

Speaker Orban: We must return to the system of increasing pensions from January 1

Speaker of the Chamber of Deputies Ludovic Orban, the national chairman of the National Liberal Party (PNL), major at rule, said on Tuesday that there should be a return to increasing state pensions in the early days of the year, arguing that giving laws that provide for raises in pensions and wages over several years is an "aberration."

"I am a supporter of the indexation system that takes into account the inflation rate, to compensate for the loss of purchasing power as a result of rising prices, meaning compensating 100% for inflation and up to 50% when it comes to the average gross wage so that the purchasing power may increase with economic growth, because our goal is to increase the purchasing power when there is sound economic growth. From my point of view, it is an aberration to start making laws that provide for raises in pensions and wages four years, five years, six years, possibly 100 years - why has the Social Democratic Party (PSD) not provided for raises in pensions and wages for 100 years?" said Orban after attending a meeting of the Standing Bureau of the National Council of Romania's Privately-owned Small and Medium-sized Enterprises.

Asked if a 3 to 8% increase in pensions is possible, he said he does venture to mention percentages.

"As I have always said about the minimum wage (...) that we should go for a formula that is based on economic realities. In the case of the minimum wage - on productivity gains, inflation and a correction coefficient determined by economic growth; the same should be in the case of state pensions - you compensate for the loss of purchasing power by indexing 100% for inflation and you increase your purchasing power a little according to economic growth. If there is no economic growth (...), you cannot raise state pensions or public pay. The pay law adopted by PSD provided for a four-stage raise by 25% percent each as against the 2018 sizes, to an amount in 2021 it came up with out of thin air," Orban added.