



**COUNCIL OF  
THE EUROPEAN UNION**



10452/06 (Presse 183)

**PROVISIONAL VERSION**

**PRESS RELEASE**

2738th Council Meeting

**HEADS OF STATE OR GOVERNMENT**

Brussels, 16 June 2006

President

**Wolfgang SCHÜSSEL**  
Federal Chancellor of Austria

**P R E S S**

---

Rue de la Loi 175 B – 1048 BRUSSELS Tel.: +32 (0)2 281 6083 / 6319 Fax: +32 (0)2 281 8026  
[press.office@consilium.europa.eu](mailto:press.office@consilium.europa.eu) <http://www.consilium.europa.eu/Newsroom>

10452/06 (Presse 183)

1  
**EN**

## **Main Results of the Council**

*The Council examined Commission and ECB reports on progress made by Lithuania and Slovenia on convergence as regards European economic and monetary union, and a proposal aimed at **allowing Slovenia to adopt the euro as its currency as from 1 January 2007.***

*The proposal will be referred to the Ecofin Council for a decision at its meeting on 11 July, making Slovenia the first to join the euro area out of the ten member states that joined the EU on 1 May 2004 and allowing it six months to prepare for the changeover.*

CONTENTS<sup>1</sup>

**PARTICIPANTS..... 4**

**ITEMS DEBATED**

**ENLARGEMENT OF THE EURO AREA ..... 6**

– **Convergence reports on Lithuania and Slovenia, adoption of the euro by Slovenia..... 6**

**OTHER ITEMS APPROVED**

*None*

<sup>1</sup>

- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- The documents whose references are given in the text are available on the Council's Internet site <http://www.consilium.europa.eu>.
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the abovementioned Council Internet site or may be obtained from the Press Office.

## **PARTICIPANTS**

The Governments of the Member States and the European Commission were represented as follows:

**Belgium:**

Mr Guy VERHOFSTADT Prime Minister

**Czech Republic:**

Mr Václav KLAUS President of the Republic

**Denmark:**

Mr Anders FOGH RASMUSSEN Prime Minister

**Germany:**

Ms Angela MERKEL Federal Chancellor

**Estonia:**

Mr Andrus ANSIP Prime Minister

**Greece:**

Mr Costas KARAMANLIS Prime Minister

**Spain:**

Mr José Luis RODRIGUEZ ZAPATERO Prime Minister

**France:**

Mr Jacques CHIRAC President of the Republic

**Ireland:**

Mr Dermot AHERN Minister for Foreign Affairs

**Italy:**

Mr Romano PRODI Prime Minister

**Cyprus:**

Mr Tassos PAPADOPOULOS President of the Republic

**Latvia:**

Mr Aigars KALVITIS Prime Minister

**Lithuania:**

Mr Valdas ADAMKUS President of the Republic  
Mr Zigmantas BALCYTIS Acting Prime Minister

**Luxembourg:**

Mr Jean-Claude JUNCKER Prime Minister, Ministre d'Etat, Minister for Finance

**Hungary:**

Mr Ferenc GYURCSÁNY Prime Minister

**Malta:**

Mr Lawrence GONZI Prime Minister, Minister for Finance

**Netherlands:**

Mr Jan Peter BALKENENDE Prime Minister, Minister for General Affairs

**Austria:**

Mr Wolfgang SCHÜSSEL Federal Chancellor

**Poland:**

Mr Kazimierz MARCINKIEWICZ Prime Minister

**Portugal:**

Mr José SÓCRATES Prime Minister

**Slovenia:**

Mr Janez JANŠA Prime Minister

**Slovakia:**

Mr Mikuláš DZURINDA Prime Minister

**Finland:**

Mr Matti VANHANEN Prime Minister

**Sweden:**

Mr Göran PERSSON

Prime Minister

**United Kingdom:**

Mr Tony BLAIR

Prime Minister, First Lord of the Treasury and Minister  
for the Civil Service

.....

**Commission:**

Mr José Manuel BARROSO

President

.....

**European Central Bank:**

Mr Jean-Claude TRICHET

President of the European Central Bank

.....

The Governments of the Acceding States were represented as follows:

**Bulgaria:**

Mr Sergei STANISHEV

Prime Minister

**Romania:**

Mr Traian BASESCU

President of the Republic

Mr Calin POPESCU-TARICEANU

Prime Minister

**ITEMS DEBATED**

**ENLARGEMENT OF THE EURO AREA**

– *Convergence reports on Lithuania and Slovenia, adoption of the euro by Slovenia*

The Council:

- took note of the presentation of reports by the European Central Bank and the Commission on fulfilment by Slovenia and Lithuania of convergence criteria and their obligations regarding economic and monetary union.
- discussed a proposal by the Commission for a Council decision allowing Slovenia to adopt the euro as its currency as from 1 January 2007;
- took note of a letter from the president of the Economic and Financial Affairs (Ecofin) Council on the outcome of the Ecofin's discussion of these issues at its meeting on 7 June.

In the light of the positive assessment by both the Ecofin Council and the European Parliament, the Council welcomed the Commission's proposal on Slovenia and requested the Ecofin Council to adopt it at its meeting on 11 July. The decision will make Slovenia the first to join the euro area out of the ten member states that joined the EU on 1 May 2004, allowing it six months to prepare for the changeover.

The Council also commended Lithuania for the convergence it has achieved so far and expressed its support for the stability-oriented policies of the Lithuanian authorities.

In its reports, the Commission finds that:

- Slovenia has achieved a high degree of sustainable convergence. The proposal to allow it to join the euro area will abrogate what is considered as a derogation as from 1 January 2007;

- Lithuania has made significant progress towards reaching a high degree of sustainable convergence by meeting the criteria on public finances, exchange rate stability and long-term interest rates, but does not as yet meet the criterion on price stability. The Commission finds that the 12-month inflation average in Lithuania has been above the reference value<sup>1</sup> since April 2005 and is likely to stay above it in the months ahead.

In the light of this assessment, the Commission concludes that there should be no change for the time being in Lithuania's status as member state with a derogation.

Twelve out of the EU's 25 member states currently use the euro as their currency: Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Austria and Finland. Euro notes and coins were introduced in all twelve countries on 1 January 2002. The Commission and the ECB are due to present in October their two-yearly convergence reports on all member states with a derogation, as required under article 122(2) of the treaty.

---

<sup>1</sup> The reference value is calculated as the inflation average in the three best-performing member states - in this case Poland, Finland and Sweden - plus 1,5 percentage points.

**OTHER ITEMS APPROVED**

**None**

---