

# The euro: a single European currency?

This week's worksheet focuses on the euro and the UK's latest decision earlier this month on membership of the single European currency.

1 Read the fact file and circle the correct answers. Then compare with a partner before checking your answers at the foot of the page.

Euro fact file	
•	The euro is the single currency of the European Monetary Union (EMU) and became legal tender in January <b>2001 / 2002 / 2003</b> .
•	<b>Twelve / Thirteen / Fourteen</b> member states of the European Union (EU) now use the euro, with only Sweden, Denmark and the United Kingdom remaining outside the single currency. Sweden is due to hold a referendum on joining later this year.
•	In Denmark, <b>43% / 53% / 63%</b> of voters rejected entry into the euro.
•	There are <b>five / six / seven</b> denominations of euro notes.
•	The euro is now used by about <b>300 / 400 / 500</b> million people throughout the eurozone, which is one of the largest exporters in the world. Its Gross Domestic Product (GDP) comes close to that of the USA.

2 Read the article about the UK's decision earlier this month on whether or not to join the euro. Is there going to be a referendum?

## Britain and the euro

On June 9th, the UK Chancellor Gordon Brown announced the government's decision on UK membership of the euro, saying that the country is not economically ready to join the single currency. The government feels that it is a good idea to join in principle, but not yet. Public opinion is divided. Those pro joining the euro argue that it would help businesses grow, interest rates would go down, and exchange rate fluctuations within the eurozone would no longer be an issue. Those against joining claim that it will erode national identity and lead to a loss of economic independence; and it would mean the end of the pound sterling.

The Chancellor will reconsider the case for euro entry next year. If the five economic tests for membership are met, there could be a referendum as early as spring 2005. Then, if people in the UK voted 'yes' to the euro, the currency could be introduced in late 2007 or early 2008. However, many believe UK entry to the euro could be as far away as 2010.

3 Match the following collocations from the fact file and text above.

- |            |          |
|------------|----------|
| a single   | tender   |
| b legal    | identity |
| c pound    | currency |
| d exchange | tests    |
| e economic | rate     |
| f national | sterling |

4 Discuss the following questions.

- Were you happy / Would you be happy to lose your country's currency?
- Has the introduction of the euro been successful in the countries that have adopted it?
- Is a single European currency beneficial for international trading?
- Do you think the UK will join the single currency? Do you think it should join?

**Answers (Euro fact file)** : 2002, Twelve, 53%, seven, 300