




Basic information	
<b>2002/2170(COS)</b> COS - Procedure on a strategy paper (historic)	Procedure completed
Economic and monetary Union EMU: convergence report 2002 for Sweden. Report  <b>Subject</b> 5.10.01 Convergence of economic policies, public deficit, interest rates 5.20.02 Single currency, euro, euro area  <b>Geographical area</b> Sweden	

Key players				
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>	<b>Appointed</b>
	<b>ECON</b> Economic and Monetary Affairs		SCHMIDT Olle (ELDR)	19/06/2002
Council of the European Union				
European Commission	<b>Commission DG</b>		<b>Commissioner</b>	
	Economic and Financial Affairs			

Key events			
Date	Event	Reference	Summary
22/05/2002	Non-legislative basic document published	COM(2002)0243 	Summary
02/09/2002	Committee referral announced in Parliament		
19/02/2003	Vote in committee		Summary
19/02/2003	Committee report tabled for plenary	A5-0037/2003	
11/03/2003	Debate in Parliament		
12/03/2003	Decision by Parliament	T5-0091/2003	Summary
12/03/2003	End of procedure in Parliament		
10/03/2004	Final act published in Official Journal		

Technical information	
<b>Procedure reference</b>	2002/2170(COS)

Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	ECON/5/16492

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		<a href="#">A5-0037/2003</a>	19/02/2003	
Text adopted by Parliament, single reading		<a href="#">T5-0091/2003</a> OJ C 061 10.03.2004, p. 0152-0303 E	12/03/2003	<a href="#">Summary</a>
European Commission				
Document type		Reference	Date	Summary
Non-legislative basic document		<a href="#">COM(2002)0243</a> 	22/05/2002	<a href="#">Summary</a>

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

2002/2170(COS) - 12/03/2003 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution drafted by its rapporteur Olle SCHMIDT (ELDR, Sweden) by 395 votes for, 79 against and 50 abstentions on the Commission's report. (Please refer to the document dated 19/02/03.) Parliament also felt that there is considerable uncertainty concerning the interpretation and application of the exchange rate criteria. It recalled that the exchange rate criteria was interpreted with a considerable flexibility for four of the first wave countries. Parliament went on to call on the Commission to make public an authoritative interpretation of the exchange rate criterion, with particular emphasis on how it was interpreted in the past, and what if any changes are needed following the introduction of the euro. A pragmatic interpretation of the criteria is required, particularly in view of the fact that many of the new Member States will have achieved a considerable degree of exchange rate stability by other means than ERM II, for example, through currency board arrangements.

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

2002/2170(COS) - 22/05/2002 - Non-legislative basic document

PURPOSE : to adopt the 2002 Convergence Report on Sweden. CONTENT : in the 2000 convergence report the Commission assessment was that Sweden already fulfilled three of the convergence criteria (on price stability, the government budgetary position and the convergence of interest rates) but that it did not fulfil the exchange rate criterion. The assessment on legal convergence made in the 2000 convergence report concluded that legislation in Sweden was not compatible with the Treaty and the ESCB Statute. The relevant legislation in Sweden has remained unchanged since the last convergence report in May 2000. Developments in 2001 and 2002 have made evident the absence of detailed legislation on profit allocation and extraordinary payments of the Riksbank to the Treasury, safeguarding that the Riksbank retains the financial means necessary for implementing all ESCB-related tasks. In the view of the assessment in the 2000 convergence report and the new developments, the legislation in this field in Sweden is assessed not to be compatible with the Treaty and the ESCB Statute. - The average inflation rate in Sweden during the 12 months to April 2002 was 2.9%, below the reference value of 3.3%. The Swedish 12-month average inflation rate has been below the reference value throughout the period from December 1996. Sweden continues to fulfil the criterion on price stability. - The Council decision of 10 July 1995 on the existence of an excessive deficit in Sweden was abrogated in 1998 (Council decision of 1 May 1998). The government finances were turned around from a deficit of 1.6% of GDP in 1997 to a surplus of 1.9% in 1998 and have been in surplus each year since then. In 2001, a government surplus of 4.8% of GDP was achieved. The

government debt ratio peaked in 1994 and it fell below the 60% of GDP reference value in 2000. It was 55.9% of GDP in 2001. Sweden continues to fulfil the criterion on the government budgetary position. - The Swedish krona has not participated in the ERM II during the review period and it has fluctuated quite markedly against the euro and the Danish krone. Hence, as was the case at the time of the 2000 assessment of convergence, Sweden does not fulfil the exchange rate criterion. - The average yield on ten-year Swedish benchmark bonds during the 12 months to April 2002 was 5.3%, below the reference value of 7.0%. The Swedish long-term interest rate has been below the reference value throughout the period from December 1996. Sweden continues to fulfil the criterion on long-term interest rate convergence. In the light of this assessment the Commission concludes that there should be no change in the status of Sweden as a Member State with a derogation.