0	-0.9	-1.2	-1.0	-1.3
7.	Other debt-creating flows*	1.2	1.8	5.0	2.8	1.3
8.	Statistical accrual adjustment for the acquisition of military equipment, weapons and inventories	0.5	1.0	2.0	1.5	1.0
9.	GG debt in billion EUR	30.0	33.3	40.1	45.5	50.1
10.	Interest payments	0.8	1.0	1.1	1.3	1.5
11.	Interest payments, billion EUR	0.6	0.8	1.0	1.2	1.5

* Calculated as a balance until 2024, and including the *stock-flow adjustment* projected in DB2026 for 2025–2028.

E – expected, F – forecast

Due to rounding, the sum of the rows may not match the detailed data.

Source: State Data Agency, DB2026, calculations by the National Audit Office implementing the function of a fiscal institution

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 Annex 2

COMPLIANCE OF THE DRAFT BUDGET WITH THE FSP NET EXPENDITURE GROWTH PATH

		2025E	2026F	2027F	2028F
Net expenditure growth path submitted in the FSP and approved by the European Council					
1.	Net expenditure ¹ Change, %	6.1	5.2	4.8	4.5
2.	Net expenditure accumulated ² growth rate, %	6.1	11.6	17.0	22.3
Projection based on draft budget					
3.	Net expenditure Change, %	9.0	7.4	5.5	5.0
4.	Net expenditure accumulated ² growth rate, %	9.0	17.1	23.5	29.7
Deviations					
5.	Annual deviation of net expenditure from the FSP net expenditure growth limits % of GDP	1.0	0.8	0.3	0.2
6.	Cumulative net expenditure deviation compared to the FSP % of GDP	1.0	1.7	1.9	2.0
7.	Escape clause for defence expenditure % of GDP	1.2	1.5	1.5	1.5
8.	Cumulative net expenditure deviation compared to the FSP and taking into account the escape clause for defence expenditure % of GDP	-0.2	0.2	0.4	0.5

¹ In line with the European Council recommendation endorsing the net expenditure growth path presented in Lithuania's FSP.

² The cumulative growth rate is the change in expenditure from 2024 (the base year of the FSP).

The possible margin of error for the cumulative deviation (taking into account escape clause for defence expenditure) should be up to 0.6% of GDP. The deviations marked in green meet this criterion.

E – expected, F – forecast

Source: Ministry of Finance

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 Annex 3

COMPLIANCE OF THE NAO FI PROJECTIONS WITH THE FSP NET EXPENDITURE GROWTH PATH

		2025E	2026F	2027F	2028F
Net expenditure growth path submitted in the FSP and approved by the European Council					
1. Net expenditure ¹	Change, %	6.1	5.2	4.8	4.5
2. Net expenditure	accumulated ² growth rate, %	6.1	11.6	17.0	22.3
Projection according to NAO FI					
3. Net expenditure	change, %	8.7	8.2	5.8	5.4
4. Net expenditure	accumulated ² growth rate, %	8.7	17.6	24.4	31.1
Deviations					
5. Annual deviation of net expenditure from the FSP net expenditure growth limits	% of GDP	0.9	1.1	0.4	0.3
6. Cumulative net expenditure deviation compared to the FSP	% of GDP	0.9	1.9	2.2	2.4
7. Escape clause for defence expenditure	% of GDP	1.2	1.5	1.5	1.5
8. Cumulative net expenditure deviation compared to the FSP and taking into account the escape clause for defence expenditure	% of GDP	-0.3	0.4	0.7	0.9

¹ In line with the European Council recommendation endorsing the net expenditure growth path presented in Lithuania's FSP.

² The cumulative growth rate is the change in expenditure from 2024 (the base year of the FSP).

The possible margin of error with the cumulative deviation (taking into account escape clause for defence expenditure) should be up to 0.6% of GDP. Deviations marked in **green** meet this criterion, while those marked in **red** are at risk of not meeting it.

