

## Government develops law to de-index public prices and inflation

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The government has developed, through a Royal Decree, the Law to De-index the Spanish Economy, approved back in March 2015 with the aim of de-indexing price reviews of goods and services in the public sector from the Consumer Price Index (CPI).

According to the explanation offered by the Government Spokesperson, Íñigo Méndez de Vigo, the intention is for "inflation not to be immediately passed on to certain public prices", among which he mentioned bus and train tickets, motorway tolls, medication and regulated gas and electricity prices. There are certain one-off CPI rises, he argued, but if these public prices automatically increase, they contribute to this rise becoming permanent.

The regulation also sets out certain exceptions allowing indexing and the requirements are established that must be met in these cases.

Íñigo Méndez de Vigo also highlighted that the law excludes pensions, wage bargaining and the issue of public debt from its scope of application.

<http://www.boe.es/boe/dias/2017/02/04/pdfs/BOE-A-2017-1150.pdf>