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SPANIARDS TIGHTEN THEIR BELTS FOR CRISIS CHRISTMAS

Hit by record unemployment and an unprecedented austerity squeeze, Spaniards are tightening their belts for Christmas under the cloud of a five-year-old economic crisis.

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There may be plenty of people at this Christmas market in Madrid, but appearances are deceptive. Spaniards are preparing for a tough Christmas after one of the worst years in a five-year economic crisis. They're struggling against a recession, a record unemployment rate of more than 25 percent and repeated budget cuts.

This year I will be spending less. Today I have a job but from January onwards I don't know if I'll keep it or I'll be laid off. There are so many businesses and public services closing down.

A few years ago you could spend 300 or 400 euros on presents. This year I will be surprised if I spend more than 100.

As Spain cuts spending, all public sector workers and many private sector employees have lost their Christmas bonus this year. Prices have gone up, too, with the top rate of sales tax rising from 18 percent to 21 percent.

From 2007 to 2012 we expect Christmas spending per family to fall from 1,000 euros to 600 euros. The effect of the crisis will really hit home this year in almost all Spanish families.

Another victim of the crisis is Spain's lottery, known as El Gordo, or the Fat One. Even if more people are buying tickets, the state lottery expects overall revenue to fall.

I am going to spend less on the lottery because we are earning less and everything is more expensive. If you don't have any money you can't spend it.

I have been looking for a job for a year and can't find work. Maybe if I buy a winning ticket it will improve my economic situation and my family's.

Times are tough for business, too. This well-known shop hasn't raised prices in three years so while its traditional "turrón" may be sweet, Christmas will still be bitter for many this year.