

NEW CENTRAL RATES FOR THE EC'S EUROPEAN MONETARY SYSTEM

Following is the full text of the European Community's monetary committee statement, issued September 13, announcing new central rates in the European Monetary System (EMS).

On the joint request of the German and Italian authorities, the ministers and central bank governors of the member states of the European Community have by mutual agreement following a common procedure involving the Commission and after consultation of the Monetary Committee decided to fix new central rates in the EMS.

The new bilateral central rates result from the following changes:

FB	+ 3.5 %
DM	+ 3.5 %
DKR	+ 3.5 %
PTA	+ 3.5 %
FF	+ 3.5 %
UKL	+ 3.5 %
IRL	+ 3.5 %
FLUX	+ 3.5 %
HFL	+ 3.5 %
ECS	+ 3.5 %
LIT	- 3.5 %

The new ECU central rates are the following (in units of national currencies per ECU).

FB	42.0639
DM	2.03942
DKR	7.77921
PTA	132.562
FF	6.83992
UKL	0.691328
DR	251.202
IRL	0.761276
FLUX	42.0639
LIT	1636.61
HFL	2.29789
ESC	177.305

This decision will contribute substantially to the proper functioning of the EMS.

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The Italian Government, recognizing that the fundamental condition for stable exchange rates, low interest rates and stable prices is sound public finance, is aware of the importance of a full and quick implementation of the convergence programme. The Italian Government, with the 1993 budget, and with other structural measures, especially in the areas of pensions, public health, and public sector wages, will substantially curb the public deficit and reduce inflation.

The Central Bank Council of the German Bundesbank will meet on Monday, September 14 at 9.00 a.m. and intends to accompany this realignment with a reduction of its official rates.

The agrimonetary consequences of the present realignment will be examined by the competent bodies.

The new bilateral central rates and the compulsory intervention points in the Exchange Rate Mechanism will be communicated by the central banks in time for the opening of foreign exchange markets on September 14, 1992.

The EC Commission September 13 statement follows:

The EC Commission notes with satisfaction that the realignment of the Italian lira is the result of a cooperative effort among the participants in the European Monetary System and that the decision to realign the central rate of the lira has not changed the bilateral rates of other currencies in the Exchange Rate Mechanism.

The Commission underlines the importance of adhering to convergence targets in maintaining the stability of the Exchange Rate Mechanism of the European Monetary System and, for that reason, the Commission welcomes the commitment of the Italian Government to implement its convergence program, including special budgetary measures in 1993 and thereafter.

The Commission welcomes the intention of the Bundesbank to reduce its official rates, which will also improve the current difficult macroeconomic outlook.

The Commission is confident that this joint decision will restore stability to the European currency markets.

The currency abbreviations used above are:

ECU	European Currency Unit
BF	Belgian franc
DKR	Danish krone
DM	Deutschmark
DR	Greek drachma
ESC	Portuguese escudo
FF	French franc
HFL	Dutch guilder
IRL	Irish pound (punt)
FLUX	Luxembourg franc
LIT	Italian lira
PTA	Spanish peseta
UKL	Pound sterling

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