Eurozone deal reached without UK

EU members who use the Euros have agreed to a tax and budget pact to tackle the Eurozone's debt crisis but a German and French attempt to get all 27 EU states to back changes to the union's treaties was dropped after objections from the UK

REUTERS

France's President Nicolas Sarkozy (L) arrives at an European Union Summit in Brussels

The new tougher rules on spending and budgets will now be backed not by an EU treaty but by a treaty between governments. It will be quicker to set up but it may prove less rigorous. However, Europe has taken a big step towards closer integration, with binding rules over tax and spending, and sanctions against countries that overspend.

Nearly 10 hours of talks could not produce an agreement involving all member states. Instead, the 17 members of the Eurozone worked on a separate deal outside EU treaties. They are joined possibly by nine other countries, leaving the UK as the only exception.

Prime Minister David Cameron had insisted on an exemption for the UK from some financial regulations, saying he had not signed up to the deal because it was not in Britain's interests. "Those countries that sign this treaty... we wish them well because we want the Eurozone to sort out its problems, to achieve that stability and growth that all of Europe — Britain included — needs," he said.

EU leaders aim to have the pact ready to take effect by March. Among the measures agreed on, leaders pledged to provide more money for the International Monetary Fund to fund bailouts. But the deal failed to lift the markets, which are still hoping for more intervention by the European Central Bank.

The German Chancellor, Angela Merkel, praised the plan of action, saying it would contribute to securing the Euro. "I believe that after long negotiations this is a very, very important result because we have learned from the past and from mistakes and because in future [there will be] binding decisions, binding rules, more influence from the commission, more community and with that higher coherence," she noted.

The European Central Bank's Chief, Mario Draghi, said the accord would lead to much more discipline in economic policy, calling it 'a very good outcome for the Euro area'. Actually, the immediate test will be whether this agreement persuades the European Central Bank to act more aggressively in the markets and so lower the borrowing costs of troubled countries like Italy and Spain.

How close are we to a crash-proof car?

Every year, 1.3m people are killed and 50m injured on the world's roads. Carmakers are racing to create a vehicle that will never crash, but can it be done and will drivers accept a computer that overrides their driving?

Less than 30 years ago, 'clunk clicking' ourselves into our car seat belts seemed like the cutting edge of road safety technology. Since then, we've seen airbags, anti-lock braking systems and crumple zones fitted to new cars. Now the arrival of crash avoidance technology promises to cut the number of crashes on our roads.

So confident is Volvo of the power of its technology, it has pledged that beyond the year 2020, no-one will be killed or seriously injured in one of its new cars. In essence, the Swedish manufacturer is aiming to build a vehicle that will fully protect its occupants and crash less. Other carmakers are making similar commitments. Toyota says it is aiming for zero fatalities and injuries, although it has not yet said when that goal would be achieved. And Ford is already marketing its new Focus — with its self-proclaimed 'intelligent protection system' — as one of the safest vehicles on the mass market.

So what is the latest technology and can it really prevent crashes? Systems that monitor blind spots and track the alertness of drivers, and electronic stability control are already being introduced to many new vehicles. Some cars also now have adaptive headlights that improve night-time visibility by pivoting around bends, as well as instruments that warn of a potential collision or when a vehicle drifts out of a motorway lane.

REUTERS

Citigroup plans to cut 4,500 jobs worldwide

US banking giant, Citigroup, says it is to cut 4,500 jobs around the world in an effort to reduce its costs

The group has put aside $400m (£250m) to pay for the cuts, according to its Chief Executive Vikram Pandit. The money will be written down in the company's fourth quarter results.

It is the latest in a string of global banks to announce cuts as the slowdown in the world economy and the European sovereign debt crisis has increased pressure on banks to limit costs. They include Citigroup rivals such as HSBC, Bank of America and UK-based Lloyds. Speaking at the Financial Services Conference hosted by Goldman Sachs in New York, Mr. Pandit said his bank had saved more than $1.4bn so far this year.

Airlines warn on impact of the European crisis

Europe's politicians being warned that if they don't resolve the region's debt crisis airlines worldwide will suffer massive losses next year

IATA, the industry's leading trade group, said the Euro must be shored up to prevent a new shock to the global banking system that would impact air transport across the globe. The International Air Transport Association fears a 6bn Euro hit.

"The biggest risk facing airline profitability over the next year is the economic turmoil that would result from a failure of governments to resolve the Eurozone sovereign debt crisis," said Tony Tyler, IATA's Director General. Even in the best-case scenario, Europe's airlines face losses in 2012 and the gap between the industry's haves and have-nots is expected to widen as Asian carriers soak up new demand and North American airlines sell fewer seats.

REUTERS

FedEx Panda Express aircraft lands at Edinburgh airport

IATA, which represents 240 of the best-known airlines carrying 84 percent of global traffic, cut its central forecast for 2012 industry profits to $3.5bn (2.6bn Euros) from $4.9bn (3.6bn Euros). Its 2011 profit outlook was unchanged at $6.9bn (5.2bn Euros).

Rediscovered Velazquez painting sold for £3m at auction

An oil painting by Spanish artist Velazquez discovered in Oxford sold at auction for £3m

The unframed portrait of a balding man was found in August 2010 when it was consigned for sale at Bonhams auction house in Oxford. In-house experts suspected it was by Diego Rodriguez de Silva y Velazquez and had it sent for analysis. The portrait was confirmed to be by Velazquez after X-ray examination.

It is one of 100 works by the Seville artist known to exist, of which only a handful remain in private hands. The 47cm (18.5in) x 39cm (15in) painting of an unknown man in a black tunic and white collar was part of a small collection of works owned by 19th century British painter Matthew Shepperson.

"The discovery of this lost treasure is a once-in-a-lifetime experience and it is tremendously exciting to be able to bring it to the world's attention," said Andrew McKenzie, Director of Old Master Paintings at Bonhams. "This is a portrait of outstanding quality which has the most extraordinary presence. To have worked so closely with it has been a wonderful experience and a highlight of my career."

The portrait went under the hammer at an auction of works by Old Masters at Bonhams in London.

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