

Economic and Monetary Policy

Introductory remarks

Article 4 TEU: the basis for Chapter 17

Economic policy

- **based on close coordination of Member States' economic policies, internal market, common objectives**
- **in accordance with the principle of an open market economy with free competition.**
- **including single currency, ... single monetary policy ..., primary objective to maintain price stability and to support the general economic policies**
- **guiding principles: stable prices, sound public finances and monetary conditions and a sustainable balance of payments**

Characteristics of Chapter on Economic and Monetary Policy (EMP – Ch. 17)

- **The legal basis is, in quantitative terms, rather limited scope.**
- **It covers, however, major issues of economic policy (which are sometimes controversially discussed).**
- **It is a rather “young” acquis, as it basically only started to enter into force in 1994.**

EMP and economic criteria for accession

- **Compliance with the chapter on EMP is in substance closely linked to progress in meeting the Copenhagen economic criteria for accession**
 - *being a functioning market economy*
 - *being able to withstand competitive pressure in the Single Market ...*
- **Progress in both areas mutually reinforce each other and has to go in parallel**

Economic and Monetary Policy: administrative capacity

- **Compliance with chapter 17 requires sufficient capacity in planning and conducting economic, fiscal and monetary policy**
- **In particular demand on: Ministries of Economy and Finance, Central Bank, Statistical Office**
- **Pre-accession surveillance procedure and technical assistance support candidate countries in this respect**

Economic and Monetary Policy and pre-accession surveillance

- **Pre-accession surveillance:**
 - ***Fiscal notifications***
 - ***Pre-accession Economic Programmes***
 - ***Economic dialogues (bilateral / multilateral)***
 - ***COM economic forecasts***
 - ***Annual Progress Reports***



End