EUROPEAN
COMMISSION

Brussels, 23.5.2022
SWD(2022) 640 final

COMMISSION STAFF WORKING DOCUMENT

Fiscal Statistical Tables providing background data relevant for the assessment of the 2022 Stability and Convergence Programmes

Accompanying the document

Recommendation for a COUNCIL RECOMMENDATION

on the 2022 National Reform Programme and delivering a Council opinion on the 2022 Stability/Convergence Programme of Belgium, Bulgaria, Czechia, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland and Sweden

{COM(2022) 601} - {COM(2022) 602} - {COM(2022) 603} - {COM(2022) 604} - {COM(2022) 605} - {COM(2022) 606} - {COM(2022) 607} - {COM(2022) 608} - {COM(2022) 609} - {COM(2022) 610} - {COM(2022) 611} - {COM(2022) 612} - {COM(2022) 613} - {COM(2022) 614} - {COM(2022) 615} - {COM(2022) 616} - {COM(2022) 617} - {COM(2022) 618} - {COM(2022) 619} - {COM(2022) 620} - {COM(2022) 621} - {COM(2022) 622} - {COM(2022) 623} - {COM(2022) 624} - {COM(2022) 625} - {COM(2022) 626} - {COM(2022) 627}

These Fiscal Statistical Tables provide background data relevant for the assessment of the Member States' 2022 Stability and Convergence Programmes. For each Member State, the following tables are provided:

Table 1 (Macroeconomic developments and forecasts) shows the main macroeconomic data – real GDP growth and main expenditure components, output gap, employment, unemployment, labour productivity, inflation, GDP deflator, compensation of employees, and the net borrowing/lending vis-à-vis the rest of the world.

The figures from the Stability or Convergence Programme are shown side-by side with those of the Commission 2022 spring forecast (for which the cut-off date was 29 April 2022).

Table 2 (**Main indicators for fiscal surveillance**) includes the relevant indicators that are used for fiscal surveillance at this stage. It also shows the standard Stability and Growth Pact indicators.

Table 3 (**General government budgetary position**) shows data on the main revenue and expenditure variables and the deficit/surplus in the Stability or Convergence Programme, in comparison with the Commission forecast. The table also includes a number of additional indicators used for the assessment of the budgetary projections in the Programme ([1]).

Table 4 (**General government debt developments**) shows year-on-year developments in general government debt and provides a breakdown of the change in the debt ratio as per the primary balance, the snowball effect (reflecting the relationship between GDP growth and interest expenditure) and the stock-flow adjustment (*i.e.* other elements that have an impact on the debt, such as differences between cash and accrual recording or the net accumulation of financial assets).

Table 5 (**Debt sustainability analysis and sustainability indicators)** contains information on debt sustainability indicators over the short, medium and long terms (the so-called S0, S1 and S2 indicators). The figures reported in the table are based on the Commission 2022 spring forecast; they update the indicators recently published in the Fiscal Sustainability Report 2021 ([2]).

Table 6 (**RRF – Grants**) presents data on grants from the Recovery and Resilience Facility included in the Programme's revenue projections, their cash disbursements, and the expenditure categories (or other costs) financed by those grants.

Table 7 (**RRF – Loans**) presents data on cash disbursements and repayments of loans from/to the Recovery and Resilience Facility included in the Programme's projections, and the expenditure categories (or other costs) financed by those loans.

Table 8 (**Guarantees adopted/announced according to the Programme)** presents the main guarantee schemes in place, in particular those adopted/announced since spring 2020 in response

([1]) For the Stability or Convergence Programmes, the output gap used for the cyclical adjustment is recalculated by the Commission services based on the macroeconomic scenario in the Programmes using the commonly agreed methodology.

([2]) Fiscal Sustainability Report 2021, *European Economy-Institutional Papers*, 171, vol. 1 and 2.

to the COVID-19 outbreak and related economic recession, as reported by the Member State. The table also provides the take-up of those guarantee schemes, if the information is available.

The differences between the projections in the 2022 Programmes and the Commission 2022 spring forecast may result from different assumptions for the macroeconomic outlook and on the implementation of the Member State's Recovery and Resilience Plans (RRP).

Box 1:

Indicators used in the assessment of the Stability and Convergence Programmes

Traditionally, the fiscal stance is defined as a measure of the year-on-year change in the general government's budgetary position. It may serve to measure the impact of fiscal policy on aggregate demand in an economy, as well as the speed at which the underlying budgetary situation converges towards medium-term fiscal targets. Using the same indicator to gauge two different concepts was appropriate under the assumption that government expenditure was funded entirely by national revenue sources and debt financing, without large external transfers. However, in the presence of sizeable transfers from the EU budget (such as those from the Recovery and Resilience Facility or other EU grants), conventional indicators do not capture the additional fiscal impulse provided by the EU budget as the related national expenditure is offset by corresponding revenue from the EU.

The fiscal stance reported in Table 2 aims to assess the economic impulse stemming from fiscal policies, both those that are nationally financed and those that are financed by the EU budget. It measures the change in primary expenditure (net of discretionary revenue measures, including changes in expenditure financed by the RRF and other EU grants). Taking into account the exceptional circumstances created by the impact of the COVID-19 pandemic, it excludes crisis-related temporary emergency measures, relative to the 10-year average potential growth rate. ([3]) ([4])

$$\frac{(1+Pot_t)*(1+\pi_t)*E_{t-1}-E_t+\Delta RM_t}{Y_t}$$

Where $E_t = G_t - I_t - U_t - \ one_offs_t^G(-emerg.temp.measures_t^G)$.

The expenditure aggregate comprises primary expenditure (total expenditure *G* minus interest expenditure *I*), net of cyclical unemployment benefits *U* and one-off expenditure. *ΔRM* stands for the incremental budgetary impact of revenue measures (other than one-offs) excluding crisis-related temporary emergency measures.

Table 2 also presents a fiscal stance as computed in normal times, that is without excluding crisis-related temporary emergency measures.

Table 3 also monitors the growth rate of nationally financed net (primary) expenditure. In general, the net expenditure aggregate is calculated as:

$$E_t + \Delta RM_t = G_t - I_t - U_t - EU_t - \ one_{offs}{}_t^G + \Delta RM_t$$

The aggregate is very similar to the one used for the fiscal stance, but excludes expenditure financed by the EU budget. Table 3 presents an aggregate where *G* is calculated as general government expenditure excluding/including changes in crisis-related temporary emergency measures, and *ΔRM* representing the incremental budgetary impact of discretionary revenue measures excluding/including crisis-related temporary emergency measures.

([3]) Crisis-related emergency measures generally aimed at addressing the public health situation and compensating workers and firms for income losses due to lockdown measures and supply chain disruptions. These measures were mostly of a temporary nature, but their impact was contingent on the development of the health situation. While useful in the initial phase of the crisis, these measures are likely to be less efficient to support the recovery when the health related emergency gradually wanes.

([4]) The computations of the fiscal stance based on the Stability or Convergence Programmes assume no impact of crisis related temporary emergency measures in 2023 and beyond.

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Table 1.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025	2026	2027
	COM	SP	COM	SP	COM	SP	SP	SP	SP	SP
Real GDP (% change)	6.2	6.1	2.0	3.0	1.8	1.9	1.5	1.3	1.3	1.2
Private consumption (% change)	6.4	6.3	4.2	5.9	2.5	1.9	1.8	1.4	1.4	1.4
Gross fixed capital formation (% change)	7.8	9.6	-0.1	2.6	3.0	3.5	1.7	0.4	1.1	0.8
Exports of goods and services (% change)	9.6	9.0	3.3	5.2	3.9	3.9	3.1	3.1	3.3	3.1
Imports of goods and services (% change)	9.1	8.5	3.6	5.9	4.1	4.0	3.2	3.0	3.4	3.0
Contributions to real GDP growth:										
- Final domestic demand	6.1	5.7	2.2	3.5	2.0	2.0	1.6	1.2	1.4	1.2
- Change in inventories	-0.5	-0.9	0.0	-0.3	0	0	0	0	0	0
- Net exports	0.6	0.5	-0.2	-0.5	-0.3	-0.1	-0.1	0.1	-0.1	0
Output gap[1]	-1.0	-1.4	-0.5	-0.2	-0.3	-0.1	-0.1	-0.1	-0.1	0
Employment (% change)	1.8	1.7	1.0	1.2	0.8	0.8	0.8	0.7	0.7	0.7
Unemployment rate (%)	6.3	6.3	5.8	5.9	5.6	5.8	5.5	5.4	5.4	5.3
Labour productivity (% change)	4.4	4.4	1.0	1.8	1.0	1.1	0.8	0.6	0.6	0.6
HICP inflation (%)	3.2	2.4	7.8	5.5	1.9	1.1	1.2	1.5	1.6	1.6
GDP deflator (% change)	4.5	4.3	4.5	3.3	3.0	1.3	1.4	1.3	1.5	1.6
Comp. of employees (per head, % change)	4.2	3.5	6.0	7.1	5.5	3.9	1.9	2.0	2.3	2.3
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	0.7	1.0	-0.9	-0.7	-0.5	0.3	0.6	0.5	0.3	0.2

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.

Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 1.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	SP	COM	SP	SP	SP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**1.0**	**-2.4**	**n.a.**	**0.0**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	-0.1	-0.2	n.a.	0	n.a.	n.a.	n.a.
Change in nationally financed investments	0	0.0	n.a.	-0.1	n.a.	n.a.	n.a.
Change in other capital expenditure	0.1	-0.1	n.a.	0	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	0.9	-2.1	n.a.	0.1	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	2.3	0.0	0.2	0.4	1.9	1.0	n.a.
Stability and Growth Pact indicators							
Expenditure benchmark	2.4	0.4	0.8	0.3	2.0	0.9	n.a.
Change in the structural balance	1.2	0.1	-0.7	0.4	1.6	0.2	0.7

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 1.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	SP	COM	SP	SP	SP	SP
Revenue	**49.3**	**49.0**	**48.9**	**49.0**	**49.7**	**49.8**	**49.9**	**0.6**
of which:								
- Taxes on production and imports	13.4	13.2	13.0	13.3	13.3	13.3	13.2	-0.2
- Current taxes on income, wealth, etc.	15.6	15.5	15.6	15.4	15.6	15.8	16.0	0.4
- Social contributions	15.1	15.0	15.0	15.2	15.4	15.3	15.4	0.3
- Other (residual)	5.2	5.2	5.3	5.1	5.4	5.4	5.3	0.1
RRF grants as included in the revenue projections		0.4	0.3	0.3	0.3	0.2	0.1	0.0
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	0
Expenditure	**54.8**	**54.0**	**54.2**	**53.4**	**53.3**	**53.2**	**52.6**	**-2.2**
of which:								
- Primary expenditure	53.1	52.5	52.8	52.0	51.9	51.8	51.2	-1.9
of which:								
Compensation of employees+Intermediate consumption	16.5	16.5	16.4	16.4	16.2	16.0	15.8	-0.7
Compensation of employees	12.3	12.4	12.3	12.4	12.3	12.1	11.9	-0.4
Intermediate consumption	4.2	4.1	4.2	4.0	3.9	3.9	3.8	-0.4
Social payments	26.0	26.0	26.0	26.0	25.7	25.9	26.0	0.0
Subsidies	4.2	3.9	3.8	3.7	3.8	3.7	3.7	-0.5
Gross fixed capital formation	2.7	2.8	3.0	2.8	3.1	3.2	2.9	0.2
Other (residual)	3.8	3.4	3.5	3.1	3.1	2.9	2.9	-0.9
- Interest expenditure	1.7	1.4	1.4	1.4	1.4	1.4	1.4	-0.3
Expenditure financed by RRF grants	0.1	0.3	0.2	0.3	0.2	0.2	0.2	0.2
General government balance (GGB)	**-5.5**	**-5.0**	**-5.2**	**-4.4**	**-3.6**	**-3.4**	**-2.7**	**2.8**
Primary balance	**-3.9**	**-3.5**	**-3.9**	**-3.1**	**-2.2**	**-2.1**	**-1.3**	**2.6**
GGB excl. one-offs	**-5.2**	**-4.8**	**-5.2**	**-4.4**	**-3.6**	**-3.4**	**-2.7**	**2.5**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	1.4	5.5	5.0	3.6	0.6	2.3	n.a.	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	3.8	10.7	n.a.	4.4	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	1.3	5.2	3.9	3.3	0.2	2.3	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	3.9	10.8	n.a.	4.1	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	6.0	6.0	6.0	4.4	4.4	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	-1.0	-0.5	-0.2	-0.3	-0.1	-0.1	-0.1	1.2
Cyclically-adjusted balance[2]	-4.9	-4.7	-5.1	-4.2	-3.5	-3.3	-2.6	2.1
One-offs	-0.3	-0.1	0.0	-0.1	0.0	0.0	0.0	0.3
Structural balance[3]	-4.6	-4.5	-5.1	-4.2	-3.5	-3.3	-2.6	1.8
Structural primary balance[3]	-3.0	-3.1	-3.7	-2.8	-2.1	-1.9	-1.2	1.5

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 1.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	SP	COM	SP	SP	SP
Gross debt ratio[1]	**103.5**	**108.2**	**107.5**	**108.0**	**107.6**	**108.8**	**109.7**	**110.1**
Change in the ratio	1.5	-4.6	-0.7	-0.2	0.0	0.8	1.0	0.4
Contributions[2]*:*								
1. Primary balance	**0.8**	**3.9**	**3.5**	**3.9**	**3.1**	**2.2**	**2.1**	**1.3**
2. "Snow-ball" effect	**0.4**	**-9.3**	**-5.2**	**-5.1**	**-3.5**	**-2.0**	**-1.7**	**-1.4**
Of which:								
Interest expenditure	2.2	1.7	1.4	1.4	1.4	1.4	1.4	1.4
Growth effect	-0.2	-6.3	-2.0	-3.0	-1.8	-2.0	-1.6	-1.4
Inflation effect	-1.7	-4.6	-4.6	-3.4	-3.1	-1.3	-1.5	-1.4
3. Stock-flow adjustment	**0.4**	**1.1**	**1.1**	**1.1**	**0.5**	**0.5**	**0.6**	**0.5**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP)

Table 1.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.3			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	6.6	HIGH risk	5.3	HIGH risk
Debt sustainability analysis [3]	HIGH risk			
Baseline scenario	HIGH risk			
Stochastic projections	HIGH risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	117.1		109.2	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	7.0	HIGH risk	5.4	MEDIUM risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 stability programme.

Table 1.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0.1**	**0.3**	**0.3**	**0.2**	**0.1**	**0.1**
Cash disbursements of RRF grants from EU	**n.a.**	**0.2**	**0.2**	**0.3**	**0.2**	**0.1**	**0.1**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	n.a.	n.a.	n.a.	n.a.	0
Intermediate consumption P.2	n.a.	0	n.a.	n.a.	n.a.	n.a.	0
Social payments D.62+D.632	n.a.	0	n.a.	n.a.	n.a.	n.a.	0
Interest expenditure D.41	n.a.	0	n.a.	n.a.	n.a.	n.a.	0
Subsidies, payable D.3	n.a.	0	n.a.	n.a.	n.a.	n.a.	0
Current transfers D.7	n.a.	0	n.a.	n.a.	n.a.	n.a.	0
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0.1**	**0.1**	**0.1**	**0.1**	**0**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0.1**	**0.1**	**0.1**	**0.1**	**0**
Capital transfers D.9	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0.2**	**0.2**	**0.1**	**0.1**	**0**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 1.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	0	0	0	0	0
Intermediate consumption P.2	0	0	0	0	0	0	0
Social payments D.62+D.632	0	0	0	0	0	0	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0	0	0	0	0
Current transfers D.7	0	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 1.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	Loan Guarantee Scheme for Viable Non-Financial Enterprises, SMEs, Self-employed and Non-Profit Organisations - Guarantee I	27/03/2020	9.3	0.0
	Loan Guarantee Scheme for SMEs - Guarantee II	20/07/2020	1.9	0.1
	Gigarent: guarantee scheme above € 1.5 million	adopted	0.3	0.0
	Subtotal		11.4	0.1
Others	Other temporary guarantees (Wallonia)		1.3	1.3
	Other guarantees (French Community)		0.2	0.1
	Other guarantees (Flemmish Region)		2.5	2.2
	Other guarantees (Brussels region)		0.7	0.6
	Guarantees to public companies (Federal)		0.5	0.5
	Guarantees to the financial sector (Federal)	19/12/2012	8.1	4.6
	Guarantees - various (Federal)		0	0
	Subtotal		13.2	9.4
Total			**24.6**	**9.5**

Source: National authorities.

Table 2.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	CP	COM	CP	COM	CP	CP	CP
Real GDP (% change)	4.2	4.2	2.1	2.6	3.1	2.8	3.6	3.4
Private consumption (% change)	8.0	8.0	2.8	2.4	3.0	5.4	4.8	4.4
Gross fixed capital formation (% change)	-11.0	-11.0	4.0	7.6	6.9	9.0	6.0	9.9
Exports of goods and services (% change)	9.9	9.9	4.5	4.1	4.2	4.0	5.8	4.6
Imports of goods and services (% change)	12.2	12.2	5.0	5.4	4.5	6.1	6.5	6.8
Contributions to real GDP growth:								
- Final domestic demand	3.4	3.4	2.4	3.3	3.3	4.2	3.9	4.7
- Change in inventories	1.9	1.9	0.0	0.1	0.0	0.1	0.1	0.1
- Net exports	-1.1	-1.1	-0.3	-0.8	-0.2	-1.5	-0.4	-1.4
Output gap[1]	-1.0	-1.2	-0.4	-0.7	1.0	-0.4	0.7	1.5
Employment (% change)	0.2	0.2	0.2	1.7	0.4	0.8	1.0	0.6
Unemployment rate (%)	5.3	5.3	5.4	5.0	5.3	4.8	4.4	4.2
Labour productivity (% change)	4.0	4.0	1.9	0.9	2.7	2.0	2.6	2.8
HICP inflation (%)	2.8	2.8	11.9	10.4	5.0	5.1	2.7	2.3
GDP deflator (% change)	6.2	6.2	9.5	8.2	3.9	6.1	3.7	2.7
Comp. of employees (per head, % change)	9.5	9.5	9.7	8.1	7.7	9.2	8.2	7.6
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	-0.4	0.3	0.7	-0.7	0.5	1.2	0.8	1.1

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Convergence Programme (CP); Commission 2022 spring forecasts (COM); Commission calculations.

Table 2.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	CP	COM	CP	CP	CP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**-0.6**	**-3.4**	**n.a.**	**-1.3**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	0.2	-1.1	n.a.	-0.7	n.a.	n.a.	n.a.
Change in nationally financed investments	0.3	-1.1	n.a.	-0.2	n.a.	n.a.	n.a.
Change in other capital expenditure	-0.1	0.1	n.a.	0.0	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	-1.0	-1.4	n.a.	-0.5	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	-2.0	-0.9	0.4	0.5	1.2	0.5	n.a.
Stability and Growth Pact indicators							
Expenditure benchmark	-2.7	1.7	1.9	0.7	2.0	0.3	n.a.
Change in the structural balance	-0.9	0.3	0.7	0.8	0.4	-0.4	0.2

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Convergence Programme (CP); Commission 2022 spring forecasts (COM); Commission calculations.

Table 2.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	CP	COM	CP	CP	CP	CP
Revenue	**39.0**	**40.2**	**38.0**	**40.7**	**38.0**	**37.0**	**36.2**	**-2.8**
of which:								
- Taxes on production and imports	16.1	16.7	15.9	16.6	15.7	15.3	15.0	-1.1
- Current taxes on income, wealth, etc.	6.4	6.1	6.5	6.6	6.4	6.3	6.2	-0.2
- Social contributions	9.3	9.2	9.2	9.3	9.2	9.2	9.2	-0.1
- Other (residual)	7.2	8.2	6.4	8.2	6.7	6.2	5.8	-1.4
RRF grants as included in the revenue projections		1.0	0.5	2.1	1.3	1.1	1.0	n.a.
Revenue reductions financed by RRF grants	0	0	n.a.	0.0	n.a.	n.a.	n.a.	n.a.
Expenditure	**43.1**	**43.9**	**43.3**	**43.1**	**40.9**	**39.8**	**38.6**	**-4.5**
of which:								
- Primary expenditure	42.6	43.3	42.8	42.6	40.3	39.0	37.8	-4.8
of which:								
Compensation of employees+Intermediate consumption	17.1	16.7	17.2	16.5	15.7	14.7	13.7	-3.4
Compensation of employees	11.7	11.2	10.8	11.1	10.1	9.6	9.3	-2.4
Intermediate consumption	5.4	5.5	6.3	5.5	5.6	5.0	4.5	-0.9
Social payments	15.4	15.2	15.4	14.7	14.6	14.7	14.6	-0.8
Subsidies	3.8	3.4	3.1	2.7	2.3	2.2	2.1	-1.7
Gross fixed capital formation	3.3	5.0	4.8	5.4	5.4	5.3	5.3	2.0
Other (residual)	3.0	3.1	2.3	3.2	2.3	2.2	2.1	-0.9
- Interest expenditure	0.5	0.5	0.5	0.5	0.6	0.8	0.8	0.3
Expenditure financed by RRF grants	0.0	1.0	n.a.	2.1	n.a.	n.a.	n.a.	n.a.
General government balance (GGB)	**-4.1**	**-3.7**	**-5.3**	**-2.4**	**-2.9**	**-2.8**	**-2.4**	**1.7**
Primary balance	**-3.6**	**-3.1**	**-4.8**	**-1.9**	**-2.3**	**-2.0**	**-1.6**	**2.0**
GGB excl. one-offs	**-4.1**	**-3.7**	**-3.2**	**-2.4**	**-2.7**	**-2.8**	**-2.4**	**1.7**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	14.5	11.0	7.8	2.7	0.5	4.8	n.a.	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	10.5	18.6	n.a.	7.3	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	17.6	8.2	7.2	1.9	-0.8	4.5	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	11.5	16.1	n.a.	7.1	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	8.3	11.5	11.5	5.7	5.7	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	-1.0	-0.4	-0.7	1.0	-0.4	0.7	1.5	2.7
Cyclically-adjusted balance[2]	-3.8	-3.5	-5.1	-2.7	-2.8	-3.0	-2.8	0.9
One-offs	0.0	0.0	-2.1	0.0	-0.2	0.0	0.0	0.0
Structural balance[3]	-3.8	-3.5	-3.0	-2.7	-2.6	-3.0	-2.8	0.9
Structural primary balance[3]	-3.3	-3.0	-2.5	-2.2	-2.0	-2.2	-2.0	1.2

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Convergence Programme (CP); Commission 2022 spring forecasts (COM); Commission calculations.

Table 2.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	CP	COM	CP	CP	CP
Gross debt ratio[1]	**24.2**	**25.1**	**25.3**	**25.5**	**25.6**	**27.7**	**29.1**	**30.4**
Change in the ratio	-0.2	0.4	0.2	0.4	0.3	2.2	1.4	1.3
Contributions[2]*:*								
1. Primary balance	**-1.0**	**3.6**	**3.1**	**4.8**	**1.9**	**2.3**	**2.0**	**1.6**
2. "Snow-ball" effect	**-0.7**	**-1.8**	**-2.1**	**-1.9**	**-1.1**	**-1.5**	**-1.1**	**-0.9**
Of which:								
Interest expenditure	0.7	0.5	0.5	0.5	0.5	0.6	0.8	0.8
Growth effect	-0.4	-0.9	-0.5	-0.6	-0.7	-0.7	-0.9	-0.9
Inflation effect	-1.0	-1.4	-2.1	-1.8	-0.9	-1.4	-0.9	-0.7
3. Stock-flow adjustment	**1.5**	**-1.3**	**-0.8**	**-2.4**	**-0.4**	**1.4**	**0.5**	**0.6**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.

Source: Commission 2022 spring forecast (COM); Convergence Programme (CP), Comission calculations.

Table 2.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Convergence programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.3			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	-1.2	LOW risk	-0.6	LOW risk
Debt sustainability analysis [3]	MEDIUM risk			
Baseline scenario	LOW risk			
Stochastic projections	MEDIUM risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	36.8		40.7	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	3.7	MEDIUM risk	3.9	MEDIUM risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*

(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*

(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*

(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.

(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.

(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*

* For more information, see the 2021 Fiscal Sustainability Monitor.

Source: Commission services; 2022 convergence programme.

Table 2.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**n.a.**	**0.5**	**1.3**	**1.1**	**1**	**n.a.**
Cash disbursements of RRF grants from EU	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Intermediate consumption P.2	n.a.	n.a.	0	0	0	0	n.a.
Social payments D.62+D.632	n.a.	n.a.	n.a.	0	0	0	n.a.
Interest expenditure D.41	n.a.	n.a.	n.a.	0	0	0	n.a.
Subsidies, payable D.3	n.a.	n.a.	n.a.	0	0	0	n.a.
Current transfers D.7	n.a.	n.a.	n.a.	0	0	0	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**n.a.**	**n.a.**	**0**	**0**	**0**	**n.a.**
Gross fixed capital formation P.51g	**n.a.**	**n.a.**	**0.5**	**1.3**	**1.1**	**1**	**n.a.**
Capital transfers D.9	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**n.a.**	**0.5**	**1.3**	**1.1**	**1**	**n.a.**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Other costs with impact on revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Financial transactions	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Source: National authorities.

Table 2.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	0	0	0	0
Intermediate consumption P.2	n.a.	0	0	0	0	0	0
Social payments D.62+D.632	n.a.	0	0	0	0	0	0
Interest expenditure D.41	n.a.	0	0	0	0	0	0
Subsidies, payable D.3	n.a.	0	0	0	0	0	0
Current transfers D.7	n.a.	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 2.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	1. European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE) as a result of the COVID-19 outbreak, between the Re-public of Bulgaria and the European Commission.	18.09.2020	0.1	0.1
	2. Contribution agreement between the Republic of Bulgaria and EIB in relation to the Pan-European Guarantee Fund.	09.10.2020	0.1	0.1
	Subtotal		0.2	0.2
Others	1. Guarantee for financing of a project for the construction of a cross-border pipe-line between the Greek and Bulgarian gas transmission systems.	12.2019	0.1	0.1
	4. Guarantee in accordance with the Stu-dents and Doctoral Students Lending Act	8.2009	0.1	0
	Subtotal		0.2	0.1
	Total		**0.4**	**0.3**

Source: National authorities.

Table 3.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	CP	COM	CP	COM	CP	CP	CP
Real GDP (% change)	3.3	3.3	1.9	1.2	2.7	3.6	3.2	2.4
Private consumption (% change)	4.4	4.4	2.0	0.5	2.0	4.5	4.0	3.5
Gross fixed capital formation (% change)	0.9	0.6	3.1	2.2	5.6	5.9	0.1	0.2
Exports of goods and services (% change)	5.1	5.1	1.2	1.5	3.5	4.2	3.7	2.5
Imports of goods and services (% change)	11.5	11.5	1.2	1.3	3.6	4.0	1.9	1.4
Contributions to real GDP growth:								
- Final domestic demand	2.6	2.8	1.8	1.0	2.7	3.9	2.2	2.0
- Change in inventories	4.5	4.3	0.0	0.0	0.0	-0.4	-0.3	-0.4
- Net exports	-3.8	-3.8	0.1	0.1	0.0	0.2	1.3	0.9
Output gap[1]	-2.4	-2.4	-2.2	-3.0	-1.2	-1.3	0.1	0.8
Employment (% change)	0.1	0.1	2.2	2.1	0.3	1.3	0.2	0.1
Unemployment rate (%)	2.8	2.8	2.6	2.5	2.6	2.6	2.4	2.3
Labour productivity (% change)	3.2	3.2	-0.3	-0.9	2.4	2.3	3.0	2.3
HICP inflation (%)	3.3	3.3	11.7	11.3	4.5	4.2	2.0	2.0
GDP deflator (% change)	4.1	4.0	7.4	6.9	4.7	4.1	2.5	2.2
Comp. of employees (per head, % change)	5.7	5.6	2.4	2.0	5.3	4.0	3.8	3.9
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	-1.1	-0.6	-1.9	-1.6	-1.8	-1.0	0.4	1.0

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Convergence Programme (CP); Commission 2022 spring forecasts (COM); Commission calculations.

Table 3.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	CP	COM	CP	CP	CP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**-1.3**	**0.1**	**n.a.**	**0.1**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	0.0	-1.0	n.a.	-0.1	n.a.	n.a.	n.a.
Change in nationally financed investments	0.0	0.6	n.a.	-0.2	n.a.	n.a.	n.a.
Change in other capital expenditure	0.4	-0.3	n.a.	0.0	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	-1.6	0.7	n.a.	0.4	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	-0.6	2.3	1.4	0.3	0.7	2.1	n.a.
Stability and Growth Pact indicators							
Expenditure benchmark	-0.9	3.6	2.2	-0.1	1.0	1.3	n.a.
Change in the structural balance	-0.8	1.9	2.4	-0.4	-0.2	-0.2	-0.1

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Convergence Programme (CP); Commission 2022 spring forecasts (COM); Commission calculations.

Table 3.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	CP	COM	CP	CP	CP	CP
Revenue	**40.5**	**40.2**	**40.4**	**39.8**	**40.0**	**38.5**	**37.6**	**-2.9**
of which:								
- Taxes on production and imports	11.5	11.4	11.5	11.4	11.5	11.4	11.2	-0.3
- Current taxes on income, wealth, etc.	6.8	6.5	6.6	6.5	6.6	6.6	6.5	-0.3
- Social contributions	16.6	15.8	16.0	15.5	15.6	15.2	15.0	-1.6
- Other (residual)	5.7	6.5	6.3	6.4	6.3	5.3	4.9	-0.8
RRF grants as included in the revenue projections		0.9	0.8	0.7	0.6	0.6	0.2	0
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	0
Expenditure	**46.4**	**44.5**	**45.0**	**43.7**	**43.2**	**41.4**	**40.3**	**-6.1**
of which:								
- Primary expenditure	45.7	43.6	44.1	42.8	42.2	40.3	39.1	-6.6
of which:								
Compensation of employees+Intermediate consumption	16.8	16.0	16.3	15.8	15.7	15.2	15.0	-1.8
Compensation of employees	11.0	10.2	10.3	10.0	9.8	9.6	9.5	-1.5
Intermediate consumption	5.8	5.8	6.0	5.8	5.8	5.7	5.6	-0.2
Social payments	17.8	17.2	17.4	17.2	17.1	16.7	16.3	-1.5
Subsidies	3.3	2.4	2.4	2.1	2.0	1.9	1.8	-1.5
Gross fixed capital formation	4.7	4.9	4.7	5.2	4.9	4.0	3.6	-1.1
Other (residual)	3.2	3.1	3.3	2.6	2.6	2.5	2.5	-0.7
- Interest expenditure	0.7	0.9	0.9	0.9	1.0	1.1	1.2	0.5
Expenditure financed by RRF grants	0.2	0.7	0.8	0.7	0.6	0.5	0.2	0
General government balance (GGB)	**-5.9**	**-4.3**	**-4.5**	**-3.9**	**-3.2**	**-2.9**	**-2.7**	**3.2**
Primary balance	**-5.1**	**-3.4**	**-3.6**	**-3.0**	**-2.3**	**-1.8**	**-1.5**	**3.6**
GGB excl. one-offs	**-5.9**	**-3.9**	**-3.7**	**-3.9**	**-3.3**	**-2.9**	**-2.7**	**3.1**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	7.8	1.6	3.6	5.6	4.6	2.8	n.a.	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	9.7	6.8	n.a.	6.0	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	9.4	2.8	2.2	5.2	4.1	3.7	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	11.0	7.5	n.a.	5.5	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	6.4	9.5	9.5	6.7	6.7	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	-2.4	-2.2	-3.0	-1.2	-1.3	0.1	0.8	3.2
Cyclically-adjusted balance[2]	-4.9	-3.4	-3.3	-3.5	-2.7	-2.9	-3.0	1.9
One-offs	0.0	-0.4	-0.8	0.0	0.0	0.0	0.0	0.0
Structural balance[3]	-4.9	-3.1	-2.5	-3.5	-2.7	-3.0	-3.0	1.9
Structural primary balance[3]	-4.2	-2.1	-1.6	-2.5	-1.7	-1.9	-1.8	2.3

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Convergence Programme (CP); Commission 2022 spring forecasts (COM); Commission calculations.

Table 3.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	CP	COM	CP	CP	CP
Gross debt ratio[1]	**34.1**	**41.9**	**42.8**	**42.7**	**44.0**	**43.4**	**44.4**	**45.4**
Change in the ratio	-0.4	4.2	0.9	0.8	1.2	0.7	0.9	1.1
Contributions[2]*:*								
1. Primary balance	**-0.3**	**5.1**	**3.4**	**3.6**	**3.0**	**2.3**	**1.8**	**1.5**
2. "Snow-ball" effect	**-0.7**	**-1.8**	**-2.6**	**-2.2**	**-2.0**	**-2.1**	**-1.3**	**-0.8**
Of which:								
Interest expenditure	0.8	0.7	0.9	0.9	0.9	1.0	1.1	1.2
Growth effect	-0.6	-1.2	-0.7	-0.4	-1.1	-1.4	-1.3	-1.0
Inflation effect	-0.8	-1.4	-2.8	-2.7	-1.9	-1.6	-1.0	-0.9
3. Stock-flow adjustment	**0.6**	**0.9**	**0.2**	**-0.6**	**0.2**	**0.6**	**0.4**	**0.4**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Convergence Programme (CP); Commission 2022 spring forecasts (COM); Commission calculations.

