


Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	1997/2267(COS)	Procedure completed
Changeover to the Euro: Impact on Community policies, institutions and legislation		
Subject 5.20.02 Single currency, euro, euro area		

Key players			
European Parliament	Committee responsible		Rapporteur
	ECON Economic and Monetary Affairs, Industrial Policy		Appointed 27/11/1997
			PPE LANGEN Werner
	Committee for opinion		Rapporteur for opinion
	AGRI Agriculture and Rural Development		Appointed 09/12/1997
			PSE WILSON Anthony Joseph (Joe)
	BUDG Budgets		08/12/1997
			PSE WILLOCKX Frederik A.A.
	RELA External Economic Relations		22/01/1998
			PPE VALDIVIELSO DE CUÉ Jaime
Council of the European Union	JURI Legal Affairs, Citizens' Rights		06/01/1998
			PSE VERDE I ALDEA Josep
	REGI Regional Policy		
ENVI Environment, Public Health and Consumer Protection		The committee decided not to give an opinion.	

Key events			
05/11/1997	Non-legislative basic document published	COM(1997)0560	Summary
21/11/1997	Committee referral announced in Parliament		
03/09/1998	Vote in committee		Summary
03/09/1998	Committee report tabled for plenary	A4-0304/1998	
06/10/1998	Debate in Parliament		

06/10/1998	Decision by Parliament	T4-0547/1998	Summary
06/10/1998	End of procedure in Parliament		
26/10/1998	Final act published in Official Journal		

Technical information

Procedure reference	1997/2267(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/4/09503

Documentation gateway

Non-legislative basic document		COM(1997)0560	05/11/1997	EC	Summary
Committee report tabled for plenary, single reading		A4-0304/1998 OJ C 313 12.10.1998, p. 0008	03/09/1998	EP	
Text adopted by Parliament, single reading		T4-0547/1998 OJ C 328 26.10.1998, p. 0018-0052	06/10/1998	EP	Summary

Changeover to the Euro: Impact on Community policies, institutions and legislation

OBJECTIVE: to analyse the impact of the changeover to the euro on Community policies, institutions and legislation. **SUBSTANCE :**the object of the Commission communication is to provide a comprehensive assessment of the impact of the changeover to the euro at Community level and the resulting effect on Member States. In particular, it examines the following aspects: - the practical consequences for Community policies, - the euro-compatibility of Community legislation, - the impact in the technical and operational spheres (information technology, statistics, administrative changes, information and training of staff, etc.). The Commission's conclusions are largely positive, in terms of both the effect on Community policies and the internal functioning of the Commission and the Community institutions in general: - the impact on the Community budget will be beneficial, on both the revenue and expenditure sides: the exchange risk borne by the Community budget will be substantially reduced, and currency management will be facilitated; - the arrival of the euro will bring considerable simplification to certain policy areas (e.g. the agrimonetary regime); - specific legislation to be adopted will be extremely limited, and the operational aspect of the changeover is not expected to cause any disruptions, provided ongoing preparations continue as scheduled. The Community's efforts with regard to the changeover will be largely concentrated before 1 January 1999, whereas at national, regional and local levels the changeover will require an effort over the entire length of the transitional period, up to the introduction of euro notes and coins in 2002. ?

Changeover to the Euro: Impact on Community policies, institutions and legislation

Reporting on behalf of the Committee, Mr Werner LANGEN (PES, NL) welcomes the progress report from the Commission on the impact of the introduction of the euro on EU policies, institutions and legislation. Mr Langen notes that real progress has already been made towards ensuring that the EU itself will be amongst the first to fully embrace the euro, for example by tabling proposals to amend the Staff Regulations for officials and for the reform of the agri-monetary system. On the latter point, the Committee notes that the agricultural exchange rates will be superfluous for euro area countries, but considers that the elimination of the disparities between the euro and the "green ecu" may necessitate compensation payments to farmers. Also, for this as for other policies, the Committee underlines the need to find a solution that does not discriminate between "ins" and "pre-ins". As far as the internal administration is concerns, the Committee calls on the Commission to launch an information campaign for staff on the implications of the euro. On the general budget, the main effect of the introduction of the euro will be a significant reduction of the exchange rate risks it currently suffers from. Committee further considers that the Commission has made good progress in adapting the *acquis* to the euro, but points out that much work is still needed. The Committee considers that the whole process must be speeded up as most of the monetary provisions is contained in legislative acts adopted or to be adopted under the codecision or cooperation procedure, and will have to be amended following the same procedure. ?

Changeover to the Euro: Impact on Community policies, institutions and legislation

In adopting the report by Mr Werner LANGEN (PPE, D), the European Parliament called for the adoption of a sensible and realistic transitional system for the countries which were not members of the euro zone at the outset, and called on the Commission to present a modified and

simplified system for these countries, which would continue to need conversion rates. It welcomed the fact that agricultural conversion rates would in future be superfluous between the countries participating in Economic and Monetary Union. It was essential to ensure that the new agri- monetary schemes did not result in fresh distortions. Parliament considered that the issue of the elimination of the disparities between the euro rate and the green rate must be carefully considered and might give rise to compensation for farmers. It pointed out that the risk of serious moves of a currency out of alignment with the euro would remain, and believed that a mechanism like the present freeze of the gap at 11.5% should be envisaged after 1 January 1999. It welcomed the fact that the general impact of the introduction of the euro on the Community budget would be favourable and that the conversion rate risk borne by the Community budget would be considerably reduced. It called for an information strategy aimed particularly at the countries least closely linked to the Union and at the most important financial centres. It called for the relationship between the euro and the currencies of the applicant countries of Central and Eastern Europe to be analysed with the greatest care to avoid slowing down the intense economic growth and structural change currently taking place in most of those countries.?