

Prime Minister Rajoy Says Spanish Economy Is Being Transformed

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[Español](#)

- The World Economic Forum on Latin America is taking place in Puerto Vallarta, Mexico, on 16-18 April 2012.
- Rajoy was very critical of certain trade policies designed to protect domestic markets, including in Latin America.
- Spain is committed to fiscal discipline and reforms to boost competitiveness.
- For more information about the meeting, please visit: www.weforum.org/latinamerica2012.

Puerto Vallarta, Mexico, 17 April 2012 – “Spain’s economy has to be transformed and go back to the idea of creating jobs and [fostering] stability,” Spanish Prime Minister Mariano Rajoy Brey told participants at the World Economic Forum on Latin America in his special address today in Puerto Vallarta. “My government is convinced that it needs to undertake the reforms” to allay fears that are overshadowing the Spanish economy, he said. He insisted that fiscal discipline is needed and that Spain is now committed to limit the budget deficit to 3% of GDP next year to free resources for the private sector, while reforming the labour and financial markets to achieve greater flexibility. He added that his government will announce new measures dealing with education and public services later this week.

“The world economy has not completely recovered from the financial crisis,” he said, noting that “financial markets are not completely back to normal.” Meanwhile, Spain seems to be in the eye of the storm, following a new increase in tension in the Eurozone. Rajoy mentioned that Italy and Spain still look quite fragile, but that both countries “have decided to undertake profound reforms.”

Rajoy noted that the impact of the European crisis on Latin America has so far been moderate, but some contagion to emerging markets may still come from the financial channel. While Spanish banks have a strong presence in Latin America, he explained that local subsidiaries operate autonomously and lend locally. “The Spanish financial system will not damage [bank] branches in the region,” he said.

In the meantime, Rajoy was very critical of some trade policies designed to protect domestic markets, including in Latin America. “We don’t want to see protectionist policies in place,” said Rajoy, who is travelling to Colombia after his visit to Mexico.

The Co-Chairs of the World Economic Forum on Latin America reflect the international character of the participants: **Sally Blount**, Dean, Kellogg School of Management, Northwestern University, USA; **H.R.H. Crown Prince Haakon of Norway**, Crown Prince of Norway; **Jeffrey Joerres**, Chairman and Chief Executive Officer, ManpowerGroup, USA; **Martin Senn**, Group Chief Executive Officer, Zurich Insurance Group, Switzerland; **Daniel Servitje**, Chief Executive Officer, Grupo Bimbo, Mexico; and **Juan Jose Suarez Coppel**, Chief Executive Officer, Pemex -

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