Adoption by Estonia of the euro on 1 January 2011

2010/0135(NLE) - 16/06/2010 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 589 votes to 40, with 52 abstentions, a legislative resolution approving the proposal for a Council decision on the adoption by Estonia of the euro on 1 January 2011.

The Parliament favours the adoption of the euro by Estonia on 1 January 2011 noting that Estonia has fulfilled the criteria, as a result of determined, credible and sustained efforts by the Estonian Government and the Estonian people.

Members show concern regarding the discrepancies between the convergence reports of the Commission and the ECB as regards the sustainability of price stability. They note that the ECB's 2010 Convergence Report identifies the maintenance of inflation convergence, once the current economic adjustment is over, as very challenging.

The Parliament calls on the Estonian Government to **maintain its prudent fiscal policy stance**, together with its overall stability-oriented policies, in the face of future macroeconomic imbalances and price stability risks. It calls on the Estonian authorities to speed up their practical preparations to ensure a **smooth changeover process** and calls on the Estonian Government to ensure that the introduction of the euro is not used for hidden price increases.

The resolution calls on the Member States to allow the Commission to assess compliance with the Maastricht criteria on the basis of definite, independent, current, reliable, and high-quality data. It also calls on the Commission to simulate the effect of the euro area rescue package on the Estonian budget when the country joins the euro area and thus becomes a member of the group guaranteeing the rescue funds.

The Commission and the ECB are called upon to: (i) consider all aspects when recommending the final exchange rate for the Estonian kroon; (ii) report to Parliament on steps being considered to minimise asset inflation as a consequence of low interest rates.