European Monetary Institute EMI. 2nd annual report 1995

1996/2059(COS) - 18/06/1996 - Text adopted by Parliament, single reading

Parliament has adopted the report by Mr Carles GASOLIBA I BÖHM (ELDR) on the 1995 Annual Report of the European Monetary Institute. It takes the view that the analysis of the situation does not add any new information to the Commission's Annual Economic Report for 1996 and even points out that there are certain contradictions as regards the explanations given for the economic downturn. Parliament nonetheless welcomes the EMI report as a useful and comprehensive document on the state of the preparations for EMU and welcomes the proposal made by Mr Lamfalussy concerning the publication of half-yearly reports on the work done by the EMI. - On the role of the EMI: the report calls on the EMI to play a more active role in the coordination of the Member States' monetary policy, to pursue close cooperation with the other European institutions and to strengthen its relations with the various financial institutions in order to enable the future ECB to operate effectively in this area. - On the single currency: Parliament takes the view that the participation of all EU currencies in the European exchange rate mechanism is a necessary condition for safeguarding the proper functioning of the single market and for securing the transition to EMU. As laid down in its statutes the EMI is required, by 31 December 1996, to determine the instruments and procedures needed for a single exchange policy to be conducted. - As regards public deficits: Parliament points out that, although fiscal consolidation is a necessary condition for monetary union, it must not be at the expense of public and private investment in infrastructure and human capital. Parliament also wishes the general public to be involved in the preparation process relating to the production of Euro banknotes. It considers that close cooperation with the information campaign in this field would be very helpful. Lastly, Parliament calls for the next EMI annual report to contain a detailed analysis and evaluation of the effects of exchange rate fluctuations on trade, investment, growth and employment from both a micro-economic and a macro-economic perspective.