E – expected, F – forecast

Source: calculations by the National Audit Office implementing the function of a fiscal institution

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 Annex 4

NAO FI ESTIMATED GENERAL GOVERNMENT NET EXPENDITURE

No.	Indicator (% of GDP, unless otherwise specified)	2023	2024	2025E	2026F	2027F	2028F
1.	Government expenditure	37.5	39.7	41.3	42.6	42.9	42.7
2.	Interest payments	0.6	0.8	1.0	1.1	1.3	1.5
3.	Cyclical unemployment benefits	0.0	0.1	0.1	0.0	0.0	0.0
4.	Expenditure on EU programmes	1.0	1.3	1.7	2.0	1.1	0.9
5.	National expenditure on co-financing of EU programmes	0.1	0.2	0.2	0.3	0.3	0.2
6.	One-off expenditure measures (excluding EU-funded measures)	0.0	0.0	0.0	0.0	0.0	0.0
7.	Net primary GG expenditure (before discretionary revenue measures) ($ne_t = 1 - 2 - 3 - 4 - 5 - 6$)	35.7	37.4	38.4	39.3	40.2	40.1
8.	Discretionary revenue instruments (excluding one-off revenue measures) (drm_t)	–	0.1	0.2	0.4	0.6	–0.1
9.	Net primary GG expenditure (after discretionary revenue measures) ($ne_t - drm_t = 7 - 8$)	–	37.3	38.2	38.9	39.6	40.2
10.	Change in nominal GDP (g_t), %	–	6.3	6.4	6.7	5.0	5.4
11.	Change in net primary GG expenditure, % $\Delta ne_t = \frac{ne_t - drm_t}{ne_{t-1}} * (1 + g_t) - 1$	–	11.0	8.7	8.2	5.8	5.4

E – expected, F – forecast

t – year

Due to rounding, the sum of the rows may not match the detailed data.

Source: State Data Agency, Ministry of Finance, calculations by the National Audit Office implementing the function of a fiscal institution

Conclusions
 "On the structural adjustment target"
 Annex 5

**CYCLICAL SITUATION OF THE LITHUANIAN ECONOMY AND STRUCTURAL
 GENERAL GOVERNMENT BALANCE, AS ASSESSED BY THE NAO FI**

No.	Indicator, % of GDP	2023	2024	2025E	2026F	2027F	2028F
1.	GG net lending (+) / borrowing (-)	-0.7	-1.3	-2.2	-2.6	-3.0	-3.3
2.	One-off and other temporary measures	-0.1	0.0	0.0	0.0	0.0	0.0
3.	Temporary measures*	-0.8	-0.3	0.0	0.0	0.0	0.0
4.	Output gap, % of potential GDP	0.3	-0.1	-0.4	0.0	-0.4	-0.2
5.	Cyclical budget component (0.399 × 4 series)	0.1	0.0	-0.2	0.0	-0.2	-0.1
6.	Structural GG balance (1 - 2 - 5)	-0.7	-1.3	-2.0	-2.6	-2.9	-3.2
7.	Structural GG balance excluding temporary measures (1 - 2 - 3 - 5)	0.2	-1.0	-2.0	-2.6	-2.9	-3.2
8.	Interest	0.6	0.8	1.0	1.1	1.3	1.5
9.	Structural GG primary balance (6 + 8)	-0.1	-0.5	-1.1	-1.5	-1.6	-1.7
10.	Structural primary balance of the GG excluding temporary measures (7 + 8)	0.8	-0.2	-1.1	-1.5	-1.6	-1.7
11.	Change in the primary balance of the structural GG	1.7	-0.4	-0.6	-0.5	0.0	-0.1
12.	Change in the primary balance of the structural GG, excluding temporary measures	0.3	-0.9	-0.9	-0.5	0.0	-0.1

E – expected, F – forecast

* Measures related to COVID-19-related measures, measures to mitigate the impact of rising energy prices, assistance to the Ukrainian people fleeing Russian military aggression and other support to Ukraine, the installation of a physical barrier and security systems on the Lithuanian-Belarusian border, and support for Lithuania's railway infrastructure.

Due to rounding, the sum of the rows may not match the detailed data.

Source: Ministry of Finance, State Data Agency, calculations by the National Audit Office implementing the function of a fiscal institution