
Macroeconomic indicators - Worst of Spanish recession is over

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Mr Jose Luis Rodriguez Zapatero Prime Minister of Spain said that the worst of Spain's recession is over, even as he announced tax hikes to plug a government deficit soaring because of the downturn.

Mr Zapatero said that "The worst phase of the crisis has passed, but we have still to make a great collective effort to ensure that the recovery begins as soon as possible."

Mr Zapatero acknowledged that the second quarter figure was negative, but stressed it was an improvement on previous months. The economy had contracted by 1.9% in the first quarter from the final three month period of 2008.

Ms Elena Salgado finance minister of Spain said that all possibilities were being reviewed but ruled out higher taxes on wealthier people, saying they have already paid enough.

Meanwhile, Mr Zapatero said that the government would also study expanding the terms under which people whose unemployment benefits have run out can apply for a new special monthly subsidy of USD 600. The measure, introduced August 13th 2009, was criticized as it was estimated to only benefit 340,000 people out of the some 1 million whose jobless benefits have dried up.

(Sourced from AP)

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