

Economic and monetary Union EMU: convergence report 2002 for Sweden. Report

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The committee adopted the report by Olle SCHMIDT (ELDR, S) on the Commission's 2002 convergence report on Sweden. Pointing out that the recent political turmoil surrounding the Stability and Growth Pact (SGP) had had a negative impact on the public perception of the euro, especially in those countries still outside the euro area, the report welcomed the decision to implement the Pact more flexibly. It nevertheless warned that any changes to the Pact might be seen by the public as solutions to short-term problems rather than as a result of a coordinated policy action. The committee welcomed Sweden's decision to hold a referendum on the introduction of the euro this year and hoped that other Member States outside the eurozone would follow its example. It agreed with the Commission's assessment that Sweden did not currently fulfil all the convergence criteria and said that Sweden must also actively pursue structural reform and take measures to boost competition in order to prepare for eurozone membership. This was especially important in the case of Sweden, given that the changeover to the euro would bring with it complete price transparency to a country where the general price level was higher than in most euro area countries. Lastly, the Commission was urged to carry out a study into how the legal framework for the introduction of the euro had functioned during the changeover process in the 12 eurozone countries, with a view to adapting it where necessary for future changeovers. The study should focus in particular on whether the legislation had been sufficiently well drafted so as to prevent changeovers from resulting in price increases, and should also examine whether the current denominations of euro coins and notes were appropriate.