

Lithuania to pay a high price for foreign troops

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Europe has entered a difficult phase amid Ukrainian crisis and sanctions imposed on Russia and its allies. It will face, in the short term, higher inflation and slower growth. "There is considerable uncertainty about how large these effects will be and how long they will last for," said Christine Lagarde, president of the European Central Bank.

According to Euronews, annual inflation in the Eurozone has surged to 7.5%, up from 5.9% in February and higher than most analysts had predicted. Energy prices alone have skyrocketed 44.7% on a yearly basis, a stunning rise compared to the 4.3% rate registered in March 2021.

Companies across the continent are now battling impossibly high bills that threaten to disrupt production and shut down factories while households see their purchasing power plunge at record speed.

The Baltic States are among the most vulnerable. They are highly dependent on both Russia and the EU economic condition. Thus, in Lithuania, the country with the highest inflation rate (15.5% in March) in the EU, businesses are struggling to avoid a loss of competitiveness as raw materials from Ukraine, Russia and Belarus vanish and alternatives from different origins bring in additional costs.

Now, Lithuanians even braced for the most expensive Easter in five years. With food price inflation in double digits, Lithuanians worry they will need to spend significantly more in order to have their traditional holiday table. Economists say, that not only eggs may be the expensive Easter dish. According to price watchers, sunflower oil has also become more expensive, sometimes doubling in price for the cheapest

brands. As a result, the price of mayonnaise has risen by around a third. The rise in the price of cereals pushed up the price of bread and other flour products. Pork is already 11-percent more expensive than it was last year. The more so, high inflation is expected to persist throughout this year.

Although Lithuanian authorities are trying to smooth out the deteriorating economic situation, in fact their actions are illogical and also dangerous for the country. Thus, it has become known that Lithuania plans to spend € 60 m on road and rail network for military needs, instead of reducing the financial burden on the population due to rising prices.

The Lithuanian government plans to upgrade roads in the near future to ensure better mobility for military personnel stationed in Lithuania, the country's Transport and Communications Minister Marius Skuodis said on March, 31.

"For example, one of the major priorities will be the construction of the Via Baltica from Marijampolė to the Polish border," Skuodis told reporters at the opening of a bridge in Kaunas, Lithuania's second-largest city. Besides, NATO doubled its military presence in the Baltic countries against the background of the situation in Ukraine, the Minister of Defence of Lithuania Arvydas Anušauskas said. The additional foreign troops deployment will cost a lot. Lithuanians will pay double price not only for energy, but for NATO soldiers as well. Lithuania's President Gitanas Nausėda urged allies to strengthen the eastern border on March, 24 at the NATO summit. The president added that "Lithuania is ready to accept a larger allied force and provide all the necessary infrastructure and assistance in the territory of our state". It is doubtful that Lithuanians will be happy to pay for foreign military while they themselves are experiencing huge financial difficulties.

Author: adomasabromaitis

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