

Majorca Daily Bulletin

Tuesday, March 29 2022

1.20€ · Founded 1962 · N.17263 · Passeig de Mallorca 9 A, Palma 07011



THE END OF THE MASK? Inside



Oscars hit rock bottom: SEE Inside

16 BILLION EURO ENERGY DEAL IN SPAIN



Madrid.—Spain announced 16 billion euros (\$17.5 billion) in direct aid and soft loans yesterday to help companies and households weather sky-high energy prices that are pushing up inflation and stoking social discontent.

The government will approve today the package to mitigate the fallout of Russia’s invasion of Ukraine, Prime Minister Pedro Sanchez said at a corporate event.

“The war response shock plan will protect industries and citizens,” he said.

The three-month plan will come into force on April 1.

Truck drivers have been on strike

for two weeks over fuel prices, causing sporadic goods shortages around the country.

Around 6 billion euros will come as direct aid and tax cuts mostly extended from a previous package related to the COVID-19 pandemic, while the remaining 10 billion euros are subsidized loans. There will also be limits on house rent increases and caps on energy prices.

It will initially be approved by decree as the government’s fragile parliamentary majority makes approval in Congress difficult.

Highly exposed to external shocks, Spain was among the

worst hit European countries by the pandemic and responded with a mammoth 140 billion euro economic rescue plan. Now faced with protest at home over energy prices, which soared 60% in a year to February and pushed inflation close to 8%, Madrid is taking new steps to protect its economy.

Sanchez on Friday broke off negotiations at the European Council until he secured an “Iberian exception” for Spain and Portugal that would allow them to cap gas prices.

The government is now thrashing out the details of its plan pending final European approval.