

Jean-Claude Trichet: Paris seminar on the EU accession process (address)

Address by Mr Jean-Claude Trichet, President of the European Central Bank, at the Paris seminar on the EU accession process, Paris, 4 March 2004.

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Colleagues, fellow central bankers, ladies and gentlemen,

I speak to you on the eve of an inspiring moment in the history of Europe. In less than two months from now, the European Union will complete its largest ever expansion. What was originally a Community of six countries in western Europe will become a Union of 25 countries. A Union of some 450 million people.

This enlargement will be the EU's greatest: not just in terms of size, but also because of its historical significance. Tomorrow it will be 58 years to the day that Winston Churchill gave a speech in Fulton, Missouri, in which he spoke of an iron curtain descending across Europe. Today, not only has that curtain been torn down; the edifice that had been painstakingly built on one side is being expanded to house those who once lived on the other side. The members of the East will finally join the members of the West as members of the same European Union.

As European central bankers, our destiny is intertwined with the destiny of our continent. As Europe is being rebuilt and reunited, so we are reinforcing and uniting its monetary foundations. We have already created a single European currency and a European System of Central Banks (ESCB). And with it we are providing the monetary stability that eluded Europe for much of the last century. But we still face the task of eventually fully integrating new Member States into our common monetary area. This is indeed a challenging task. Challenging because we must ensure that the process runs smoothly, without jeopardising the monetary stability that is our ultimate duty to European citizens. Challenging, also, because of the logistics involved.

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Enlargement of the euro area is, first and foremost, a challenge for the new Member States seeking to join. If I may address directly those of us who come from the acceding countries, I would say that you face the challenge of preparing your economies for life in Economic and Monetary Union (EMU).

In this respect, let us not forget that a great deal has already been achieved, especially in those countries that have had to undertake a transition from planned to market-based economies. The fact that this major round of EU enlargement is taking place in less than two months' time bears witness to your achievements. You have fulfilled the "Copenhagen criteria". You have stable democracies. You have functioning market economies. You have adopted the *acquis communautaire*.

But this is no time to rest on one's laurels. Having travelled the road set out in "Copenhagen", it is time to drive on; time to travel along the road mapped out in "Maastricht". Along this road the watchword will be *stability*. For central banks, this means maintaining price stability and preserving financial stability. For governments, it means pursuing stability-oriented economic policies and, in particular, sound fiscal policies. Overall, these efforts should lead to a high degree of sustainable convergence, characterised by the fulfilment of the Maastricht convergence criteria. At the same time, these efforts must be made in the context of a parallel process of real convergence of economic structures and income levels.

We all know that this will be no easy task. The road to the euro will be long and demanding. But at least it is a road that has been travelled along before. And you can benefit from the experience of those who have already travelled along it. We, the Eurosystem, can also help this process by making sure that the right signposts are there along the way. As you know, last December, we published the policy position of the Governing Council on exchange rate issues relating to the acceding countries. In this document we have set out what are, in our view, the principles which should guide participation in ERM II and the adoption of the euro. I do not need to summarise this document during this dinner as it will no doubt be touched upon tomorrow. Let me just say that it is a product of ongoing efforts by the Governing Council to steer the process of monetary integration in the right direction.

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Guiding this process is, of course, not all we must do. For our part, we must also make sure that everything is ready and in place for you when you arrive. This has been, and will continue to be, a challenge for the ECB and the ESCB. To be ready: first for enlargement of the EU and later for enlargement of the euro area. The operational framework, the IT infrastructure, TARGET. I could go on. It all needs to be ready in time for you to “move in”.

Let me assure you that we do not underestimate the scale of this task. And let me also reassure you that we have a good track record in meeting such logistical challenges. Prior to the introduction of the euro, the European Monetary Institute, the ECB's predecessor, established a Master Plan. A plan setting out the regulatory, organisational and logistical preparations necessary for the ESCB to perform its tasks in Stage Three of EMU. Inspired by this, last year we devised a new Master Plan. An Accession Master Plan to guide all activities necessary for the enlargement of the ESCB and later the Eurosystem.

Things are well on track. Indeed they have been for some time. For years now cooperation between the central banks of the Eurosystem and the central banks of the accession countries has been intense. There have been regular meetings, visits and exchanges. These have covered the policy and technical aspects of all central banking activities. I am told that there have been more than 1,000 such “central bank cooperation activities” in the last four years.

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Since the outset, the Eurosystem has been very committed to supporting the enlargement process and to ensuring its success. This is why we decided back in 1999 to organise a seminar bringing together the governors and senior officials of the ESCB and the central banks of accession countries. And we have met on an annual basis since then. Over the years, these seminars have proved to be a very useful forum for policy dialogue on the monetary, exchange rate and financial aspects of enlargement. They have also helped the ECB and the Eurosystem to develop and present their views and so, as I mentioned earlier, to steer the process in the right direction.

After Helsinki, Vienna, Berlin and Genva, it is a great honour for me to welcome you to our fifth seminar on the accession process here in Paris. And this time it is also a particular pleasure because it will be the last of these seminars. When I say this, it is not because I don't enjoy these seminars or sharing your company in such wonderful cities. And it is not because I have lost interest in the accession process. Certainly not. It is because for 10 of the 12 accession countries the process of EU accession is now effectively complete. From 1 May this year, the ten central banks of the acceding countries will become part of the ESCB. Part of the same monetary team. Since May last year, the governors of the acceding country central banks have already participated, as observers, in meetings of the General Council. The relevant experts from acceding countries have participated in meetings of ESCB committees. You are already effectively part of our team. And let us hope that those of you from the remaining accession countries will also be joining our team in the not too distant future.

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Fellow members and future members of our team, ladies and gentlemen,

on the eve of this historic moment in European history, I raise my glass to you, and look forward to our seminar on the EU accession process.

Thank you.