

Procedure file

Basic information	
COS - Procedure on a strategy paper (historic)	1996/2218(COS)
Medium-term financial assistance mechanism for Member States' balances of payments. Report	Procedure completed
Subject	5.10.01 Convergence of economic policies, public deficit, interest rates

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs, Industrial Policy	PSE METTEN Alman	02/12/1996
	Committee for opinion	Rapporteur for opinion	Appointed
	BUDG Budgets		
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	2031	13/10/1997

Key events			
04/11/1996	Non-legislative basic document published	COM(1996)0545	Summary
15/11/1996	Committee referral announced in Parliament		
20/03/1997	Vote in committee		Summary
20/03/1997	Committee report tabled for plenary	A4-0105/1997	
08/04/1997	Debate in Parliament		
09/04/1997	Decision by Parliament	T4-0150/1997	Summary
09/04/1997	End of procedure in Parliament		
28/04/1997	Final act published in Official Journal		
13/10/1997	Debate in Council	2031	

Technical information	
Procedure reference	1996/2218(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper

Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/08376

Documentation gateway

Non-legislative basic document		COM(1996)0545	04/11/1996	EC	Summary
Committee report tabled for plenary, single reading		A4-0105/1997 OJ C 132 28.04.1997, p. 0006	20/03/1997	EP	
Text adopted by Parliament, single reading		T4-0150/1997 OJ C 132 28.04.1997, p. 0069-0105	09/04/1997	EP	Summary

Medium-term financial assistance mechanism for Member States' balances of payments. Report

OBJECTIVE: this Commission report is intended to serve as a basis for the re-examination by the Council of the medium-term financial assistance mechanism to Member States in relation to balance of payments. This mechanism is currently governed by Regulation 88/1969/EEC. SUBSTANCE: since the last review by the Council the facility was used once, in favour of Italy, in January 1993. At its request this country was granted by the Council a loan of ECU 8 billion (in four tranches) in order to support its balance of payments and to put in place an economic programme of adjustment and reforms. Only the first two tranches (ECU 4 billion in total) were used as the subsequent improvement of the balance of payments situation made unnecessary the disbursement of the remaining tranches. The Commission considers that, as in the past, the facility played a useful role by providing rapidly considerable financial assistance and by strengthening market confidence on the capacity of this Member State to remedy the situation. The Commission, therefore, considers that the present facility should remain unchanged and should be reviewed again before the end of 1998 in the light of developments until then, notably the decisions on the participants in the single currency from the start of the third stage. ?

Medium-term financial assistance mechanism for Member States' balances of payments. Report

Member States with balance of payments problems can receive medium-term financial assistance from the EU. According to the Treaty, this mechanism will cease to apply for Member States joining the EMU but the Committee, in a report drafted by Mr Alman METTEN (PES, NL), underlines that this "useful and necessary" instrument for monetary stability must be retained for Member States not joining the EMU from the beginning. Furthermore, the Treaty opens up a possibility for a Community loan instrument also during the third stage of the EMU, but this possibility has not yet been explored by the Commission. Noting that such support might be necessary to avoid turmoil, the Commission is called upon to draw up a proposal for a regulation on an assistance facility to promote economic and monetary stability by helping Member States having difficulties through Community guaranteed loans. The Committee recommends that this new instrument should be based on the existing assistance for balance of payments problems.?

Medium-term financial assistance mechanism for Member States' balances of payments. Report

In adopting the report by Mr METTEN (PSE, NL), Parliament argued that the facility for providing assistance for balance of payments is useful and should be maintained for those Member States which will not be participating in EMU from the outset. It pointed out that the Treaty has opened up the possibility of a Community loan instrument for the third stage of EMU and called on the Commission to draw up a proposal for a regulation for an assistance facility to help Member States facing balance-of-payments difficulties. ?