Single currency: adoption by Greece on 1st January 2001

2000/0110(CNS) - 03/05/2000 - Legislative proposal

PURPOSE : to confirm that Greece has met the convergence criteria for the single currency and to propose adoption by Greece of the currency. CONTENT : Greece has met the convergence criteria mentioned in the four indents of Article 122 (1) of the Treaty: -the average inflation in Greece in the year ending March 2000 stood at 2% which is below the reference value of 2.4%. -on 17 December 1999 the Council abrogated its previous Decision on the excessive deficit in Greece and therefore Greece is not the subject of a Council Decision on the existence of an excessive government deficit. -Greece has been a member of the Exchange Rate Mechanism (ERM) and subsequently of ERM II for two years. In that time, Greece has not devalued the drachma against the currency of any Member State or against the euro. During the review period, the Greek drachma traded above its central rate and has not experienced severe tensions. -in the year ending March 2000, the long-term interest rate in Greece was, on average, 6.4%, which is below the reference value of 7.2% Consequently, Greece fulfils the necessary conditions for the adoption of the single currency and the derogation of Greece should be abrogated with effect from 1 January 2001.