

Surveillance of budgetary positions and surveillance and coordination of economic policies

1996/0247(SYN) - 14/04/1997 - Council position

The common position takes into account, in whole or in part, a number of important amendments adopted by Parliament at first reading and incorporated by the Commission in its amended proposal: - The purpose of the regulation is more precisely defined, namely to set out the rules covering the content, the submission, the examination and the monitoring of stability programmes as part of multilateral surveillance by the Council so as to prevent, at an early stage, the occurrence of excessive deficits and to promote the surveillance and coordination of economic policies; - stability and convergence programmes must incorporate an assessment of the quantitative effects on the budget of the budgetary measures being taken to achieve the objectives of these programmes; - the Stability and Growth Pact is based on the objective of sound government finances as a means of strengthening the conditions for price stability and for strong sustainable growth conducive to employment creation; - the Council must monitor economic trends in the Community as they emerge from the stability and convergence programmes. The Council's common position contains the following amendments to the modified proposal: - it changes the deadline for the submission of stability and convergence programmes from 1 January 1999 to 1 March 1999; - it describes the stability and convergence programmes as an essential basis for price stability and strong growth conducive to employment creation; - it deletes the requirement proposed by the Commission for Member States to include in their stability and convergence programmes information on their commitment to take the necessary additional measures to prevent slippage from the medium-term budgetary objective; - it specifies that the Council will monitor economic policies of the non-participating Member States in the light of their convergence programme objectives with a view to ensuring that their policies are geared to stability, and thus to avoid real exchange rate misalignments and excessive nominal exchange rate fluctuations.