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May 14, 1993

To: Members of the Executive Board  
From: The Secretary  
Subject: European Monetary System

The Secretary has received the following memorandum dated May 14, 1993 from Mr. Fridriksson:

On behalf of my Danish authorities, which currently hold the Presidency in the European Community, I attach an extract from the communiqué of the Monetary Committee of the EC dated May 13, 1993 concerning the fixing of new central rates in the EMS, together with the new bilateral central rates and the compulsory intervention points in the exchange rate mechanism.

Attachments

Other Distribution:  
Department Heads



**MONETARY COMMITTEE  
OF THE EUROPEAN COMMUNITY**

Brussels, 13 May 1993

**COMMUNIQUE**

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 with the Monetary Committee, decided to fix new central rates in the EMS.

The bilateral central rates of the Spanish peseta and of the Portuguese escudo against other currencies of the exchange rate mechanism have been reduced by 8 % and 6.5 % respectively.

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

Belgian franc	40.2123
Danish krone	7.43679
German mark	1.93664
Spanish peseta	154.25
French franc	6.53883
Irish pound	0.808628
Luxembourg franc	40.2123
Dutch guilder	2.19672
Portuguese escudo	192.854
Greek drachma (*)	264.513
Italian lira (*)	1793.19
Pound sterling(*)	0.786749

(\*) notional central rates, based on market rates of 12 May 1993.

Ministers and Central Bank Governors consider it essential for Spain to achieve the full implementation of the convergence programme policies.

They also took note of the Portuguese government's commitment to their basic policy stance of budget discipline, which in the view of the Portuguese authorities, together with continued wage moderation and structural reforms, will contribute to non-inflationary growth, employment creation and a decline in interest rates.

**BILATERAL CENTRAL RATES AND SELLING AND BUYING RATES IN THE EMS EXCHANGE RATE MECHANISM  
FROM 14 MAY 1993**

		<u>ℳ Fc</u> <u>Fc 100 =</u>	<u>D Kr 100 =</u>	<u>F.-fc 100 =</u>	<u>DM 100 =</u>	<u>££1 =</u>	<u>Fl 100 =</u>	<u>PEsc 100 =</u>	<u>Pts 100 =</u>
BELGIUM/LUXEMBOURG:	S	-	553.000	628.970	2109.50	50.8605	1872.15	22.1400	27.6810
	C	-	540.723	614.977	2062.55	49.7289	1830.54	20.8512	26.0696
B.F./L.Fc	B	-	528.700	601.295	2016.55	48.6230	1789.85	19.6375	24.5520
DENMARK:	S	18.9143	-	116.520	390.160	9.40600	346.240	4.09450	5.11930
	C	18.4938	-	113.732	381.443	9.19676	338.537	3.85618	4.82126
D.kr	B	18.0831	-	111.200	373.000	8.99220	331.020	3.63170	4.54070
FRANCE:	S	16.6310	89.5250	-	343.050	8.27030	304.440	3.60010	4.50110
	C	16.2608	87.5257	-	335.386	8.08631	297.661	3.39056	4.23911
Fr.fc	B	15.8950	85.5700	-	327.920	7.90640	291.040	3.19330	3.99230
GERMANY:	S	4.95900	26.8100	30.4950	-	2.46600	90.7700	1.07300	1.34200
	C	4.84837	26.2162	29.8164	-	2.41105	88.7526	1.01054	1.26395
DM	B	4.74000	25.6300	29.1500	-	2.35700	86.7800	0.95200	1.19000
IRELAND:	S	2.05664	11.1208	12.6480	42.4268	-	37.6478	0.445267	0.556630
	C	2.01050	10.8734	12.3666	41.4757	-	36.8105	0.419255	0.524232
££	B	1.96616	10.6315	12.0915	40.5515	-	35.9919	0.394862	0.493722
NETHERLANDS:	S	5.58700	30.2100	34.3600	115.2350	2.77840	-	1.20950	1.51213
	C	5.46286	29.5389	33.5953	112.5730	2.71642	-	1.13906	1.42413
Fl	B	5.34150	28.8825	32.8475	110.1675	2.65620	-	1.07280	1.34124
PORTUGAL:	S	509.230	2753.50	3131.60	10504.20	253.234	9321.40	-	132.750
	C	479.590	2593.24	2949.37	9891.77	238.495	8779.18	-	125.027
Esc	B	451.670	2442.30	2777.70	9319.70	226.615	8267.90	-	117.750
SPAIN:	S	407.500	2202.30	2504.80	8405.00	202.544	7455.30	84.9260	-
	C	383.589	2074.15	2358.99	7911.72	190.755	7021.33	79.9828	-
Pts	B	361.260	1953.40	2221.70	7451.50	179.653	6413.20	75.3390	-

S = Exchange rate at which the central bank of the country in the left hand column will sell the currency identified in the row at the top of the table.  
C = Bilateral central rate.  
B = Exchange rate at which the central bank of the country in the left hand column will buy the currency identified in the row at the top of the table.