

Standing Committee on Preparations for Euro held in HM Treasury (I)

Attendance

Chancellor of the Exchequer
Governor of the Bank of England - Eddie George
Secretary of State for Wales - Ron Davies
Economic Secretary - Helen Liddell
Minister for Trade and Competitiveness in Europe - Lord Simon
Parliamentary Under-Secretary of State for Scotland - Lord Sewel
Chairman of the Financial Services Authority - Howard Davies
President of the CBI - Sir Colin Marshall
President of the British Chambers of Commerce - John Entwistle
Chairman of the British Bankers' Association - Tim Sweeney
Head of European Unit, Trades Union Congress - Tom Jenkins
Head of the Home Civil Service - Sir Richard Wilson
Sir Nigel Wicks
Jon Cunliffe
Sue Killen
Clive Maxwell
Sarah Holroyd
Bill Stow - DTI

Minutes of the meeting

The Chancellor introduced the agenda.

Preparations for 1999

The Government had published on 18 May a booklet, "Steps for 1999", setting out the steps under way in the public sector. Ministers had been nominated in each major Government department to be responsible for preparations. The importance of monitoring and forecasting the extent of the use of the euro in the UK was noted. It was agreed that:

- at its next meeting, the Committee would consider what lessons might be learnt from preparations for 1999 in other member states;
- members should share information relating to the expected use of the euro in the UK and to the state of preparedness for 1999.

The Invest in Britain Bureau had been monitoring whether EMU was leading to concerns about investing in the UK. There was no evidence that this was the case. However, it would be important to continue to monitor the situation.

Communications

Since early May, the Government had stepped up its communications programme, run by the Euro Preparations Unit in HM Treasury, to raise awareness among business and provide information about the impact of the launch of the euro in 1999. This included setting up a dedicated website, a telephone ordering line and literature. Business seminars were taking place across the country. The EPU is working with regional bodies and trade associations. The Committee endorsed the Government's approach of a broad-based campaign involving direct mail and advertising focused on business preparations for 1 January 1999. It would be essential to work closely with other bodies, both regionally and with trade and business organisations

The British Bankers' Association is launching a "seal of approval", endorsed by HM Treasury, for generic information provided by banks about EMU. The Committee welcomed this initiative. It was agreed that:

- Lord Simon and the Economic Secretary should pursue the possibility of organising similar initiatives with other business intermediaries and trade associations.

Preparations for the option of joining

The Committee had agreed at its previous meeting the need to prepare an outline national changeover plan by around the end of 1998. The Committee noted that there is now considerable interest from business in such a plan. It agreed that:

- the EPU should carry forward this work in close consultation with business, drawing particularly on help from the Business Advisory Group on EMU via a series of working parties;
- the Standing Committee should receive a progress report on the plan at its next meeting;
- the outline plan would need to be reviewed regularly after publication.

At its previous meeting, the Standing Committee had agreed on the need for regular six-monthly reports on the state of preparations. The first of these will be published in June or July.