Table 3.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Convergence programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.2			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	1.9	MEDIUM risk	0.9	MEDIUM risk
Debt sustainability analysis [3]	MEDIUM risk			
Baseline scenario	MEDIUM risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	61.4		48.8	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	7.1	HIGH risk	6.2	HIGH risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 convergence programme.

Table 3.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0.2**	**0.8**	**0.6**	**0.6**	**0.2**	**0.2**
Cash disbursements of RRF grants from EU	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Intermediate consumption P.2	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Social payments D.62+D.632	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Interest expenditure D.41	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Current transfers D.7	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0.3**	**0.1**	**0.1**	**0.1**	**0.1**
Gross fixed capital formation P.51g	**n.a.**	**0.2**	**0.5**	**0.5**	**0.4**	**0.1**	**0**
Capital transfers D.9	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0.2**	**0.5**	**0.5**	**0.4**	**0.1**	**0**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 3.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	0	0	0	0	0
Intermediate consumption P.2	0	0	0	0	0	0	0
Social payments D.62+D.632	0	0	0	0	0	0	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0	0	0	0	0
Current transfers D.7	0	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 3.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	COVID II Guarantee	2020	0.2	0.2
	COVID III Guarantee	2020	0.7	0.7
	COVID Plus Guarantee	2020	0.3	0.3
	National Guarantee Programme	2020	0.1	0.1
	Expansion - Guarantee Programme	2020	0.1	0.1
	Subtotal		1.5	1.5
Others	Guarantees provided by local governments including			
	- for loans related to the housing needs	2014	0.04	0.04
	- other guarantees of the general government sector	2014	0.01	0.01
	Subtotal		0.1	0.1
	Total		**1.5**	**1.5**

Source: National authorities.

Table 4.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025	2026	2027
	COM	CP	COM	CP	COM	CP	CP	CP	CP	CP
Real GDP (% change)	4.7	4.7	2.6	3.4	1.8	1.9	1.2	0.6	0.8	0.9
Private consumption (% change)	4.2	4.2	2.3	2.6	2.1	2.0	2.0	1.8	1.6	1.5
Gross fixed capital formation (% change)	5.6	5.6	2.7	2.4	2.3	5.3	0.9	0.3	0.5	0.3
Exports of goods and services (% change)	7.8	7.8	5.4	5.1	4.5	3.7	3.3	1.1	0.3	0.9
Imports of goods and services (% change)	8.2	8.2	5.0	3.1	4.6	4.0	3.5	2.4	1.2	1.4
Contributions to real GDP growth:										
- Final domestic demand	4.1	4.1	2.0	1.9	1.7	2.1	1.2	1.3	1.2	1.1
- Change in inventories	0.3	0.3	0.1	0.1	0	0	0	0	0	0
- Net exports	0.3	0.3	0.5	1.4	0.2	0.1	0.0	-0.7	-0.5	-0.2
Output gap[1]	-2.0	-2.1	-1.6	-1.1	-1.9	-1.2	-1.2	-1.3	-1.0	-0.4
Employment (% change)	2.6	2.6	1.9	2.3	1.1	0.5	-0.5	-0.5	-0.4	-0.2
Unemployment rate (%)	5.1	5.2	4.8	4.3	4.7	4.3	4.1	4.3	4.6	4.8
Labour productivity (% change)	2.0	1.9	0.7	1.4	0.7	1.3	1.6	1.1	1.1	1.0
HICP inflation (%)	1.9	1.9	5.1	5.2	2.7	1.8	2.1	2.1	1.9	1.8
GDP deflator (% change)	2.4	2.4	3.3	1.8	2.3	1.2	2.2	2.3	1.9	1.9
Comp. of employees (per head, % change)	3.2	3.1	3.6	1.5	2.9	3.6	3.8	3.5	3.4	3.4
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	8.4	8.3	7.9	6.5	7.9	5.9	9.8	8.9	7.8	7.2

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.

Source: Convergence Programme (CP); Commission 2022 spring forecasts (COM); Commission calculations

Table 4.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025	2026	2027
	COM	COM	CP	COM	CP	CP	CP	CP	CP
Relevant indicators for fiscal guidance at this stage									
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**3.0**	**-2.2**	**n.a.**	**1.6**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:									
Change in expenditure financed by RRF grants and other EU funds	-0.2	0	n.a.	0.1	n.a.	n.a.	n.a.	n.a.	n.a.
Change in nationally financed investments	0.1	0	n.a.	-0.4	n.a.	n.a.	n.a.	n.a.	n.a.
Change in other capital expenditure	0.3	0	n.a.	0.4	n.a.	n.a.	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	2.7	-2.2	n.a.	1.4	n.a.	n.a.	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	0.9	2.3	4.3	1.6	0.4	-0.4	n.a.	n.a.	n.a.
Stability and Growth Pact indicators									
Expenditure benchmark	1.1	2.4	4.4	1.6	0.8	-0.2	n.a.	n.a.	n.a.
Change in the structural balance	1.3	-1.6	-1.0	0.3	-0.2	-0.3	-0.2	-0.7	-1.5

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.

Source: Convergence Programme (CP); Commission 2022 spring forecasts (COM); Commission calculations

Table 4.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	2026	2027	Change: 2021-2027
	COM	COM	CP	COM	CP	CP	CP	CP	CP	CP
Revenue	**53.3**	**49.2**	**47.9**	**47.7**	**47.9**	**47.7**	**47.8**	**48.7**	**48.7**	-4.6
of which:										
- Taxes on production and imports	15.8	15.1	15.4	14.7	15.4	15.3	15.3	15.3	15.3	-0.5
- Current taxes on income, wealth, etc.	31.2	28.3	27.4	27.4	27.5	27.4	27.5	28.2	28.2	-3.0
- Social contributions	0.8	0.7	0	0.7	0	0	0	0	0	-0.8
- Other (residual)	5.6	5.1	5.1	4.8	5.0	5.0	5.0	5.2	5.2	-0.4
RRF grants as included in the revenue projections		0.1	0.2	0	0.1	0.1	0.0	0.0	n.a.	n.a.
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	0	n.a.	n.a.
Expenditure	**51.0**	**48.3**	**47.3**	**47.1**	**47.7**	**47.1**	**47.4**	**48.1**	**48.7**	-2.3
of which:										
- Primary expenditure	50.5	47.7	46.7	46.6	47.2	46.7	47.0	47.6	48.2	-2.3
of which:										
Compensation of employees+Intermediate	24.0	23.6	23.3	23.1	23.1	23.0	23.3	23.7	23.9	-0.1
Compensation of employees	15.0	14.5	14.4	14.3	14.4	14.4	14.6	14.8	15.0	0.0
Intermediate consumption	9.1	9.1	n.a.	8.8	8.7	8.6	8.8	8.9	9.0	-0.1
Social payments	16.8	16.0	16.0	15.4	16.0	16.2	16.4	16.6	16.8	0.0
Subsidies	2.5	1.4	1.5	1.3	1.5	1.5	1.5	1.5	1.5	-1.0
Gross fixed capital formation	3.5	3.5	3.2	3.8	3.6	3.6	3.4	3.5	3.5	0.0
Other (residual)	3.6	3.3	2.4	3.1	2.9	2.2	2.2	2.3	2.3	-1.3
- Interest expenditure	0.5	0.6	0.6	0.5	0.5	0.4	0.4	0.5	0.5	0
Expenditure financed by RRF grants	0	0	0	0	0	0	0	0	n.a.	n.a.
General government balance (GGB)	**2.3**	**0.9**	**0.6**	**0.6**	**0.2**	**0.6**	**0.4**	**0.6**	**0.1**	-2.2
Primary balance	**2.9**	**1.5**	**1.3**	**1.1**	**0.7**	**1.0**	**0.8**	**1.1**	**0.6**	-2.3
GGB excl. one-offs	**2.3**	**0.9**	**1.9**	**1.1**	**1.7**	**1.4**	**1.1**	**0.6**	**0.1**	-2.2
Expenditure aggreagate growth rates										
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	2.2	0.3	-4.5	0.9	3.3	4.7	n.a.	n.a.	n.a.	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	-2.4	10.4	n.a.	0.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	2.9	-0.1	-8.5	0.8	0.9	4.8	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	-2.0	10.9	n.a.	0.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	4.4	5.3	5.3	4.1	4.1	n.a.	n.a.	n.a.	n.a.	n.a.
Other indicators										
Output gap[2]	-2.0	-1.6	-1.1	-1.9	-1.2	-1.2	-1.3	-1.0	-0.4	1.6
Cyclically-adjusted balance[2]	3.5	1.9	1.3	1.7	0.9	1.3	1.2	1.2	0.4	-3.2
One-offs	0	0	-1.3	-0.5	-1.5	-0.8	-0.7	0	0	0
Structural balance[3]	3.5	1.9	2.6	2.2	2.4	2.1	1.9	1.2	0.4	-3.2
Structural primary balance[3]	4.1	2.4	3.2	2.7	2.9	2.5	2.3	1.7	0.9	-3.3

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Convergence Programme (CP); Commission 2022 spring forecasts (COM); Commission calculations

Table 4.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025	2026	2027
			COM	CP	COM	CP	CP	CP	CP	CP
Gross debt ratio[1]	**36.6**	**36.7**	**34.9**	**33.3**	**33.9**	**32.5**	**34.0**	**33.9**	**35.8**	**35.6**
Change in the ratio	0.5	-5.4	-1.8	-3.4	-1.0	-0.8	1.5	-0.1	1.9	-0.2
Contributions[2]*:*										
1. Primary balance	**-2.1**	**-2.9**	**-1.5**	**-1.3**	**-1.1**	**-0.7**	**-1.0**	**-0.8**	**-1.1**	**-0.6**
2. "Snow-ball" effect	**-0.1**	**-2.2**	**-1.5**	**-1.1**	**-0.9**	**-0.5**	**-0.7**	**-0.6**	**-0.4**	**-0.5**
Of which:										
Interest expenditure	0.8	0.5	0.6	0.6	0.5	0.5	0.4	0.4	0.5	0.5
Growth effect	-0.6	-1.8	-0.9	-1.2	-0.6	-0.6	-0.4	-0.2	-0.3	-0.3
Inflation effect	-0.4	-0.9	-1.1	-0.6	-0.8	-0.4	-0.7	-0.8	-0.6	-0.7
3. Stock-flow adjustment	**2.7**	**-0.2**	**1.2**	**-1.0**	**1.0**	**0.4**	**3.2**	**1.3**	**3.4**	**0.9**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.

Source: Convergence Programme (CP); Commission 2022 spring forecasts (COM); Commission calculations

Table 4.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Convergence programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.2			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	-5.9	LOW risk	-4.7	LOW risk
Debt sustainability analysis [3]	LOW risk			
Baseline scenario	LOW risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	9.7		23.1	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	-0.8	LOW risk	0.5	LOW risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.

Source: Commission services; 2022 convergence programme.

Table 4.6: **RRF – Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0.1**	**0.2**	**0.1**	**0.1**	**0**	**0**
Cash disbursements of RRF grants from EU	**n.a.**	**0.1**	**0.2**	**0.1**	**0.1**	**0**	**0**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	n.a.	0	0	0	0	0
Intermediate consumption P.2	n.a.	n.a.	0	0	0	0	0
Social payments D.62+D.632	n.a.	n.a.	0	0	0	0	0
Interest expenditure D.41	n.a.	n.a.	0	0	0	0	0
Subsidies, payable D.3	n.a.	n.a.	0	0	0	0	0
Current transfers D.7	n.a.	n.a.	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**n.a.**	**0.1**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0.1**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 4.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	0	0	0	0
Intermediate consumption P.2	n.a.	0	0	0	0	0	0
Social payments D.62+D.632	n.a.	0	0	0	0	0	0
Interest expenditure D.41	n.a.	0	0	0	0	0	0
Subsidies, payable D.3	n.a.	0	0	0	0	0	0
Current transfers D.7	n.a.	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 4.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	Guarantees for SMEs	June 2020	0.7	0.1
	Guarantees for large corporates	June 2020	1.2	0
	Other national guarantees	2020	1.4	1.1
	Guarantee for EIB	2020	0.2	0.1
	Guarantee EU SURE	2020	0.2	n.a.
	EU Recovery Fund	2020	2.6	n.a.
	Subtotal		6.2	n.a.
Others	Others	n.a.	8.7	n.a.
	Subtotal		0	n.a.
	Total		**6.2**	**n.a.**

Source: National authorities.

Table 5.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025	2026
	COM	SP	COM	SP	COM	SP	SP	SP	SP
Real GDP (% change)	2.9	2.9	1.6	3.6	2.4	2.3	0.8	0.8	0.8
Private consumption (% change)	0.1	0.1	4.1	6.0	3.7	2.6	0.8	0.8	0.8
Gross fixed capital formation (% change)	1.5	1.5	0.8	2.6	2.7	4.3	2.1	2.1	2.1
Exports of goods and services (% change)	9.9	9.9	2.4	5.5	4.2	4.0	3.1	3.1	3.1
Imports of goods and services (% change)	9.3	9.3	4.1	6.3	5.1	4.3	3.5	3.5	3.5
Contributions to real GDP growth:									
- Final domestic demand	1.1	1.1	2.3	3.5	2.6	2.2	0.9	0.9	0.9
- Change in inventories	1.0	0.7	-0.2	0.1	0.1	0	0	0	0
- Net exports	0.8	0.9	-0.6	0.0	-0.2	0.1	0	0	0
Output gap[1]	-2.0	-2.6	-1.4	-0.4	-0.1	0.6	0.3	0.0	-0.2
Employment (% change)	0.0	0.0	0.8	0.9	0.5	0.4	-0.3	-0.3	-0.3
Unemployment rate (%)	3.6	3.3	3.3	3.1	3.2	3.0	3.2	3.3	3.3
Labour productivity (% change)	2.8	2.8	0.8	2.7	1.9	1.9	1.1	1.1	1.1
HICP inflation (%)	3.2	n.a.	6.5	n.a.	3.1	n.a.	n.a.	n.a.	n.a.
GDP deflator (% change)	3.0	3.0	5.4	2.9	3.6	1.7	1.8	1.8	1.8
Comp. of employees (per head, % change)	3.4	3.4	3.4	3.5	4.0	3.1	3.3	3.2	3.2
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	6.9	6.9	5.8	6.9	6.2	7.1	6.9	6.8	6.7

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 5.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025	2026
	COM	COM	SP	COM	SP	SP	SP	SP
Relevant indicators for fiscal guidance at this stage								
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**0.1**	**-1.6**	**n.a.**	**0.6**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:								
Change in expenditure financed by RRF grants and other EU funds	-0.2	0	n.a.	0.1	n.a.	n.a.	n.a.	n.a.
Change in nationally financed investments	0.0	-0.2	n.a.	-0.1	n.a.	n.a.	n.a.	n.a.
Change in other capital expenditure	-0.3	0.1	n.a.	0	n.a.	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	0.6	-1.5	n.a.	0.7	n.a.	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	-1.5	1.5	1.3	1.8	2.3	0.9	1.0	n.a.
Stability and Growth Pact indicators								
Expenditure benchmark	-1.4	1.7	1.7	1.7	2.3	0.9	0.8	n.a.
Change in the structural balance	-0.2	0.8	-1.3	0.8	1.3	0.4	1.0	0.4

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 5.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	2026	Change: 2021-2026
	COM	COM	SP	COM	SP	SP	SP	SP	SP
Revenue	**47.8**	**46.3**	**45 ½**	**45.9**	**46**	**46 ¼**	**47**	**47 ¼**	-½
of which:									
- Taxes on production and imports	11.0	11.2	10 ¾	11.2	11	11	11	11	0
- Current taxes on income, wealth, etc.	13.5	12.5	12 ¼	12.2	12 ½	12 ¾	13	13 ½	0
- Social contributions	17.7	17.3	17 ¼	17.2	17 ½	17 ½	18	18 ¼	½
- Other (residual)	5.6	5.3	5 ¼	5.3	5	5	5	4 ¾	-1
RRF grants as included in the revenue projections	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.0	-0.2
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	0	0
Expenditure	**51.5**	**48.8**	**49 ¼**	**46.9**	**47 ¾**	**48**	**47 ¾**	**47 ¾**	-3 ¾
of which:									
- Primary expenditure	50.9	48.3	48 ½	46.4	47 ¼	47 ½	47 ¼	47 ¼	-3 ¾
of which:									
Compensation of employees+Intermediate consumption	14.7	14.2	14 ½	13.6	13 ½	13 ¼	13 ¼	13 ¼	-1 ½
Compensation of employees	8.2	7.9	8	7.7	7 ¾	7 ¾	7 ¾	7 ¾	-½
Intermediate consumption	6.5	6.3	6 ½	5.9	5 ¾	5 ½	5 ½	5 ½	-1
Social payments	26.2	25.3	25 ¼	24.7	25	25 ¼	25 ½	25 ½	-¾
Subsidies	2.9	1.6	2	1.3	1 ½	1 ¾	1 ¾	1 ¾	-1 ¼
Gross fixed capital formation	2.5	2.7	3	2.8	3	3	2 ¾	2 ¾	¼
Other (residual)	4.4	4.3	4 ¼	4.0	4 ¼	4 ¼	4	4	-½
- Interest expenditure	0.6	0.5	½	0.5	½	½	½	½	0
Expenditure financed by RRF grants	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.0	-0.2
General government balance (GGB)	**-3.7**	**-2.5**	**-3 ¾**	**-1.0**	**-2**	**-1 ¾**	**-1**	**-½**	3
Primary balance	**-3.1**	**-2.0**	**-3 ¼**	**-0.5**	**-1 ½**	**-1 ¼**	**-¼**	**0**	3
GGB excl. one-offs	**-3.6**	**-2.5**	**-3 ¾**	**-1.0**	**-2**	**-1 ¾**	**-1**	**-½**	3
Expenditure aggreagate growth rates									
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	7.1	3.5	3.8	1.0	-0.1	2.5	2.0	n.a.	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	3.7	10.2	n.a.	3.6	n.a.	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	6.7	3.1	2.6	0.3	-0.8	2.5	2.1	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	2.9	10.4	n.a.	3.1	n.a.	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	4.3	6.5	6.5	4.7	4.7	n.a.	n.a.	n.a.	n.a.
Other indicators									
Output gap[2]	-2.0	-1.4	-0.4	-0.1	0.6	0.3	0	-0.2	2.4
Cyclically-adjusted balance[2]	-2.7	-1.8	-3.5	-1.0	-2.2	-1.9	-0.9	-0.5	1.9
One-offs	-0.1	0	0	0	0	0	0	0	0.1
Structural balance[3]	-2.6	-1.8	-3.5	-1.0	-2.2	-1.9	-0.9	-0.5	1.7
Structural primary balance[3]	-2.0	-1.2	-2.9	-0.4	-1.7	-1.3	-0.4	0	1.7

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 5.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025	2026
			COM	SP	COM	SP	SP	SP	SP
Gross debt ratio[1]	**64.5**	**69.3**	**66.4**	**66 ¾**	**64.5**	**65 ¾**	**65 ¾**	**65**	**64 ½**
Change in the ratio	-0.7	0.6	-3.0	-2 ½	-1.9	-1	-¼	-¾	-½
Contributions[2]*:*									
1. Primary balance	**-1.2**	**3.1**	**2.0**	**3 ¼**	**0.5**	**1 ½**	**1 ¼**	**¼**	**0**
2. "Snow-ball" effect	**-0.5**	**-3.3**	**-4.0**	**-3.6**	**-3.3**	**-2.0**	**-1.1**	**-1.1**	**-1.1**
Of which:									
Interest expenditure	0.9	0.6	0.5	½	0.5	½	½	½	½
Growth effect	-0.4	-1.9	-1.0	-2.4	-1.5	-1.5	-0.5	-0.5	-0.5
Inflation effect	-1.1	-2.0	-3.5	-1.9	-2.3	-1.1	-1.1	-1.1	-1.1
3. Stock-flow adjustment	**1.1**	**0.8**	**-0.9**	**-2.0**	**0.9**	**-0.3**	**-0.3**	**0.1**	**0.5**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 5.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.3			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	-0.1	LOW risk	-0.3	LOW risk
Debt sustainability analysis [3]	LOW risk			
Baseline scenario	LOW risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	57.0		58.5	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	2.6	MEDIUM risk	2.2	MEDIUM risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 stability programme.

Table 5.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**0**	**0.2**	**0.2**	**0.1**	**0.1**	**0.1**	**0**
Cash disbursements of RRF grants from EU	**0**	**0.1**	**0.1**	**0.2**	**0.2**	**0.1**	**0.1**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Intermediate consumption P.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Social payments D.62+D.632	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interest expenditure D.41	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Current transfers D.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL CURRENT EXPENDITURE	**0**	**0.1**	**0.1**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**0**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0**
TOTAL CAPITAL EXPENDITURE	**0**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Source: National authorities.

Table 5.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	0	0	0	0	0
Intermediate consumption P.2	0	0	0	0	0	0	0
Social payments D.62+D.632	0	0	0	0	0	0	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0	0	0	0	0
Current transfers D.7	0	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 5.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	**Federation: including guarantees under the Budget Act (Haushaltsgesetz), here: expansion of guarantee framework following entry into force of the first supplementary budget for 2020, pursuant to section 3 (1) sentence 1 no. ...**	**retroactively from 1 January 2020**	**10.0**	**n.a.**
	1. Exports (export guarantees)		0.2	n.a.
	2. Loans to foreign debtors, foreign direct investment, EIB loans		0.5	n.a.
	3. Financial cooperation projects		0.1	n.a.
	5. Domestic guarantees		8.4	n.a.
	6. International financing institutions		0.8	n.a.
	Federation: Guarantees under other laws			
	Guarantees under the Act on the Assumption of Guarantees within the Framework of the European Instrument for Temporary Support to Mitigate Unemployment Risks in an Emergency (SURE) (SURE-Gewährleistungsgesetz)	10 July 2020	0.2	0.2
	German contribution to the Pan-European Guarantee Fund	2020	0.1	0
	Federation: Guarantees by special funds			
	Guarantees by the Economic Stabilisation Fund under section 21 of the Stabilisation Fund Act (Stabilisierungsfondsgesetz) (reduced to €100bn under the Act Amending the Stabilisation Fund Act (Gesetz zur Änderung des Stabilisierungsfondsgesetzes) and the Economic Stabilisation Acceleration Act (Wirtschaftsstabilisierungs-beschleunigungsgesetz) of 20 December 2021)	28 March 2020 / 20 Decem-ber 2021	2.8	0
	Länder: Expansion of guarantee framework provided by the Länder	**tbd**	**2.2**	**0**
	Subtotal		**15.2**	**n.a.**
Others	**Federation: including total guarantees under the Budget Act pursuant to section 3 (1) sentence 1 no. …**	**1 January 2020**	**23.0**	**15.3**
	1. Exports (export guarantees)		4.3	3.6
	2. Loans to foreign debtors, foreign direct investment, EIB loans		2.1	1.0
	3. Financial cooperation projects		1.0	0.8
	5. Domestic guarantees		12.0	7.5
	6. International financing institutions		3.1	1.9
	8. Interest compensation guarantees		0.4	0.4
	Federation: Guarantees under other laws			
	Guarantees for loans to Greece under the Act on Financial Stability within the Monetary Union (Währungsunion-Finanzstabilitätsgesetz)	7 May 2010	0.6	0.6
	Guarantees under the Act on the Assumption of Guarantees within the Framework of a European Stabilisation Mechanism (Gesetz zur Übernahme von Gewährleistungen im Rahmen eines europäischen Stabilisierungsmechanismus)	23 May 2010, amendment: 1 June 2012	5.9	2.5
	Federation: including guarantees by special funds			
	Guarantees by the ERP Special Fund ERP Business Plan Act (ERP-Wirtschaftsplangesetz) 2021		0.1	0.1
	Guarantees by the Financial Stabilisation Fund under sections 6 and 8a of the Stabilisation Fund Act	18 Oct. 2008, amendment: 29 Dec. 2020	11.2	0
	Subtotal		**40.9**	**18.5**
	Total		**56.1**	**n.a.**

Source: National authorities.

Table 6.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025	2026
	COM	SP	COM	SP	COM	SP	SP	SP	SP
Real GDP (% change)	8.3	8.3	1.0	-1.0	2.4	1.2	3.2	2.6	2.6
Private consumption (% change)	6.4	6.5	2.5	-4.6	1.5	0.1	3.2	2.3	2.0
Gross fixed capital formation (% change)	3.3	3.3	-7.0	-7.2	5.0	3.9	1.0	2.4	2.5
Exports of goods and services (% change)	19.8	19.8	3.0	-2.0	4.9	2.3	4.7	3.2	3.0
Imports of goods and services (% change)	20.6	20.6	-0.6	-6.6	4.3	2.1	3.4	2.8	2.3
Contributions to real GDP growth:									
- Final domestic demand	5.0	4.9	-0.4	-4.4	2.1	1.2	1.8	1.8	1.7
- Change in inventories	2.8	2.6	-1.6	-0.2	-0.3	-0.2	0.0	0.3	0.1
- Net exports	-0.5	-0.4	2.9	3.5	0.6	0.2	1.3	0.5	0.7
Output gap[1]	0.0	0.7	-1.5	-1.9	-1.5	-2.4	-1.0	-0.3	0.5
Employment (% change)	0.1	-0.5	0.7	-0.1	1.0	-1.2	1.1	0.4	0.0
Unemployment rate (%)	6.2	6.2	6.8	7.2	6.9	8.3	7.2	6.7	6.4
Labour productivity (% change)	8.2	8.9	0.3	-0.9	1.4	2.4	2.1	2.2	2.6
HICP inflation (%)	4.5	4.5	11.2	12.4	2.5	2.0	1.2	1.7	2.0
GDP deflator (% change)	5.5	5.5	8.1	7.8	3.2	2.5	1.7	2.1	2.4
Comp. of employees (per head, % change)	7.6	7.9	7.0	6.1	4.5	5.6	4.6	4.8	5.0
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	1.1	8.1	3.0	3.4	4.0	4.1	4.3	4.1	4.9

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 6.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025	2026	
	COM	COM	SP	COM	SP	SP	SP	SP	
Relevant indicators for fiscal guidance at this stage									
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**1.7**	**-2.4**	**n.a.**	**0.2**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	
of which contribution from:									
Change in expenditure financed by RRF grants and other EU funds	-0.1	-0.1	n.a.	-0.4	n.a.	n.a.	n.a.	n.a.	
Change in nationally financed investments	-0.1	-0.6	n.a.	-0.3	n.a.	n.a.	n.a.	n.a.	
Change in other capital expenditure	0.4	-0.4	n.a.	0.5	n.a.	n.a.	n.a.	n.a.	
Change in net nationally financed primary current expenditure	1.6	-1.4	n.a.	0.4	n.a.	n.a.	n.a.	n.a.	EE
Fiscal stance (including EU-financed expenditure)[1]	1.3	-0.5	-0.5	1.0	1.2	1.4	1.9	n.a.	
Stability and Growth Pact indicators									
Expenditure benchmark	1.6	0.0	1.3	1.5	0.8	1.0	1.1	n.a.	
Change in the structural balance	0.1	-0.5	-0.9	0.9	-0.7	0.3	0.5	n.a.	

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 6.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	2026	Change: 2021-2026
	COM	COM	SP	COM	SP	SP	SP	SP	SP
Revenue	**40.0**	**39.3**	**39.9**	**39.1**	**40.2**	**39.8**	**39.2**	**38.3**	-1.7
of which:									
- Taxes on production and imports	13.7	13.9	14.0	13.7	13.7	13.6	13.3	12.8	-0.9
- Current taxes on income, wealth, etc.	8.6	7.8	8.0	7.3	7.6	7.6	7.7	7.7	-0.9
- Social contributions	12.2	11.9	12.3	11.9	12.3	12.4	12.5	12.4	0.2
- Other (residual)	5.5	5.6	5.6	6.1	6.6	6.2	5.7	5.4	-0.1
RRF grants as included in the revenue projections		0.4	0.6	0.7	0.7	0.7	0.4	0.3	0.3
Revenue reductions financed by RRF grants	0	0	n.a.	0.0	n.a.	n.a.	n.a.	n.a.	n.a.
Expenditure	**42.3**	**43.6**	**45.2**	**42.7**	**45.0**	**43.6**	**42.1**	**40.4**	-1.9
of which:									
- Primary expenditure	42.3	43.6	45.2	42.6	44.8	43.3	41.8	40.1	-2.2
of which:									
Compensation of employees+Intermediate consumption	17.5	17.5	18.3	17.0	18.3	17.1	16.5	15.6	-1.9
Compensation of employees	11.2	11.0	11.3	10.8	11.2	10.7	10.6	10.1	-1.1
Intermediate consumption	6.3	6.6	n.a.	6.3	7.1	6.4	5.8	5.5	-0.8
Social payments	15.3	15.7	15.4	15.6	15.6	15.6	15.8	15.9	0.6
Subsidies	1.0	0.8	0.8	0.5	0.5	0.5	0.5	0.5	-0.5
Gross fixed capital formation	5.7	6.3	7.5	6.8	7.6	7.4	6.8	6.1	0.4
Other (residual)	2.9	3.3	3.1	2.6	2.9	2.7	2.2	2.0	-0.9
- Interest expenditure	0	0	0	0.2	0.2	0.3	0.3	0.3	0.3
Expenditure financed by RRF grants	0	0.4	0.4	0.7	0.7	0.7	0.4	0.3	0.3
General government balance (GGB)	**-2.4**	**-4.4**	**-5.3**	**-3.7**	**-4.8**	**-3.8**	**-2.9**	**-2.2**	0.2
Primary balance	**-2.3**	**-4.3**	**-5.2**	**-3.5**	**-4.6**	**-3.6**	**-2.9**	**-1.9**	0.4
GGB excl. one-offs	**-3.4**	**-4.5**	**-5.5**	**-3.7**	**-4.8**	**-3.8**	**-2.9**	**-2.2**	1.2
Expenditure aggreagate growth rates									
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	5.2	12.6	12.2	2.8	3.2	3.8	1.0	n.a.	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	3.7	18.3	n.a.	4.8	n.a.	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	5.5	9.7	7.2	2.7	4.9	4.4	2.1	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	3.7	16.1	n.a.	5.2	n.a.	n.a.	n.a.	n.a.	n.a.
p.m. mominal 10-year average potential growth (%)[1]	8.8	11.5	11.5	6.4	6.4	n.a.	n.a.	n.a.	n.a.
Other indicators									
Output gap[2]	0.0	-1.5	-1.9	-1.5	-2.4	-1.0	-0.3	0.5	-0.2
Cyclically-adjusted balance[2]	-2.3	-3.7	-4.4	-3.0	-3.6	-3.3	-2.8	-2.4	0.3
One-offs	1.0	0.2	0.2	0	0	0	0	0	-1.0
Structural balance[3]	-3.3	-3.8	-4.6	-3.0	-3.6	-3.3	-2.8	-2.4	1.3
Structural primary balance[3]	-3.3	-3.8	-4.6	-2.8	-3.4	-3.0	-2.5	-2.1	1.5

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 6.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025	2026
			COM	SP	COM	SP	SP	SP	SP
Gross debt ratio[1]	**11.0**	**18.1**	**20.9**	**20.7**	**23.5**	**24.1**	**27.7**	**29.2**	**29.7**
Change in the ratio	1.8	-0.9	2.9	2.6	2.6	3.4	3.6	1.5	0.5
Contributions[2] *:*									
1. Primary balance	**1.4**	**2.3**	**4.3**	**5.2**	**3.5**	**4.6**	**3.6**	**2.9**	**1.9**
2. "Snow-ball" effect	**-0.4**	**-2.3**	**-1.5**	**-1.0**	**-0.9**	**-0.5**	**-0.9**	**-1.3**	**-1.1**
Of which:									
Interest expenditure	0	0	0	0	0.2	0.2	0.3	0.3	0.3
Growth effect	-0.2	-1.4	-0.2	0.2	-0.5	-0.2	-0.7	-0.7	-0.7
Inflation effect	-0.2	-0.9	-1.3	-1.3	-0.6	-0.5	-0.4	-0.6	-0.7
3. Stock-flow adjustment	**0.9**	**-0.9**	**0.0**	**-1.5**	**0.0**	**-0.7**	**0.9**	**-0.1**	**-0.3**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 6.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.2			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	-1.5	LOW risk	-1.4	LOW risk
Debt sustainability analysis [3]	LOW risk			
Baseline scenario	LOW risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	36.1		35.8	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	1.6	LOW risk	1.3	LOW risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 stability programmes.

