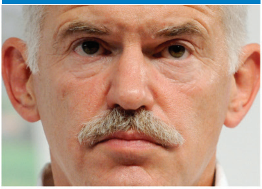
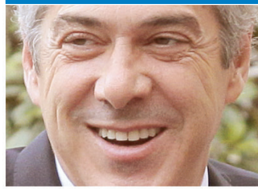
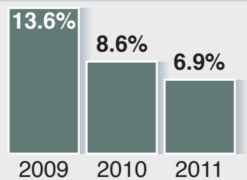
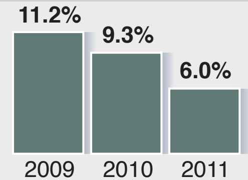
Cutbacks to ease eurozone's debt fears

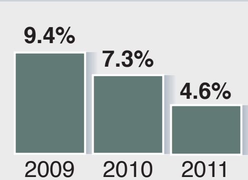
Spain and Portugal – seen as the next two weak links in the 16-nation eurozone after Greece – are slashing state employees' wages, investment spending and pensions in a bid to reduce their budget deficits

GREECE	SPAIN	PORTUGAL
		
Prime Ministers ***George Papandreou***	***Jose Luis Rodriguez Zapatero***	***Jose Socrates***

Budget deficits: Reductions under EU-IMF €750bn rescue plan *(% of GDP)*







	Greece	Spain	Portugal
GDP *(2009)*:	€237.5bn	€1,051.2bn	€163.8bn

Government debt *(percentage of GDP)*

Greece		Spain		Portugal	
115.1%	€273bn	53.2%	€560bn	76.8%	€126bn

Austerity measures announced or planned

	Greece	Spain	Portugal
Value of cuts:	€30bn	€65bn	€8bn
VAT:	Up **2%** to **23%**	Up **2%** to **18%**	Up **1%** to **21%**

Greece: Public sector pay cut by **12%**. Public sector allowances cut by additional **8%**. Holiday bonuses abolished for civil servants earning above **€3,000** a month. Fuel, tobacco and alcohol taxes up **10%**. End to final salary pensions. New **5-10%** tax on pensions above **€1,400** a month. Cut tax evasion, estimated at **€24-€27bn**. Retirement age to be raised from **61** to **65**

Spain: Public sector pay cut by **5%** from June, top-level pay cut by **15%**, salaries frozen from 2011. **13,000** public sector jobs cut. **€2,500** "baby cheque" abolished from 2011. Public sector investment cut by **€6bn**. **€600m** reduction in foreign aid. Cuts to cost of pharmaceuticals in public health system. Retirement age to be raised from **65** to **67**

Portugal: Salaries of politicians and public sector bosses cut by **5%**. Income tax up between **1%-1.5%**. Corporation tax up **2.5%** to **27.5%** for companies reporting annual profits of more than **€2 million**. New Lisbon airport and Tagus bridge on hold

Sources: Statistical institutes, OECD, Eurostat   Pictures: Getty Images