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## SPANISH UNIONS REJECT BUDGET ADJUSTMENT DEMANDED BY EU

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EurActiv

Spain's two biggest unions said Thursday (10 November) they firmly opposed measures demanded by Brussels to reduce the public deficit and demanded a hike in the minimum wage.

We firmly reject the adjustment of 11 billion demanded by the European Commission, the head of the UGT union, Pepe Alvarez, told a joint news conference with Ignacio Fernandez Toxo who heads the nation's biggest union Comisiones Obreras.

Spain had agreed with Brussels to reduce its public deficit from 5.1% of gross domestic product (GDP) in 2015 to 4.6% this year and 3.1% in 2017.

Spain's Rajoy appoints EU-friendly Cabinet

Spain's leader Mariano Rajoy, starting a second term after months of political paralysis in his country, formed a new cabinet last night (3 November) that looks set to maintain controversial economic reforms and cement EU ties.

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But the draft 2017 budget which Prime Minister Mariano Rajoy's conservative government sent to Brussels last month forecasts a public deficit of 3.6% this year.

The European Commission responded by demanding that Madrid adopt additional measures to lower the deficit down to 3.1%, which will require roughly 11 billion in spending cuts and tax increases.

It is essential that Spain get at least an additional year of flexibility to adjust its public accounts, Toxo said.

Spanish crisis gives way to new political battles

When conservative political survivor Mariano Rajoy takes control of Spain once again this week he will be faced with unprecedented opposition as he grapples with painful economic reforms and resurgent Catalan separatism.

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That would give Spain until 2019 to bring its public deficit below the EU's limit of 3.0% of economic

output. The country has already been granted another two years to bring the deficit below the limit.

The two unions also demanded that the monthly minimum wage be raised from €764 to €933.

Rajoy won a parliamentary confidence vote on 29 October, taking power after two indecisive elections that led to 10 months of political paralysis.

But this time around he has a minority government and will need to scramble for approval from other opposition parties further to the left to win approval in parliament for legislation.

Spain admits it will miss deficit targets

Spain, mired in political deadlock just as it emerges from a six-year recession, has admitted it will overshoot its budget deficit target next year.

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