Table 6.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0**	**0.6**	**0.7**	**0.7**	**0.4**	**0.3**
Cash disbursements of RRF grants from EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Intermediate consumption P.2	0	0	0	0	0	0	0
Social payments D.62+D.632	0	0	0	0	0	0	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0	0	0	0	0
Current transfers D.7	0	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF grants (% of GDP)							
Other costs financed by RRF loans (% of GDP)	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 6.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	0	0	0	0	0
Intermediate consumption P.2	0	0	0	0	0	0	0
Social payments D.62+D.632	0	0	0	0	0	0	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0	0	0	0	0
Current transfers D.7	0	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE							

Other costs financed by RRF grants (% of GDP)

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 6.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	Guarantees to foundation KredEx and limited company KredEx Credit Insurance Ltd, Rural Development Foundation (MES)	2020	1.3	0.5
	Subtotal		1.3	0.5
	Guarantee in respect of bonds obligations of the EFSF	2011	1.7	0
	Callable capital of EIB, NIB, CEB, EBRD, IBRD, 3 SIIF	2020	1.4	0
	Guarantee to foundation KredEx and limited company KredEx Credit Insurance Ltd	2009	1.3	0
	Student loans	2003	0.1	0
	Loan guarantees (2 state owned foundations)	2016	0.1	0
	Subtotal		4.6	0
	Total		**5.9**	**0.5**

Source: National authorities.

Table 7.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	SP	COM	SP	COM	SP	SP	SP
Real GDP (% change)	13.5	13.5	5.4	6.4	4.4	4.4	4.0	3.8
Private consumption (% change)	5.7	5.7	5.7	6.0	4.1	3.6	3.5	3.4
Gross fixed capital formation (% change)	-37.6	-37.6	4.2	-10.9	5.4	8.1	7.1	5.6
Exports of goods and services (% change)	16.6	16.6	6.0	7.5	4.9	5.1	4.6	4.4
Imports of goods and services (% change)	-3.7	-3.7	6.2	2.9	5.0	5.7	5.3	4.8
Contributions to real GDP growth:								
- Final domestic demand	-12.8	-12.8	2.6	-1.1	2.4	2.7	2.6	2.3
- Change in inventories	-0.4	-0.4	0	0	0	0	0	0
- Net exports	25.8	25.8	2.2	7.5	1.8	1.6	1.4	1.5
Output gap[1]	2.5	n.a.	2.8	n.a.	2.5	n.a.	n.a.	n.a.
Employment (% change)	3.9	11.0	2.8	14.9	0.8	2.1	1.7	1.7
Unemployment rate (%)	6.2	15.9	4.6	6.2	5.0	5.4	5.2	4.9
Labour productivity (% change)	9.2	2.3	2.6	-7.4	3.6	2.4	2.3	2.1
HICP inflation (%)	2.4	2.5	6.1	6.2	3.1	3.0	2.2	2.1
GDP deflator (% change)	-0.4	-0.4	4.8	4.1	4.1	2.2	1.9	1.7
Comp. of employees (per head, % change)	3.6	-3.0	3.8	-4.6	7.8	5.2	4.8	4.6
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	14.1	13.9	12.6	18.1	12.9	17.3	16.5	15.9

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 7.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	SP	COM	SP	SP	SP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**0.6**	**-0.3**	**n.a.**	**1.8**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	-0.1	0	n.a.	0	n.a.	n.a.	n.a.
Change in nationally financed investments	0.2	-0.3	n.a.	0	n.a.	n.a.	n.a.
Change in other capital expenditure	0.0	0.0	n.a.	0	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	0.4	0.0	n.a.	1.8	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	1.0	1.9	1.8	2.4	3.0	2.7	0.9
Stability and Growth Pact indicators							
Expenditure benchmark	0.9	2.5	2.3	2.4	3.0	2.9	0.8
Change in the structural balance	-0.6	1.2	n.a.	1.1	n.a.	n.a.	n.a.

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 7.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	SP	COM	SP	SP	SP	SP
Revenue	**23.0**	**22.4**	**22.6**	**21.6**	**22.3**	**22.0**	**21.6**	**-1.4**
of which:								
- Taxes on production and imports	6.8	6.7	6.6	6.7	6.6	6.5	6.4	-0.4
- Current taxes on income, wealth, etc.	10.8	10.5	10.7	9.9	10.5	10.5	10.5	-0.3
- Social contributions	3.8	3.7	3.7	3.7	3.7	3.6	3.5	-0.3
- Other (residual)	1.5	1.5	1.6	1.4	1.5	1.4	1.2	-0.3
RRF grants as included in the revenue projections		0.1	0.1	0	0	0	0	0
Revenue reductions financed by RRF grants	0	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
Expenditure	**24.9**	**23.0**	**23.0**	**21.2**	**22.0**	**20.7**	**20.3**	**-4.6**
of which:								
- Primary expenditure	24.1	22.2	22.3	20.5	21.3	20.1	19.8	-4.3
of which:								
Compensation of employees+Intermediate consumption	10.0	9.4	9.4	8.9	9.1	8.9	8.6	-1.4
Compensation of employees	6.2	5.9	5.8	5.6	5.7	5.6	5.5	-0.7
Intermediate consumption	3.9	3.5	3.5	3.3	3.4	3.3	3.1	-0.8
Social payments	8.9	8.2	7.8	7.2	7.4	7.0	6.9	-2.0
Subsidies	1.6	0.6	0.5	0.4	0.3	0.3	0.3	-1.3
Gross fixed capital formation	2.0	2.3	2.3	2.3	2.4	2.4	2.5	0.5
Other (residual)	1.6	1.8	2.4	1.6	2.2	1.5	1.4	-0.2
- Interest expenditure	0.8	0.8	0.7	0.7	0.7	0.6	0.5	-0.3
Expenditure financed by RRF grants	0	0.1	0	0	0	0	0	0
General government balance (GGB)	**-1.9**	**-0.5**	**-0.4**	**0.4**	**0.2**	**1.2**	**1.4**	**3.3**
Primary balance	**-1.1**	**0.3**	**0.3**	**1.1**	**1.0**	**1.9**	**1.9**	**3.0**
GGB excl. one-offs	**-1.9**	**-0.5**	**-2.0**	**0.4**	**-0.4**	**1.2**	**1.4**	**3.3**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	3.0	2.8	3.1	-0.8	-1.9	-2.7	3.7	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	4.6	13.2	n.a.	1.9	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	3.5	0.5	n.a.	-2.2	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	5.4	11.7	5.1	0.8	1.6	-2.0	3.0	n.a.
p.m. nominal 10-year average potential growth (%)[1]	7.8	11.7	11.7	10.9	10.9	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	2.5	2.8	n.a.	2.5	n.a.	n.a.	n.a.	n.a.
Cyclically-adjusted balance[2]	-3.2	-2.0	n.a.	-0.9	n.a.	n.a.	n.a.	n.a.
One-offs	0	0	1.6	0	0.6	0	0	0
Structural balance[3]	-3.2	-2.0	n.a.	-0.9	n.a.	n.a.	n.a.	n.a.
Structural primary balance[3]	-2.4	-1.2	n.a.	-0.2	n.a.	n.a.	n.a.	n.a.

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 7.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	SP	COM	SP	SP	SP
Gross debt ratio[1]	**64.2**	**56.0**	**50.3**	**50.1**	**45.5**	**46.3**	**43.8**	**40.7**
Change in the ratio	-3.7	-2.5	-5.6	-5.9	-4.8	-3.8	-2.5	-3.1
Contributions[2]*:*								
1. Primary balance	**-0.5**	**1.1**	**-0.3**	**-0.3**	**-1.1**	**-1.0**	**-1.9**	**-1.9**
2. "Snow-ball" effect	**-2.9**	**-6.0**	**-4.4**	**-4.6**	**-3.3**	**-2.4**	**-1.9**	**-1.8**
Of which:								
Interest expenditure	1.7	0.8	0.8	0.7	0.7	0.7	0.6	0.5
Growth effect	-3.8	-7.0	-2.7	-3.2	-2.1	-2.1	-1.7	-1.6
Inflation effect	-0.7	0.2	-2.4	-2.1	-1.9	-1.0	-0.8	-0.7
3. Stock-flow adjustment	**-0.2**	**2.3**	**-0.9**	**-0.8**	**-0.4**	**-0.4**	**1.3**	**0.6**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 7.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.3			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	-1.5	LOW risk	-1.4	LOW risk
Debt sustainability analysis [3]	LOW risk			
Baseline scenario	LOW risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	36.7		35.7	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	5.3	MEDIUM risk	4.7	MEDIUM risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 stability programme.

Table 7.6: **RRF – Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0**	**0.1**	**0**	**0**	**0**	**0**
Cash disbursements of RRF grants from EU	**n.a.**	**0**	**0**	**0.1**	**0**	**0**	**0**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	0	0	0	0
Intermediate consumption P.2	n.a.	0	0	0	0	0	0
Social payments D.62+D.632	n.a.	0	0	0	0	0	0
Interest expenditure D.41	n.a.	0	0	0	0	0	0
Subsidies, payable D.3	n.a.	0	0	0	0	0	0
Current transfers D.7	n.a.	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Other costs with impact on revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Financial transactions	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Source: National authorities.

Table 7.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	0	0	0	0
Intermediate consumption P.2	n.a.	0	0	0	0	0	0
Social payments D.62+D.632	n.a.	0	0	0	0	0	0
Interest expenditure D.41	n.a.	0	0	0	0	0	0
Subsidies, payable D.3	n.a.	0	0	0	0	0	0
Current transfers D.7	n.a.	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 7.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19				
	Subtotal		n.a.	n.a.
Others			n.a.	n.a.
	Subtotal		n.a.	n.a.
	Total		n.a.	n.a.

Source: National authorities.

Table 8.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	SP	COM	SP	COM	SP	SP	SP
Real GDP (% change)	8.3	8.3	3.5	3.1	3.1	4.8	3.5	3.3
Private consumption (% change)	7.8	7.8	1.5	2.4	1.7	2.9	2.3	2.0
Gross fixed capital formation (% change)	19.6	19.6	14.7	9.8	8.5	21.5	9.2	8.6
Exports of goods and services (% change)	21.9	21.9	11.6	5.6	9.5	6.2	5.6	4.9
Imports of goods and services (% change)	16.1	16.1	7.9	2.9	5.3	5.3	4.0	3.7
Contributions to real GDP growth:								
- Final domestic demand	8.6	8.6	2.6	2.5	1.6	4.8	3.1	2.9
- Change in inventories	-0.9	-1.1	0.0	-0.3	0.0	-0.1	0.0	0.0
- Net exports	0.7	0.9	0.9	0.9	1.5	0.1	0.5	0.4
Output gap[1]	-5.3	-0.5	-2.4	-4.0	-0.3	-1.3	-0.6	-0.7
Employment (% change)	0.5	0.5	1.2	2.0	1.2	1.8	1.0	1.0
Unemployment rate (%)	14.7	-9.8	13.7	-5.4	13.1	-12.2	-8.2	-8.9
Labour productivity (% change)	7.8	7.8	2.2	1.1	1.9	3.0	2.4	2.2
HICP inflation (%)	0.6	0.6	6.3	5.6	1.9	1.6	1.7	1.7
GDP deflator (% change)	2.1	2.1	4.8	4.5	2.1	1.6	1.7	1.8
Comp. of employees (per head, % change)	1.4	1.4	3.5	1.8	2.2	1.4	2.3	2.5
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	-6.2	-4.8	-6.3	-3.3	-4.1	-2.9	-2.0	-1.5

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 8.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	SP	COM	SP	SP	SP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**-2.1**	**-3.3**	**n.a.**	**1.5**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	-0.1	-0.2	n.a.	0.3	n.a.	n.a.	n.a.
Change in nationally financed investments	-0.7	-0.8	n.a.	-0.6	n.a.	n.a.	n.a.
Change in other capital expenditure	0.0	-0.1	n.a.	0.0	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	-1.3	-2.2	n.a.	1.7	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	-2.2	1.8	2.7	3.2	3.1	0.4	0.2
Stability and Growth Pact indicators							
Expenditure benchmark	-1.2	3.5	4.2	2.1	2.8	0.7	0.2
Change in the structural balance	-1.4	2.5	6.1	2.1	1.2	0.6	0.4

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 8.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	SP	COM	SP	SP	SP	SP
Revenue	**49.4**	**49.2**	**48.5**	**46.6**	**46.6**	**45.7**	**44.4**	**-5.0**
of which:								
- Taxes on production and imports	16.6	18.7	17.1	16.9	16.3	15.9	15.6	-1
- Current taxes on income, wealth, etc.	9.2	8.6	9.2	8.5	9.1	9.2	9.2	0
- Social contributions	14.9	13.8	13.6	13.3	12.8	12.4	12.0	-2.9
- Other (residual)	8.7	8.1	8.6	8.0	8.4	8.2	7.6	-1.1
RRF grants as included in the revenue projections		1.8	1.6	1.7	1.7	1.6	1.5	1.3
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	0
Expenditure	**56.9**	**53.5**	**53.0**	**47.6**	**47.9**	**46.1**	**44.5**	**-12.4**
of which:								
- Primary expenditure	54.4	51.1	50.6	45.4	45.4	43.6	42.1	-12.3
of which:								
Compensation of employees+Intermediate consumption	17.9	16.9	17.5	15.7	15.8	14.9	14.2	-3.7
Compensation of employees	12.3	11.5	11.5	10.9	10.7	10.2	9.8	-2.5
Intermediate consumption	5.6	5.4	6.0	4.8	5.1	4.7	4.4	-1.2
Social payments	22.4	21.0	21.2	20.1	20.4	19.4	18.7	-3.7
Subsidies	4.6	3.5	2.0	1.8	1.3	1.3	1.2	-3.4
Gross fixed capital formation	3.6	4.8	5.5	4.8	4.9	5.1	5.0	1.4
Other (residual)	5.9	4.9	4.4	3.0	3.1	2.9	3.0	-2.9
- Interest expenditure	2.5	2.4	2.4	2.3	2.5	2.5	2.4	-0.1
Expenditure financed by RRF grants	0.2	1.6	1.6	1.7	1.7	1.7	1.6	1.4
General government balance (GGB)	**-7.4**	**-4.3**	**-4.4**	**-1.0**	**-1.4**	**-0.4**	**-0.1**	**7.3**
Primary balance	**-5.0**	**-1.9**	**-2.0**	**1.3**	**1.1**	**2.1**	**2.3**	**7.3**
GGB excl. one-offs	**-8.3**	**-4.2**	**-4.0**	**-1.0**	**-1.4**	**-0.4**	**-0.1**	**8.2**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	6.4	-0.1	-3.5	-4.2	-5.0	1.0	2.2	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	6.8	11.6	n.a.	-0.5	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	6.1	1.7	1.0	-5.9	-4.3	0.9	1.1	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	4.8	10.2	n.a.	-2.2	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	1.5	4.5	4.5	2.1	2.1	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	-5.3	-2.4	-4.0	-0.3	-1.3	-0.6	-0.7	-0.2
Cyclically-adjusted balance[2]	-4.6	-3.0	-2.3	-0.9	-0.7	-0.1	0.3	7.4
One-offs	0.8	-0.1	-0.4	0	0	0	0	-0.8
Structural balance[3]	-5.5	-3.0	-1.9	-0.9	-0.7	-0.1	0.3	8.3
Structural primary balance[3]	-3.0	-0.6	0.5	1.4	1.8	2.4	2.7	8.2

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 8.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	SP	COM	SP	SP	SP
Gross debt ratio[1]	**186.7**	**193.3**	**185.7**	**180.2**	**180.4**	**168.6**	**155.2**	**146.5**
Change in the ratio	5.9	-13.1	-7.6	-13.1	-5.2	-11.6	-13.4	-8.7
Contributions[2]*:*								
1. Primary balance	**-1.7**	**5.0**	**1.9**	**2.0**	**-1.3**	**-1.1**	**-2.1**	**-2.3**
2. "Snow-ball" effect	**5.7**	**-17.0**	**-12.3**	**-11.3**	**-6.8**	**-8.4**	**-5.9**	**-5.0**
Of which:								
Interest expenditure	3.1	2.5	2.4	2.4	2.3	2.5	2.5	2.4
Growth effect	2.1	-15.6	-6.2	-5.6	-5.4	-8.1	-5.6	-4.9
Inflation effect	0.4	-3.9	-8.5	-8.2	-3.7	-2.7	-2.8	-2.6
3. Stock-flow adjustment	**1.9**	**-0.7**	**3.0**	**-3.5**	**3.0**	**-2.0**	**-5.3**	**-1.3**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 8.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**HIGH risk**			
Short-term fiscal risk indicator (S0) [1]	0.5			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	4.4	HIGH risk	2.0	MEDIUM risk
Debt sustainability analysis [3]	HIGH risk			
Baseline scenario	HIGH risk			
Stochastic projections	MEDIUM risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	130.5		112.3	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	-3.2	LOW risk	-3.6	LOW risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 stability programme.

Table 8.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**0**	**0.2**	**1.6**	**1.7**	**1.6**	**1.5**	**1.5**
Cash disbursements of RRF grants from EU	**0**	**1.3**	**1.7**	**1.6**	**1.6**	**1.5**	**0.7**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	0	0	0	0	0
Intermediate consumption P.2	0	0	0	0.1	0	0	0
Social payments D.62+D.632	0	0.1	0.1	0.2	0.1	0.1	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0.1	0.2	0.1	0.1	0
Current transfers D.7	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL CURRENT EXPENDITURE	**0**	**0.1**	**0.2**	**0.4**	**0.3**	**0.3**	**0**
Gross fixed capital formation P.51g	**0**	**0.1**	**0.9**	**0.9**	**1**	**0.8**	**1.1**
Capital transfers D.9	**0**	**0**	**0.5**	**0.4**	**0.4**	**0.5**	**0.5**
TOTAL CAPITAL EXPENDITURE	**0**	**0.1**	**1.4**	**1.3**	**1.3**	**1.3**	**1.5**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 8.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**0**	**0.9**	**0.9**	**0.9**	**0.8**	**0.8**	**1.5**
Repayments of RRF loans to EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	0	0	0	0	0
Intermediate consumption P.2	0	0	0	0	0	0	0
Social payments D.62+D.632	0	0	0	0	0	0	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0	0	0	0	0
Current transfers D.7	0	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**0**	**0**	**1.3**	**0.9**	**0.8**	**0.8**	**1.1**

Source: National authorities.

Table 8.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	Sure programme	2020	0.2	0.2
	Paneuropean Guarantees' Fund	2020	0.2	0.2
	Covid-19 Fund (HDB-ex. ETEAN)	2020	0.9	0.9
	Subtotal		1.3	1.3
Others	State Guarantees to non General	2020	2.7	2.7
	Enterpreneurship loans (EIB loans	2020	0.8	0.8
	Hercules NPL reduction scheme	2020	9.4	9.4
	HDB/ex.ETEAN & Enterpreneursh	2020	0.0	0.0
	Subtotal		13.0	13.0
Total			**14.2**	**14.2**

Source: National authorities.

Table 9.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	SP	COM	SP	COM	SP	SP	SP
Real GDP (% change)	5.1	5.1	4.0	4.3	3.4	3.5	2.4	1.8
Private consumption (% change)	4.6	4.6	0.8	4.1	3.8	2.7	1.2	1.3
Gross fixed capital formation (% change)	4.3	4.3	8.3	9.3	5.8	7.5	3.3	2.9
Exports of goods and services (% change)	14.7	14.7	13.6	7.8	4.6	6.2	6.3	4.4
Imports of goods and services (% change)	13.9	13.9	8.3	9.1	4.8	6.5	4.7	3.4
Contributions to real GDP growth:								
- Final domestic demand	4.1	4.1	2.0	4.6	3.4	3.6	1.8	1.4
- Change in inventories	0.5	0.5	0	0	0	0	0	0
- Net exports	0.5	0.5	2.0	-0.3	0.0	-0.1	0.6	0.4
Output gap[1]	-4.9	-4.8	-2.2	-2.3	-0.2	-0.5	0.4	0.7
Employment (% change)	2.4	2.4	2.8	2.6	1.1	2.1	1.9	1.5
Unemployment rate (%)	14.8	14.8	13.4	12.8	13.0	11.7	10.6	9.6
Labour productivity (% change)	-1.4	2.7	0.7	1.7	1.7	1.3	0.6	0.3
HICP inflation (%)	3.0	n.a.	6.3	n.a.	1.8	n.a.	n.a.	n.a.
GDP deflator (% change)	2.2	2.2	3.7	4.0	2.4	2.4	1.9	1.8
Comp. of employees (per head, % change)	-0.6	-0.6	2.8	3.2	3.0	2.9	1.6	1.7
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	1.9	1.9	2.9	1.0	3.2	1.3	1.7	1.8

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 9.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	SP	COM	SP	SP	SP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**-3.0**	**-2.2**	**n.a.**	**0.0**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	-0.8	-0.9	n.a.	0	n.a.	n.a.	n.a.
Change in nationally financed investments	0.2	-0.4	n.a.	0.1	n.a.	n.a.	n.a.
Change in other capital expenditure	-0.4	0.3	n.a.	-0.2	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	-2.0	-1.2	n.a.	0.1	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	-2.1	0.1	1.4	0.4	0.6	1.5	0.2
Stability and Growth Pact indicators							
Expenditure benchmark	-1.3	0.8	1.4	0.5	-0.3	0	0.1
Change in the structural balance	0.4	0.3	0.4	-0.7	-0.1	0.1	0.2

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 9.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	SP	COM	SP	SP	SP	SP
Revenue	**43.7**	**43.6**	**42.0**	**42.6**	**41.8**	**41.4**	**41.3**	**-2.4**
of which:								
- Taxes on production and imports	12.1	12.1	12.0	12.0	12.0	11.8	11.6	-0.5
- Current taxes on income, wealth, etc.	11.9	11.7	11.8	11.4	11.8	12.0	12.1	0.2
- Social contributions	14.3	13.8	13.7	13.5	13.7	13.8	13.9	-0.4
- Other (residual)	5.4	5.9	4.5	5.8	4.3	3.8	3.7	-1.7
RRF grants as included in the revenue projections		2.1	2.0	1.7	1.4	0.1	0	-1.8
Revenue reductions financed by RRF grants	0	0	n.a.	0.0	n.a.	n.a.	n.a.	n.a.
Expenditure	**50.6**	**48.4**	**47.0**	**47.0**	**45.6**	**44.8**	**44.3**	**-6.3**
of which:								
- Primary expenditure	48.4	46.4	44.8	45.0	43.4	42.7	42.2	-6.2
of which:								
Compensation of employees+Intermediate consumption	18.1	17.4	17.0	17.0	16.6	16.4	16.1	-2.0
Compensation of employees	12.2	11.8	11.5	11.5	11.3	11.1	10.9	-1.3
Intermediate consumption	5.9	5.7	5.5	5.4	5.4	5.3	5.2	-0.7
Social payments	21.9	20.8	20.6	20.3	20.5	20.4	20.3	-1.6
Subsidies	1.6	1.1	1.4	0.9	1.1	1.1	1.0	-0.6
Gross fixed capital formation	2.7	2.7	2.4	2.6	2.3	2.2	2.1	-0.6
Other (residual)	4.2	4.4	3.3	4.2	2.9	2.6	2.6	-1.6
- Interest expenditure	2.2	2.1	2.2	2.0	2.2	2.1	2.1	-0.1
Expenditure financed by RRF grants	0.2	1.8	1.9	1.7	1.4	0.1	0.0	-1.8
General government balance (GGB)	**-6.9**	**-4.9**	**-5.0**	**-4.4**	**-3.9**	**-3.3**	**-2.9**	**4.0**
Primary balance	**-4.7**	**-2.8**	**-2.8**	**-2.4**	**-1.7**	**-1.3**	**-0.9**	**3.8**
GGB excl. one-offs	**-6.8**	**-4.9**	**-4.9**	**-4.4**	**-3.9**	**-3.3**	**-2.9**	**3.9**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	5.9	2.1	1.1	2.4	3.0	2.4	3.2	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	8.3	7.7	n.a.	3.4	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	3.8	3.0	2.4	2.4	4.1	3.3	2.9	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	8.2	7.7	n.a.	2.9	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	2.9	4.5	4.5	3.3	3.3	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	-4.9	-2.2	-2.3	-0.2	-0.5	0.4	0.7	5.5
Cyclically-adjusted balance[2]	-3.9	-3.5	-3.6	-4.3	-3.6	-3.5	-3.3	0.7
One-offs	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.1
Structural balance[3]	-3.8	-3.5	-3.5	-4.3	-3.6	-3.5	-3.3	0.6
Structural primary balance[3]	-1.7	-1.5	-1.3	-2.3	-1.4	-1.4	-1.2	0.6

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 9.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	SP	COM	SP	SP	SP
Gross debt ratio[1]	**103.3**	**118.4**	**115.1**	**115.2**	**113.7**	**112.4**	**110.9**	**109.7**
Change in the ratio	4.1	-1.5	-3.3	-3.2	-1.4	-2.8	-1.5	-1.2
Contributions[2] *:*								
1. Primary balance	**2.2**	**4.7**	**2.8**	**2.8**	**2.4**	**1.7**	**1.3**	**0.9**
2. "Snow-ball" effect	**1.8**	**-6.0**	**-6.4**	**-6.9**	**-4.2**	**-4.1**	**-2.6**	**-1.9**
Of which:								
Interest expenditure	2.4	2.2	2.1	2.2	2.0	2.2	2.1	2.1
Growth effect	0.4	-5.7	-4.4	-4.7	-3.7	-3.8	-2.6	-1.9
Inflation effect	-1.0	-2.4	-4.0	-4.4	-2.6	-2.5	-2.0	-2.0
3. Stock-flow adjustment	**0.1**	**-0.1**	**0.5**	**1.0**	**0.5**	**-0.3**	**-0.2**	**-0.1**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 9.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.3			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	5.2	HIGH risk	4.1	HIGH risk
Debt sustainability analysis [3]	HIGH risk			
Baseline scenario	MEDIUM risk			
Stochastic projections	HIGH risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	116.1		108.1	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	1.9	LOW risk	0.9	LOW risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 stability programme.

Table 9.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**1.8**	**2**	**1.4**	**0.1**	**0**	**n.a.**
Cash disbursements of RRF grants from EU	**n.a.**	**1.6**	**1.4**	**1.2**	**0.6**	**0.2**	**n.a.**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	0	0	0	n.a.
Intermediate consumption P.2	n.a.	0	0	0	0	0	n.a.
Social payments D.62+D.632	n.a.	0.2	0.2	0.2	0	0	n.a.
Interest expenditure D.41	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Current transfers D.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**0.3**	**0.2**	**0.2**	**0**	**0**	**n.a.**
Gross fixed capital formation P.51g	**n.a.**	**0.1**	**0.1**	**0.1**	**0**	**0**	**n.a.**
Capital transfers D.9	**n.a.**	**1.4**	**1.6**	**1.1**	**0.1**	**0**	**n.a.**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**1.5**	**1.7**	**1.2**	**0.1**	**0**	**n.a.**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Other costs with impact on revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Financial transactions	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Source: National authorities.

Table 9.7:

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	0	0	0	0	0
Intermediate consumption P.2	0	0	0	0	0	0	0
Social payments D.62+D.632	0	0	0	0	0	0	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0	0	0	0	0
Current transfers D.7	0	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Measures		Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-over (% of GDP)
In response to COVID-19	Line ICO Leases COVID-19	01-05-2020	0.1	0
	Line of guarantees COVID-19	17-03-2020	7.6	7.2
	Line of guarantees COVID-19	03-07-2020	3.1	0.8
	Creation of an extraordinary insurance cover line under the Internationalisation Risk Reserve Fund	17-03-2020	0.2	n.a.
	CERSA COVID-19 guarantee line	31-03-2020	0.1	0.1
	Guarantee European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE instrument)	26-05-2020	0.2	n.a.
	Guarantees for financing operations carried out by the European Investment Bank through the Pan-European Guarantee Fund in response to the COVID-19 crisis	03-06-2020	0.2	n.a.
	Solvency support fund for strategic companies through the provision of equity loans, subordinated debt, subscription to shares or other equity instruments.	03-07-2020	0.8	n.a.
	Subtotal		12.2	n.a.
Others	Line of guarantees Ukraine	20-04-2022	0.8	n.a.
	Subtotal		0.8	n.a.
Total			**13.0**	**n.a.**

Table 10.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	SP	COM	SP	COM	SP	SP	SP
Real GDP (% change)	7.0	n.a.	3.1	n.a.	1.8	n.a.	n.a.	n.a.
Private consumption (% change)	4.7	n.a.	3.4	n.a.	2.0	n.a.	n.a.	n.a.
Gross fixed capital formation (% change)	11.6	n.a.	2.0	n.a.	2.9	n.a.	n.a.	n.a.
Exports of goods and services (% change)	9.3	n.a.	8.3	n.a.	7.5	n.a.	n.a.	n.a.
Imports of goods and services (% change)	8.0	n.a.	6.7	n.a.	6.0	n.a.	n.a.	n.a.
Contributions to real GDP growth:								
- Final domestic demand	6.7	n.a.	2.7	n.a.	1.9	n.a.	n.a.	n.a.
- Change in inventories	0.0	n.a.	0.1	n.a.	-0.4	n.a.	n.a.	n.a.
- Net exports	0.2	n.a.	0.3	n.a.	0.3	n.a.	n.a.	n.a.
Output gap[1]	-1.7	n.a.	0	n.a.	0.4	n.a.	n.a.	n.a.
Employment (% change)	1.8	n.a.	1.1	n.a.	0.4	n.a.	n.a.	n.a.
Unemployment rate (%)	7.9	n.a.	7.6	n.a.	7.6	n.a.	n.a.	n.a.
Labour productivity (% change)	5.1	n.a.	2.0	n.a.	1.4	n.a.	n.a.	n.a.
HICP inflation (%)	2.1	n.a.	4.9	n.a.	3.1	n.a.	n.a.	n.a.
GDP deflator (% change)	0.8	n.a.	2.2	n.a.	3.0	n.a.	n.a.	n.a.
Comp. of employees (per head, % change)	4.9	n.a.	3.8	n.a.	3.3	n.a.	n.a.	n.a.
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	-1.7	n.a.	-2.4	n.a.	-1.6	n.a.	n.a.	n.a.

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 10.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	SP	COM	SP	SP	SP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**-2.3**	**-1.7**	**n.a.**	**0.9**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	-0.5	0.2	n.a.	0.1	n.a.	n.a.	n.a.
Change in nationally financed investments	0	0	n.a.	0	n.a.	n.a.	n.a.
Change in other capital expenditure	0.0	-0.2	n.a.	0.1	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	-1.8	-1.6	n.a.	0.7	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	-1.8	0.5	n.a.	1.2	n.a.	n.a.	n.a.
Stability and Growth Pact indicators							
Expenditure benchmark	-1.2	0.4	n.a.	1.1	n.a.	n.a.	n.a.
Change in the structural balance	-0.9	0.8	n.a.	1.2	n.a.	n.a.	n.a.

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 10.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	SP	COM	SP	SP	SP	SP
Revenue	**52.8**	**52.4**	**n.a.**	**52.7**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
of which:								
- Taxes on production and imports	16.7	16.5	n.a.	16.7	n.a.	n.a.	n.a.	n.a.
- Current taxes on income, wealth, etc.	13.0	13.1	n.a.	13.5	n.a.	n.a.	n.a.	n.a.
- Social contributions	16.8	16.7	n.a.	16.5	n.a.	n.a.	n.a.	n.a.
- Other (residual)	6.3	6.1	n.a.	5.9	n.a.	n.a.	n.a.	n.a.
RRF grants as included in the revenue projections		0.9	n.a.	0.3	n.a.	n.a.	n.a.	n.a.
Revenue reductions financed by RRF grants	0	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
Expenditure	**59.2**	**57.0**	**n.a.**	**55.8**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
of which:								
- Primary expenditure	57.8	55.6	n.a.	54.3	n.a.	n.a.	n.a.	n.a.
of which:								
Compensation of employees+Intermediate consumption			n.a.		n.a.	n.a.	n.a.	n.a.
Compensation of employees	12.5	12.3	n.a.	12.0	n.a.	n.a.	n.a.	n.a.
Intermediate consumption	5.2	5.0	n.a.	4.9	n.a.	n.a.	n.a.	n.a.
Social payments	27.0	25.9	n.a.	25.9	n.a.	n.a.	n.a.	n.a.
Subsidies	3.4	2.6	n.a.	2.2	n.a.	n.a.	n.a.	n.a.
Gross fixed capital formation	3.6	3.6	n.a.	3.6	n.a.	n.a.	n.a.	n.a.
Other (residual)	6.2	6.2	n.a.	5.8	n.a.	n.a.	n.a.	n.a.
- Interest expenditure	1.4	1.4	n.a.	1.5	n.a.	n.a.	n.a.	n.a.
Expenditure financed by RRF grants	0.5	0.4	n.a.	0.3	n.a.	n.a.	n.a.	n.a.
General government balance (GGB)	**-6.5**	**-4.6**	**n.a.**	**-3.2**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Primary balance	**-5.1**	**-3.2**	**n.a.**	**-1.7**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
GGB excl. one-offs	**-6.4**	**-4.5**	**n.a.**	**-3.0**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	4.2	2.5	n.a.	2.0	n.a.	n.a.	n.a.	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	5.4	6.7	n.a.	2.6	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	4.1	2.1	n.a.	2.2	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	5.7	6.6	n.a.	2.7	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	1.9	3.3	3.3	4.0	4.0	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	-1.7	0.0	n.a.	0.4	n.a.	n.a.	n.a.	n.a.
Cyclically-adjusted balance[2]	-5.4	-4.6	n.a.	-3.4	n.a.	n.a.	n.a.	n.a.
One-offs	-0.1	-0.1	n.a.	-0.1	n.a.	n.a.	n.a.	n.a.
Structural balance[3]	-5.3	-4.5	n.a.	-3.3	n.a.	n.a.	n.a.	n.a.
Structural primary balance[3]	-3.9	-3.1	n.a.	-1.8	n.a.	n.a.	n.a.	n.a.

