European Central Bank ECB. 1999 report

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The committee adopted the report by Alexander RADWAN (EPP/ED, D) on the European Central Bank's 1999 annual report. The committee gave clear support to the Bank, welcomed its convincing stability policy and noted its success in fighting inflation and establishing market credibility. It also congratulated the Bank on its improvement in information policy. The committee agreed with the Bank on the need to use the cyclical upturn to further reduce budget deficits and debt levels and to speed up structural reforms. In addition, it called on the Member States to use this economic situation to achieve balanced budgets in the coming year, earlier than originally planned. Regarding the reasons for the weak euro, the report stressed the need to improve the competitiveness of the euro-zone and expressed concern at the decisions of some countries with regard to working hours, which had made labour markets more rigid and might have contributed to a weakening of the economy of the euro-zone. As for the enlargement process, the committee noted that future EU membership would lead to full participation in monetary union, based on "strict" compliance with the convergence criteria, and stressed the desirability of a "high level of convergence in the real economy" to limit the strain to both existing members and applicant countries.