

Franco-German “competitiveness pact”

German chancellor Angela Merkel and French president Nicolas Sarkozy have set out a “competitiveness pact” between eurozone member countries. The pact will be discussed by EU leaders at a summit in March

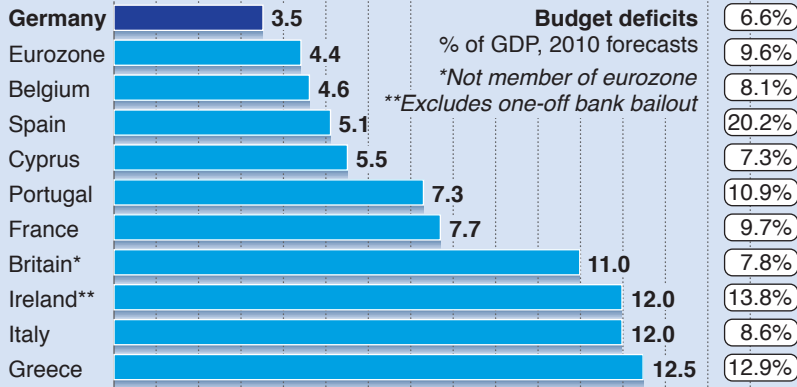
Bailout fund: Germany to expand □440bn European Financial Stability Facility, giving it power to buy sovereign bonds of struggling countries



■ **Constitutional changes:** All 17 eurozone members to include binding debt reduction targets in national constitutions

■ **Economic reforms:** Budget deficits not to exceed 3% of gross domestic product allowed by EU

Jobless rate ▼



■ **Corporation tax:** Common rate for whole EU. Means changing rates to match Germany's (15%) – opposed by Ireland which has low 12.5% rate

■ **Wages:** Scrapping inflation-indexing of wages – opposed by Belgium, Portugal, Luxembourg, Austria and Spain

■ **Pensions:** EU-wide retirement age of 67 to match Germany

■ **Education:** Mutual recognition of qualifications to boost labour mobility