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 10.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	SP	COM	SP	SP	SP
Gross debt ratio[1]	**101.2**	**112.9**	**111.2**	**n.a.**	**109.1**	**n.a.**	**n.a.**	**n.a.**
Change in the ratio	3.8	-1.7	-1.7	n.a.	-2.1	n.a.	n.a.	n.a.
Contributions[2]*:*								
1. Primary balance	**2.6**	**5.1**	**3.2**	**n.a.**	**1.7**	**n.a.**	**n.a.**	**n.a.**
2. "Snow-ball" effect	**0.6**	**-6.9**	**-4.3**	**n.a.**	**-3.6**	**n.a.**	**n.a.**	**n.a.**
Of which:								
Interest expenditure	1.6	1.4	1.4	n.a.	1.5	n.a.	n.a.	n.a.
Growth effect	0.3	-7.4	-3.3	n.a.	-1.9	n.a.	n.a.	n.a.
Inflation effect	-1.2	-0.9	-2.4	n.a.	-3.2	n.a.	n.a.	n.a.
3. Stock-flow adjustment	**0.6**	**0.2**	**-0.5**	**n.a.**	**-0.2**	**n.a.**	**n.a.**	**n.a.**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 10.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.4			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	4.6	HIGH risk	4.6	n.a.
Debt sustainability analysis [3]	HIGH risk			
Baseline scenario	MEDIUM risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	109.0		n.a.	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	0.7	LOW risk	n.a.	n.a.

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services.

Table 10.6: **RRF – Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Cash disbursements of RRF grants from EU	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Intermediate consumption P.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Social payments D.62+D.632	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interest expenditure D.41	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Current transfers D.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Gross fixed capital formation P.51g	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Capital transfers D.9	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Other costs with impact on revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Financial transactions	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Source: National authorities.

Table 10.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Repayments of RRF loans to EU	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Expenditure financed by RRF loans (% of GDP)	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Intermediate consumption P.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Social payments D.62+D.632	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interest expenditure D.41	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Current transfers D.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Gross fixed capital formation P.51g	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Capital transfers D.9	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Other costs financed by RRF loans (% of GDP)	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Other costs with impact on revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Financial transactions	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Source: National authorities.

Table 10.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19				
	Subtotal		n.a.	n.a.
Others			n.a.	n.a.
	Subtotal		n.a.	n.a.
	Total		**n.a.**	**n.a.**

Source: National authorities.

Table 11.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	CP	COM	CP	COM	CP	CP	CP
Real GDP (% change)	10.2	10.2	3.4	3.0	3.0	4.4	2.7	2.5
Private consumption (% change)	10.0	10.0	2.4	1.4	3.6	3.2	2.4	2.3
Gross fixed capital formation (% change)	7.6	7.6	6.5	5.8	8.2	6.1	3.9	3.6
Exports of goods and services (% change)	33.3	33.3	8.4	6.9	5.5	6.0	4.2	3.8
Imports of goods and services (% change)	14.7	14.7	8.1	6.1	8.0	6.9	4.2	3.6
Contributions to real GDP growth:								
- Final domestic demand	8.3	8.3	3.4	2.8	4.5	3.6	2.7	2.6
- Change in inventories	-4.9	-4.9	0	-0.2	0.0	1.5	0.2	0
- Net exports	6.8	6.8	0.1	0.3	-1.5	-0.7	-0.1	0
Output gap[1]	0.3	0.2	0.8	-0.1	1.1	1.1	0.7	0.3
Employment (% change)	1.2	1.2	1.6	2.8	1.8	1.5	1.1	0.9
Unemployment rate (%)	7.6	7.6	6.3	6.3	6.0	5.6	5.2	5.0
Labour productivity (% change)	8.9	8.9	1.8	0.2	1.1	2.9	1.7	1.6
HICP inflation (%)	2.7	2.6	6.1	7.8	2.8	3.7	2.5	2.2
GDP deflator (% change)	3.2	3.2	3.8	6.2	2.4	4.1	2.7	2.4
Comp. of employees (per head, % change)	5.6	5.0	3.0	7.6	2.7	5.0	4.1	3.8
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	5.7	0	6.2	0.0	4.8	0	0	0

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 11.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	CP	COM	CP	CP	CP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**-0.2**	**-1.8**	**n.a.**	**-0.7**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	-0.3	-0.5	n.a.	-0.5	n.a.	n.a.	n.a.
Change in nationally financed investments	0.7	-0.4	n.a.	-0.1	n.a.	n.a.	n.a.
Change in other capital expenditure	0.4	0.1	n.a.	0.1	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	-1.0	-1.0	n.a.	-0.2	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	0.9	-0.2	-1.8	-0.3	-0.5	0.0	n.a.
Stability and Growth Pact indicators							
Expenditure benchmark	0.6	0.5	-0.7	0.2	0.1	-0.7	n.a.
Change in the structural balance	1.4	0.4	0.5	0.4	0.5	0.1	0.6

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 11.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	CP	COM	CP	CP	CP	CP
Revenue	**46.4**	**46.4**	**46.9**	**46.7**	**46.5**	**45.8**	**45.5**	**-0.9**
of which:								
- Taxes on production and imports	19.3	19.3	19.3	19.5	19.1	19.0	18.9	-0.4
- Current taxes on income, wealth, etc.	5.4	5.3	5.3	5.3	5.3	5.3	5.3	-0.1
- Social contributions	11.3	11.1	11.4	10.9	11.2	11.2	11.2	-0.1
- Other (residual)	10.3	10.6	10.9	11.0	10.9	10.3	10.1	-0.2
RRF grants as included in the revenue projections		1.0	0.9	1.5	1.3	1.8	2.2	2.2
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	0
Expenditure	**49.2**	**48.6**	**49.8**	**48.5**	**48.1**	**47.4**	**46.7**	**-2.5**
of which:								
- Primary expenditure	47.7	47.2	48.4	47.2	46.9	46.3	45.7	-2.0
of which:								
Compensation of employees+Intermediate consumption	20.8	20.8	20.8	20.8	20.2	19.9	19.7	-1.1
Compensation of employees	12.5	12.4	12.1	12.5	11.8	11.6	11.5	-1.0
Intermediate consumption	8.3	8.5	8.7	8.4	8.4	8.3	8.3	0.0
Social payments	15.5	15.2	15.1	15.0	14.7	14.7	14.7	-0.8
Subsidies	2.7	1.8	2.0	1.7	1.8	1.8	1.7	-1.0
Gross fixed capital formation	4.8	5.3	5.7	5.7	6.3	6.2	6.0	1.2
Other (residual)	3.9	4.0	4.9	4.1	3.8	3.7	3.6	-0.3
- Interest expenditure	1.6	1.4	1.4	1.3	1.2	1.1	1.0	-0.6
Expenditure financed by RRF grants	0.0	1.0	0.8	1.5	1.3	1.9	2.1	2.1
General government balance (GGB)	**-2.9**	**-2.3**	**-2.8**	**-1.8**	**-1.6**	**-1.6**	**-1.2**	**1.7**
Primary balance	**-1.3**	**-0.9**	**-1.4**	**-0.5**	**-0.3**	**-0.5**	**-0.2**	**1.1**
GGB excl. one-offs	**-2.9**	**-2.3**	**-2.5**	**-1.8**	**-1.4**	**-1.6**	**-1.2**	**1.7**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	2.6	5.3	8.2	4.2	4.4	5.4	n.a.	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	5.1	9.3	n.a.	5.2	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	5.1	4.4	8.3	4.2	3.3	5.1	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	8.2	8.9	n.a.	5.3	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	5.4	6.0	6.0	4.6	4.6	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	0.3	0.8	-0.1	1.1	1.1	0.7	0.3	0.1
Cyclically-adjusted balance[2]	-3.0	-2.6	-2.7	-2.2	-2.1	-1.9	-1.3	1.7
One-offs	0	0	-0.3	0	-0.1	0	0	0
Structural balance[3]	-3.1	-2.7	-2.5	-2.3	-2.0	-1.9	-1.3	1.7
Structural primary balance[3]	-1.5	-1.3	-1.1	-1.0	-0.8	-0.8	-0.3	1.1

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic potential growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 11.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	CP	COM	CP	CP	CP
Gross debt ratio[1]	**77.7**	**79.8**	**75.3**	**76.2**	**73.1**	**71.7**	**68.9**	**66.9**
Change in the ratio	0.8	-7.5	-4.5	-3.6	-2.2	-4.6	-2.7	-2.0
Contributions[2]*:*								
1. Primary balance	**-1.0**	**1.3**	**0.9**	**1.4**	**0.5**	**0.3**	**0.5**	**0.2**
2. "Snow-ball" effect	**1.0**	**-8.8**	**-3.9**	**-5.3**	**-2.6**	**-4.8**	**-2.6**	**-2.2**
Of which:								
Interest expenditure	2.4	1.6	1.4	1.4	1.3	1.2	1.1	1.0
Growth effect	-0.7	-7.9	-2.5	-2.2	-2.1	-3.1	-1.9	-1.7
Inflation effect	-0.7	-2.5	-2.8	-4.6	-1.7	-2.9	-1.8	-1.6
3. Stock-flow adjustment	**0.8**	**0.2**	**-1.3**	**0.5**	**-0.1**	**0.0**	**-0.6**	**0**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 11.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Convergence programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.4			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	1.1	MEDIUM risk	0.0	MEDIUM risk
Debt sustainability analysis [3]	MEDIUM risk			
Baseline scenario	MEDIUM risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	69.3		62.6	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	1.0	LOW risk	1.2	LOW risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 convergence programme.

Table 11.6: **RRF – Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0**	**0.9**	**1.3**	**1.8**	**2.2**	**1.1**
Cash disbursements of RRF grants from EU	**n.a.**	**1.4**	**2.2**	**0.8**	**1.2**	**1.1**	**0.8**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Intermediate consumption P.2	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Social payments D.62+D.632	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Interest expenditure D.41	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Current transfers D.7	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0.3**	**0.4**	**0.5**	**0.5**	**0**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0.3**	**0.5**	**1**	**1.2**	**0.7**
Capital transfers D.9	**n.a.**	**0**	**0.2**	**0.4**	**0.4**	**0.4**	**0.4**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0.6**	**0.9**	**1.3**	**1.7**	**1.1**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**n.a.**	**0**	**0**	**0.2**	**0.1**	**0.1**	**0**

Source: National authorities.

Table 11.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	0	0	0	0	0
Intermediate consumption P.2	0	0	0	0	0	0	0
Social payments D.62+D.632	0	0	0	0	0	0	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0	0	0	0	0
Current transfers D.7	0	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 11.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	COVID-19 Programmes for the Portfolio Insurance of Liquidity Loans for Exporters and for the Individual Insurance Policy of Liquidity Loans for Exporters	avr-20	1.0	0.5
	State aid Scheme to support the maritime, transport, transport infrastructure and related sectors and related sectors impacted by the COVID-19 outbreak	juil-20	0.2	0.1
	State aid Scheme to support tourism and sport sectors impacted by the COVID-19 outbreak	févr-21	0.4	0.1
	Guarantees for loans in sectors culture and creative industries impacted by the COVID-19 outbreak	juil-20	0.1	0
	Subtotal		1.6	0.6
Others			0	0
	Subtotal		0	0
	Total		**1.6**	**0.6**

Source: National authorities.

Table 12.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	SP	COM	SP	COM	SP	SP	SP
Real GDP (% change)	6.6	6.6	2.4	3.1	1.9	2.4	1.8	1.5
Private consumption (% change)	5.2	5.2	2.2	3.0	1.4	2.1	1.6	1.6
Gross fixed capital formation (% change)	17.0	17.0	6.2	7.3	4.1	5.5	4.0	2.2
Exports of goods and services (% change)	13.3	13.3	4.9	4.4	4.3	3.4	3.1	2.9
Imports of goods and services (% change)	14.2	14.2	6.1	5.4	4.2	4.0	3.3	2.9
Contributions to real GDP growth:								
- Final domestic demand	6.2	6.3	2.7	3.5	1.8	2.5	1.9	1.5
- Change in inventories	0.2	0.3	0.0	-0.2	0	0.1	0	0
- Net exports	0.2	0	-0.2	-0.2	0.0	-0.1	0	0.1
Output gap[1]	-2.4	-2.5	-0.5	-0.5	0.3	0.5	0.7	0.8
Employment (% change)	0.6	0.6	0.6	1.3	1.1	1.7	1.3	1.1
Unemployment rate (%)	9.5	9.5	9.5	8.6	8.9	8.1	8.0	7.9
Labour productivity (% change)	-0.8	6.0	0.1	1.8	0	0.7	0.5	0.5
HICP inflation (%)	1.9	1.9	5.9	5.8	2.3	2.1	1.8	1.8
GDP deflator (% change)	0.5	0.5	3.1	3.0	2.4	2.2	1.9	1.8
Comp. of employees (per head, % change)	-0.9	0.3	2.5	2.7	1.3	1.7	1.4	1.8
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	2.4	2.4	1.1	1.6	1.5	1.5	1.5	1.6

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 12.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	SP	COM	SP	SP	SP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**-2.6**	**-2.8**	**n.a.**	**-1.2**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	-0.1	-0.9	n.a.	-0.7	n.a.	n.a.	n.a.
Change in nationally financed investments	-0.4	-0.3	n.a.	-0.2	n.a.	n.a.	n.a.
Change in other capital expenditure	-0.3	-0.3	n.a.	0	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	-1.7	-1.3	n.a.	-0.2	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	-1.9	-0.5	-0.4	-0.1	0.3	1.3	1.6
Stability and Growth Pact indicators							
Expenditure benchmark	-1.6	0.7	0.6	0.7	1.1	0.3	1.3

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 12.3: **Composition of the budgetary adjustment***

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	SP	COM	SP	SP	SP	SP
Revenue	**48.3**	**48.5**	**48.5**	**48.7**	**48.8**	**47.3**	**46.9**	**-1.4**
of which:								
- Taxes on production and imports	14.5	14.5	14.5	14.6	14.7	14.6	14.5	0
- Current taxes on income, wealth, etc.	15.0	14.4	14.4	13.9	14.0	13.7	13.7	-1.3
- Social contributions	13.8	14.0	14.0	14.0	14.0	13.9	13.8	0
- Other (residual)	4.9	5.7	5.6	6.1	6.1	5.1	4.9	0
RRF grants as included in the revenue projections		0.8	0.7	1.2	1.1	0.8	0.5	0.4
Revenue reductions financed by RRF grants	0	0.1	0.1	0.2	0.2	0.3	0.1	0.1
Expenditure	**55.5**	**54.0**	**53.6**	**53.0**	**52.5**	**50.5**	**49.6**	**-5.9**
of which:								
- Primary expenditure	52.0	50.5	50.1	49.8	49.4	47.5	46.6	-5.4
of which:								
Compensation of employees+Intermediate consumption	16.2	16.3	16.2	15.6	15.4	14.7	14.3	-1.9
Compensation of employees	9.9	10.1	10.0	9.6	9.5	9.1	8.8	-1.1
Intermediate consumption	6.2	6.2	6.1	6.0	5.9	5.6	5.4	-0.8
Social payments	25.1	23.9	23.8	24.2	24.1	23.8	23.5	-1.6
Subsidies	2.0	2.2	2.4	1.9	2.1	1.9	1.9	-0.1
Gross fixed capital formation	2.9	3.2	3.1	3.7	3.6	3.5	3.6	0.7
Other (residual)	5.8	4.8	4.6	4.4	4.2	3.5	3.5	-2.3
- Interest expenditure	3.5	3.5	3.5	3.2	3.1	3.0	3.0	-0.5
Expenditure financed by RRF grants	0.1	0.6	0.6	0.9	1.0	0.6	0.4	0.3
General government balance (GGB)	**-7.2**	**-5.5**	**-5.6**	**-4.3**	**-3.9**	**-3.3**	**-2.8**	**4.4**
Primary balance	**-3.7**	**-2.0**	**-2.1**	**-1.1**	**-0.8**	**-0.3**	**0.2**	**3.9**
GGB excl. one-offs	**-7.6**	**-6.0**	**-6.3**	**-4.6**	**-4.2**	**-3.4**	**-2.9**	**4.7**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	4.4	2.2	2.4	1.3	0.8	2.2	-0.2	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	6.1	7.1	n.a.	3.7	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	2.6	3.9	4.7	1.8	1.4	2.3	-1.0	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	4.8	6.6	n.a.	3.5	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	0.7	3.5	3.5	2.9	2.9	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	-2.4	-0.5	-0.5	0.3	0.5	0.7	0.8	3.4
Cyclically-adjusted balance[2]	-5.9	-5.3	-5.3	-4.5	-4.2	-3.7	-3.2	2.6
One-offs	0.4	0.5	0.7	0.3	0.3	0.1	0.1	-0.3
Structural balance[3]	-6.3	-5.8	-6.0	-4.8	-4.5	-3.8	-3.3	2.9
Structural primary balance[3]	-2.8	-2.3	-2.5	-1.6	-1.4	-0.8	-0.3	2.4

(*) In the table, the figures related to the Stability Programme correspond to the budgetary projections transmitted by Italy. Except for the overall figures on government deficit and debt, those projections do not take into account the fiscal package announced by Italy for May 2022. This package, adopted on 2 May 2022, included additional support measures in 2022 as well as more resources for nationally financed investment projects in both 2022 and in the coming years. The estimates reported for the Stability Programme in Table 12.2 (Indicators for the fiscal surveillance) are based on those detailed budgetary projections, and therefore do not take into account the additional fiscal package.
(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 12.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	SP	COM	SP	SP	SP
Gross debt ratio[1]	**138.6**	**150.8**	**147.9**	**147.0**	**146.8**	**145.2**	**143.4**	**141.4**
Change in the ratio	4.0	-4.4	-3.0	-3.8	-1.1	-1.8	-1.8	-2.0
Contributions[2]*:*								
1. Primary balance	**0.0**	**3.7**	**2.0**	**2.1**	**1.1**	**0.8**	**0.3**	**-0.2**
2. "Snow-ball" effect	**3.7**	**-6.8**	**-4.4**	**-5.4**	**-2.8**	**-3.4**	**-2.2**	**-1.6**
Of which:								
Interest expenditure	3.6	3.5	3.5	3.5	3.2	3.1	3.0	3.0
Growth effect	1.5	-9.6	-3.5	-4.4	-2.6	-3.4	-2.5	-2.1
Inflation effect	-1.4	-0.7	-4.4	-4.4	-3.4	-3.0	-2.6	-2.5
3. Stock-flow adjustment	**0.3**	**-1.3**	**-0.5**	**-0.5**	**0.7**	**0.7**	**0.1**	**-0.2**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 12.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.3			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	9.6	HIGH risk	8.1	HIGH risk
Debt sustainability analysis [3]	HIGH risk			
Baseline scenario	HIGH risk			
Stochastic projections	HIGH risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	155.2		143.5	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	1.6	LOW risk	0.5	LOW risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 stability programme.

Table 12.6: **RRF – Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0.1**	**0.7**	**1.1**	**0.8**	**0.5**	**n.a.**
Cash disbursements of RRF grants from EU	**n.a.**	**0.5**	**1.1**	**0.6**	**0.4**	**0.4**	**n.a.**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Intermediate consumption P.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Social payments D.62+D.632	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interest expenditure D.41	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Current transfers D.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0.1**	**0.2**	**0.2**	**0.1**	**n.a.**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0.2**	**0.3**	**0.3**	**0.3**	**n.a.**
Capital transfers D.9	**n.a.**	**0.1**	**0.3**	**0.5**	**0.1**	**0**	**n.a.**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0.1**	**0.5**	**0.7**	**0.3**	**0.3**	**n.a.**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0.1**	**0.2**	**0.3**	**0.1**	**n.a.**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**

Source: National authorities.

Table 12.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**n.a.**	**0.9**	**1.2**	**1.2**	**1**	**1**	**n.a.**
Repayments of RRF loans to EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Intermediate consumption P.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Social payments D.62+D.632	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interest expenditure D.41	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Current transfers D.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0.1**	**0.1**	**0.1**	**0.1**	**n.a.**
Gross fixed capital formation P.51g	**n.a.**	**0.1**	**0.7**	**0.9**	**1.4**	**1.4**	**n.a.**
Capital transfers D.9	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0.1**	**0.8**	**1**	**1.4**	**1.4**	**n.a.**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**

Source: National authorities.

Table 12.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	Central Guarantee Fund for SMEs	17/03/2020	n.a	8.3
	SACE- Italia Guarantee	08/04/2020	11.3	1.6
	Commercial credits insurance	19/05/2020	0.1	0.1
	Guarantee fund for first homes	26/05/2021	n.a	0
	Subtotal			10.1
Others	Central Guarantee Fund for SMEs		n.a	1.0
	Guarantees provided by local authorities		n.a	0.1
	GACS		n.a	0.7
	Bond issues by CDP S.p.A.		0.3	0.2
	Guarantee fund for first homes		n.a	0.6
	Guarantee for non-market risks in favour of SACE	08/04/2020	6.8	3.1
	Green New Deal Guarantees	15/09/2020	0.1	0.1
	Subtotal			5.8
Total				**15.9**

Source: National authorities.

Table 13.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	SP	COM	SP	COM	SP	SP	SP
Real GDP (% change)	5.5	5.5	2.3	2.7	3.5	3.8	3.4	3.0
Private consumption (% change)	3.7	3.7	2.2	2.0	2.0	2.8	2.5	2.0
Gross fixed capital formation (% change)	-6.3	-6.3	5.4	5.8	5.8	5.4	5.2	5.2
Exports of goods and services (% change)	14.0	13.4	1.7	2.8	4.6	3.8	4.2	3.8
Imports of goods and services (% change)	9.2	9.5	2.5	2.7	3.7	3.0	3.2	3.0
Contributions to real GDP growth:								
- Final domestic demand	2.7	2.8	2.9	2.9	2.8	3.1	2.6	2.3
- Change in inventories	-0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Net exports	3.4	2.7	-0.6	0.0	0.7	0.6	0.8	0.7
Output gap[1]	0.6	0.6	0.3	0.1	1.1	0.6	1.1	1.2
Employment (% change)	1.2	1.2	0.9	1.0	1.8	1.5	1.5	2.0
Unemployment rate (%)	7.5	7.5	7.8	7.1	7.3	6.4	6.0	5.5
Labour productivity (% change)	4.3	4.3	1.4	1.7	1.6	2.2	1.9	1.0
HICP inflation (%)	2.3	2.3	5.2	4.1	2.7	1.5	2.0	2.0
GDP deflator (% change)	2.7	2.4	4.5	4.5	3.2	1.5	2.0	2.0
Comp. of employees (per head, % change)	4.7	4.7	4.1	2.5	4.5	3.2	2.8	2.5
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	-7.2	-7.3	-8.8	-6.0	-7.2	-5.4	-4.4	-3.6

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 13.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	SP	COM	SP	SP	SP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**0.6**	**0.1**	**n.a.**	**0.1**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	-0.8	-0.7	n.a.	-0.3	n.a.	n.a.	n.a.
Change in nationally financed investments	0.5	0.6	n.a.	0.1	n.a.	n.a.	n.a.
Change in other capital expenditure	0	0	n.a.	0.2	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	0.9	0.2	n.a.	0.1	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	0.2	3.5	3.5	0.6	2.1	2.9	3.2
Stability and Growth Pact indicators							
Expenditure benchmark	0.8	4.3	3.7	0.6	1.9	2.6	3.0
Change in the structural balance	2.5	1.6	2.0	-0.3	0.1	0.9	0.2

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 13.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	SP	COM	SP	SP	SP	SP
Revenue	**42.4**	**40.7**	**41.7**	**39.9**	**41.3**	**41.3**	**40.6**	**-1.8**
of which:								
- Taxes on production and imports	14.4	13.5	14.2	12.7	14.1	14.0	13.9	-0.5
- Current taxes on income, wealth, etc.	10.6	9.8	10.4	10.0	10.4	10.3	10.2	-0.4
- Social contributions	11.6	12.0	11.5	12.1	11.4	11.7	11.4	-0.2
- Other (residual)	5.8	5.4	5.6	5.1	5.4	5.3	5.1	-0.7
RRF grants as included in the revenue projections		0.8	0.6	1.1	0.7	1.0	0.8	0.5
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	0
Expenditure	**44.1**	**41.0**	**41.7**	**40.0**	**40.9**	**39.9**	**38.9**	**-5.2**
of which:								
- Primary expenditure	42.2	39.4	40.1	38.7	39.7	38.8	37.7	-4.5
of which:								
Compensation of employees+Intermediate consumption	17.3	17.1	17.0	16.6	17.1	16.7	16.3	-1.0
Compensation of employees	12.8	12.8	12.7	12.8	12.8	12.6	12.4	-0.4
Intermediate consumption	4.4	4.3	4.3	3.8	4.2	4.0	3.9	-0.5
Social payments	16.4	16.2	16.3	16.2	16.1	15.8	15.6	-0.8
Subsidies	2.5	0.4	0.4	0.1	0.4	0.4	0.3	-2.2
Gross fixed capital formation	2.7	2.7	3.1	2.6	3.0	2.7	2.6	-0.1
Other (residual)	3.4	3.1	3.3	3.2	3.1	3.1	2.9	-0.5
- Interest expenditure	1.8	1.6	1.6	1.3	1.2	1.1	1.2	-0.6
Expenditure financed by RRF grants	0.1	0.7	0.6	1.1	0.7	1.1	0.9	0.8
General government balance (GGB)	**-1.7**	**-0.3**	**0.0**	**-0.2**	**0.4**	**1.5**	**1.7**	**3.4**
Primary balance	**0.2**	**1.3**	**1.6**	**1.1**	**1.6**	**2.6**	**2.9**	**2.7**
GGB excl. one-offs	**-1.8**	**-0.3**	**0.0**	**-0.2**	**0.4**	**1.5**	**1.7**	**3.5**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	2.5	-3.9	-1.2	3.5	0.1	-3.2	-3.5	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	1.2	4.8	n.a.	4.7	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	3.8	-3.0	-2.8	4.3	-0.2	-1.8	-4.1	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	2.5	6.6	n.a.	5.6	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	5.2	7.3	7.3	5.9	5.9	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	0.6	0.3	0.1	1.1	0.6	1.1	1.2	0.6
Cyclically-adjusted balance[2]	-2.0	-0.4	-0.1	-0.7	0.1	0.9	1.1	3.1
One-offs	0.1	0	0	0	0	0	0	-0.1
Structural balance[3]	-2.1	-0.4	-0.1	-0.7	0.1	0.9	1.1	3.2
Structural primary balance[3]	-0.2	1.1	1.5	0.6	1.3	2.0	2.3	2.5

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 13.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	SP	COM	SP	SP	SP
Gross debt ratio[1]	**100.1**	**103.6**	**93.9**	**93.9**	**88.8**	**88.2**	**81.0**	**76.7**
Change in the ratio	1.6	-11.4	-9.7	-9.7	-5.1	-5.7	-7.2	-4.3
Contributions[2]*:*								
1. Primary balance	**-1.2**	**-0.2**	**-1.3**	**-1.6**	**-1.1**	**-1.6**	**-2.6**	**-2.9**
2. "Snow-ball" effect	**-1.3**	**-6.9**	**-5.0**	**-5.4**	**-4.5**	**-3.5**	**-3.4**	**-2.6**
Of which:								
Interest expenditure	2.4	1.8	1.6	1.6	1.3	1.2	1.1	1.2
Growth effect	-3.4	-5.8	-2.2	-2.6	-3.1	-3.4	-2.8	-2.3
Inflation effect	-0.2	-2.9	-4.4	-4.4	-2.8	-1.3	-1.7	-1.5
3. Stock-flow adjustment	**4.1**	**-4.1**	**-3.3**	**-2.6**	**0.7**	**-0.5**	**-1.1**	**1.3**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 13.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.4			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	-0.4	LOW risk	-3.0	LOW risk
Debt sustainability analysis [3]	MEDIUM risk			
Baseline scenario	MEDIUM risk			
Stochastic projections	MEDIUM risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	63.8		48.9	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	1.0	LOW risk	-0.9	LOW risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 stability programme.

Table 13.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0.3**	**0.6**	**0.7**	**1**	**0.8**	**n.a.**
Cash disbursements of RRF grants from EU	**n.a.**	**0.6**	**0.7**	**0.8**	**0.7**	**0.6**	**n.a.**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	0	0	0	n.a.
Intermediate consumption P.2	n.a.	0	0.1	0.1	0.1	0.1	n.a.
Social payments D.62+D.632	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Interest expenditure D.41	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	n.a.	0	0	0	0.1	0.1	n.a.
Current transfers D.7	n.a.	0	0.1	0	0.1	0	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0.2**	**0.2**	**0.3**	**0.2**	**n.a.**
Gross fixed capital formation P.51g	**n.a.**	**0.1**	**0.3**	**0.4**	**0.5**	**0.4**	**n.a.**
Capital transfers D.9	**n.a.**	**0**	**0.1**	**0.1**	**0.3**	**0.3**	**n.a.**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0.2**	**0.4**	**0.5**	**0.7**	**0.7**	**n.a.**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**

Source: National authorities.

Table 13.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**n.a.**	**0.6**	**0.7**	**0.8**	**0.7**	**0.6**	**n.a.**
Repayments of RRF loans to EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	0	0	0	n.a.
Intermediate consumption P.2	n.a.	0	0	0	0	0	n.a.
Social payments D.62+D.632	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Interest expenditure D.41	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Current transfers D.7	n.a.	0	0.1	0.1	0.1	0.1	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0.1**	**0.1**	**0.1**	**0.1**	**n.a.**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0.1**	**0.1**	**0.1**	**0.1**	**n.a.**
Capital transfers D.9	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0.1**	**0.1**	**0.1**	**0.1**	**n.a.**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**

Source: National authorities.

Table 13.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	Support to the tourism sector in the form of government guarantees related to credit notes issued for the cancellation of contracts due to the pandemic of COVID-19, in case of insolvency of the issuers	2020	n.a.	n.a.
	Government guarantee scheme towards credit institutions for the granting of loan to businesses and self-employed individuals	2021	0	0
	Subtotal		n.a.	n.a.
Others	Stock of Government Guarantees (excluding related to Covid-19 and linked to the financial sector)	n.a.	7.3	n.a.
	APS exposure (linked to the financial sector)	n.a.	5.8	n.a.
	Subtotal		13.1	n.a.
	Total		**n.a.**	**n.a.**

Source: National authorities.

Table 14.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	SP	COM	SP	COM	SP	SP	SP
Real GDP (% change)	4.5	4.8	2.0	2.1	2.9	2.5	3.3	3.4
Private consumption (% change)	4.8	4.8	5.0	3.7	3.8	4.4	4.0	4.0
Gross fixed capital formation (% change)	2.9	3.0	1.3	1.9	2.8	4.7	4.8	3.0
Exports of goods and services (% change)	6.2	6.2	1.3	-3.0	4.1	-0.1	4.0	5.0
Imports of goods and services (% change)	13.5	13.5	3.2	-2.0	4.0	1.7	3.7	4.0
Contributions to real GDP growth:								
- Final domestic demand	4.3	4.3	3.3	2.7	3.0	3.7	3.6	3.2
- Change in inventories	4.4	5.8	0	-0.1	0	0	0	0
- Net exports	-4.3	-5.3	-1.3	-0.5	-0.2	-1.3	-0.2	0.2
Output gap[1]	-1.6	-1.6	-1.7	-1.8	-0.9	-1.7	-0.7	0.4
Employment (% change)	-2.6	-3.2	0.7	1.3	0.5	0.4	0.0	0.0
Unemployment rate (%)	7.6	7.6	7.3	7.6	7.1	6.7	6.2	5.9
Labour productivity (% change)	7.2	8.3	1.3	0.8	2.4	2.1	3.3	3.4
HICP inflation (%)	3.2	3.3	9.4	8.5	3.5	3.5	2.5	2.0
GDP deflator (% change)	6.8	6.7	7.2	8.7	5.1	4.2	2.7	2.3
Comp. of employees (per head, % change)	11.0	11.7	5.6	6.0	6.0	5.7	5.3	5.0
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	1.6	-1.4	-1.3	1.2	-0.4	1.0	0.6	0.6

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.

Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 14.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	SP	COM	SP	SP	SP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**0.4**	**-3.3**	**n.a.**	**3.2**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	0.3	-0.8	n.a.	-0.9	n.a.	n.a.	n.a.
Change in nationally financed investments	0.2	-0.3	n.a.	0.8	n.a.	n.a.	n.a.
Change in other capital expenditure	-0.1	-0.7	n.a.	0.6	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	0.1	-1.5	n.a.	2.7	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	-2.0	1.2	-0.7	4.0	1.2	1.3	1.2
Stability and Growth Pact indicators							
Expenditure benchmark	-2.5	2.9	0.2	4.1	1.7	1.4	0.9
Change in the structural balance	-3.6	0.3	3.9	3.9	1.3	0	0.2

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 14.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	SP	COM	SP	SP	SP	SP
Revenue	**37.6**	**36.7**	**35.9**	**36.4**	**36.0**	**35.1**	**34.4**	**-3.2**
of which:								
- Taxes on production and imports	13.5	13.3	12.9	12.9	12.9	12.8	12.6	-0.9
- Current taxes on income, wealth, etc.	7.2	6.7	6.5	6.4	6.4	6.3	6.3	-0.9
- Social contributions	10.0	9.9	9.6	9.6	9.5	9.4	9.3	-0.7
- Other (residual)	6.9	6.8	6.9	7.4	7.2	6.6	6.2	-0.7
RRF grants as included in the revenue projections		0.4	0.4	1.0	1.0	1.2	1.0	1.0
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	0
Expenditure	**44.9**	**44.0**	**42.4**	**39.4**	**38.8**	**37.3**	**36.1**	**-8.8**
of which:								
- Primary expenditure	44.4	43.4	41.8	38.8	38.2	36.7	35.5	-8.9
of which:								
Compensation of employees+Intermediate consumption	17.7	17.3	16.9	16.8	15.9	15.1	14.6	-3.1
Compensation of employees	11.7	11.1	10.9	10.8	10.1	9.7	9.3	-2.4
Intermediate consumption	5.9	6.3	6.0	6.0	5.8	5.4	5.3	-0.6
Social payments	14.1	13.4	12.9	12.6	12.4	12.0	11.8	-2.3
Subsidies	0.9	1.3	0.8	0.7	0.8	0.7	0.7	-0.2
Gross fixed capital formation	5.2	6.1	5.9	5.8	5.5	5.7	5.6	0.4
Other (residual)	6.5	5.3	5.3	3.0	3.7	3.2	2.9	-3.6
- Interest expenditure	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.1
Expenditure financed by RRF grants	0	0.4	0.3	1.0	1.1	1.2	1.1	1.1
General government balance (GGB)	**-7.3**	**-7.2**	**-6.5**	**-3.0**	**-2.8**	**-2.3**	**-1.7**	**5.6**
Primary balance	**-6.8**	**-6.7**	**-5.9**	**-2.4**	**-2.2**	**-1.6**	**-1.1**	**5.7**
GGB excl. one-offs	**-7.5**	**-7.2**	**-3.7**	**-3.0**	**-2.4**	**-2.0**	**-1.4**	**6.1**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	15.6	4.6	10.7	-5.6	1.8	3.3	3.3	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	8.7	16.7	n.a.	-3.8	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	14.6	6.1	0.3	-3.2	-3.8	1.9	2.3	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	9.0	14.4	n.a.	-1.0	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	9.3	9.6	9.6	7.4	7.4	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	-1.6	-1.7	-1.8	-0.9	-1.7	-0.7	0.4	2.0
Cyclically-adjusted balance[2]	-6.7	-6.6	-5.8	-2.7	-2.1	-2.0	-1.9	4.9
One-offs	0.2	0	-2.8	0	-0.4	-0.3	-0.3	-0.5
Structural balance[3]	-6.9	-6.6	-3.0	-2.7	-1.7	-1.7	-1.6	5.3
Structural primary balance[3]	-6.4	-6.0	-2.4	-2.1	-1.1	-1.1	-1.0	5.4

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.

Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 14.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	SP	COM	SP	SP	SP
Gross debt ratio[1]	**39.3**	**44.8**	**47.0**	**45.7**	**46.5**	**45.2**	**44.5**	**43.4**
Change in the ratio	1.2	1.5	2.2	0.9	-0.4	-0.5	-0.7	-1.1
Contributions[2]*:*								
1. Primary balance	**0.5**	**6.8**	**6.7**	**5.9**	**2.4**	**2.2**	**1.6**	**1.1**
2. "Snow-ball" effect	**-0.5**	**-3.9**	**-3.2**	**-3.7**	**-2.9**	**-2.3**	**-1.9**	**-1.8**
Of which:								
Interest expenditure	0.8	0.5	0.6	0.6	0.6	0.6	0.6	0.6
Growth effect	-0.6	-1.7	-0.8	-0.8	-1.3	-1.1	-1.4	-1.4
Inflation effect	-0.7	-2.7	-2.9	-3.5	-2.2	-1.8	-1.2	-1.0
3. Stock-flow adjustment	**1.3**	**-1.3**	**-1.2**	**-1.2**	**0.1**	**-0.4**	**-0.4**	**-0.3**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 14.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.2			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	-0.5	LOW risk	-1.7	LOW risk
Debt sustainability analysis [3]	LOW risk			
Baseline scenario	LOW risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	48.3		41.3	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	1.3	LOW risk	0.4	LOW risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 stability programme.

Table 14.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**0**	**0**	**0.4**	**1**	**1.2**	**1**	**0.7**
Cash disbursements of RRF grants from EU	**0**	**0.7**	**0.6**	**1.3**	**1**	**0.7**	**0.3**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
Intermediate consumption P.2	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
Social payments D.62+D.632	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
Interest expenditure D.41	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
Current transfers D.7	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0.1**	**0.4**	**0.4**	**0.4**	**0.2**
Gross fixed capital formation P.51g	**0**	**0**	**0.2**	**0.7**	**0.8**	**0.7**	**0.5**
Capital transfers D.9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0.2**	**0.7**	**0.8**	**0.7**	**0.5**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 14.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	0	0	0	0	0
Intermediate consumption P.2	0	0	0	0	0	0	0
Social payments D.62+D.632	0	0	0	0	0	0	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0	0	0	0	0
Current transfers D.7	0	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 14.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	Credit guarantees	2020	0.3	0.2
	Subtotal		0.3	0.3
Others			0	0
	Subtotal		0	0
	Total		**0.3**	**0.3**

Source: National authorities.

Table 15.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	SP	COM	SP	COM	SP	SP	SP
Real GDP (% change)	5.0	4.9	1.7	1.6	2.6	2.5	3.0	3.0
Private consumption (% change)	7.3	7.2	3.9	2.1	3.1	3.4	3.4	3.4
Gross fixed capital formation (% change)	7.0	7.0	2.7	2.7	4.5	4.8	5.4	5.4
Exports of goods and services (% change)	15.9	14.1	-2.1	-6.0	3.1	3.3	3.7	3.7
Imports of goods and services (% change)	18.7	17.0	-0.9	-6.0	3.6	4.1	4.1	4.1
Contributions to real GDP growth:								
- Final domestic demand	5.9	5.8	2.9	1.9	2.9	3.0	3.2	3.3
- Change in inventories	-0.6	0	-0.1	0	0	0	0	0
- Net exports	-0.3	-0.6	-1.1	-0.2	-0.4	-0.6	-0.3	-0.3
Output gap[1]	-0.3	-0.2	-1.4	-1.2	-2.1	-1.8	-1.3	-0.7
Employment (% change)	1.2	0.8	0.2	-0.2	0.1	0.1	-0.3	-0.4
Unemployment rate (%)	7.1	7.1	7.2	7.3	7.2	6.9	6.6	6.3
Labour productivity (% change)	3.8	4.1	1.6	1.9	2.5	2.4	3.3	3.4
HICP inflation (%)	4.6	4.6	12.5	9.8	3.0	3.0	2.0	2.0
GDP deflator (% change)	6.5	6.5	7.4	7.1	3.0	3.0	2.0	2.0
Comp. of employees (per head, % change)	11.4	11.6	8.7	10.7	6.2	5.2	5.0	5.0
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	3.6	3.0	-0.3	1.6	-0.7	1.2	-0.2	-0.5

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 15.2: **Indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	SP	COM	SP	SP	SP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**1.9**	**-4.2**	**n.a.**	**1.5**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	0.2	-0.5	n.a.	-0.4	n.a.	n.a.	n.a.
Change in nationally financed investments	0.8	-0.3	n.a.	0.5	n.a.	n.a.	n.a.
Change in other capital expenditure	0.2	-0.1	n.a.	0.0	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	0.7	-3.2	n.a.	1.5	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	2.9	-2.6	-2.6	2.8	3.0	1.4	0.5
Stability and Growth Pact indicators							
Expenditure benchmark	2.1	-1.5	-1.9	2.5	2.7	1.3	0.4
Change in the structural balance	6.2	-3.1	-3.5	2.6	2.7	0.9	0.1

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 15.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	SP	COM	SP	SP	SP	SP
Revenue	**37.7**	**37.0**	**37.4**	**37.0**	**37.3**	**37.5**	**37.4**	**-0.3**
of which:								
- Taxes on production and imports	12.2	11.6	11.8	11.7	12.1	12.2	12.1	-0.1
- Current taxes on income, wealth, etc.	9.9	9.9	10.2	9.5	10.1	10.4	10.6	0.7
- Social contributions	10.7	10.6	10.6	10.5	10.6	10.6	10.5	-0.2
- Other (residual)	4.9	4.9	4.8	5.3	4.5	4.3	4.2	-0.7
RRF grants as included in the revenue projections		0.3	0.3	0.8	0.8	0.9	0.7	n.a.
Revenue reductions financed by RRF grants	0	0	n.a.	0.0	n.a.	n.a.	n.a.	n.a.
Expenditure	**38.7**	**41.5**	**42.3**	**39.3**	**39.7**	**38.7**	**38.4**	**-0.3**
of which:								
- Primary expenditure	38.3	41.2	42.0	39.0	39.5	38.4	38.1	-0.2
of which:								
Compensation of employees+Intermediate consumption	15.6	16.3	16.7	16.3	16.8	16.3	16.2	0.6
Compensation of employees	10.9	11.2	11.6	11.3	11.6	11.6	11.5	0.6
Intermediate consumption	4.7	5.1	5.1	5.0	5.1	4.8	4.8	0.1
Social payments	15.3	16.3	16.4	16.2	16.3	16.2	16.2	0.9
Subsidies	1.6	1.9	1.9	0.4	0.4	0.3	0.3	-1.3
Gross fixed capital formation	3.2	3.7	3.8	3.3	3.3	3.3	3.3	0.1
Other (residual)	2.6	2.9	3.2	2.8	2.7	2.3	2.1	-0.5
- Interest expenditure	0.4	0.3	0.3	0.3	0.2	0.3	0.3	-0.1
Expenditure financed by RRF grants	0.0	0.3	n.a.	0.8	n.a.	n.a.	n.a.	n.a.
General government balance (GGB)	**-1.0**	**-4.6**	**-4.9**	**-2.3**	**-2.4**	**-1.3**	**-1.0**	**0.0**
Primary balance	**-0.6**	**-4.2**	**-4.7**	**-2.0**	**-2.2**	**-1.0**	**-0.7**	**-0.1**
GGB excl. one-offs	**-1.0**	**-4.6**	**-4.9**	**-2.3**	**-2.4**	**-1.3**	**-1.0**	**0.0**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	2.4	16.9	17.7	-2.4	-1.5	2.2	4.1	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	4.7	22.5	n.a.	0.8	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	5.3	16.0	15.9	-1.7	0.1	2.0	4.1	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	7.5	22.1	n.a.	1.8	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	9.9	10.8	10.8	6.3	6.3	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	-0.3	-1.4	-1.2	-2.1	-1.8	-1.3	-0.7	-0.5
Cyclically-adjusted balance[2]	-0.9	-4.0	-4.4	-1.5	-1.7	-0.8	-0.7	0.2
One-offs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Structural balance[3]	-0.9	-4.0	-4.4	-1.5	-1.7	-0.8	-0.7	0.2
Structural primary balance[3]	-0.4	-3.7	-4.1	-1.2	-1.5	-0.5	-0.4	0.1

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 15.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	SP	COM	SP	SP	SP
Gross debt ratio[1]	**39.0**	**44.3**	**42.7**	**43.3**	**43.1**	**43.7**	**42.6**	**42.5**
Change in the ratio	0.8	-2.3	-1.6	-1.0	0.3	0.4	-1.1	-0.1
Contributions[2]*:*								
1. Primary balance	**0.2**	**0.6**	**4.2**	**4.7**	**2.0**	**2.2**	**1.0**	**0.7**
2. "Snow-ball" effect	**-1.1**	**-4.4**	**-3.4**	**-3.4**	**-2.0**	**-2.1**	**-1.8**	**-1.7**
Of which:								
Interest expenditure	1.0	0.4	0.3	0.3	0.3	0.2	0.3	0.3
Growth effect	-1.1	-2.1	-0.7	-0.7	-1.0	-1.0	-1.2	-1.2
Inflation effect	-1.0	-2.7	-3.0	-2.9	-1.2	-1.2	-0.8	-0.8
3. Stock-flow adjustment	**1.8**	**1.7**	**-2.4**	**-2.3**	**0.3**	**0.3**	**-0.3**	**0.9**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 15.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.1			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	-0.6	LOW risk	-1.1	LOW risk
Debt sustainability analysis [3]	LOW risk			
Baseline scenario	LOW risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	42.7		39.8	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	2.5	MEDIUM risk	2.1	MEDIUM risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 stability programme.

Table 15.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**n.a.**	**0.3**	**0.8**	**0.9**	**0.7**	**n.a.**
Cash disbursements of RRF grants from EU	**n.a.**	**0.5**	**0.9**	**0.9**	**0.5**	**0.3**	**n.a.**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Intermediate consumption P.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Social payments D.62+D.632	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interest expenditure D.41	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Current transfers D.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**n.a.**	**0.1**	**0.3**	**0.4**	**0.3**	**n.a.**
Gross fixed capital formation P.51g	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Capital transfers D.9	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**n.a.**	**0.2**	**0.5**	**0.5**	**0.4**	**n.a.**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Other costs with impact on revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Financial transactions	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Source: National authorities.

Table 15.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	0	0	0	0
Intermediate consumption P.2	n.a.	0	0	0	0	0	0
Social payments D.62+D.632	n.a.	0	0	0	0	0	0
Interest expenditure D.41	n.a.	0	0	0	0	0	0
Subsidies, payable D.3	n.a.	0	0	0	0	0	0
Current transfers D.7	n.a.	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 15.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	Portfolio guarantees administered by INVEGA	2020 June	0.2	0.1
	State guarantees on loans and non-equity securities used to meet the objectives of stimulating economy affected by emergencies and to increase the financial liquidity of business	2020 March	0.5	0.1
	State guarantees on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak	2020 September	0.1	0.1
	State guarantees on the European Investment Bank set up by the European Guarantee Fund to respond to the COVID-19	2020 July	0.1	0
	Subtotal		0.9	0.4
Others	State guarantees on INVEGA commitments under guarantees		0.4	0.2
	State guarantees on the ACGF commitments under guarantees		0.4	0.2
	State guarantees on loans to finance public investment projects and/or used to supplement the working capital of enterprises important for ensuring national security, which are specified in the Republic of Lithuania Law on the Protection of Objects of Importance to Ensuring National Security		0.3	0.2
	State guarantees on State-subsidized loans specified in the Republic of Lithuania Law on Science and Studies		0.2	0.1
	Subtotal		1.4	0.7
	Total		**2.3**	**1.1**

Source: National authorities.

Table 16.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025	2026
	COM	SP	COM	SP	COM	SP	SP	SP	SP
Real GDP (% change)	6.9	6.9	2.2	1.4	2.7	2.9	2.9	2.6	2.6
Private consumption (% change)	7.4	7.4	3.7	6.0	2.9	4.5	3.6	3.2	2.8
Gross fixed capital formation (% change)	12.3	12.3	1.3	0.7	2.1	2.0	1.1	0.5	1.3
Exports of goods and services (% change)	9.7	9.7	3.8	4.8	3.1	5.1	5.2	4.7	4.6
Imports of goods and services (% change)	10.4	10.4	4.3	6.4	3.1	5.6	5.5	5.0	4.9
Contributions to real GDP growth:									
- Final domestic demand	5.2	2.9	1.9	2.5	1.6	2.2	1.8	1.7	1.7
- Change in inventories	-0.3	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
- Net exports	2.0	4.1	0.4	-1.0	1.1	0.8	1.0	0.9	0.9
Output gap[1]	0	0.1	-0.5	-0.8	-0.8	-0.6	-0.1	0	0
Employment (% change)	3.1	3.1	2.6	2.4	2.5	2.1	2.2	2.3	2.2
Unemployment rate (%)	5.3	6.2	5.2	5.7	5.1	5.6	5.5	5.5	5.4
Labour productivity (% change)	3.7	3.7	-0.3	-0.9	0.2	0.8	0.6	0.3	0.4
HICP inflation (%)	3.5	3.5	6.8	6.2	2.3	1.1	2.0	1.2	1.7
GDP deflator (% change)	6.8	6.8	4.0	3.9	2.1	1.5	1.4	1.5	1.6
Comp. of employees (per head, % change)	5.1	5.4	4.8	5.1	3.6	2.4	1.7	1.9	2.1
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	6.7	n.a.	5.2	n.a.	4.8	n.a.	n.a.	n.a.	n.a.

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 16.2: **Main indicators for fiscal surveillance**

	COM	COM	SP	COM	SP	SP	SP	SP
Relevant indicators for fiscal guidance at this stage								
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**1.1**	**-1.3**	**n.a.**	**0.5**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:								
Change in expenditure financed by RRF grants and other EU funds	0.1	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
Change in nationally financed investments	0.5	-0.1	n.a.	-0.1	n.a.	n.a.	n.a.	n.a.
Change in other capital expenditure	-0.3	0.1	n.a.	0.2	n.a.	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	0.8	-1.2	n.a.	0.5	n.a.	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	2.7	-0.6	-0.5	0.6	0.2	-0.4	n.a.	n.a.
Stability and Growth Pact indicators								
Expenditure benchmark	2.2	-0.6	-0.1	0.6	0.4	-0.3	n.a.	n.a.
Change in the structural balance	2.5	-0.8	-1.2	0.3	-0.6	-0.1	0	0.2

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 16.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	2026	Change: 2021-2026
	COM	COM	SP	COM	SP	SP	SP	SP	SP
Revenue	**43.2**	**42.6**	**42.8**	**42.4**	**42.8**	**43.0**	**43.1**	**43.2**	0
of which:									
- Taxes on production and imports	11.6	11.6	12.0	11.7	11.9	11.8	11.8	11.7	0.1
- Current taxes on income, wealth, etc.	15.6	15.0	14.7	14.7	14.8	14.9	15.1	15.2	-0.4
- Social contributions	11.7	11.8	11.8	11.9	11.9	12.0	12.0	12.0	0.3
- Other (residual)	4.3	4.1	4.3	4.1	4.2	4.3	4.2	4.3	0
RRF grants as included in the revenue projections		0	0	0	0	0	0	0	0
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	0	0
Expenditure	**42.3**	**42.7**	**43.5**	**42.3**	**43.2**	**43.3**	**43.3**	**43.2**	0.9
of which:									
- Primary expenditure	42.1	42.6	43.4	42.2	43.0	43.1	43.1	42.9	0.8
of which:									
Compensation of employees+Intermediate consumption	14.1	14.3	14.5	14.2	14.5	14.5	14.4	14.3	0.2
Compensation of employees	9.9	10.0	10.1	10.1	10.3	10.4	10.4	10.4	0.5
Intermediate consumption	4.2	4.3	4.4	4.1	4.1	4.1	4.0	3.9	-0.3
Social payments	18.1	18.3	18.3	18.2	18.6	18.8	19.0	19.3	1.2
Subsidies	1.0	1.0	1.1	1.0	1.0	1.0	1.0	0.9	-0.1
Gross fixed capital formation	4.0	4.1	4.1	4.2	4.3	4.3	4.2	4.2	0.2
Other (residual)	4.9	4.9	5.3	4.6	4.6	4.6	4.4	4.3	-0.6
- Interest expenditure	0.2	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.1
Expenditure financed by RRF grants	0	0	0	0	0	0	0	0	0
General government balance (GGB)	**0.9**	**-0.1**	**-0.7**	**0.1**	**-0.4**	**-0.3**	**-0.2**	**0.0**	-0.9
Primary balance	**1.0**	**0.0**	**-0.6**	**0.2**	**-0.2**	**-0.2**	**0.0**	**0.3**	-0.7
GGB excl. one-offs	**0.9**	**-0.1**	**-0.7**	**0.1**	**-0.4**	**-0.3**	**-0.2**	**0.0**	-0.9
Expenditure aggreagate growth rates									
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	3.2	8.3	7.7	4.5	4.5	5.5	3.4	n.a.	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	7.0	10.0	n.a.	3.5	n.a.	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	3.5	8.6	8.1	3.3	4.8	5.7	3.8	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	7.3	10.4	n.a.	3.5	n.a.	n.a.	n.a.	n.a.	n.a.
p.m. mominal 10-year average potential growth (%)[1]	9.5	6.8	6.8	4.8	4.8	n.a.	n.a.	n.a.	n.a.
Other indicators									
Output gap[2]	0.0	-0.5	-0.8	-0.8	-0.6	-0.1	0	0	-0.1
Cyclically-adjusted balance[2]	0.9	0.1	-0.3	0.4	-0.1	-0.2	-0.2	0	-0.9
One-offs	0	0	0	0	0	0	0	0	0.0
Structural balance[3]	0.9	0.1	-0.3	0.4	-0.1	-0.2	-0.2	0	-0.9
Structural primary balance[3]	1.1	0.2	-0.2	0.6	0.1	0.0	0.0	0.3	-0.7

Notes:

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 16.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025	2026
			COM	SP	COM	SP	SP	SP	SP
Gross debt ratio[1]	**21.9**	**24.4**	**24.7**	**25.4**	**25.1**	**25.8**	**26.2**	**26.2**	**25.9**
Change in the ratio	0.7	-0.4	0.3	1.0	0.4	0.4	0.4	0	-0.3
Contributions[2] *:*									
1. Primary balance	**-1.4**	**-1.0**	**0.0**	**0.6**	**-0.2**	**0.2**	**0.2**	**0.0**	**-0.3**
2. "Snow-ball" effect	**-0.4**	**-2.8**	**-1.3**	**-1.1**	**-1.0**	**-0.9**	**-1.0**	**-0.8**	**-0.8**
Of which:									
Interest expenditure	0.3	0.2	0.1	0.1	0.1	0.2	0.2	0.2	0.3
Growth effect	-0.4	-1.5	-0.5	-0.3	-0.6	-0.7	-0.7	-0.7	-0.7
Inflation effect	-0.3	-1.5	-0.9	-0.9	-0.5	-0.4	-0.3	-0.4	-0.4
3. Stock-flow adjustment	**2.5**	**3.6**	**1.7**	**1.6**	**1.7**	**1.1**	**1.2**	**0.8**	**0.8**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 16.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.3			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	-3.5	LOW risk	-2.7	LOW risk
Debt sustainability analysis [3]	LOW risk			
Baseline scenario	LOW risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	19.4		23.0	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	7.4	HIGH risk	7.4	HIGH risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 stability programme.

Table 16.6: **RRF – Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Cash disbursements of RRF grants from EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	0	0	0	0
Intermediate consumption P.2	n.a.	0	0	0	0	0	0
Social payments D.62+D.632	n.a.	0	0	0	0	0	0
Interest expenditure D.41	n.a.	0	0	0	0	0	0
Subsidies, payable D.3	n.a.	0	0	0	0	0	0
Current transfers D.7	n.a.	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 16.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	0	0	0	0
Intermediate consumption P.2	n.a.	0	0	0	0	0	0
Social payments D.62+D.632	n.a.	0	0	0	0	0	0
Interest expenditure D.41	n.a.	0	0	0	0	0	0
Subsidies, payable D.3	n.a.	0	0	0	0	0	0
Current transfers D.7	n.a.	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 16.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	State guarantee scheme	April 2020	3.4	0.2
	Ducroire Office (further support for exports, including to markets affected by COVID-19)	April 2020	0.2	0.1
	European Guarantee Fund at the EIB	April 2020	0.1	0
	SURE Guarantee	April 2020	0.1	0.1
	Subtotal		3.8	0.4
Others	State guarantees (not COVID-19 related)		8.3	5.7
	of which in the financial sector		*5.2*	*4.3*
	Subtotal		8.3	5.7
	Total		**12.1**	**6.1**

Source: National authorities.

Table 17.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025	2026
	COM	CP	COM	CP	COM	CP	CP	CP	CP
Real GDP (% change)	7.1	7.1	3.6	4.3	2.6	4.1	4.2	4.3	4.3
Private consumption (% change)	4.6	4.6	4.8	5.5	2.5	4.4	4.4	4.5	4.5
Gross fixed capital formation (% change)	5.9	5.9	0.9	2.7	1.2	4.2	4.4	4.1	4.1
Exports of goods and services (% change)	10.3	10.3	4.9	5.7	5.9	6.3	6.5	7.5	7.5
Imports of goods and services (% change)	8.7	8.7	3.8	4.9	4.6	5.5	5.7	6.5	6.5
Contributions to real GDP growth:									
- Final domestic demand	4.6	4.6	2.5	3.6	1.5	3.6	3.6	3.5	3.5
- Change in inventories	1.1	1.1	0.1	0	0	0	0	0	0
- Net exports	1.4	1.4	1.0	0.6	1.0	0.6	0.7	0.9	0.9
Output gap[1]	-0.2	-0.5	-0.5	-0.9	-1.1	-0.8	-0.6	-0.3	0.0
Employment (% change)	2.0	0.7	1.7	0.7	0.6	0.3	0.2	0.1	0.1
Unemployment rate (%)	4.1	4.1	3.8	3.6	4.0	3.3	3.1	2.9	2.8
Labour productivity (% change)	5.0	6.4	1.9	3.6	1.9	3.8	4.0	4.2	4.3
HICP inflation (%)	5.2	5.2	9.0	8.9	4.1	5.2	3.0	3.0	3.0
GDP deflator (% change)	6.9	6.9	5.6	5.7	4.6	7.3	4.8	4.0	3.7
Comp. of employees (per head, % change)	9.2	8.9	8.7	12.2	6.5	9.3	8.8	8.5	8.2
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	-0.3	-0.5	-3.4	-2.6	-0.8	0.6	0.5	0.9	2.0

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 17.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025	2026
	COM	COM	CP	COM	CP	CP	CP	CP
Relevant indicators for fiscal guidance at this stage								
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**-3.4**	**-0.1**	**n.a.**	**1.9**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:								
Change in expenditure financed by RRF grants and other EU funds	-0.4	1.0	n.a.	-0.3	n.a.	n.a.	n.a.	n.a.
Change in nationally financed investments	0.8	-0.2	n.a.	-0.4	n.a.	n.a.	n.a.	n.a.
Change in other capital expenditure	-1.5	-0.4	n.a.	0.6	n.a.	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	-2.2	-0.4	n.a.	1.9	n.a.	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	-0.3	0.7	0.9	1.9	-0.7	0.7	0.7	n.a.
Stability and Growth Pact indicators								
Expenditure benchmark	-0.3	-0.8	0.3	3.0	0.4	1.3	0.7	n.a.
Change in the structural balance	-0.4	0.8	2.6	1.3	1.3	0.9	0.9	0.4

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 17.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	2026	Change: 2021-2026
	COM	COM	CP	COM	CP	CP	CP	CP	CP
Revenue	**41.1**	**41.3**	**41.1**	**41.4**	**41.6**	**41.1**	**40.3**	**39.4**	-1.7
of which:									
- Taxes on production and imports	17.5	18.0	17.1	18.1	17.2	16.9	16.5	16.1	-1.4
- Current taxes on income, wealth, etc.	5.6	6.8	7.3	6.7	7.3	7.3	7.3	7.3	1.7
- Social contributions	10.5	10.0	10.4	9.8	10.2	10.3	10.3	10.2	-0.3
- Other (residual)	7.6	6.5	6.3	6.8	6.9	6.6	6.2	5.8	-1.8
RRF grants as included in the revenue projections		1.2	0.6	0.8	0.8	1.0	0.5	0.2	-0.4
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	0	n.a.
Expenditure	**47.9**	**47.3**	**46.0**	**46.4**	**45.1**	**43.6**	**41.8**	**40.4**	-7.5
of which:									
- Primary expenditure	45.6	44.6	43.3	43.4	42.1	40.6	39.0	37.7	-7.9
of which:									
Compensation of employees+Intermediate consumption	18.7	18.6	18.1	17.9	17.1	16.4	15.5	15.1	-3.6
Compensation of employees	10.2	10.9	10.9	10.3	9.7	9.5	8.8	8.5	-1.7
Intermediate consumption	8.5	7.7	n.a.	7.6	7.4	6.8	6.7	6.6	-1.9
Social payments	12.3	12.3	12.5	12.0	12.1	11.7	11.2	10.8	-1.5
Subsidies	1.3	1.1	1.1	1.1	1.1	1.0	0.9	0.8	-0.5
Gross fixed capital formation	5.8	5.4	5.3	5.9	5.6	6.2	6.1	6.0	0.2
Other (residual)	7.5	7.2	6.3	6.5	6.2	5.4	5.2	5.0	-2.5
- Interest expenditure	2.3	2.7	2.7	3.0	3.0	3.0	2.8	2.7	0.4
Expenditure financed by RRF grants	0.5	0.6	0.7	0.8	0.8	1.0	0.4	0.3	-0.3
General government balance (GGB)	**-6.8**	**-6.0**	**-4.9**	**-4.9**	**-3.5**	**-2.5**	**-1.5**	**-1.0**	5.8
Primary balance	**-4.4**	**-3.3**	**-2.2**	**-1.9**	**-0.5**	**0.5**	**1.3**	**1.7**	6.1
GGB excl. one-offs	**-6.7**	**-6.0**	**-4.2**	**-4.9**	**-3.5**	**-2.5**	**-1.5**	**-1.0**	5.7
Expenditure aggreagate growth rates									
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	10.0	9.7	8.9	2.7	7.4	4.8	4.5	n.a.	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	18.1	11.7	n.a.	2.7	n.a.	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	14.7	8.5	13.0	2.2	1.7	4.4	3.8	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	17.3	10.4	n.a.	2.2	n.a.	n.a.	n.a.	n.a.	n.a.
p.m. mominal 10-year average potential growth (%)[1]	10.2	9.0	9.0	8.0	8.0	n.a.	n.a.	n.a.	n.a.
Other indicators									
Output gap[2]	-0.2	-0.5	-0.9	-1.1	-0.8	-0.6	-0.3	0.0	0.5
Cyclically-adjusted balance[2]	-6.7	-5.8	-4.5	-4.4	-3.1	-2.2	-1.4	-1.0	5.5
One-offs	-0.1	0.0	-0.7	0.0	0.0	0.0	0.0	0.0	0.1
Structural balance[3]	-6.6	-5.8	-3.8	-4.4	-3.1	-2.2	-1.4	-1.0	5.4
Structural primary balance[3]	-4.3	-3.1	-1.1	-1.4	-0.1	0.8	1.4	1.7	5.8

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 17.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025	2026
			COM	CP	COM	CP	CP	CP	CP
Gross debt ratio[1]	**72.2**	**76.8**	**76.4**	**76.1**	**76.1**	**73.8**	**70.4**	**66.9**	**63.1**
Change in the ratio	0.8	-2.8	-0.4	-0.7	-0.3	-2.3	-3.4	-3.5	-3.8
Contributions[2] *:*									
1. Primary balance	**0.7**	**4.4**	**3.3**	**2.2**	**1.9**	**0.5**	**-0.5**	**-1.3**	**-1.7**
2. "Snow-ball" effect	**-1.9**	**-7.4**	**-3.8**	**-4.3**	**-2.1**	**-4.8**	**-3.1**	**-2.6**	**-2.3**
Of which:									
Interest expenditure	2.5	2.3	2.7	2.7	3.0	3.0	3.0	2.8	2.7
Growth effect	-1.6	-4.9	-2.5	-3.0	-1.8	-2.8	-2.8	-2.8	-2.7
Inflation effect	-2.8	-4.8	-3.9	-4.0	-3.3	-5.0	-3.2	-2.6	-2.3
3. Stock-flow adjustment	**2.0**	**0.5**	**0.2**	**1.6**	**0.0**	**2.2**	**0.3**	**0.5**	**0.3**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 17.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Convergence programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.3			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	1.9	MEDIUM risk	-1.7	LOW risk
Debt sustainability analysis [3]	MEDIUM risk			
Baseline scenario	LOW risk			
Stochastic projections	MEDIUM risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	72.8		46.1	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	6.3	HIGH risk	3.7	MEDIUM risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 convergence programme.

