

Coalition leaders agree on slashing fuel excise duty, extending capping scheme, compensating energy prices

The governing coalition leaders reached an agreement, in principle, on Tuesday, to cut down the excise duty on fuels, as well as to extend the current capping scheme and compensate the prices of electricity and natural gas after April 1, inform political sources.

According to the same sources, at the proposal of PSD (Social Democratic Party), the excise duty on fuels could be slashed by 50pct for a period of three months, starting with April 1.

At the same time, the emergency ordinance that caps and compensates the energy prices could be extended in April, the ceiling remaining of 0.8 lei for household consumers for electricity and 0.31 lei for natural gas, according to the same sources. These measures should be extended until energy prices can be regulated with the consent of the European Commission.

Prime Minister Nicolae Ciuca will have inter-ministerial and inter-institutional meetings to establish the final measures.

Social Democratic Party (PSD) leader Marcel Ciolacu on Monday announced he would propose in the ruling coalition measures to reduce fuel prices, one of these being halving the fuel excise duty.

"I have asked for a simulation from the Finance Minister - what is the fuel excise and how much of the price it represents. A price of 7 lei for diesel has been reached, it seems a price that reflects the energy price rise. I believe an intervention on a limited period, for instance, halving the excise would also have a beneficial effect on inflation, as the second big issue after price rises is inflation. From the simulations made by Mr. minister the price would drop some 1.2 lei," Ciolacu explained.