



By: TA | AP Brief

Under pressure from the protests, the Greek government promised tax relief and wage hikes



Greece's conservative government promised sweeping tax breaks and pay hikes before a general election next year, as thousands gathered in protest late Saturday over the high cost of living.

"Our country has overcome stagnation and is now ready to taste the fruits of its efforts," Prime Minister Kyriakos Mitsotakis said. "As the country stabilizes, there will be relief from heavy taxes, higher incomes and bold reforms."

He spoke at an annual speech on the state of the nation's economy in the northern city of Thessaloniki, where more than 25,000 people took part in union-led protests, according to police estimates.

Labor unions and multiple protest groups staged rallies across the city, with farmers driving tractors into the downtown area.

More than 3,000 police officers were on duty, closing streets and subway stations near the venue where the prime minister spoke.

The lowest purchasing power in the EU

Greece delivered a budget surplus and economic growth of 2.1% last year, while continuing to reduce its high public debt, but its workers had the lowest purchasing power in the European Union.

"Wages are low and prices are soaring, so affordability is the most serious problem," said Yiannis Panagopoulos, head of Greece's largest labor union, the GSEE.

The support measures, worth more than 2 billion euros (\$2.3 billion) over the next year, include tax breaks for self-employed professionals, farmers and residents of villages, as well as salary and benefit increases for retirees and public sector workers.

Mitsotakis, the 58-year-old son of late conservative Prime Minister Constantine Mitsotakis, has served as prime minister since 2019, as Greece emerged from a major financial crisis.

He's seeking a third term in an election expected next April. But polls suggest that support for his center-right New Democracy party wouldn't give it a governing majority in parliament.

Saturday's event was overshadowed by a **fighter jet crash** several hours earlier at an air show near Athens that killed two air force pilots.

Mitsotakis is seeking a third term in an election expected next April