Resolution on establishing a facility providing medium-term financial assistance for Member States' balances of payments

2009/2576(RSP) - 24/04/2009 - Text adopted by Parliament, single reading

Following the debate which took place during the sitting of 22 April 2009, the European Parliament adopted by 332 votes to 11 with 39 abstentions a resolution tabled by the Committee on Economic and Monetary Affairs on establishing a facility providing medium-term financial assistance for Member States' balances of payments.

Parliament recalls that the Council has already doubled the ceiling for medium-term financial assistance to EUR 25 000 000 000 from an original EUR 12 000 000 000 on the basis of Articles 119 and 308 of the Treaty by adopting Regulation (EC) No 1360/2008 amending Regulation (EC) No 332/2002. In conjunction with the arrangements of other international financial institutions, the Community granted a loan to Hungary of EUR 6 500 000 000 and to Latvia of EUR 3 100 000 000. It has decided to provide medium-term financial assistance to Romania of up to EUR 5 000 000 000 in light of the adverse effects of the global financial crisis on the economic and financial situation in Romania.

Members state that the current situation to be further proof of the relevance of the euro in regard to protecting the Member States in the euro area and invite the other Member States to join the euro area it as soon as they fulfil the Maastricht criteria.

They require that the Commission answer Parliament's former calls for an analysis of the effects of the behaviour of banks that removed their assets from the more recently acceded Member States.

On financial assistance, they recognise that, owing to the current global financial and economic crisis, the ceiling for the outstanding amount of loans to be granted to Member States as laid down in Regulation (EC) No 332/2002 should be significantly increased, taking due account of Parliament's calendar. Such an increase would also enhance the ability of the Community to respond more flexibly to further requests for medium-term financial assistance. It welcomes the voluntary agreements between banks and the Member States that more recently acceded to the EU under which those banks refrain from cutting credit lines (for example, as regards Romania and the Vienna Accord), and encourages further such initiatives.

It notes that the significant increase in the loan ceiling makes it possible to maximise the Commission's borrowing potential on capital markets or from financial institutions. It also notes that there is no specific legal basis for the Community to issue bonds on the global market, but that the Commission is undertaking preparatory work with a view to allowing two or more Member States, jointly, to issue euro-denominated bonds.

Parliament goes on to note that raising the loan ceiling would have no budgetary impact because the Commission would acquire the loans on the financial markets and the beneficiary Member States would be required to reimburse them. The only possible budgetary impact of raising the loan ceiling would be in the event that a Member State were to default on its debt. Members feel that the conditions attached to the granting of financial assistance should be in line with, and foster the promotion of, the Community's objectives in terms of quality of public spending, sustainable growth and social security systems, full employment, the fight against climate change and energy efficiency.

Parliament asks the Commission to ensure the coordination of economic policy at Community level during economic downturns and to set up a group of experts together with Parliament, and to prepare a framework and guidelines for the memorandums of understanding concluded between the Commission and the Member States concerned, setting out the conditions of the loans.