Euro 1999: convergence, Economic and monetary Union EMU. Commission and EMI reports

1998/0128(CNS) - 25/03/1998 - Supplementary legislative basic document

The European Monetary Institute (EMI) also submitted its report on convergence, pursuant to Article 109j of the Treaty. This report which contains many graphs and statistical tables considers in particular the key aspects of convergence in 1998 in all the Member States of the Union and notes the considerable progress made by countries with regard to convergence, while confirming that, even after the introduction of the euro, efforts to manage public finances will have to be continued. With regard to Italy, Belgium and Greece, the report recognizes that there are clear areas for concern at present as to whether the ratio of debt to GDP will reduce sufficiently to come into line with the reference value at a satisfactory pace and whether the sustainability of the budgetary situation has been achieved. For Italy in particular the EMI stresses that significant and regular budget surpluses will be required to reduce the debt to GDP ratio to 60% within an adequate timescale. The report also stresses the need for France and Germany to make further progress in the area of budgetary consolidation.