Table 17.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0.6**	**0.6**	**0.8**	**1.0**	**0.5**	**0.2**
Cash disbursements of RRF grants from EU	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Intermediate consumption P.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Social payments D.62+D.632	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interest expenditure D.41	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Current transfers D.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**0.6**	**0.2**	**0.2**	**0.3**	**0.1**	**0.1**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0.5**	**0.6**	**0.7**	**0.3**	**0.2**
Capital transfers D.9	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0.5**	**0.6**	**0.7**	**0.3**	**0.2**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Other costs with impact on revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Financial transactions	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Source: National authorities.

Table 17.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	0	0	0	0	0
Intermediate consumption P.2	0	0	0	0	0	0	0
Social payments D.62+D.632	0	0	0	0	0	0	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0	0	0	0	0
Current transfers D.7	0	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 17.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	AVHGA – Crisis Rural Guarantee Programme	n.a.	0.3	n.a.
	Magyar Export-Import Bank Zrt. - EXIM Compensation Loan Programme	n.a.	1.3	n.a.
	Magyar Export-Import Bank Zrt. - EXIM Compensation Loan Protection Programme	n.a.	0.1	n.a.
	Garantiqa Hitelgarancia Zrt. – Garantiqa Crisis Guarantee Programme	n.a.	4.5	n.a.
	MFB Magyar Fejlesztési Bank Zrt. - MFB Force Majeure Guarantee Programme	n.a.	0.1	n.a.
	MFB Magyar Fejlesztési Bank Zrt. - MFB Crisis Credit Programme	n.a.	0.3	n.a.
	MFB Magyar Fejlesztési Bank Zrt. - MFB Competitiveness Credit Programme	n.a.	0	n.a.
	Subtotal		6.6	n.a.
Others			0	n.a.
	Subtotal		0	n.a.
	Total		**6.6**	**n.a.**

Source: National authorities.

Table 18.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	SP	COM	SP	COM	SP	SP	SP
Real GDP (% change)	9.4	9.4	4.2	4.4	4.0	3.9	3.7	3.5
Private consumption (% change)	6.2	6.2	3.8	3.4	3.4	2.7	2.5	2.5
Gross fixed capital formation (% change)	19.3	19.3	2.5	1.8	4.9	6.3	5.0	4.1
Exports of goods and services (% change)	8.2	8.2	5.5	3.6	4.7	3.5	3.0	2.8
Imports of goods and services (% change)	7.6	7.6	6.0	3.4	4.3	3.2	2.6	2.3
Contributions to real GDP growth:								
- Final domestic demand	8.0	8.0	4.0	3.6	2.9	3.1	2.8	2.5
- Change in inventories	-0.4	-0.4	0	0	0	0	0	0
- Net exports	1.8	1.8	0.1	0.8	1.1	0.8	0.9	1.0
Output gap[1]	-1.3	-1.2	-0.9	-0.6	-0.7	-0.6	-0.4	-0.4
Employment (% change)	1.6	1.6	2.1	2.4	2.0	2.1	2.2	2.3
Unemployment rate (%)	3.5	3.5	3.6	3.4	3.6	3.5	3.5	3.6
Labour productivity (% change)	7.7	7.7	2.0	1.9	2.0	1.7	1.5	1.2
HICP inflation (%)	0.7	0.7	4.5	3.5	2.6	2.2	1.8	1.7
GDP deflator (% change)	1.7	1.9	2.8	2.9	2.6	1.8	1.8	1.5
Comp. of employees (per head, % change)	5.5	5.5	3.8	3.1	2.9	2.9	2.5	2.4
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	5.1	-5.3	2.9	1.8	2.9	3.0	3.8	4.5

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 18.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	SP	COM	SP	SP	SP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**-3.5**	**-1.5**	**n.a.**	**1.1**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	0.5	-0.2	n.a.	-0.2	n.a.	n.a.	n.a.
Change in nationally financed investments	-0.4	0.3	n.a.	0.1	n.a.	n.a.	n.a.
Change in other capital expenditure	0.1	0.0	n.a.	-0.1	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	-3.7	-1.6	n.a.	1.3	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	-2.2	1.9	1.6	2.4	2.2	2.4	1.2
Stability and Growth Pact indicators							
Expenditure benchmark	-2.7	2.6	1.9	2.7	2.3	1.7	0.9
Change in the structural balance	-1.2	2.2	2.3	0.9	0.8	1.7	0.4

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 18.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	SP	COM	SP	SP	SP	SP
Revenue	**37.5**	**38.3**	**38.1**	**38.2**	**38.1**	**37.6**	**36.9**	**-0.6**
of which:								
- Taxes on production and imports	10.8	11.5	11.5	11.8	11.9	12.2	12.1	1.3
- Current taxes on income, wealth, etc.	14.0	14.7	14.8	14.2	14.4	14.3	14.3	0.3
- Social contributions	6.3	6.1	6.1	5.9	6.0	5.9	5.8	-0.5
- Other (residual)	6.4	6.1	5.7	6.2	5.8	5.2	4.7	-1.7
RRF grants as included in the revenue projections		0.4	0.4	0.5	0.5	0.6	0.4	0.4
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	0
Expenditure	**45.5**	**43.9**	**43.6**	**42.8**	**42.7**	**40.3**	**39.3**	**-6.2**
of which:								
- Primary expenditure	44.4	42.8	42.5	41.7	41.6	39.2	38.2	-6.2
of which:								
Compensation of employees+Intermediate consumption	21.5	22.1	22.0	21.5	21.4	21.2	21.0	-0.5
Compensation of employees	12.2	12.2	12.1	12.1	12.1	12.2	12.2	0.0
Intermediate consumption	9.4	9.9	9.9	9.4	9.3	9.0	8.8	-0.6
Social payments	9.6	9.8	9.8	9.6	9.6	9.6	9.4	-0.2
Subsidies	4.7	3.0	2.9	2.9	2.9	1.6	1.4	-3.3
Gross fixed capital formation	4.2	4.1	4.1	4.2	4.2	3.7	3.4	-0.8
Other (residual)	4.4	3.9	3.8	3.6	3.5	3.2	3.0	-1.4
- Interest expenditure	1.2	1.1	1.1	1.1	1.1	1.1	1.1	-0.1
Expenditure financed by RRF grants	0.0	0.4	0.4	0.5	0.5	0.6	0.4	0.4
General government balance (GGB)	**-8.0**	**-5.6**	**-5.4**	**-4.6**	**-4.6**	**-2.8**	**-2.4**	**5.6**
Primary balance	**-6.8**	**-4.4**	**-4.4**	**-3.5**	**-3.5**	**-1.7**	**-1.3**	**5.5**
GGB excl. one-offs	**-8.0**	**-5.6**	**-5.5**	**-4.6**	**-4.6**	**-2.8**	**-2.4**	**5.6**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	13.6	2.1	1.2	0.1	0.9	0.8	3.0	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	18.8	11.0	n.a.	3.2	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	13.7	2.5	2.3	-0.6	-0.3	1.9	3.6	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	19.3	12.5	n.a.	2.9	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	6.7	7.4	7.4	6.8	6.8	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	-1.3	-0.9	-0.6	-0.7	-0.6	-0.4	-0.4	0.8
Cyclically-adjusted balance[2]	-7.4	-5.2	-5.1	-4.3	-4.3	-2.6	-2.2	5.2
One-offs	0	0	0	0	0	0	0	0
Structural balance[3]	-7.4	-5.2	-5.1	-4.3	-4.3	-2.6	-2.2	5.2
Structural primary balance[3]	-6.2	-4.0	-4.0	-3.2	-3.2	-1.5	-1.1	5.1

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 18.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	SP	COM	SP	SP	SP
Gross debt ratio[1]	**48.1**	**57.0**	**58.5**	**58.6**	**59.5**	**59.4**	**58.6**	**57.2**
Change in the ratio	-0.6	3.6	1.5	1.6	1.0	0.8	-0.8	-1.4
Contributions[2]*:*								
1. Primary balance	**-1.1**	**6.8**	**4.4**	**4.4**	**3.5**	**3.5**	**1.7**	**1.3**
2. "Snow-ball" effect	**-1.0**	**-4.2**	**-2.6**	**-2.8**	**-2.5**	**-2.1**	**-2.1**	**-1.7**
Of which:								
Interest expenditure	1.6	1.2	1.1	1.1	1.1	1.1	1.1	1.1
Growth effect	-1.7	-4.5	-2.2	-2.3	-2.2	-2.2	-2.1	-2.0
Inflation effect	-0.9	-0.8	-1.5	-1.6	-1.4	-1.0	-1.1	-0.8
3. Stock-flow adjustment	**1.6**	**1.0**	**-0.3**	**0.1**	**0.0**	**-0.6**	**-0.4**	**-1.0**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 18.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stabilityprogramme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.2			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	1.2	MEDIUM risk	-1.1	LOW risk
Debt sustainability analysis [3]	MEDIUM risk			
Baseline scenario	MEDIUM risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	65.9		50.5	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	10.1	HIGH risk	8.3	HIGH risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 stability programme.

Table 18.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0**	**0.4**	**0.5**	**0.6**	**0.4**	**0**
Cash disbursements of RRF grants from EU	**n.a.**	**0.3**	**0.4**	**0.6**	**0.6**	**0.2**	**0**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	0	0	0	0
Intermediate consumption P.2	n.a.	0	0	0	0	0	0
Social payments D.62+D.632	n.a.	0	0	0	0	0	0
Interest expenditure D.41	n.a.	0	0	0	0	0	0
Subsidies, payable D.3	n.a.	0	0	0	0	0	0
Current transfers D.7	n.a.	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0.4**	**0.5**	**0.6**	**0.4**	**0**
Capital transfers D.9	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0.4**	**0.5**	**0.6**	**0.4**	**0**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 18.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	0	0	0	0
Intermediate consumption P.2	n.a.	0	0	0	0	0	0
Social payments D.62+D.632	n.a.	0	0	0	0	0	0
Interest expenditure D.41	n.a.	0	0	0	0	0	0
Subsidies, payable D.3	n.a.	0	0	0	0	0	0
Current transfers D.7	n.a.	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 18.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	Malta Development Bank - COVID-19 Guarantee Scheme	2020	2.4	1.3
	EU SURE loan instrument	2020	0.2	0.2
	Subtotal		2.6	1.5
Others	Non-financial corporations		6.9	5.1
	Financial corporations		3.2	1.6
	Households and NPISHs		0.1	0.1
	Subtotal		10.2	6.8
Total			**12.8**	**8.2**

Source: National authorities.

Table 19.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025	2026
	COM	SP	COM	SP	COM	SP	SP	SP	SP
Real GDP (% change)	5.0	4.8	3.3	3.6	1.6	1.7	2.0	1.7	1.4
Private consumption (% change)	3.5	3.5	4.6	4.7	1.9	1.5	2.1	1.4	1.2
Gross fixed capital formation (% change)	3.5	3.3	2.9	3.7	2.9	3.6	2.4	2.5	1.3
Exports of goods and services (% change)	6.6	6.9	3.9	4.9	3.5	4.3	3.0	2.9	2.6
Imports of goods and services (% change)	5.1	5.2	4.1	5.5	4.3	5.5	3.6	3.4	3.0
Contributions to real GDP growth:									
- Final domestic demand	3.7	4.5	3.0	3.6	1.9	2.3	2.4	1.9	1.6
- Change in inventories	-0.3	-1.2	0.0	0.3	0.0	0.1	0.1	0.1	0.1
- Net exports	1.7	1.9	0.3	0.1	-0.4	-0.5	-0.2	-0.1	-0.1
Output gap[1]	-0.7	-0.9	0.9	0.7	0.8	0.4	0.4	0.3	0
Employment (% change)	1.8	1.7	2.0	1.5	1.1	0.6	1.0	0.6	0.2
Unemployment rate (%)	4.2	4.2	4.0	4.0	4.2	4.3	4.4	4.4	4.6
Labour productivity (% change)	3.2	3.0	1.2	2.1	0.4	1.1	1.0	1.1	1.2
HICP inflation (%)	2.8	2.8	7.4	5.9	2.7	2.2	1.9	2.3	1.8
GDP deflator (% change)	2.4	2.5	3.8	3.4	3.3	3.0	2.5	2.5	2.2
Comp. of employees (per head, % change)	2.1	0.1	3.1	2.6	3.7	3.6	4.1	3.9	3.8
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	9.5	9.4	8.8	9.8	8.7	9.1	8.8	8.5	8.4

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 19.2: **Indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025	2026
	COM	COM	SP	COM	SP	SP	SP	SP
Relevant indicators for fiscal guidance at this stage								
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**-0.2**	**-2.6**	**n.a.**	**0.5**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:								
Change in expenditure financed by RRF grants and other EU funds	0	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
Change in nationally financed investments	0.1	0	n.a.	-0.1	n.a.	n.a.	n.a.	n.a.
Change in other capital expenditure	-0.2	-0.5	n.a.	-0.4	n.a.	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	-0.1	-2.0	n.a.	1.0	n.a.	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	-0.3	-0.2	n.a.	1.4	n.a.	n.a.	n.a.	n.a.
Stability and Growth Pact indicators								
Expenditure benchmark	-0.4	-0.1	2.1	1.4	0.8	-0.1	-0.4	n.a.
Change in the structural balance	-0.7	-1.2	-1.1	0.7	0	-0.2	-0.3	-0.1

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 19.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	2026	Change: 2021-2026
	COM	COM	SP	COM	SP	SP	SP	SP	SP
Revenue	**43.8**	**42.5**	**42.4**	**42.6**	**42.9**	**42.4**	**42.4**	**42.5**	-1.3
of which:									
- Taxes on production and imports	12.2	11.7	11.5	11.8	11.8	11.8	11.6	11.6	-0.6
- Current taxes on income, wealth, etc.	13.5	13.3	13.8	13.1	14.0	13.8	13.6	13.8	0.3
- Social contributions	13.6	13.1	12.9	13.1	13.0	12.8	13.2	13.3	-0.3
- Other (residual)	4.5	4.4	4.2	4.5	4.1	4.0	4.0	3.8	-0.7
RRF grants as included in the revenue projections		0.1	0	0.1	0	0	0	0	0
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	0	0
Expenditure	**46.3**	**45.2**	**44.8**	**44.6**	**45.2**	**44.9**	**45.4**	**45.7**	-0.6
of which:									
- Primary expenditure	45.8	44.8	44.4	44.3	44.9	44.6	45.1	45.4	-0.4
of which:									
Compensation of employees+Intermediate consumption	15.1	14.7	14.8	14.6	14.7	14.8	14.8	14.8	-0.3
Compensation of employees	8.6	8.7	8.7	8.7	8.7	8.8	8.8	8.9	0.3
Intermediate consumption	6.6	6.0	n.a.	6.0	6.0	6.0	6.0	6.0	-0.6
Social payments	21.6	21.5	21.2	21.3	21.3	21.5	21.8	22.1	0.5
Subsidies	3.5	2.6	2.6	1.8	1.7	1.9	2.0	2.1	-1.4
Gross fixed capital formation	3.3	3.3	3.5	3.4	3.6	3.7	3.8	3.8	0.5
Other (residual)	2.3	2.7	2.4	3.2	3.5	2.7	2.7	2.6	0.3
- Interest expenditure	0.6	0.4	0.4	0.4	0.3	0.3	0.3	0.3	-0.3
Expenditure financed by RRF grants	0	0.1	0	0.1	0	0	0	0	0
General government balance (GGB)	**-2.5**	**-2.7**	**-2.5**	**-2.1**	**-2.3**	**-2.5**	**-2.9**	**-3.2**	-0.7
Primary balance	**-2.0**	**-2.3**	**-2.0**	**-1.7**	**-1.9**	**-2.2**	**-2.6**	**-2.9**	-0.9
GGB excl. one-offs	**-2.4**	**-2.7**	**-2.5**	**-2.1**	**-2.3**	**-2.5**	**-2.9**	**-3.2**	-0.8
Expenditure aggreagate growth rates									
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	4.7	5.8	1.2	1.6	3.1	5.1	5.0	n.a.	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	4.5	11.8	n.a.	3.7	n.a.	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	4.5	4.6	2.1	0.0	-0.2	7.0	4.8	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	4.3	11.0	n.a.	2.2	n.a.	n.a.	n.a.	n.a.	n.a.
p.m. mominal 10-year average potential growth (%)[1]	4.0	5.4	5.4	4.8	4.8	n.a.	n.a.	n.a.	n.a.
Other indicators									
Output gap[2]	-0.7	0.9	0.7	0.8	0.4	0.4	0.3	0.0	0.9
Cyclically-adjusted balance[2]	-2.1	-3.2	-2.9	-2.5	-2.5	-2.8	-3.1	-3.2	-1.2
One-offs	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Structural balance[3]	-2.0	-3.2	-2.9	-2.5	-2.5	-2.8	-3.1	-3.2	-1.3
Structural primary balance[3]	-1.4	-2.8	-2.5	-2.2	-2.2	-2.5	-2.8	-2.9	-1.6

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 19.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025	2026
			COM	SP	COM	SP	SP	SP	SP
Gross debt ratio[1]	**54.8**	**52.1**	**51.4**	**53.1**	**50.9**	**52.7**	**53.1**	**54.4**	**56.1**
Change in the ratio	-2.1	-2.3	-0.6	1.0	-0.5	-0.4	0.4	1.3	1.7
Contributions[2] *:*									
1. Primary balance	**-1.1**	**2.0**	**2.3**	**2.0**	**1.7**	**1.9**	**2.2**	**2.6**	**2.9**
2. "Snow-ball" effect	**-0.8**	**-3.2**	**-3.0**	**-2.9**	**-2.0**	**-2.0**	**-2.0**	**-1.9**	**-1.6**
Of which:									
Interest expenditure	0.9	0.6	0.4	0.4	0.4	0.3	0.3	0.3	0.3
Growth effect	-0.7	-2.5	-1.6	-1.7	-0.8	-0.9	-1.0	-0.9	-0.7
Inflation effect	-1.0	-1.2	-1.8	-1.6	-1.6	-1.5	-1.3	-1.3	-1.1
3. Stock-flow adjustment	**-0.2**	**-1.0**	**0.2**	**2.0**	**-0.2**	**-0.3**	**0.2**	**0.6**	**0.4**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 19.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.2			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	1.9	MEDIUM risk	3.5	HIGH risk
Debt sustainability analysis [3]	MEDIUM risk			
Baseline scenario	MEDIUM risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	63.2		68.4	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	6.2	HIGH risk	6.8	HIGH risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 stability programme.

Table 19.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash disbursements of RRF grants from EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	0	0	0	0	0
Intermediate consumption P.2	0	0	0	0	0	0	0
Social payments D.62+D.632	0	0	0	0	0	0	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0	0	0	0	0
Current transfers D.7	0	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 19.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	0	0	0	0	0
Intermediate consumption P.2	0	0	0	0	0	0	0
Social payments D.62+D.632	0	0	0	0	0	0	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0	0	0	0	0
Current transfers D.7	0	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 19.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	Guarantee Royal Dutch Airlines (KLM)	2020	0	0.3
	EIB - pan European guarantee fund	2020	0.2	0.2
	Next Generation EU (NGEU)	2020	3.2	3.2
	Support to mitigate Unemployment Risks in an Emergency (SURE)	2020	0.7	0.7
	Reinsurance for supplier credit	2020	1.4	0
	Other guarantees	2020	0.3	0
	Subtotal		5.9	4.4
Others	European Financial Stability Facility (EFSF)	n.a.	4.0	4.0
	European Stability Mechanism (ESM)	n.a.	4.1	4.1
	DNB - capital contribution in IMF	n.a.	3.5	3.5
	Export credit insurance	n.a.	1.2	2.5
	Guarantee corporate finance (GO)	n.a.	1.7	0
	European Investment Bank (EIB)	n.a.	1.4	1.4
	Nuclear accidents (WAKO)	n.a.	1.1	1.1
	Other guarantees	n.a.	3.4	3.5
	Subtotal		20.4	20.2
	Total		**26.3**	**24.6**

Source: National authorities.

Table 20.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	SP	COM	SP	COM	SP	SP	SP
Real GDP (% change)	4.5	4.5	3.9	3.9	1.9	2.0	1.8	1.6
Private consumption (% change)	3.3	3.3	4.1	3.9	2.3	2.3	2.3	1.7
Gross fixed capital formation (% change)	4.0	4.0	3.7	3.5	2.3	2.5	2.1	2.2
Exports of goods and services (% change)	12.7	12.7	6.3	6.1	3.8	3.9	3.3	3.2
Imports of goods and services (% change)	14.5	14.5	4.6	4.6	3.8	3.8	3.6	3.4
Contributions to real GDP growth:								
- Final domestic demand	4.1	4.1	2.8	2.5	1.9	1.8	1.9	1.6
- Change in inventories	0.5	0.9	0.1	0.5	0	0.1	0.1	0.1
- Net exports	-0.5	-0.5	1.0	0.9	0	0.1	-0.2	-0.2
Output gap[1]	-2.7	-2.7	-0.2	-0.3	0.3	0	0.2	0.1
Employment (% change)	2.1	2.1	2.9	1.9	0.9	1.1	0.5	0.4
Unemployment rate (%)	6.2	6.2	5.0	4.9	4.8	4.7	4.6	4.5
Labour productivity (% change)	2.4	2.4	1.0	1.9	1.0	0.9	1.3	1.1
HICP inflation (%)	2.8	2.8	6.0	5.8	3.0	3.2	2.5	2.3
GDP deflator (% change)	1.8	1.8	3.4	3.5	3.2	3.5	2.6	2.2
Comp. of employees (per head, % change)	3.4	3.4	1.5	3.7	2.6	5.0	3.9	3.4
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	-0.6	-0.2	-1.1	-0.4	-0.9	-0.1	0	0

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 20.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	SP	COM	SP	SP	SP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**-1.6**	**-1.2**	**n.a.**	**0.4**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	-0.1	-0.1	n.a.	0.0	n.a.	n.a.	n.a.
Change in nationally financed investments	-0.3	-0.3	n.a.	0.4	n.a.	n.a.	n.a.
Change in other capital expenditure	0.1	-0.4	n.a.	0.0	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	-1.4	-0.5	n.a.	0.0	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	-1.3	1.9	1.5	1.4	0.9	0.7	1.2
Stability and Growth Pact indicators							
Expenditure benchmark	-1.1	2.3	2.0	1.0	0.7	0.5	1.2
Change in the structural balance	0.4	1.4	1.5	1.4	1.4	0.7	0.4

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 20.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	SP	COM	SP	SP	SP	SP
Revenue	**50.0**	**48.8**	**49.1**	**48.9**	**48.9**	**48.9**	**49.1**	**-0.9**
of which:								
- Taxes on production and imports	13.9	13.7	13.7	13.7	13.6	13.7	13.7	-0.2
- Current taxes on income, wealth, etc.	14.0	13.6	13.6	13.7	13.6	13.6	13.9	-0.1
- Social contributions	15.9	15.6	15.6	15.7	15.7	15.7	15.7	-0.2
- Other (residual)	6.2	5.9	6.2	5.8	6.0	5.9	5.8	-0.4
RRF grants as included in the revenue projections		0.3	0.2	0.2	0.2	0.1	0.1	0
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	0
Expenditure	**55.9**	**51.9**	**52.2**	**50.3**	**50.4**	**49.6**	**49.4**	**-6.5**
of which:								
- Primary expenditure	54.8	51.0	51.2	49.4	49.4	48.6	48.4	-6.4
of which:								
Compensation of employees+Intermediate consumption	18.4	17.6	17.3	17.3	17.2	17.1	17.0	-1.4
Compensation of employees	11.0	10.6	10.6	10.7	10.7	10.7	10.6	-0.4
Intermediate consumption	7.4	7.0	6.7	6.6	6.6	6.4	6.3	-1.1
Social payments	24.1	22.8	22.9	22.7	22.6	22.6	22.6	-1.5
Subsidies	4.5	2.2	2.2	1.7	1.7	1.6	1.5	-3.0
Gross fixed capital formation	3.5	3.7	3.7	3.3	3.3	3.1	3.2	-0.3
Other (residual)	4.4	4.7	4.9	4.3	4.6	4.2	4.2	-0.2
- Interest expenditure	1.1	1.0	1.0	1.0	1.0	1.0	1.0	-0.1
Expenditure financed by RRF grants	0.1	0.2	0.2	0.2	0.2	0.1	0.1	0
General government balance (GGB)	**-5.9**	**-3.1**	**-3.1**	**-1.5**	**-1.5**	**-0.7**	**-0.3**	**5.6**
Primary balance	**-4.8**	**-2.1**	**-2.1**	**-0.5**	**-0.5**	**0.3**	**0.7**	**5.5**
GGB excl. one-offs	**-5.9**	**-3.1**	**-3.1**	**-1.5**	**-1.5**	**-0.7**	**-0.3**	**5.6**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	5.4	0.6	1.4	1.5	2.5	3.0	1.5	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	6.3	7.0	n.a.	3.6	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	5.2	-1.1	-0.2	2.1	3.1	3.7	1.2	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	6.2	5.7	n.a.	4.5	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	3.0	4.7	4.7	4.4	4.4	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	-2.7	-0.2	-0.3	0.3	0.0	0.2	0.1	2.8
Cyclically-adjusted balance[2]	-4.4	-3.0	-2.9	-1.6	-1.5	-0.8	-0.4	4.0
One-offs	0	0	0	0	0	0	0	0
Structural balance[3]	-4.4	-3.0	-2.9	-1.6	-1.5	-0.8	-0.4	4.0
Structural primary balance[3]	-3.3	-2.0	-1.9	-0.6	-0.5	0.2	0.6	3.9

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 20.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	SP	COM	SP	SP	SP
Gross debt ratio[1]	**77.9**	**82.8**	**80.0**	**80.0**	**77.5**	**77.1**	**74.5**	**72.1**
Change in the ratio	-0.3	-0.5	-2.8	-2.8	-2.5	-2.9	-2.6	-2.4
Contributions[2]*:*								
1. Primary balance	**0.3**	**4.8**	**2.1**	**2.1**	**0.5**	**0.5**	**-0.3**	**-0.7**
2. "Snow-ball" effect	**0.1**	**-3.8**	**-4.6**	**-4.7**	**-2.9**	**-3.2**	**-2.2**	**-1.7**
Of which:								
Interest expenditure	1.7	1.1	1.0	1.0	1.0	1.0	1.0	1.0
Growth effect	-0.3	-3.5	-3.0	-3.0	-1.4	-1.5	-1.3	-1.1
Inflation effect	-1.3	-1.4	-2.6	-2.7	-2.4	-2.7	-1.9	-1.6
3. Stock-flow adjustment	**-0.7**	**-1.4**	**-0.1**	**-0.2**	**-0.1**	**-0.1**	**0**	**0**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.

Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 20.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.2			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	1.7	MEDIUM risk	0.0	LOW risk
Debt sustainability analysis [3]	LOW risk			
Baseline scenario	LOW risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	73.5		62.6	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	3.4	MEDIUM risk	1.9	LOW risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*

(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*

(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*

(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.

(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.

(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*

* For more information, see the 2021 Fiscal Sustainability Monitor.

Source: Commission services; 2022 stability programme.

Table 20.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0.1**	**0.2**	**0.2**	**0.1**	**0.1**	**n.a.**
Cash disbursements of RRF grants from EU	**n.a.**	**0.1**	**0.2**	**0.2**	**0.1**	**0.1**	**n.a.**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	0	0	0	n.a.
Intermediate consumption P.2	n.a.	0	0	0	0	0	n.a.
Social payments D.62+D.632	n.a.	0	0	0	0	0	n.a.
Interest expenditure D.41	n.a.	0	0	0	0	0	n.a.
Subsidies, payable D.3	n.a.	0	0	0	0	0	n.a.
Current transfers D.7	n.a.	0	0	0	0	0	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**0.1**	**0.1**	**0.1**	**0**	**0**	**n.a.**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
Capital transfers D.9	**n.a.**	**0**	**0.1**	**0.1**	**0.1**	**0.1**	**n.a.**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0.1**	**0.2**	**0.1**	**0.1**	**n.a.**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**

Source: National authorities.

Table 20.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
Repayments of RRF loans to EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	0	0	0	n.a.
Intermediate consumption P.2	n.a.	0	0	0	0	0	n.a.
Social payments D.62+D.632	n.a.	0	0	0	0	0	n.a.
Interest expenditure D.41	n.a.	0	0	0	0	0	n.a.
Subsidies, payable D.3	n.a.	0	0	0	0	0	n.a.
Current transfers D.7	n.a.	0	0	0	0	0	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
Capital transfers D.9	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**n.a.**

Source: National authorities.

Table 20.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	aws SME Promotion Act (aws KMU-FG)	2020	0.9	0.6
	aws Guarantee Act 1977 (aws GG)	2020	0.5	0.1
	ÖHT Authorized to perform travel services	2020	0.1	0
	OeKB Special Framework KRR (Kontrollbank Refinancing Framework)	2020	0.7	0.2
	OeKB 90%	2020		0.1
	ÖHT SME Promotion Act (ÖHT KMU-FG)	2020	0.4	0.2
	Subtotal		2.5	1.3
Others			0	0
	Subtotal		0	0
	Total		**2.5**	**1.3**

Source: National authorities.

Table 21.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	CP	COM	CP	COM	CP	CP	CP
Real GDP (% change)	5.9	5.9	3.7	3.8	3.0	3.2	3.0	3.1
Private consumption (% change)	6.0	6.0	4.8	5.9	3.7	4.0	2.7	2.9
Gross fixed capital formation (% change)	3.8	3.8	4.1	4.8	3.9	4.0	2.5	2.7
Exports of goods and services (% change)	11.8	11.8	5.5	4.5	3.9	4.0	3.6	3.6
Imports of goods and services (% change)	15.9	15.9	5.7	4.1	3.8	3.1	2.9	2.9
Contributions to real GDP growth:								
- Final domestic demand	4.7	7.1	3.6	3.4	3.1	2.5	2.4	2.6
- Change in inventories	2.4	2.4	0.0	-0.9	-0.2	-0.9	0.0	0.0
- Net exports	-1.2	-1.2	0.1	0.4	0.1	0.7	0.6	0.5
Output gap[1]	-0.6	-0.4	-0.5	-0.5	-0.9	-0.8	-0.9	-0.5
Employment (% change)	1.5	2.6	0.4	1.2	0.3	-0.1	-0.1	-0.3
Unemployment rate (%)	3.4	3.4	4.1	2.7	3.9	2.6	2.6	2.6
Labour productivity (% change)	4.4	3.3	3.3	2.6	2.7	3.2	3.1	3.4
HICP inflation (%)	5.2	5.2	11.6	9.1	7.3	7.8	4.8	3.5
GDP deflator (% change)	5.8	5.8	10.0	8.0	7.8	7.1	4.6	3.5
Comp. of employees (per head, % change)	5.0	0.0	9.5	10.3	8.0	10.1	8.3	7.1
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	2.9	1.0	1.0	-0.1	1.3	0.6	0.4	1.2

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 21.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	CP	COM	CP	CP	CP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**1.7**	**-3.4**	**n.a.**	**1.7**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	0.3	-0.1	n.a.	-0.1	n.a.	n.a.	n.a.
Change in nationally financed investments	0.1	-0.3	n.a.	0.3	n.a.	n.a.	n.a.
Change in other capital expenditure	-0.3	-0.4	n.a.	0.1	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	1.6	-2.7	n.a.	1.4	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	3.3	-0.7	0.2	1.7	1.8	1.4	1.1
Stability and Growth Pact indicators							
Expenditure benchmark	3.0	-0.2	0.5	1.7	2.0	1.4	0.9
Change in the structural balance	4.1	-2.3	-2.0	0.1	0.7	0.6	0.4

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 21.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	CP	COM	CP	CP	CP	CP
Revenue	**42.3**	**39.9**	**40.0**	**38.6**	**39.9**	**39.7**	**39.7**	**-2.6**
of which:								
- Taxes on production and imports	15.2	14.7	14.5	15.0	15.1	14.8	14.7	-0.5
- Current taxes on income, wealth, etc.	8.4	7.3	7.3	6.1	7.0	7.1	7.2	-1.2
- Social contributions	14.0	13.6	14.0	13.2	13.8	13.8	13.7	-0.3
- Other (residual)	4.8	4.4	4.2	4.3	4.0	4.0	4.1	-0.7
RRF grants as included in the revenue projections		0.4	n.a.	0.6	n.a.	n.a.	n.a.	n.a.
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	n.a.
Expenditure	**44.2**	**43.9**	**44.4**	**43.0**	**43.6**	**42.8**	**42.2**	**-2.0**
of which:								
- Primary expenditure	43.1	42.4	42.7	41.2	41.5	40.7	40.1	-3.0
of which:								
Compensation of employees+Intermediate consumption	16.5	16.2	16.3	15.7	16.1	16.1	16.1	-0.4
Compensation of employees	10.5	10.2	10.2	10.0	10.1	9.9	9.9	-0.6
Intermediate consumption	5.9	6.0	6.1	5.8	6.1	6.2	6.2	0.3
Social payments	17.9	17.5	17.6	17.1	16.8	16.9	16.8	-1.1
Subsidies	1.2	0.7	0.6	0.6	0.4	0.4	0.4	-0.8
Gross fixed capital formation	4.1	4.2	4.2	3.9	4.3	4.2	4.2	0.1
Other (residual)	3.4	4.0	4.0	3.9	3.8	3.1	2.6	-0.8
- Interest expenditure	1.1	1.5	1.7	1.8	2.1	2.1	2.1	1.0
Expenditure financed by RRF grants	0	0.4	0.3	0.6	0.6	0.7	0.8	n.a.
General government balance (GGB)	**-1.9**	**-4.0**	**-4.3**	**-4.4**	**-3.7**	**-3.1**	**-2.5**	**-0.6**
Primary balance	**-0.8**	**-2.5**	**-2.7**	**-2.6**	**-1.6**	**-1.0**	**-0.4**	**0.4**
GGB excl. one-offs	**-2.1**	**-4.3**	**-4.2**	**-4.4**	**-3.7**	**-3.1**	**-2.5**	**-0.4**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	1.9	15.5	14.0	6.6	6.8	5.0	4.6	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	5.6	23.6	n.a.	6.6	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	1.7	13.8	13.4	7.2	5.5	5.3	4.9	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	4.6	22.7	n.a.	7.2	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	9.5	13.8	13.8	11.4	11.4	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	-0.6	-0.5	-0.5	-0.9	-0.8	-0.9	-0.5	-0.1
Cyclically-adjusted balance[2]	-1.6	-3.7	-4.0	-4.0	-3.3	-2.6	-2.3	-0.6
One-offs	0.2	0.3	-0.1	0.0	0.0	0.0	0.0	-0.2
Structural balance[3]	-1.8	-4.0	-3.9	-4.0	-3.3	-2.6	-2.3	-0.4
Structural primary balance[3]	-0.7	-2.5	-2.2	-2.2	-1.2	-0.5	-0.2	0.6

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 21.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	CP	COM	CP	CP	CP
Gross debt ratio[1]	**51.3**	**53.8**	**50.8**	**52.1**	**49.8**	**51.5**	**51.0**	**49.7**
Change in the ratio	1.2	-3.4	-3.0	-1.7	-1.0	-0.6	-0.5	-1.3
Contributions[2]*:*								
1. Primary balance	**0.9**	**0.8**	**2.5**	**2.7**	**2.6**	**1.6**	**1.0**	**0.4**
2. "Snow-ball" effect	**-1.1**	**-4.9**	**-5.0**	**-4.1**	**-3.2**	**-2.7**	**-1.5**	**-1.1**
Of which:								
Interest expenditure	1.5	1.1	1.5	1.7	1.8	2.1	2.1	2.1
Growth effect	-1.5	-3.0	-1.8	-1.8	-1.4	-1.5	-1.4	-1.5
Inflation effect	-1.0	-3.0	-4.7	-3.8	-3.6	-3.3	-2.2	-1.7
3. Stock-flow adjustment	**1.4**	**1.0**	**-0.3**	**-0.2**	**-0.4**	**0.7**	**0.1**	**-0.6**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 21.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Convergence programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.2			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	0.5	MEDIUM risk	-1.4	LOW risk
Debt sustainability analysis [3]	LOW risk			
Baseline scenario	LOW risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	53.9		43.2	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	4.4	MEDIUM risk	2.9	MEDIUM risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 Convergence programme.

