

THE PRIME MINISTER OF BELGIUM FAVOURS CONSUMPTION TAX

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“Guy Verhofstadt is putting forward a reform of the European fiscal systems. For the end in itself, but also, according to ultra-liberal doctrine: by reducing direct taxes and increasing indirect levies, such as VAT or excise duties.

“In his analysis, the Prime Minister pointed out that indirect taxes do not weigh on production costs, do not affect exports, are raised equally on products and services imported or produced here, and apply both to those in work and those not in work.

“In his view, a big shift from direct taxes to indirect levies is **the only way of holding on to the European social model**, threatened as it is by competition from other regions of the world where production costs are lower.

“Mr Verhofstadt presented this idea to his European colleagues as a wider contribution to the reform of the Lisbon Strategy, which will be discussed **at the Summit on 22 and 23 March ...**”
(Source: *Belga*)