



# LITHUANIA

## State of Play – Winter 2017



### MACROECONOMIC SITUATION

#### No imbalances (no In-Depth Review)

- Economic recovery continues; unemployment falls but still a challenge for the low-skilled
- Working age population shrinking rapidly
- Poverty and social exclusion remain a challenge; inequality is high and increasing
- Significant potential to improve productivity



### PROGRESS ON COUNTRY-SPECIFIC RECOMMENDATIONS

#### Some progress

- in reviewing the tax system and improving compliance
- in pension system reform

#### Limited progress

- in addressing challenges of a shrinking working-age population



### FISCAL SITUATION

- No excessive deficit
- Structural balance forecast to deviate from the medium-term budgetary objective in 2017
- Public debt below the 60% of GDP reference value
- Draft Budgetary Plan 2017 assessed as at risk of non-compliance with the rules of the Stability and Growth Pact. Eligibility of the flexibility request by Lithuania will be assessed in spring 2017

More info at

<https://ec.europa.eu/info/strategy/european-semester/european-semester-timeline/analysis-phase>