

PM designate unveils new Romanian government

Reuters

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BUCHAREST, Feb 8 — Romania's prime minister-designate Mihai Razvan Ungureanu named his cabinet today, replacing all ruling party ministers in an attempt to make a clean break from his predecessor who quit after protests against austerity.

Parliament is expected to back the 43-year-old head of Romania's foreign intelligence service, nominated by the president, on Thursday after he inherited a coalition of the centrist Democrat-Liberal Party (PDL) and smaller groups.

Emil Boc became the latest victim of popular fury across Europe against belt-tightening measures after nearly a month of occasionally violent protests against salary cuts and tax rises imposed under an International Monetary Fund-led aid deal.

The protests in the EU's second-poorest country where the average wage is less than 350 euros (RM1395) a month, just a quarter of France's legal minimum, have pushed PDL support below 20 per cent. A parliamentary election is due by November.

"This is a government that deserves trust and is ready to prove that this is a change of political generation and of governing principles," Ungureanu said in a speech.

The leftist Social Liberal Union (USL) opposition, which demanded Boc's resignation, said it will boycott the vote because it wants early elections, not a new government. It also demands the resignation of President Traian Basescu.

Ungureanu proposed that all PDL ministers be replaced with members of the same party. He named Bogdan Dragoi, 31, an experienced head of government debt policy, as the new finance minister, confirming an earlier Reuters report.

Basescu, the power behind the throne and also a target of protesters, was a PDL stalwart until he had to quit the party to become president and hopes his old ally Ungureanu can revive the PDL's fortunes - even though he is also not a member.

Romanian financial markets have so far shrugged off the political uncertainty because all major parties have pledged to work with international lenders to maintain investor confidence.

If parliament rejects Ungureanu, Basescu would have to propose a replacement and the extended policy stalemate could trigger a sell-off.

Ungureanu proposed that politicians from coalition partners, including Justice Minister and interim Prime Minister Catalin Predoiu, retain their jobs.

Lucian Bode, a former power company engineer and senior PDL member, would become economy minister also responsible for energy, replacing Ion Ariton, who failed to push through an ambitious privatisation plan agreed with the IMF.

"They are fresher, younger but not necessarily more competent," said independent political analyst Mircea Marian. "But of course with them, the IMF programme would definitely stay on track."

Ungureanu also unveiled his governing programme, which would continue Boc's reforms, including allowing only prudent pension and wage rises, if the economy allows, before the election and selling state assets such as energy groups Petrom, Transelectrica and Transgaz.

The new man has not received a warm welcome from the public. Some protesters called for his resignation before he even takes office, expressing concern over his security background in a country once terrorised by the communist-era Securitate.

Basescu holds office until 2014 and cannot seek re-election because he has served the maximum two terms. He would prefer not to work with the leftist Liberal Social Union (USL) alliance, which has more than 50 per cent backing in opinion polls.

Newspaper Jurnalul National ran a front page cartoon of Basescu in a leaking hot air balloon in PDL colours, throwing out Boc and other sacked ministers in a desperate survival bid. — Reuters

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