



Appearance before the Senate Budget Committee

## Fernández Currás says that the Government will fulfil each and every one of its commitments to Brussels

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- She stated that no other government in Europe or in the West has brought in so many vital reforms in just five months

**30 May 2012.** The Secretary of State for Budgets and Expenditure, Marta Fernández Currás, gave her assurances yesterday in the Senate that the Government "will fulfil each and every one of its commitments to Brussels" to stay on the deficit reduction path and to meet all its budget targets. However, in addition to affirming that the State "will fulfil" she also stated unequivocally that "we are not going to allow the Autonomous Communities to stray from their objective and we, as the State, will be setting an example".

During her appearance before the Senate Budget Committee, the Secretary of State gave a detailed account of each section of the budget for this year which, she said, is the budget the Spanish economy needs, "this is the only possible budget because the measures the Government is taking are absolutely essential to halt decline and to grow and create jobs".

Fernández Currás explained that, as a result of the significant budget deviation among the Public Administrations as a whole in relation to the stability target committed to by the previous government - 6% of GDP compared to the actual 8.9% - the new government was forced to adopt urgent measures to correct this "from the moment it took on the responsibility, without wavering, because this government does not give in to complacency, and nor is it looking to win popularity awards".

She declared that no other government in Europe or in the West had brought in so many reforms in just five months, all of which are of profound and vital importance. For this reason, when the Budgets are undergoing their final approval "I can repeat that, they are tough, they are demanding, they are the most restrictive budgets in the history of Spanish democracy, but they are the only possible budgets" said the Secretary of State.

The Secretary of State argued the case for each and every one of the measures implemented by the government, including the Law on Budgetary Stability to correct the deficit and to ensure that no administration spends money it does not have.

She also made reference to the supplier payment plan, a pioneering plan that will inject cash into the economy to the tune of around €35,000 million and will put an end to the debts of the public administrations, which will be of particular benefit to SMEs and the self-employed, those who have been most pressured by the administrations' failure to pay their obligations.

The reform of the financial system, the plan to combat tax fraud, labour reform, healthcare reform and education reform were among the other government measures referred to by the Secretary of State.

### **Exceptional accounts**

She said that this year's accounts were "exceptional" and that they were "required due to the exceptional state of our economy". She stated that we have got into the situation we are currently in because of everything that has not been done or has been done badly during previous terms of office, and precisely for this reason "the fiscal margin in the budget was used up and it was not this government that used it up".

Fernández Currás categorically rejected the notion that the State Budget for 2012 was amortised, and to the contrary, it comprised predictable, austere and sound accounts that incorporated the policies that the

government has been implementing since the start of this year with responsibility, rigour and realism.

The public deficit will be reduced through a combination of increased income and austere spending. In this way the State will tackle the most intense adjustment of the entire fiscal consolidation process, seeking to share the burden of this process fairly and equally. This adjustment will be carried out in a way which is proportional to the possibilities of each of the economic agents, thus ensuring that the burden is not centred on a specific sector and in particular on the most disadvantaged sectors.