Adoption by Slovakia of the single currency on 1 January 2009

2008/0092(CNS) - 08/07/2008 - Final act

PURPOSE: adoption by Slovakia of the single currency on 1 January 2009.

LEGISLATIVE ACT: Council Decision 2008/608/EC in accordance with Article 122(2) of the Treaty on the adoption by Slovakia of the single currency on 1 January 2009.

CONTENT: this Decision provides that Slovakia fulfils the necessary conditions for the adoption of the single currency. The derogation in favour of Slovakia referred to in Article 4 of the 2003 Act of Accession will be abrogated with effect from 1 January 2009.

The text notes that, on the basis of reports presented by the Commission and the ECB on the progress made in the fulfilment by Slovakia of its obligations regarding the achievement of economic and monetary union, the Commission concluded that:

a) in Slovakia, national legislation, including the Statute of the national central bank, is compatible with Articles 108 and 109 of the Treaty and the Statute of the ESCB,

b) regarding the fulfilment by Slovakia of the convergence criteria mentioned in the four indents of Article 121(1) of the Treaty:

- the average inflation rate in Slovakia in the year ending March 2008 stood at 2.2%, which is well below the reference value, and it is likely to remain below the reference value in the months ahead, albeit with a narrowing margin;
- the budget deficit in Slovakia has seen a credible and sustainable reduction to below 3% of GDP. The Commission therefore recommended that the Council abrogate Decision 2005/182/EC on the existence of an excessive deficit for Slovakia;
- Slovakia has been a member of ERM II since 28 November 2005. In the two-year period ending 18 April 2008, the Slovak koruna (SKK) has not been subject to severe tensions and Slovakia has not devalued, on its own initiative, the SKK bilateral central rate against the euro;
- in the year ending March 2008, the long-term interest rate in Slovakia was, on average, 4.5% which is below the reference value.