Table 21.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Cash disbursements of RRF grants from EU	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Intermediate consumption P.2	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Social payments D.62+D.632	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Interest expenditure D.41	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Current transfers D.7	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0.2**	**0.3**	**0.2**	**0.2**	**0.1**
Gross fixed capital formation P.51g	**n.a.**	**0**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Capital transfers D.9	**n.a.**	**0**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0.1**	**0.3**	**0.5**	**0.6**	**0.3**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Other costs with impact on revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Financial transactions	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Source: National authorities.

Table 21.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Repayments of RRF loans to EU	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	n.a.	n.a.	n.a.	n.a.
Intermediate consumption P.2	n.a.	0	0	n.a.	n.a.	n.a.	n.a.
Social payments D.62+D.632	n.a.	0	0	n.a.	n.a.	n.a.	n.a.
Interest expenditure D.41	n.a.	0	0	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	n.a.	0	0	n.a.	n.a.	n.a.	n.a.
Current transfers D.7	n.a.	0	0	n.a.	n.a.	n.a.	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0**	**0.1**	**0.1**	**0.2**	**0**
Capital transfers D.9	**n.a.**	**0**	**0**	**0**	**0.2**	**0.2**	**0.1**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0**	**0.1**	**0.3**	**0.4**	**0.1**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Other costs with impact on revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Financial transactions	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Source: National authorities.

Table 21.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	State Treasury guarantees related to the issuance of bonds by the Polish Development Fund (PFR)	2020	n.a.	2.9
	State Treasury guarantees for BGK's liabilities incurred for the COVID-19 Fund	2020	n.a.	7.2
	Subtotal			10.1
Others	Other government guarantees		n.a.	6.0
	Subtotal		n.a.	6.0
	Total		**n.a.**	**16.1**

Source: National authorities.

Table 22.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025	2026
	COM	SP	COM	SP	COM	SP	SP	SP	SP
Real GDP (% change)	4.9	4.9	5.8	5.0	2.7	3.3	2.6	2.6	2.5
Private consumption (% change)	4.5	4.5	4.6	4.3	2.3	2.1	1.9	2.0	1.9
Gross fixed capital formation (% change)	6.4	6.4	6.5	7.9	5.2	6.7	6.7	5.0	5.0
Exports of goods and services (% change)	13.1	13.1	12.3	13.1	4.1	5.2	4.1	4.1	4.0
Imports of goods and services (% change)	12.9	12.9	8.6	11.5	4.1	4.1	4.0	3.8	3.8
Contributions to real GDP growth:									
- Final domestic demand	4.9	5.1	4.5	4.6	2.8	2.8	2.7	2.5	2.4
- Change in inventories	0.2	0.2	0	0	0	0	0	0.1	0
- Net exports	-0.2	-0.2	1.3	0.4	-0.1	0.4	0	0.1	0
Output gap[1]	-3.3	-3.3	0.3	-0.6	0.9	0.1	0.3	0.5	0.7
Employment (% change)	2.1	2.1	1.0	1.3	0.9	0.7	0.4	0.4	0.4
Unemployment rate (%)	6.6	6.6	5.7	6.0	5.5	5.8	5.6	5.4	5.2
Labour productivity (% change)	2.8	2.8	4.8	3.7	1.7	2.6	2.2	2.1	2.1
HICP inflation (%)	0.9	0.9	4.4	3.3	1.9	1.7	1.7	1.7	1.7
GDP deflator (% change)	0.7	0.7	2.9	2.3	3.1	2.5	2.0	2.0	1.9
Comp. of employees (per head, % change)	3.8	3.8	4.2	3.2	2.6	3.2	3.0	3.0	3.0
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	0.7	0.7	0.3	1.6	1.6	2.5	2.3	2.4	1.4

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 22.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025	2026
	COM	COM	SP	COM	SP	SP	SP	SP
Relevant indicators for fiscal guidance at this stage								
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**-1.4**	**-2.0**	**n.a.**	**0.0**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:								
Change in expenditure financed by RRF grants and other EU funds	-1.0	-0.5	n.a.	-0.2	n.a.	n.a.	n.a.	n.a.
Change in nationally financed investments	-0.1	-0.2	n.a.	-0.3	n.a.	n.a.	n.a.	n.a.
Change in other capital expenditure	0	-0.2	n.a.	-0.2	n.a.	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	-0.3	-1.1	n.a.	0.7	n.a.	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	-1.4	-0.6	-0.4	0.7	1.3	0.8	0.9	n.a.
Stability and Growth Pact indicators								
Expenditure benchmark	-0.2	0.1	0.4	0.7	1.3	0.8	0.6	n.a.
Change in the structural balance	0.5	-0.6	0	0.4	0.8	0.3	0.2	0

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 22.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	2026
	COM	COM	SP	COM	SP	SP	SP	SP
Revenue	**45.3**	**44.2**	**44.7**	**44.1**	**44.3**	**43.7**	**43.1**	**41.6**
of which:								
- Taxes on production and imports	15.3	15.0	15.3	15.1	15.1	14.9	14.7	14.5
- Current taxes on income, wealth, etc.	9.7	9.5	9.6	9.6	9.6	9.6	9.5	9.4
- Social contributions	12.8	12.4	12.5	12.1	12.4	12.2	12.1	11.9
- Other (residual)	7.5	7.2	7.3	7.3	7.2	7.0	6.8	5.8
RRF grants as included in the revenue projections		1.4	1.3	1.6	1.6	1.4	1.1	0.2
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	0
Expenditure	**48.1**	**46.1**	**46.7**	**45.1**	**45.0**	**44.1**	**43.1**	**41.6**
of which:								
- Primary expenditure	45.7	43.9	44.4	42.9	42.8	42.1	41.1	39.7
of which:								
Compensation of employees+Intermediate consumption	17.6	16.8	17.0	16.5	16.5	16.2	15.9	15.6
Compensation of employees	11.8	11.3	11.4	11.1	11.2	11.0	10.9	10.7
Intermediate consumption	5.8	5.6	n.a.	5.4	5.4	5.2	5.0	4.9
Social payments	19.6	18.7	18.9	18.3	18.3	18.0	17.6	17.3
Subsidies	2.0	0.9	0.8	0.6	0.6	0.5	0.5	0.4
Gross fixed capital formation	2.5	3.1	3.2	3.4	3.6	3.7	3.7	3.3
Other (residual)	4.0	4.4	4.5	4.1	3.8	3.6	3.5	3.0
- Interest expenditure	2.4	2.2	2.3	2.2	2.2	2.0	2.0	1.9
Expenditure financed by RRF grants	0.0	1.3	1.4	1.6	1.6	1.4	1.1	0.3
General government balance (GGB)	**-2.8**	**-1.9**	**-1.9**	**-1.0**	**-0.7**	**-0.3**	**0.0**	**0.1**
Primary balance	**-0.4**	**0.3**	**0.3**	**1.2**	**1.6**	**1.7**	**1.9**	**2.0**
GGB excl. one-offs	**-3.1**	**-1.7**	**-1.8**	**-1.0**	**-0.7**	**-0.3**	**0.0**	**0.1**
Expenditure aggreagate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	3.0	4.6	4.2	2.3	1.1	2.9	2.4	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	3.0	8.4	n.a.	4.0	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	4.0	3.8	3.3	1.5	2.0	2.3	2.1	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	2.9	7.6	n.a.	2.7	n.a.	n.a.	n.a.	n.a.
p.m. mominal 10-year average potential growth (%)[1]	2.1	4.4	4.4	4.7	4.7	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	-3.3	0.3	-0.6	0.9	0.1	0.3	0.5	0.7
Cyclically-adjusted balance[2]	-1.1	-2.1	-1.6	-1.5	-0.7	-0.5	-0.3	-0.2
One-offs	0.3	-0.2	-0.2	0	0	0	0	0
Structural balance[3]	-1.3	-1.9	-1.4	-1.5	-0.7	-0.5	-0.3	-0.2
Structural primary balance[3]	1.1	0.3	0.9	0.7	1.5	1.5	1.7	1.7

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 22.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025	2026
			COM	SP	COM	SP	SP	SP	SP
Gross debt ratio[1]	**126.2**	**127.4**	**119.9**	**120.8**	**115.3**	**115.4**	**109.8**	**105.9**	**101.9**
Change in the ratio	0.8	-7.8	-7.5	-6.7	-4.7	-5.3	-5.6	-3.9	-4.1
Contributions[2]*:*									
1. Primary balance	**-1.2**	**0.4**	**-0.3**	**-0.3**	**-1.2**	**-1.6**	**-1.7**	**-1.9**	**-2.0**
2. "Snow-ball" effect	**0.7**	**-4.7**	**-7.9**	**-6.4**	**-4.3**	**-4.3**	**-3.1**	**-2.9**	**-2.6**
Of which:									
Interest expenditure	3.4	2.4	2.2	2.3	2.2	2.2	2.0	2.0	1.9
Growth effect	-0.6	-6.2	-6.8	-6.0	-3.0	-3.7	-2.9	-2.7	-2.5
Inflation effect	-2.1	-0.9	-3.3	-2.7	-3.5	-2.8	-2.2	-2.1	-2.0
3. Stock-flow adjustment	**1.3**	**-3.4**	**0.9**	**0.2**	**0.9**	**0.7**	**-0.8**	**0.9**	**0.5**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 22.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.3			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	3.7	HIGH risk	2.1	MEDIUM risk
Debt sustainability analysis [3]	HIGH risk			
Baseline scenario	HIGH risk			
Stochastic projections	MEDIUM risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	100.0		90.0	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	-1.4	LOW risk	-2.5	LOW risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 stability programme.

Table 22.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0**	**1.3**	**1.6**	**1.4**	**1.1**	**0.2**
Cash disbursements of RRF grants from EU	**n.a.**	**0.9**	**1**	**1.3**	**1**	**0.7**	**0.8**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	0	0	0	0	0
Intermediate consumption P.2	0	0	0.3	0.3	0.2	0.1	0.0
Social payments D.62+D.632	0	0	0	0	0	0	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0	0.1	0.1	0.1	0
Current transfers D.7	0	0	0.2	0.1	0.1	0.1	0
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0.5**	**0.6**	**0.4**	**0.3**	**0.1**
Gross fixed capital formation P.51g	**0**	**0**	**0.5**	**0.6**	**0.6**	**0.5**	**0.1**
Capital transfers D.9	**0**	**0**	**0.4**	**0.4**	**0.4**	**0.3**	**0.1**
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0.8**	**1.0**	**0.9**	**0.8**	**0.1**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 22.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**0**	**0.2**	**0.3**	**0.3**	**0.2**	**0.1**	**0**
Repayments of RRF loans to EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	0	0	0	0	0
Intermediate consumption P.2	0	0	0	0	0	0	0
Social payments D.62+D.632	0	0	0	0	0	0	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0	0	0	0	0
Current transfers D.7	0	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**0**	**0**	**0.1**	**0.2**	**0.1**	**0.1**	**0**
Capital transfers D.9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0.1**	**0.2**	**0.1**	**0.1**	**0**

Other costs financed by RRF loans (% of GDP)	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**0**	**0**	**1**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 22.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	Including: Capitalise 2018 - COVID-19	12-03-2021	0.2	0.1
	Economy support COVID-19	30-03-2020	2.5	2.4
	Specific line COVID-19 – Azores	04-06-2020	0.1	0.1
	LAE COVID-19 MPE	06-08-2020	0.4	0.4
	Social sector support COVID-19	14-09-2020	0.1	0.1
	Economy support COVID-19 – Exporting	18-01-2021	0.1	0.1
	LAE COVID-19 – Medium and large tourism companies	30-04-2021	0.1	0.1
	'Retomar' line	30-09-2021	0.5	0.0
	Pan-European Guarantee Fund (EGF)	24-08-2020	0.1	0.1
	Instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE)	18-09-2020	0.2	0.2
	Export credit guarantee schemes (under Council of Ministers Resolution No 10-A/2020 – increased limits)	13-03-2020	0.1	0
	Export credit guarantee scheme – Short-term for temporarily non-marketable risks (OECD 2020)	05-06-2020	0.4	0.2
	State guarantee for the insurance of domestic trade credit risks	28-04-2021	0.2	0.1
	Subtotal		5.1	3.8
Others	Export Credit Guarantee Schemes		0.1	0
	Short-term export-credit insurance – non-marketable risk countries	01-01-2020	0.1	0.1
	Subtotal		0.2	0.1
	Total		**5.3**	**3.9**

Source: National authorities.

Table 23.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	CP	COM	CP	COM	CP	CP	CP
Real GDP (% change)	5.9	5.9	2.6	2.9	3.6	4.4	4.8	4.5
Private consumption (% change)	7.9	7.9	2.9	3.1	3.5	4.5	4.7	4.5
Gross fixed capital formation (% change)	2.3	2.3	4.8	4.8	8.1	8.6	9.1	7.1
Exports of goods and services (% change)	12.5	12.5	4.5	4.4	5.2	5.3	5.5	4.9
Imports of goods and services (% change)	14.6	14.6	5.0	5.1	5.3	6.5	6.5	5.5
Contributions to real GDP growth:								
- Final domestic demand	5.5	5.5	3.0	3.3	4.3	5.3	5.8	5.1
- Change in inventories	1.8	1.8	0.1	0.2	-0.3	0	-0.2	-0.1
- Net exports	-1.4	-1.4	-0.5	-0.6	-0.4	-0.9	-0.8	-0.6
Output gap[1]	-2.5	-2.7	-3.0	-3.0	-2.7	-2.1	-1.0	-0.3
Employment (% change)	-8.9	0.0	0.8	0.7	0.8	0.9	1.0	0.8
Unemployment rate (%)	5.6	5.6	5.5	5.4	5.3	5.2	4.8	4.6
Labour productivity (% change)	16.2	0.0	1.7	2.2	2.8	3.5	3.8	3.7
HICP inflation (%)	4.1	4.1	8.9	9.9	5.1	5.2	2.8	2.5
GDP deflator (% change)	5.4	5.4	9.5	9.2	4.9	5.3	3.3	2.9
Comp. of employees (per head, % change)	5.7	5.7	8.3	8.5	7.0	8.5	7.4	7.1
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	-5.4	-4.8	-5.9	-4.7	-5.7	-4.4	-3.9	-3.3

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 23.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	CP	COM	CP	CP	CP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**0.5**	**-1.0**	**n.a.**	**1.3**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	-0.3	-0.3	n.a.	0.1	n.a.	n.a.	n.a.
Change in nationally financed investments	0.6	-1.5	n.a.	-0.2	n.a.	n.a.	n.a.
Change in other capital expenditure	0	0.2	n.a.	0.2	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	0.2	0.6	n.a.	1.1	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	1.3	-0.1	0	1.3	0.8	0.4	n.a.
Stability and Growth Pact indicators							
Expenditure benchmark	1.1	1.2	0.8	0.7	1.4	0.3	n.a.
Change in the structural balance	1.5	-0.2	1.0	1.1	1.5	1.0	-0.1

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.

Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 23.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	CP	COM	CP	CP	CP	CP
Revenue	**32.8**	**33.6**	**34.3**	**33.3**	**34.7**	**35.6**	**35.9**	**3.1**
of which:								
- Taxes on production and imports	10.7	10.7	11.0	10.6	11.1	11.2	11.3	0.6
- Current taxes on income, wealth, etc.	5.1	5.8	5.7	5.6	5.2	5.3	5.3	0.2
- Social contributions	11.4	11.3	11.3	11.4	11.4	11.4	11.4	0
- Other (residual)	5.6	5.8	6.3	5.7	7.0	7.7	7.9	2.3
RRF grants as included in the revenue projections		1.0	0.8	1.0	0.9	0.9	0.9	0.9
Revenue reductions financed by RRF grants	0	0	n.a.	0	n.a.	n.a.	n.a.	n.a.
Expenditure	**39.9**	**41.1**	**40.5**	**39.6**	**39.1**	**38.5**	**38.8**	**-1.1**
of which:								
- Primary expenditure	38.6	39.6	38.9	38.0	37.6	37.0	37.4	-1.2
of which:								
Compensation of employees+Intermediate consumption	17.0	16.1	16.2	15.7	15.5	15.2	14.9	-2.1
Compensation of employees	11.1	10.2	10.3	9.8	9.8	9.5	9.3	-1.8
Intermediate consumption	5.9	5.9	5.8	5.8	5.7	5.6	5.6	-0.3
Social payments	13.2	12.9	13.0	12.5	12.8	12.8	12.7	-0.5
Subsidies	0.6	1.2	1.2	0.7	0.6	0.5	0.5	-0.1
Gross fixed capital formation	4.2	5.9	5.2	6.0	5.5	5.6	6.3	2.1
Other (residual)	3.6	3.4	3.4	3.1	3.3	3.1	3.1	-0.5
- Interest expenditure	1.4	1.5	1.6	1.6	1.5	1.5	1.4	0
Expenditure financed by RRF grants	0.1	0.9	n.a.	1.0	n.a.	n.a.	n.a.	n.a.
General government balance (GGB)	**-7.1**	**-7.5**	**-6.2**	**-6.3**	**-4.4**	**-3.0**	**-2.9**	**4.2**
Primary balance	**-5.7**	**-6.0**	**-4.7**	**-4.7**	**-2.9**	**-1.5**	**-1.5**	**4.2**
GGB excl. one-offs	**-7.1**	**-7.5**	**-6.2**	**-6.3**	**-4.4**	**-3.0**	**-2.9**	**4.2**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	4.9	13.0	12.9	5.1	7.9	8.9	n.a.	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	7.0	15.7	n.a.	5.1	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	6.0	8.5	11.6	4.7	4.8	7.2	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	8.5	11.4	n.a.	4.7	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	9.3	13.5	13.5	8.6	8.6	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	-2.5	-3.0	-3.0	-2.7	-2.1	-1.0	-0.3	2.4
Cyclically-adjusted balance[2]	-6.3	-6.5	-5.2	-5.4	-3.7	-2.7	-2.8	3.4
One-offs	0	0	0	0	0	0	0	0
Structural balance[3]	-6.3	-6.5	-5.2	-5.4	-3.7	-2.7	-2.8	3.4
Structural primary balance[3]	-4.9	-5.0	-3.6	-3.8	-2.2	-1.2	-1.4	3.5

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 23.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	CP	COM	CP	CP	CP
Gross debt ratio[1]	**37.9**	**48.8**	**50.9**	**49.4**	**52.6**	**49.7**	**49.4**	**48.9**
Change in the ratio	1.9	1.6	2.0	0.6	1.7	0.3	-0.3	-0.5
Contributions[2] *:*								
1. Primary balance	**3.1**	**5.7**	**6.0**	**4.7**	**4.7**	**2.9**	**1.5**	**1.5**
2. "Snow-ball" effect	**-1.4**	**-3.4**	**-3.7**	**-3.7**	**-2.4**	**-2.9**	**-2.3**	**-2.0**
Of which:								
Interest expenditure	1.3	1.4	1.5	1.6	1.6	1.5	1.5	1.4
Growth effect	-1.1	-2.5	-1.1	-1.3	-1.7	-2.0	-2.2	-2.1
Inflation effect	-1.6	-2.3	-4.1	-4.0	-2.3	-2.4	-1.5	-1.3
3. Stock-flow adjustment	**0.3**	**-0.6**	**-0.1**	**-0.3**	**-0.5**	**0.4**	**0.6**	**0.0**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 23.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Convergence programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.3			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	3.5	HIGH risk	1.3	MEDIUM risk
Debt sustainability analysis [3]	MEDIUM risk			
Baseline scenario	MEDIUM risk			
Stochastic projections	MEDIUM risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	72.7		52.2	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	4.3	MEDIUM risk	2.4	MEDIUM risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 Convergence programme.

Table 23.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0**	**0.8**	**0.9**	**0.9**	**0.9**	**1.1**
Cash disbursements of RRF grants from EU	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Intermediate consumption P.2	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Social payments D.62+D.632	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Interest expenditure D.41	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Current transfers D.7	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**
Gross fixed capital formation P.51g	**n.a.**	**0**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Capital transfers D.9	**n.a.**	**0**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0.6**	**0.7**	**0.7**	**0.7**	**0.9**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Other costs with impact on revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Financial transactions	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Source: National authorities.

Table 23.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Repayments of RRF loans to EU	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	n.a.	n.a.	n.a.	n.a.
Intermediate consumption P.2	n.a.	0	0	n.a.	n.a.	n.a.	n.a.
Social payments D.62+D.632	n.a.	0	0	n.a.	n.a.	n.a.	n.a.
Interest expenditure D.41	n.a.	0	0	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	n.a.	0	0	n.a.	n.a.	n.a.	n.a.
Current transfers D.7	n.a.	0	0	n.a.	n.a.	n.a.	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0**	**0.1**	**0.2**	**0.2**	**0.3**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Capital transfers D.9	**n.a.**	**0**	**0**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0**	**0.6**	**0.8**	**1.0**	**1.3**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Other costs with impact on revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Financial transactions	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Source: National authorities.

Table 23.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19				
	Subtotal		0	0
Others			0	0
	Subtotal		0	0
	Total		**0**	**0**

Source: National authorities.

Table 24.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	SP	COM	SP	COM	SP	SP	SP
Real GDP (% change)	8.1	8.1	3.7	4.2	3.1	3.0	2.8	2.6
Private consumption (% change)	11.6	11.6	4.1	4.3	2.5	1.4	1.6	1.8
Gross fixed capital formation (% change)	12.3	12.3	3.8	6.5	5.0	5.0	5.0	5.5
Exports of goods and services (% change)	13.2	13.2	4.9	7.1	6.0	5.5	5.0	4.2
Imports of goods and services (% change)	17.4	17.4	4.3	7.2	5.7	4.9	4.6	4.3
Contributions to real GDP growth:								
- Final domestic demand	9.0	9.8	3.0	3.9	2.6	2.2	2.2	2.4
- Change in inventories	0.8	0.8	0	0.2	0	0.1	0	0
- Net exports	-1.6	-1.6	0.7	0.3	0.5	0.8	0.6	0.1
Output gap[1]	1.9	1.9	2.5	2.6	2.3	2.0	1.4	0.4
Employment (% change)	1.4	1.4	0.9	1.7	1.5	1.0	0.7	0.4
Unemployment rate (%)	4.8	4.8	4.8	4.3	4.6	4.1	3.9	3.8
Labour productivity (% change)	6.6	6.6	2.8	2.4	1.6	1.9	2.1	2.1
HICP inflation (%)	2.0	1.9	6.1	6.4	3.3	3.2	2.3	2.0
GDP deflator (% change)	2.6	2.6	3.3	3.6	3.7	3.3	2.3	2.1
Comp. of employees (per head, % change)	5.4	5.4	3.6	3.6	5.5	4.2	3.8	4.1
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	4.0	3.7	1.3	0	2.1	0	0	0

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 24.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	SP	COM	SP	SP	SP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**-2.0**	**-2.6**	**n.a.**	**-0.1**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	-0.3	-0.2	n.a.	-0.6	n.a.	n.a.	n.a.
Change in nationally financed investments	-0.5	-0.9	n.a.	-0.2	n.a.	n.a.	n.a.
Change in other capital expenditure	0	0	n.a.	0	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	-1.2	-1.6	n.a.	0.7	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	-1.0	0.6	1.4	0.5	1.0	1.7	1.1
Stability and Growth Pact indicators							
Expenditure benchmark	-0.3	1.0	2.9	1.1	0.7	0.8	1.0
Change in the structural balance	0.1	0.6	1.4	1.0	1.0	1.1	0.8

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 24.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	SP	COM	SP	SP	SP	SP
Revenue	**43.9**	**43.0**	**43.2**	**42.9**	**42.8**	**42.2**	**41.8**	**-2.1**
of which:								
- Taxes on production and imports	13.2	13.4	13.0	13.2	12.9	12.8	12.5	-0.7
- Current taxes on income, wealth, etc.	7.9	7.3	7.7	7.0	7.5	7.4	7.2	-0.7
- Social contributions	16.8	16.3	16.2	16.2	16.0	15.9	16.2	-0.6
- Other (residual)	6.0	6.0	6.3	6.4	6.4	6.1	5.9	-0.1
RRF grants as included in the revenue projections		0.6	0.5	0.7	0.8	0.6	0.4	0.2
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	0
Expenditure	**49.1**	**47.3**	**47.2**	**46.3**	**45.7**	**44.3**	**43.6**	**-5.5**
of which:								
- Primary expenditure	47.8	46.1	46.0	45.2	44.6	43.2	42.6	-5.2
of which:								
Compensation of employees+Intermediate consumption	18.7	17.7	17.3	17.2	16.8	16.5	16.1	-2.6
Compensation of employees	12.6	11.8	11.5	11.5	11.1	10.9	10.6	-2.0
Intermediate consumption	6.1	5.9	5.8	5.7	5.7	5.7	5.5	-0.6
Social payments	18.7	19.1	18.6	18.7	17.9	18.0	18.0	-0.7
Subsidies	2.2	1.0	1.0	0.7	0.9	0.8	0.7	-1.5
Gross fixed capital formation	4.7	5.7	6.4	6.3	6.6	5.8	5.6	0.9
Other (residual)	3.4	2.7	2.7	2.3	2.4	2.1	2.2	-1.2
- Interest expenditure	1.3	1.2	1.2	1.1	1.1	1.1	1.0	-0.3
Expenditure financed by RRF grants	0.2	0.4	0.4	0.7	0.8	0.9	0.6	0.4
General government balance (GGB)	**-5.2**	**-4.3**	**-4.1**	**-3.4**	**-3.0**	**-2.1**	**-1.7**	**3.5**
Primary balance	**-3.9**	**-3.2**	**-2.9**	**-2.3**	**-1.9**	**-1.0**	**-0.7**	**3.2**
GGB excl. one-offs	**-5.2**	**-4.3**	**-3.5**	**-3.4**	**-2.8**	**-2.0**	**-1.6**	**3.6**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	6.4	4.1	2.6	4.1	4.2	3.1	2.2	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	9.2	11.9	n.a.	5.4	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	5.2	1.8	-0.6	3.1	3.5	5.3	2.4	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	8.3	10.2	n.a.	4.6	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	4.9	5.9	5.9	6.5	6.5	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	1.9	2.5	2.6	2.3	2.0	1.4	0.4	-1.5
Cyclically-adjusted balance[2]	-6.1	-5.5	-5.3	-4.5	-3.9	-2.7	-1.9	4.2
One-offs	0.0	0.0	-0.6	0.0	-0.2	-0.1	-0.1	-0.1
Structural balance[3]	-6.1	-5.5	-4.7	-4.5	-3.7	-2.6	-1.8	4.3
Structural primary balance[3]	-4.8	-4.3	-3.5	-3.4	-2.6	-1.5	-0.8	4.0

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 24.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	SP	COM	SP	SP	SP
Gross debt ratio[1]	**73.7**	**74.7**	**74.1**	**73.3**	**72.7**	**71.5**	**69.5**	**68.0**
Change in the ratio	-0.6	-5.1	-0.6	-1.4	-1.4	-1.8	-2.0	-1.5
Contributions[2]*:*								
1. Primary balance	**-0.5**	**3.9**	**3.2**	**2.9**	**2.3**	**1.9**	**1.0**	**0.7**
2. "Snow-ball" effect	**-0.6**	**-6.4**	**-3.7**	**-4.2**	**-3.6**	**-3.2**	**-2.4**	**-2.1**
Of which:								
Interest expenditure	2.2	1.3	1.2	1.2	1.1	1.1	1.1	1.0
Growth effect	-1.7	-5.8	-2.6	-2.9	-2.1	-2.1	-1.9	-1.7
Inflation effect	-1.1	-1.8	-2.3	-2.5	-2.6	-2.3	-1.6	-1.4
3. Stock-flow adjustment	**0.5**	**-2.4**	**0.0**	**0.0**	**0.0**	**-0.3**	**-0.6**	**-0.1**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 24.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.2			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	4.6	HIGH risk	2.3	MEDIUM risk
Debt sustainability analysis [3]	MEDIUM risk			
Baseline scenario	MEDIUM risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	82.5		63.2	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	11.1	HIGH risk	8.9	HIGH risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 stability programme.

Table 24.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0.2**	**0.5**	**0.8**	**0.6**	**0.4**	**0.5**
Cash disbursements of RRF grants from EU	**n.a.**	**0.4**	**0.5**	**0.7**	**0.5**	**0.3**	**0.5**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	0	0	0	0
Intermediate consumption P.2	n.a.	0	0	0	0	0	0
Social payments D.62+D.632	n.a.	0	0	0	0	0	0
Interest expenditure D.41	n.a.	0	0	0	0	0	0
Subsidies, payable D.3	n.a.	0	0.1	0.2	0.1	0.1	0.1
Current transfers D.7	n.a.	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0.1**	**0.2**	**0.2**	**0.1**	**0.1**
Gross fixed capital formation P.51g	**n.a.**	**0.2**	**0.3**	**0.5**	**0.6**	**0.4**	**0.1**
Capital transfers D.9	**n.a.**	**0**	**0**	**0.1**	**0.1**	**0.1**	**0**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0.2**	**0.3**	**0.5**	**0.6**	**0.5**	**0.2**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 24.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**n.a.**	**0**	**0**	**0.6**	**0.1**	**0.2**	**0.3**
Repayments of RRF loans to EU	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	0	0	0	0
Intermediate consumption P.2	n.a.	0	0	0	0	0	0
Social payments D.62+D.632	n.a.	0	0	0	0	0	0
Interest expenditure D.41	n.a.	0	0	0	0	0	0
Subsidies, payable D.3	n.a.	0	0	0	0	0	0
Current transfers D.7	n.a.	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0**	**0.2**	**0.3**	**0.3**	**0.1**
Capital transfers D.9	**n.a.**	**0**	**0**	**0**	**0**	**0.1**	**0**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0**	**0.2**	**0.3**	**0.4**	**0.1**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 24.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	Act Regulating the Guarantee of the Republic of Slovenia in European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak (ZPEIPUTB)	29-05-2020	0.2	0.2
	Act Providing Additional Liquidity to the Economy to Mitigate the Consequences of the COVID-19 Epidemic (ZDLGPE)	28-04-2020	3.8	0.1
	Act Determining the Intervention Measures to Contain the COVID-19 Epidemic and Mitigate its Consequences for Citizens and the Economy (ZIUZEOP)	02-04-2020	0.4	0.1
	Act Regulating the Guarantee of the Republic of Slovenia for Pan-European Guarantee Fund (ZJPGS)	03-03-2021	0.1	0.1
	Subtotal		4.5	0.5
Others	Act on State Guarantee for loans procured for financing of the Second railway track Divača – Koper project and for loans procured for financing the the part of the Third Development Axis project (ZPOD2TDK)	18-12-2019	1.5	0.2
	Subtotal		1.5	0.2
	Total		**6.0**	**0.8**

Source: National authorities.

