

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

Attendance

Chancellor of the Exchequer - Gordon Brown
Economic Secretary to the Treasury - Melanie Johnson
Minister of State, DTI - Helen Liddell
Chair of the Cross Party Parliamentary Group on Euro Preparations - Barry Sheerman
Governor of the Bank of England - Sir Edward George
Financial Services Authority - Sir Howard Davies
CBI - Digby Jones
British Chambers of Commerce - Anthony Goldstone
British Retail Consortium - The Hon David Sieff
British Bankers Association - Andrew Buxton
General Secretary of the TUC - John Monks
European Secretariat, Cabinet Office - Rachel Green

Gus O'Donnell
Jonathan Taylor
Mike Glycopantis
Dave Ramsden
Roger Hargreaves

Minutes of the meeting

The Chancellor welcomed David Sieff, representing the British Retail Consortium, Digby Jones of the CBI and Anthony Goldstone of the BCC. The Chancellor introduced the agenda.

Working with the euro now

The Economic Secretary updated the Committee on the progress of the Government's work to help British business work with the euro now. Half of all firms have trading links with the euro area. The Euro Preparations Unit would continue to make information and support available to SMEs, and provide targeted regional and sectoral help through its network of regional euro forums.

The Committee welcomed the programme of future work. It would be important to keep up the momentum and for public and private sectors to continue to work together closely. The Chancellor thanked the Committee members for their organisations' ongoing support for this work.

Lessons from the euro area

The Chancellor said that the UK had a unique opportunity to learn from the euro area changeover. With less than a year to go before the introduction of euro cash in the euro area, the level of preparations was increasing.

The Committee agreed that the demand for and supply of euro services in the euro area was a key lesson for UK changeover planning. The evidence from the euro area suggested that the UK could plan on the basis of a phased introduction of euro services.

Next steps

The Economic Secretary set out the progress of public sector preparations for the possibility of UK entry into the single currency, including investment to build euro compatibility into modernisation of systems, interdepartmental planning work and the limited NHS-wide planning exercise that was now complete. The Committee welcomed this progress.

The Chancellor said that the Euro Preparations Unit would continue to consider how a changeover would be managed, drawing on lessons from the euro area.