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Eurozone in Crisis: a Briefing

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Before the Eurozone Crisis

- 1993 Treaty on European Union envisages three-stage process to economic and monetary union (EMU) by 1999
- 1997 Stability and Growth Pact adopted
- 1998 Decision taken to launch EMU in 1999; European Central Bank established
- 1999 EMU launched; exchange rates fixed irrevocably between 11 EU member state currencies; eurozone created
- 2001 Greece joins eurozone
- 2002 Euro replaces national currencies of 12 eurozone states
- 2007 Slovenia becomes 13th eurozone state
- 2008 Cyprus and Malta join eurozone; coordinated EU bank rescue plan (Oct)
- 2009 Slovakia becomes 16th eurozone state

The Eurozone Crisis I

2009	Dec	Greece signals debts of €300bn
2010	Apr	Eurozone states and IMF agree €110bn in loans to Greece - 'no bail-out' principle breached
	May	European Financial Stability Facility (EFSF) of €440bn created by eurozone states
	Oct	European Council agrees to establish a permanent European Stability Mechanism 'to safeguard the financial stability of the euro area as a whole'
	Nov	EU/Eurozone 'bailout' of €85bn agreed for Ireland
2011	Jan	Estonia becomes 17 th eurozone state
	May	EU/Eurozone 'bailout' of €78bn agreed for Portugal
	July	Eurozone states increase size of EFSF to €780bn;
	"	EU/Eurozone 'bailout' of €109bn agreed for Greece;

The Eurozone Crisis II

2011	July	Treaty establishing [permanent] European Stability Mechanism (ESM) signed by eurozone states
	Oct	EU adopts 'six pack' of legislative measures on improved economic governance
	Dec	26 EU leaders agree to concluded treaty on <i>inter alia</i> increased fiscal discipline – UK exercises 'veto'
2012	Feb	Revised ESM treaty signed by eurozone states
	Mar	Treaty on Stability, Coordination and Governance in the Economic and Monetary Union – Fiscal Compact Treaty – signed by 25 EU member states
	July	ESM to be established* - €700bn subscribed capital
2013	Jan	Fiscal Compact Treaty to enter into force*
	June	EFSF expires

*subject to treaty ratification