
GREECE FACES MORE AUSTERITY

- 23.05.2016

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Greece's parliament has approved new budget cuts and tax rises ahead of a key eurozone meeting when finance ministers are expected to unblock vital bailout-funds.

Athens is trying to negotiate new aid for a debt payment of €3.5bn due in two months time.

Premier Alexis Tsipras told parliament Greece was sticking to its promises:

European leaders will receive a message tonight, the message that Greece fulfill its obligations, it undertakes its responsibilities. Tomorrow the other side must also take responsibility.

The new austerity measures were criticised by opposition lawmakers. They include a hike in VAT, more tax on fuel, tobacco and internet usage and the creation of a state privatisation fund.

The ruling coalition voted in favour of the reforms with only one MP against some of the articles on the new privatisation fund and a contingency mechanism of spending cuts that will be activated only if Athens looks set to miss its fiscal targets. Syriza MP Vassiliki Katriavanou later resigned.

Outside parliament hundreds of demonstrators held a rally protesting against yet more reforms. Earlier this month, parliament approved changes to the pension and income tax system.

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