

Italy Urged by EU to Pursue `Ambitious` Pace on Economy Plan

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By Chiara Vasarri | Bloomberg Businessweek

Oct. 27 (Bloomberg) -- Italian Prime Minister Silvio Berlusconi was urged by his euro-area counterparts to pursue an "ambitious timetable" to boost economic growth and cut debt, according to a statement after a crisis summit in Brussels.

Berlusconi vowed to raise 5 billion euros (\$8 billion) annually from asset sales, increase the retirement age and relax labor laws to convince European leaders Italy can reach its budget goals. The plan was "well-received" by the policy makers, Berlusconi said as he left the summit early today.

The leaders also called for Italy to define "by the end of the year" the process to achieve an increase of the retirement age to 67 years by 2026.

The pressure on Berlusconi underscored a push by leaders to prevent the Greece-fueled debt crisis from swamping the third- biggest euro economy and piling risks onto France and Germany.

After 10 hours of negotiations European policy makers persuaded bondholders to take 50 percent losses on Greek debt and boosted the firepower of the rescue fund to 1 trillion euros (\$1.4 trillion), responding to global pressure to step up the fight against the financial crisis.

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