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JOINT MOTION FOR A RESOLUTION

pursuant to Rule 37(4) of the Rules of Procedure by

- Karl von Wogau and Othmar Karas, on behalf of the PPE-DE Group
- Christopher Huhne, on behalf of the ELDR Group
- Hans Blokland, on behalf of the EDD Group
- Benedetto Della Vedova, Maurizio Turco, Gianfranco Dell'Alba, Marco Pannella, Emma Bonino, Olivier Dupuis, Marco Cappato and Claudio Martelli,

replacing the motions by the following groups:

- ELDR (B5-0602/2001),
- PPE-DE (B5-0603/2001),

on the Stability and Growth Pact and the outcome of the informal Ecofin meeting of 22/23 September 2001 in Liège

European Parliament resolution on the Stability and Growth Pact and the outcome of the informal Ecofin meeting of 22/23 September 2001 in Liège

The European Parliament,

- having regard to the informal Ecofin meeting of 22/23 September 2001 in Liège,
 - having regard to the European Council resolution on the Stability and Growth Pact of 17 June 1997 and to Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies,
- A. whereas the Stability and Growth Pact (SPG) was agreed in Dublin in 1996 and has been in force since 1997, with the objective of sound government finances as a means of strengthening the conditions for price stability and strong sustainable growth,
- B. whereas monetary stability is of the utmost importance for the smooth running of the social market economy, for achieving high growth with a fair distribution of wealth amongst the Union's citizen, and for ensuring the long-term sustainability of the economy,
- C. whereas the power of economic decision making is now shared between the Member States and the European Union, which could possibly lead to a situation where individual Member States carried out policies having an adverse effect on monetary stability,
- D. having regard to the high degree of sensitivity of the financial sector during the period of introduction of the euro, especially during the phase of the changeover from national currency units to euro notes and coins,
- E. whereas the general economic outlook is less positive than in the last few years and the current economic situation has been worsened by the terrorist attacks against the United States,

1. Recalls that the Stability and Growth Pact is aimed at strengthening the budgetary situation on a medium-term basis and has pioneered budgetary coordination among Member States;
2. Asks the Council to reiterate its commitment to maintaining the Stability and Growth Pact in its present wording and to continuing fully to implement its principles;
3. Approves the general goal of balancing public accounts by 2002 or by 2004 set in the respective national stability/convergence programmes followed by all Member States;
4. Points out that the Stability and Growth Pact gives a certain leeway for adjustments to the business cycle as well as to external shocks; stresses that countries that have reached the goal of balance or even surplus can let automatic stabilisers play fully, while others have less room of manoeuvre;
5. Urges the Member States to draw up their budgets on the basis of reasonable assumptions concerning economic growth and to refrain from making use of one-off measures which artificially deflate the budget deficit and distort perceptions of the real budgetary situation;
6. Calls on the Member States to establish the stability programmes on a realistic basis, taking into account the possibility of changes in fundamental assumptions;
7. Calls on the Commission and the Council to treat small and large Member States equally when assessing the enforcement of national stability programmes;
8. Takes the view that, for the future, it would be desirable for the ECB, the Commission and Ecofin to agree on a common definition of "underlying budget balance", in the context of establishing the stability programmes, as this could serve as an additional analytical tool and help to further increase discipline;
9. Urges finance ministers to improve monitoring of fiscal positions in the framework of preparing Broad Economic Policy Guidelines in order to improve coordination of euro-zone policies and their application in the stability programmes;
10. Notes the outcome of the informal Ecofin meeting of 22 and 23 September as relayed by the Belgian Presidency and awaits the formalising of decisions at the next regular meeting of the Ecofin Council on 16 October 2001;
11. Welcomes the coordinated move by the US Federal Reserve Bank and the European Central Bank to lower interest rates after the attacks in the United States;
12. Approves the commitment given by the Ecofin ministers, the President of the ECB and the Commission to adopt rapidly the proposal for a directive on the prevention of the use of the financial system for the purpose of money laundering and the framework decision on the execution of orders freezing assets or evidence, with its scope extended to include terrorist-related crimes;
13. Wishes the EU to set up a special task force, composed of specialists from all the Member States and applicant countries, which should present a catalogue of urgent measures to be

taken in the different European countries in order effectively to dry up the financial resources of international terrorism on this continent;

14. Takes the view that stability in the monetary system needs to be increased and notes that Chile has been successful in this respect by requiring non-interest bearing deposits to match foreign capital on entry in order to promote longer maturities of external obligations; furthermore, calls for more transparency in the international financial system and for a tightening of the Basel rules;
15. Instructs its President to forward this resolution to the Council, the Commission, the European Central Bank and the governments and parliaments of the Member States.