Impact of currency fluctuations on the internal market

1995/2286(COS) - 18/06/1996 - Text adopted by Parliament, single reading

Adopting the report by Mr Fernando PEREZ ROYO (PSE), the European Parliament affirmed that completing the internal market with EMU and, more importantly, introducing a single European currency, were the only ways of dealing with the problems of currency fluctuations within the European Union in the long term. The report called on Member States to step up efforts to improve public finances by introducing a stable and coherent policy which did not jeopardize the operation of common interest services and the European social model. The common system of exchange rates governing relations between Member States which benefit from a derogation and those which do not should be based on a euro with wide fluctuation margins, without excluding the possibility of setting narrower margins for those who so wish. In addition, provision was also needed for intervention mechanisms to neutralize speculative pressures. The report opposed the adoption of protectionist measures in reaction to monetary fluctuations and considered the suggestion that regions and sectors affected by these fluctuations be compensated through the Structural Funds to be inappropriate. However, adequate aid could be given to frontier SMEs, which would be the first to be affected by a devaluation in the currency of the neighbouring country.