The Euro as a parallel currency

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By adopting the report of Mr. John STEVENS (EPP,UK) the Committee underlined that the euro will be just another foreign currency in the four pre-in countries; as more and more companies start doing business in euro it will rapidly develop into an important parallel currency accounting for as much as 15% of these countries' money supply over the next three years. This parallel use of the euro is to be welcomed as it will undoubtedly tend to accelerate British, Danish, Greek and Swedish participation in EMU. The Committee therefore calls on the Member States concerned to ensure that there are no barriers to using euro in commercial and other transactions. It also calls the ECB to set up a committee to monitor this.On the other hand, the parallel use of the euro has its risks, more companies than ever before will face exchange rate risks, while at the same time the four currencies concerned may experience significantly greater volatility against the euro. To reduce these risks, the Committee urges the four countries' governments to ensure that their policy towards the euro is as clear as possibly. As the only way to completely remove the risks inherent in the parallel use of the euro is by joining the EMU, the Committee calls on the "pre-ins" to do just that as soon as possible.