



Procedure file

Basic information		
INI - Own-initiative procedure	2006/2206(INI)	Procedure completed
European Central Bank: annual report		
Subject 5.20.03 European Central Bank (ECB), ESCB		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs	PSE BERÈS Pervenche	14/03/2006
European Commission	Commission DG	Commissioner	
	Economic and Financial Affairs	ALMUNIA Joaquín	

Key events			
07/09/2006	Committee referral announced in Parliament		
10/10/2006	Vote in committee		Summary
13/10/2006	Committee report tabled for plenary	A6-0349/2006	
26/10/2006	Results of vote in Parliament		
26/10/2006	Debate in Parliament		
26/10/2006	Decision by Parliament	T6-0464/2006	Summary
26/10/2006	End of procedure in Parliament		

Technical information	
Procedure reference	2006/2206(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	ECON/6/34935

Documentation gateway					
Committee draft report		PE376.772	28/08/2006	EP	
Amendments tabled in committee		PE378.669	19/09/2006	EP	
Committee report tabled for plenary, single reading		A6-0349/2006	13/10/2006	EP	

Text adopted by Parliament, single reading	T6-0464/2006	26/10/2006	EP	Summary
Commission response to text adopted in plenary	SP(2006)5316-2	23/11/2006	EC	

European Central Bank: annual report

The committee adopted the own-initiative report drawn up by Pervenche BERÈS (PES, FR) in response to the 2005 annual report of the European Central Bank.

The committee praised the ECB's policy of 'concentrating on its most important objective, preserving price stability,' and said that it was correct to increase rates in 2005. The report stressed that the Bank must be aware of the risks to growth of continuous rate rises, and must continue to anchor inflationary expectations at levels consistent with price stability.

On appointments to the ECB Executive Board, MEPs emphasised that nationality should be irrelevant. While stressing the treaty requirement for candidates with experience of monetary and banking matters, they also argued that it is important for a variety of backgrounds to be represented on the Board.

The committee emphasised that the credibility of the ECB is also dependent on a high degree of transparency in its decision-making process and called once again for the publication of summary minutes of meetings of the ECB Governing Council, with clear statements of the arguments in favour and against decisions taken and the reasons why these decisions were taken. However, it warned that this should not replace the current press conferences by the ECB President after such meetings, which provide 'an invaluable and timely insight for observers and market participants'.

The report called on the ECB to take action with regard to the 'persistently high values of the M3 money supply' and to investigate developments in the mortgage and mergers and acquisitions markets. It also wanted the ECB to examine the reasons for the substantial increase (nearly 21%) in the number of 500 euro banknotes in circulation and to analyse the types of transaction carried out with these notes and the breakdown in demand by country.

The committee emphasised the risks inherent in rapid adjustments to international disequilibria, and noted that the Council has responsibility for exchange rate policy under the Treaty, which does not however set out how that power should be exercised. It invited the Eurogroup, the ECB and the Council to use their powers to the full, and step up coordination of their action in exchange rate policy.

Lastly, the report said that the EU should 'take the initiative in the debate which is getting underway globally' especially in the light of developments in the US 'about the need to better control the activities of hedge funds', and called for the ECB to carry out further analyses of the issue.

Although many points in the report resulted from a compromise between the political groups, some contentious issues remained, which led MEPs from the Socialist group to abstain in the final vote at committee stage. A number of amendments are likely to be tabled to the plenary.

European Central Bank: annual report

The European Parliament adopted a resolution based on the own-initiative report by Pervenche BERÈS (PES, FR) in response to the 2005 annual report of the European Central Bank. (Please see the summary of 10/10/2006.) The report was adopted by 157 votes in favour to 49 against with 84 abstentions. Several amendments were tabled by the EPP group. However, on the question of appointments to the ECB board, Parliament emphasised that that the nationality of appointees should be irrelevant and that they will continue to be judged by the strict criteria of the Treaty, such as that of their qualifications. It felt, however, that ex-ante democratic accountability and transparency would improve if the Council evaluated several potential candidates and if the candidate proposed by the Council were then subject to a vote of approval by the Parliament.