



SEIMAS OF THE REPUBLIC OF LITHUANIA

RESOLUTION

ON THE INTRODUCTION OF THE EURO IN LITHUANIA

4 May 2006

Vilnius

The Seimas of the Republic of Lithuania,

drawing attention to the fact that the Republic of Lithuania has undertaken in the Treaty of Accession to the European Union to accede to all other agreements concluded by the Member States and has been consistently seeking to attain this objective from the date of accession;

being convinced of the usefulness for European integration of the introduction of the single currency (euro);

taking into account that the Republic of Lithuania has asked the European Commission and the ECB/European Central Bank to prepare a preliminary Convergence Report to be published in the middle of May of 2006; the report will assess Lithuania's preparedness to join the euro-zone;

evaluating that Lithuania successfully entered ERM2 two years ago and has been operating in the euro area for four years, retaining a fixed litas and euro exchange rate;

noting that Lithuania has an exceptionally small State debt, even below 19%, which is one of the smallest among the EU Member States, and thereby confirms the state's financial stability;

stressing that Lithuania, even though not in the euro-zone, but fully adhering to the objectives of the Stability and Growth Pact, has over several years reduced the state's fiscal deficit from 2% to 0.5% and proved that it gives special attention to fiscal discipline;

emphasizing that even though Lithuania's economic growth was nearly the highest in the European Union, Lithuania managed to keep a low and sustainable level of inflation within the Maastricht Treaty requirements for the Economic and Monetary Union and also that Lithuania's average inflation rate has been among the lowest of the euro-zone Member States whose economic growth is several times lower;

taking into account that Lithuania fulfils the long-term interest rate criterion and that Lithuania, in preparation for the introduction of the euro, implemented all legal and administrative measures;

accentuating the exceptional progress Lithuania has made over the last fifteen years after the restoration of the independence of the state of Lithuania: Lithuania has managed to create a sustainable market economy, to become an EU Member State and to achieve a high level of economic and financial stability;

stresses that the progress made under the fixed litas-euro exchange rate regime is illustrative of the fact that Lithuania is ready to maintain a high rate of growth of living standards so as to become equal with the Member States of the euro-zone and to effectively contribute to the attempts of the euro-zone Member States aimed at the growth of the EU economy;

states that Lithuania's indicators comply with all Maastricht criteria applied when entering the euro-zone and that according to its economic growth Lithuania is ready to adopt the euro as of 1 January 2007;

is of the opinion that the European Commission and the European Central Bank should give an objective and comprehensive assessment of Lithuania's progress, the assessment should comply with the provisions of the Treaty on European Union regarding the requirements applicable to the euro-zone entrants and be in keeping with the unquestionable benefit of the euro-zone expansion for the EU and the strengthening of the euro in international markets;

recommends to take into account Lithuania's stable inflation indicators, regardless of the temporary external factors, which are outside its control and are related to, e.g., increase in oil and natural gas prices;

calls on the EU institutions and Member States who will be responsible for taking decisions at the June 2006 European Council to take regard of Lithuania's progress seeking entry in the euro-zone and to evaluate accordingly the stability of Lithuania's prices in the current situation;

urges the President of the Republic, the Government of the Republic of Lithuania, the Bank of Lithuania, the Lithuanian representatives at the European Parliament to continue taking all necessary steps seeking favourable decisions by the heads and institutions of the EU Member States; and

requests to continue actively informing the public about the effect the introduction of the euro will have on Lithuania's economy in general and every citizen of the Republic of Lithuania in particular.

SPEAKER OF THE SEIMAS
OF THE REPUBLIC OF LITHUANIA

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