Table 25.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	SP	COM	SP	COM	SP	SP	SP
Real GDP (% change)	3.0	3.0	2.3	2.1	3.6	5.3	1.8	1.8
Private consumption (% change)	1.2	1.2	1.9	1.4	1.9	2.3	2.8	2.1
Gross fixed capital formation (% change)	0.6	0.6	10.8	15.2	13.4	15.1	-2.5	-0.6
Exports of goods and services (% change)	10.2	10.2	2.9	1.5	7.4	9.0	4.7	3.1
Imports of goods and services (% change)	11.2	11.2	3.4	1.8	7.6	8.4	3.9	2.3
Contributions to real GDP growth:								
- Final domestic demand	1.2	3.8	2.8	2.3	3.9	4.7	0.9	0.9
- Change in inventories	2.6	2.7	0.0	-0.7	0	0	0.1	0
- Net exports	-0.8	-0.6	-0.5	-0.3	-0.4	0.7	0.9	0.9
Output gap[1]	-1.1	-1.0	-0.8	-1.3	0	0.8	0.1	-0.3
Employment (% change)	-0.6	-0.6	1.9	0.6	0.6	1.6	0.6	0
Unemployment rate (%)	6.8	6.9	6.7	6.6	6.3	5.6	5.4	5.2
Labour productivity (% change)	3.6	3.6	0.4	1.5	2.9	3.6	1.2	1.7
HICP inflation (%)	2.8	2.8	9.8	8.1	6.8	6.7	2.0	2.0
GDP deflator (% change)	2.4	2.4	6.6	7.4	5.5	5.1	2.4	2.1
Comp. of employees (per head, % change)	5.9	5.9	7.8	7.1	7.0	7.1	5.0	4.6
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	-1.9	0.7	-3.5	0.1	-2.2	0.3	0.6	0.8

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 25.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	SP	COM	SP	SP	SP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**-1.1**	**0.3**	**n.a.**	**-0.8**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	0.1	-0.7	n.a.	-1.0	n.a.	n.a.	n.a.
Change in nationally financed investments	0.3	-0.4	n.a.	-0.1	n.a.	n.a.	n.a.
Change in other capital expenditure	0.3	-0.2	n.a.	0.1	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	-1.7	1.6	n.a.	0.2	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	-2.0	2.5	-1.4	0.1	-0.6	3.3	n.a.
Stability and Growth Pact indicators							
Expenditure benchmark	-2.2	4.2	0.5	1.4	0.8	1.4	n.a.
Change in the structural balance	-1.3	2.4	2.1	0.8	0.9	0.4	0.4

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.

Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 25.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	SP	COM	SP	SP	SP	SP
Revenue	**40.7**	**40.5**	**40.2**	**40.7**	**41.2**	**39.1**	**39.0**	**-1.7**
of which:								
- Taxes on production and imports	12.4	12.1	11.9	11.8	12.0	11.8	11.9	-0.5
- Current taxes on income, wealth, etc.	7.4	7.4	7.5	7.4	7.5	7.4	7.4	0
- Social contributions	16.1	15.7	15.3	15.5	14.9	14.9	14.9	-1.2
- Other (residual)	4.9	5.3	5.5	6.1	6.8	5.0	4.8	-0.1
RRF grants as included in the revenue projections		1.1	0.7	1.3	0.8	0.7	0.5	0.5
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	n.a.
Expenditure	**46.8**	**44.2**	**45.3**	**43.3**	**43.6**	**41.4**	**41.0**	**-5.8**
of which:								
- Primary expenditure	45.7	43.1	44.3	42.3	42.7	40.5	39.9	-5.8
of which:								
Compensation of employees+Intermediate consumption	17.6	16.8	17.4	16.3	17.1	15.5	15.1	-2.5
Compensation of employees	11.6	11.1	10.4	10.9	9.5	9.4	9.0	-2.6
Intermediate consumption	6.0	5.7	7.0	5.4	7.6	6.2	6.1	0.1
Social payments	18.9	17.8	17.9	17.5	17.0	17.4	17.3	-1.6
Subsidies	1.4	1.2	1.1	1.0	0.8	0.7	0.7	-0.7
Gross fixed capital formation	3.2	4.2	4.7	5.1	4.5	4.2	4.2	1.0
Other (residual)	4.7	3.1	3.3	2.4	2.9	2.7	2.2	-2.5
- Interest expenditure	1.1	1.1	1.0	1.0	0.9	0.9	1.1	0
Expenditure financed by RRF grants	0	1.1	0.7	1.3	0.8	0.7	0.4	n.a.
General government balance (GGB)	**-6.2**	**-3.6**	**-5.1**	**-2.6**	**-2.4**	**-2.3**	**-2.0**	**4.2**
Primary balance	**-5.0**	**-2.6**	**-4.1**	**-1.5**	**-1.5**	**-1.4**	**-1.0**	**4.0**
GGB excl. one-offs	**-6.2**	**-3.6**	**-4.1**	**-2.6**	**-2.4**	**-2.3**	**-2.0**	**4.1**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	9.6	0.7	9.6	4.5	5.1	3.1	n.a.	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	7.4	6.1	n.a.	7.1	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	12.0	-1.4	-0.1	4.3	3.8	3.7	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	9.3	4.1	n.a.	7.0	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	2.1	2.0	2.0	2.0	2.0	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	-1.1	-0.8	-1.3	0.0	0.8	0.1	-0.3	0.8
Cyclically-adjusted balance[2]	-5.7	-3.3	-4.6	-2.6	-2.7	-2.3	-1.9	3.9
One-offs	0	0	-1	0	0	0	0	0
Structural balance[3]	-5.7	-3.3	-3.6	-2.6	-2.7	-2.3	-1.9	3.9
Structural primary balance[3]	-4.6	-2.3	-2.6	-1.5	-1.8	-1.4	-0.8	3.8

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 25.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	SP	COM	SP	SP	SP
Gross debt ratio[1]	**52.3**	**63.1**	**61.7**	**61.6**	**58.3**	**58.0**	**58.2**	**57.3**
Change in the ratio	1.6	3.3	-1.4	-1.5	-3.4	-3.6	0.1	-0.9
Contributions[2]*:*								
1. Primary balance	**0.9**	**5.0**	**2.6**	**4.1**	**1.5**	**1.5**	**1.4**	**1.0**
2. "Snow-ball" effect	**0**	**-1.9**	**-4.1**	**-4.5**	**-4.1**	**-4.9**	**-1.4**	**-1.1**
Of which:								
Interest expenditure	1.4	1.1	1.1	1.0	1.0	0.9	0.9	1.1
Growth effect	-0.7	-1.7	-1.3	-1.2	-2.0	-2.9	-1.0	-1.0
Inflation effect	-0.7	-1.4	-3.8	-4.2	-3.1	-2.9	-1.3	-1.2
3. Stock-flow adjustment	**0.7**	**0.3**	**0.2**	**-1.0**	**-0.7**	**0.0**	**0.2**	**-0.7**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 25.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.2			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	1.8	MEDIUM risk	1.5	MEDIUM risk
Debt sustainability analysis [3]	HIGH risk			
Baseline scenario	MEDIUM risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	61.0		57.3	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	9.6	HIGH risk	9.2	HIGH risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 stability programme.

Table 25.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0**	**0.7**	**0.8**	**0.7**	**0.5**	**n.a.**
Cash disbursements of RRF grants from EU	**n.a.**	**0.8**	**1**	**1.3**	**1.2**	**0.8**	**n.a.**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	n.a.	0	0	0	0	n.a.
Intermediate consumption P.2	n.a.	n.a.	0.1	0.1	0.1	0.1	n.a.
Social payments D.62+D.632	n.a.	n.a.	0	0	0	0	n.a.
Interest expenditure D.41	n.a.	n.a.	0	0	0	0	n.a.
Subsidies, payable D.3	n.a.	n.a.	0	0	0	0	n.a.
Current transfers D.7	n.a.	n.a.	0	0	0	0	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**n.a.**	**0.1**	**0.1**	**0.2**	**0.1**	**n.a.**
Gross fixed capital formation P.51g	**n.a.**	**n.a.**	**0.6**	**0.7**	**0.5**	**0.3**	**n.a.**
Capital transfers D.9	**n.a.**	**n.a.**	**0**	**0**	**0**	**0**	**n.a.**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**n.a.**	**0.6**	**0.7**	**0.5**	**0.3**	**n.a.**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**n.a.**	**0**	**0**	**0**	**0**	**n.a.**
Other costs with impact on revenue	**n.a.**	**n.a.**	**0**	**0**	**0**	**0**	**n.a.**
Financial transactions	**n.a.**	**n.a.**	**0**	**0**	**0**	**0**	**n.a.**

Source: National authorities.

Table 25.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	0	0	0	0	0
Intermediate consumption P.2	0	0	0	0	0	0	0
Social payments D.62+D.632	0	0	0	0	0	0	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0	0	0	0	0
Current transfers D.7	0	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 25.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	COVID-19 bank guarantees (as of January 2022)	avr-20	2.1	0.9
	Subtotal		2.1	0.9
Others	EFSF		2.4	0
	ESM		6.3	0
	International financial institutions		1.3	0
	Subtotal		10.0	0.2
	Total		**12.1**	**1.1**

Source: National authorities.

Table 26.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	SP	COM	SP	COM	SP	SP	SP
Real GDP (% change)	3.5	3.5	1.6	1.5	1.7	1.7	1.5	1.3
Private consumption (% change)	3.1	3.1	2.1	2.0	1.7	1.7	1.5	1.5
Gross fixed capital formation (% change)	1.2	1.2	2.1	2.2	3.0	2.9	2.0	4.4
Exports of goods and services (% change)	4.7	4.7	2.1	2.0	4.3	4.4	5.1	4.2
Imports of goods and services (% change)	5.3	5.3	2.9	2.6	3.7	3.7	4.2	5.5
Contributions to real GDP growth:								
- Final domestic demand	2.7	2.7	1.9	2.1	1.4	1.4	1.2	1.8
- Change in inventories	0.8	1.0	0	-0.3	0	0	-0.1	0.1
- Net exports	-0.2	-0.2	-0.3	-0.3	0.3	0.3	0.4	-0.6
Output gap[1]	-1.0	-1.0	-0.8	-0.9	-0.5	-0.6	-0.2	0
Employment (% change)	2.0	2.4	1.0	1.0	0.4	0.8	0.5	0.3
Unemployment rate (%)	7.7	7.7	7.2	7.2	6.9	6.8	6.6	6.5
Labour productivity (% change)	1.4	1.1	0.6	0.5	1.2	0.9	1.0	0.9
HICP inflation (%)	2.1	2.1	4.5	4.2	2.3	2.3	1.8	1.9
GDP deflator (% change)	2.7	2.7	3.8	3.4	2.3	2.2	1.8	1.8
Comp. of employees (per head, % change)	4.4	3.7	3.3	3.0	3.0	2.7	2.5	2.6
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	0.8	0.8	0.3	0	0.5	0.2	0.4	0

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 26.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	SP	COM	SP	SP	SP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**0.5**	**-0.6**	**n.a.**	**0.3**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	0.0	-0.2	n.a.	-0.2	n.a.	n.a.	n.a.
Change in nationally financed investments	0.6	-0.2	n.a.	-0.1	n.a.	n.a.	n.a.
Change in other capital expenditure	-0.1	-0.3	n.a.	0.2	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	-0.1	0.1	n.a.	0.4	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	**1.6**	**0.8**	**0.8**	**0.5**	**0.3**	**0.6**	**-0.2**
Stability and Growth Pact indicators							
Expenditure benchmark	0.9	1.3	1.2	0.8	0.6	0.5	0.1
Change in the structural balance	1.7	0.3	0.3	0.3	0.3	0.1	-0.5

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 26.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	SP	COM	SP	SP	SP	SP
Revenue	**52.4**	**51.7**	**51.9**	**51.7**	**52.0**	**51.5**	**51.3**	**-1.1**
of which:								
- Taxes on production and imports	13.8	13.5	13.6	13.3	13.4	13.1	13.0	-0.8
- Current taxes on income, wealth, etc.	16.6	16.2	16.3	16.1	16.1	16.1	16.1	-0.5
- Social contributions	12.1	11.9	11.9	12.0	12.0	11.9	11.9	-0.2
- Other (residual)	10.0	10.0	10.1	10.4	10.5	10.4	10.3	0.3
RRF grants as included in the revenue projections		0.2	0.2	0.2	0.2	0.2	0.1	0.1
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	n.a.
Expenditure	**54.9**	**53.9**	**54.1**	**53.4**	**53.6**	**53.0**	**53.1**	**-1.8**
of which:								
- Primary expenditure	54.5	53.4	53.6	52.9	53.1	52.5	52.7	-1.8
of which:								
Compensation of employees+Intermediate consumption	23.7	23.5	23.7	23.5	23.6	23.2	23.0	-0.7
Compensation of employees	12.6	12.4	12.5	12.3	12.4	12.2	12.1	-0.5
Intermediate consumption	11.2	11.1	11.2	11.2	11.2	11.0	10.9	-0.3
Social payments	21.7	21.1	21.2	21.0	21.1	21.1	21.0	-0.7
Subsidies	1.6	1.2	1.2	1.0	1.0	1.0	1.0	-0.6
Gross fixed capital formation	4.1	4.4	4.4	4.5	4.6	4.4	4.9	0.8
Other (residual)	3.3	3.2	3.2	2.9	2.9	2.7	2.7	-0.6
- Interest expenditure	0.5	0.5	0.5	0.5	0.5	0.5	0.4	-0.1
Expenditure financed by RRF grants	0	0.2	0.4	0.2	0.2	0.2	0.1	0.1
General government balance (GGB)	**-2.6**	**-2.2**	**-2.2**	**-1.7**	**-1.7**	**-1.4**	**-1.8**	**0.8**
Primary balance	**-2.1**	**-1.7**	**-1.7**	**-1.2**	**-1.2**	**-1.0**	**-1.3**	**0.8**
GGB excl. one-offs	**-2.6**	**-2.2**	**-2.2**	**-1.7**	**-1.7**	**-1.4**	**-1.8**	**0.8**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	1.0	3.0	3.1	2.2	2.9	2.3	3.5	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	2.9	5.8	n.a.	2.6	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	1.2	2.4	2.8	2.1	2.6	2.7	2.4	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	4.0	4.8	n.a.	2.7	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	3.9	5.0	5.0	3.5	3.5	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	-1.0	-0.8	-0.9	-0.5	-0.6	-0.2	0.0	1.0
Cyclically-adjusted balance[2]	-2.0	-1.7	-1.7	-1.4	-1.4	-1.3	-1.8	0.2
One-offs	0	0	0	0	0	0	0	0
Structural balance[3]	-2.0	-1.7	-1.7	-1.4	-1.4	-1.3	-1.8	0.2
Structural primary balance[3]	-1.5	-1.2	-1.2	-0.9	-0.9	-0.8	-1.4	0.1

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 26.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	SP	COM	SP	SP	SP
Gross debt ratio[1]	**62.5**	**65.8**	**65.9**	**66.2**	**66.6**	**66.9**	**68.0**	**69.1**
Change in the ratio	1.1	-3.2	0.1	0.4	0.7	0.7	1.1	1.1
Contributions[2]*:*								
1. Primary balance	**1.0**	**2.1**	**1.7**	**1.7**	**1.2**	**1.2**	**1.0**	**1.3**
2. "Snow-ball" effect	**-0.6**	**-3.5**	**-2.9**	**-2.5**	**-2.0**	**-2.0**	**-1.7**	**-1.5**
Of which:								
Interest expenditure	0.9	0.5	0.5	0.5	0.5	0.5	0.5	0.4
Growth effect	-0.7	-2.3	-1.0	-0.9	-1.1	-1.1	-1.0	-0.9
Inflation effect	-0.7	-1.8	-2.3	-2.1	-1.4	-1.4	-1.1	-1.2
3. Stock-flow adjustment	**0.6**	**-1.7**	**1.3**	**1.3**	**1.5**	**1.5**	**1.8**	**1.3**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Stability Programme (SP).

Table 26.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Stability programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.2			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	0.0	MEDIUM risk	0.6	MEDIUM risk
Debt sustainability analysis [3]	LOW risk			
Baseline scenario	LOW risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	62.5		68.2	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	3.1	MEDIUM risk	3.5	MEDIUM risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 stability programme.

Table 26.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0**	**0.2**	**0.2**	**0.2**	**0.1**	**0**
Cash disbursements of RRF grants from EU	**n.a.**	**0.1**	**0.1**	**0.2**	**0.1**	**0.1**	**0.1**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0.1	0	0	0	0
Intermediate consumption P.2	n.a.	0	0.1	0	0	0	0
Social payments D.62+D.632	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Interest expenditure D.41	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
Subsidies, payable D.3	n.a.	0	0	0	0	0	0
Current transfers D.7	n.a.	0	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL CURRENT EXPENDITURE	**n.a.**	**0**	**0.2**	**0.2**	**0.2**	**0.1**	**0**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0.1**	**0**	**0**	**0**	**0**
Capital transfers D.9	**n.a.**	**0**	**0.1**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0**	**0.1**	**0.1**	**0**	**0**	**0**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**n.a.**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**n.a.**	**n.a.**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Source: National authorities.

Table 26.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	0	0	0	0	0
Intermediate consumption P.2	0	0	0	0	0	0	0
Social payments D.62+D.632	0	0	0	0	0	0	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0	0	0	0	0
Current transfers D.7	0	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Other costs with impact on revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Financial transactions	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Source: National authorities.

Table 26.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	Increase in Finnvera's domestic guarantee limit to 12 billion euros	n.a.	4.7	0.8
	Guarantee to Finnair's loan from employment pension institutions	n.a.	0.2	0.2
	Guarantee to shipping companies to secure vital supplies	n.a.	0.2	0.1
	Guarantee to secure financing of Employment Fund	n.a.	0.3	0
	European Commision's SURE program	n.a.	0.2	0.2
	EIB's COVID19-guarantee fund	n.a.	0.1	0.1
	Guarantees relating to vaccines	n.a.	0.1	0
	Subtotal		6.0	1.4
Others	Other central government guarantees	n.a.	0	23.7
	Subtotal		0	23.7
	Total		**6.0**	**25.1**

Source: National authorities.

Table 27.1: **Macroeconomic developments and forecasts**

	2021		2022		2023		2024	2025
	COM	CP	COM	CP	COM	CP	CP	CP
Real GDP (% change)	4.8	4.8	2.3	3.1	1.4	1.6	1.6	1.7
Private consumption (% change)	5.8	5.8	3.2	3.8	1.5	2.8	2.3	3.2
Gross fixed capital formation (% change)	6.1	6.1	2.0	3.4	2.5	1.3	1.8	1.5
Exports of goods and services (% change)	7.5	7.5	4.1	4.8	3.1	2.6	2.9	2.3
Imports of goods and services (% change)	9.4	9.4	4.5	5.5	1.8	2.4	2.8	2.4
Contributions to real GDP growth:								
- Final domestic demand	4.8	4.8	2.1	2.9	0.6	1.4	1.4	1.6
- Change in inventories	0.4	0.4	0.1	0.2	0.1	0	0	0
- Net exports	-0.4	-0.4	0.0	-0.1	0.7	0.2	0.2	0.1
Output gap[1]	-1.4	-1.7	-0.8	-0.5	-1.2	-0.6	-0.6	-0.5
Employment (% change)	1.3	1.3	2.1	1.8	0.9	1.0	0.4	0.6
Unemployment rate (%)	8.8	8.8	7.8	7.6	7.0	7.0	7.0	7.0
Labour productivity (% change)	3.5	3.6	0.1	1.3	0.5	0.5	1.2	1.1
HICP inflation (%)	2.7	2.7	5.3	4.6	3.0	1.5	1.8	1.8
GDP deflator (% change)	3.0	3.0	4.3	3.5	3.9	1.9	1.8	1.9
Comp. of employees (per head, % change)	4.3	4.8	2.7	-2.1	3.7	3.6	2.9	2.9
Net lending/borrowing vis-à-vis the rest of the world (% of GDP)	5.6	5.6	5.0	4.6	5.9	4.9	5.1	5.0

(1) In % of potential GDP, recalculated by Commission services on the basis of the programme scenario using the commonly agreed methodology.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 27.2: **Main indicators for fiscal surveillance**

(% of GDP)	2021	2022		2023		2024	2025
	COM	COM	CP	COM	CP	CP	CP
Relevant indicators for fiscal guidance at this stage							
Fiscal stance (including EU-financed expenditure, excluding crisis-related temporary emergency measures)[1]	**0.1**	**-0.6**	**n.a.**	**1.3**	**n.a.**	**n.a.**	**n.a.**
of which contribution from:							
Change in expenditure financed by RRF grants and other EU funds	-0.1	-0.2	n.a.	0.1	n.a.	n.a.	n.a.
Change in nationally financed investments	0.1	0.0	n.a.	0.1	n.a.	n.a.	n.a.
Change in other capital expenditure	-0.1	0.0	n.a.	0.0	n.a.	n.a.	n.a.
Change in net nationally financed primary current expenditure	0.2	-0.4	n.a.	1.1	n.a.	n.a.	n.a.
Fiscal stance (including EU-financed expenditure)[1]	1.0	0.5	0.2	2.4	3.0	1.6	1.6
Stability and Growth Pact indicators							
Expenditure benchmark	1.1	0.8	0.6	2.3	3.1	1.8	1.6
Change in the structural balance	0.9	-0.5	-0.9	1.2	1.2	0.1	0.5

(1) A negative sign of the indicator corresponds to an excess of the primary expenditure growth compared with medium-term economic growth, which indicates an expansionary fiscal policy.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 27.3: **Composition of the budgetary adjustment**

(% of GDP)	2021	2022		2023		2024	2025	Change: 2021-2025
	COM	COM	CP	COM	CP	CP	CP	CP
Revenue	**50.0**	**48.7**	**49.1**	**47.7**	**48.9**	**48.5**	**48.3**	**-1.7**
of which:								
- Taxes on production and imports	21.9	21.8	21.6	21.7	21.9	22.0	22.0	0.1
- Current taxes on income, wealth, etc.	18.4	17.9	17.7	17.7	17.7	17.6	17.4	-1.0
- Social contributions	3.4	3.0	3.3	2.9	3.3	3.3	3.3	-0.1
- Other (residual)	6.3	5.9	6.5	5.5	6.0	5.6	5.6	-0.7
RRF grants as included in the revenue projections		0.3	0.2	0.1	0.1	0.1	0	-0.2
Revenue reductions financed by RRF grants	0	0	0	0	0	0	0	0
Expenditure	**50.2**	**49.1**	**49.6**	**47.2**	**48.2**	**47.7**	**46.9**	**-3.3**
of which:								
- Primary expenditure	50.0	49.0	49.3	47.0	47.9	47.4	46.5	-3.5
of which:								
Compensation of employees+Intermediate consumption	20.7	19.9	20.3	18.9	19.9	19.6	19.2	-1.5
Compensation of employees	12.7	12.0	12.4	11.8	12.2	12.0	11.7	-1.0
Intermediate consumption	8.0	7.9	7.9	7.1	7.7	7.6	7.5	-0.5
Social payments	15.8	15.5	15.4	15.3	15.1	15.0	14.8	-1.0
Subsidies	2.2	2.1	1.8	1.9	1.6	1.6	1.5	-0.7
Gross fixed capital formation	4.8	4.8	4.8	4.8	4.8	4.9	5.0	0.2
Other (residual)	6.5	6.7	7.0	6.1	6.4	6.2	6.1	-0.4
- Interest expenditure	0.2	0.1	0.3	0.2	0.3	0.3	0.4	0.2
Expenditure financed by RRF grants	0.2	0.2	0.2	0.1	0.2	0	0	-0.2
General government balance (GGB)	**-0.2**	**-0.5**	**-0.5**	**0.5**	**0.7**	**0.8**	**1.4**	**1.6**
Primary balance	**0.0**	**-0.3**	**-0.2**	**0.7**	**1.0**	**1.2**	**1.8**	**1.8**
GGB excl. one-offs	**-0.2**	**-0.5**	**-0.5**	**0.5**	**0.7**	**0.8**	**1.4**	**1.6**
Expenditure aggregate growth rates								
Nationally financed primary expenditure (net of discretionary revenue measures) growth rate (%)	2.6	5.0	5.8	0.7	-0.5	2.5	1.6	n.a.
Nationally financed primary expenditure (net of discretionary revenue measures, excluding crisis-related temporary emergency measures) growth rate (%)	4.6	7.4	n.a.	3.2	n.a.	n.a.	n.a.	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures) growth rate (%)	2.8	4.9	2.4	0.3	0.3	1.9	1.1	n.a.
Nationally financed primary current expenditure (net of discretionary revenue measures and crisis-related temporary emergency measures) growth rate (%)	4.6	7.5	n.a.	3.0	n.a.	n.a.	n.a.	n.a.
p.m. nominal 10-year average potential growth (%)[1]	5.0	6.3	6.3	5.9	5.9	n.a.	n.a.	n.a.
Other indicators								
Output gap[2]	-1.4	-0.8	-0.5	-1.2	-0.6	-0.6	-0.5	1.1
Cyclically-adjusted balance[2]	0.5	0	-0.2	1.2	1.0	1.2	1.7	1.0
One-offs	0	0	0	0	0	0	0	0
Structural balance[3]	0.5	0	-0.2	1.2	1.0	1.2	1.7	1.0
Structural primary balance[3]	0.8	0.1	0.1	1.3	1.3	1.5	2.1	1.2

(1) This estimate does not include the impact of the structural reforms that are part of the Recovery and Resilience Plan and can boost economic growth.
(2) Output gap (in % of potential GDP) and cyclically-adjusted balance according to the programme as recalculated by Commission on the basis of the programme scenario using the commonly agreed methodology.
(3) Structural (primary) balance refers to cyclically-adjusted (primary) balance excluding one-offs.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 27.4: **General government debt developments**

(% of GDP)	Average 2016-2020	2021	2022		2023		2024	2025
			COM	CP	COM	CP	CP	CP
Gross debt ratio[1]	**39.3**	**36.7**	**33.8**	**33.5**	**30.5**	**30.7**	**28.9**	**26.4**
Change in the ratio	-0.8	-3.0	-2.9	-3.2	-3.2	-2.8	-1.8	-2.5
Contributions[2]*:*								
1. Primary balance	**-0.7**	**0.0**	**0.3**	**0.2**	**-0.7**	**-1.0**	**-1.2**	**-1.8**
2. "Snow-ball" effect	**-0.9**	**-2.6**	**-2.1**	**-2.0**	**-1.5**	**-0.8**	**-0.6**	**-0.6**
Of which:								
Interest expenditure	0.4	0.2	0.1	0.3	0.2	0.3	0.3	0.4
Growth effect	-0.5	-1.8	-0.8	-1.1	-0.4	-0.5	-0.5	-0.5
Inflation effect	-0.8	-1.1	-1.5	-1.2	-1.3	-0.6	-0.5	-0.5
3. Stock-flow adjustment	**0.7**	**-0.3**	**-1.1**	**-1.4**	**-1.0**	**-1.0**	**0**	**-0.1**

(1) The snow-ball effect captures the impact of interest expenditure on accumulated debt, as well as the impact of real GDP growth and inflation on the debt ratio (through the denominator). The stock-flow adjustment includes differences in cash and accrual accounting (including leads and lags in the disbursements in RRF grants), accumulation of financial assets and valuation and other residual effects.
Source: Commission 2022 spring forecast (COM); Convergence Programme (CP).

Table 27.5: **Debt sustainability analysis results and fiscal sustainability indicators**

Time horizon	Commission scenario		Convergence programme scenario	
Short term	**LOW risk**			
Short-term fiscal risk indicator (S0) [1]	0.3			
Medium term	**risk**			
Medium-term fiscal risk indicator (S1) [2]	-5.7	LOW risk	-6.6	LOW risk
Debt sustainability analysis [3]	LOW risk			
Baseline scenario	LOW risk			
Stochastic projections	LOW risk			
(Per memo.) Baseline projected government debt-to-GDP in 2032 (%) [4]	10.5		7.8	
Long term [5]	**risk**			
Long-term fiscal risk indicator (S2) [6]	0.9	LOW risk	0.2	LOW risk

(1) The S0 indicator informs the early detection of fiscal stress associated to fiscal risks within a one-year horizon.*
(2) The S1 indicator measures the effort required to bring the debt-to-GDP ratio to 60 % in 15 years. It corresponds to a cumulated improvement in the structural primary balance over 5 years compared with the baseline. Below 0: low risk. Between 0 and 2.5: medium risk. Above 6: high risk.*
(3) The debt sustainability analysis is performed around the Commission's baseline scenario to test the response to different shocks, including sensitivity tests and stochastic projections.*
(4) The Commission scenario assumes a gradual reversal of temporary pandemic-related measures (and 'financing' of permanent ones).* The stability or convergence programme scenario assumes that the budgetary plans in the programmes are fully implemented over the period covered by the programmes.
(5) The long-term risk classification is based on both the S2 indicator and the results of the debt sustainability analysis.
(6) The S2 indicator shows the upfront and permanent fiscal adjustment required to stabilise the debt-to-GDP ratio over the infinite horizon. Below 2: low risk. Between 2 and 6: medium risk. Above 6: high risk.*
* For more information, see the 2021 Fiscal Sustainability Monitor.
Source: Commission services; 2022 Convergence programme.

Table 27.6: **RRF - Grants**

Revenue from RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
RRF grants as included in the revenue projections	**n.a.**	**0.2**	**0.2**	**0.1**	**0.1**	**0**	**0**
Cash disbursements of RRF grants from EU	**n.a.**	**0**	**0.2**	**0.1**	**0.2**	**0**	**0.1**

Expenditure financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	n.a.	0	0	0	0	0	0
Intermediate consumption P.2	n.a.	0	0	0	0	0	0
Social payments D.62+D.632	n.a.	0	0	0	0	0	0
Interest expenditure D.41	n.a.	0	0	0	0	0	0
Subsidies, payable D.3	n.a.	0	0	0	0	0	0
Current transfers D.7	n.a.	0.1	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**n.a.**	**0.1**	**0.1**	**0.1**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**n.a.**	**0.1**	**0.1**	**0.1**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**n.a.**	**0.1**	**0.1**	**0.1**	**0**	**0**	**0**

Other costs financed by RRF grants (% of GDP)							
	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Other costs with impact on revenue	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**
Financial transactions	**n.a.**	**0**	**0**	**0**	**0**	**0**	**0**

Source: National authorities.

Table 27.7: **RRF – LOANS**

Cash flow from RRF loans projected in the programme (% of GDP)	2020	2021	2022	2023	2024	2025	2026
Disbursements of RRF loans from EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Repayments of RRF loans to EU	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Expenditure financed by RRF loans (% of GDP)	2020	2021	2022	2023	2024	2025	2026
Compensation of employees D.1	0	0	0	0	0	0	0
Intermediate consumption P.2	0	0	0	0	0	0	0
Social payments D.62+D.632	0	0	0	0	0	0	0
Interest expenditure D.41	0	0	0	0	0	0	0
Subsidies, payable D.3	0	0	0	0	0	0	0
Current transfers D.7	0	0	0	0	0	0	0
TOTAL CURRENT EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Gross fixed capital formation P.51g	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Capital transfers D.9	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Other costs financed by RRF loans (% of GDP)	2020	2021	2022	2023	2024	2025	2026
Reduction in tax revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Other costs with impact on revenue	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Financial transactions	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**

Source: National authorities.

Table 27.8: **Guarantees adopted/announced according to the Programme**

	Measures	Date of adoption	Maximum amount of contingent liabilities (% of GDP)	Estimated take-up (% of GDP)
In response to COVID-19	Credit guarantees for businesses	February 2021	1.0	0
	Subtotal		1.0	0
Others			0	0
	Subtotal		1.0	0
	Total		**2.0**	**0**

Source: National authorities.