

IMF chief backs Spain's economic reform plan

WASHINGTON, April 26 (Xinhua)-- The International Monetary Fund (IMF) Managing Director Christine Lagarde on Friday expressed support for Spain's economic reform plan, endorsing its decision to pursue more gradual fiscal consolidation. "I strongly support the Spanish government's objectives of restoring a sound fiscal position while securing a recovery and creating jobs," Lagarde said in a statement. "Today's announcement to pursue a more gradual consolidation path is a welcome step toward meeting these goals, building on major reforms and structural fiscal improvements last year," she added. Lagarde said the IMF is looking forward to discussing the measures underpinning the new strategy during its annual economic review of Spain, scheduled for early June. The Spanish government announced earlier Friday a new package of economic reforms aimed at spurring growth following years of austerity that has resulted in soaring unemployment. The package includes an annual plan to boost employment, fiscal incentives for small and medium-sized companies, measures to help companies go global, and relaxed visa conditions for foreign investors. The government predicted that the Spanish economy would contract by 1.3 percent in 2013 with a deficit of 6.3 percent, before resuming growth in 2014. The deficit would fall to 5.5 percent next year but won't be brought under the 3 percent target until 2016, two years later than originally planned.