

Euro candidate countries once again fail joining criteria

*There are seven candidate countries for joining the euro, but the EU's latest report shows that none of them will be joining any time soon – despite their EU treaty obligations to do so. **Brexit Facts4EU** reports.*

This is an edited version of Brexit Facts4EU's original report, which can be read [here](#).

Last week in Brussels the European Commission published its 2020 Euro Convergence Report, the latest of the Commission's two-yearly assessments of the progress non-Eurozone Member States have made towards adopting the euro.

Seven countries are legally obliged to join the euro, but once again it seems there has been no rush to comply with the joining criteria. Not one of the seven candidate countries met all five criteria. Most scored 40% or less, with one country, Romania, failing to meet *any* of the criteria. Even rich and successful Sweden only got a 60% average.

It should be noted that all criteria relate to the two-year period 2018-2019, so Coronavirus cannot be blamed.

The seven non-Eurozone Member States which are **legally committed** to adopting the euro are Bulgaria, Czech Republic, Croatia, Hungary, Poland, Romania and Sweden. As the report's opening sentence pointedly noted, 'The euro is *meant* to be the single currency of the European Union as a whole' [emphasis ours].

The EU's report is based on the convergence criteria, sometimes referred to as the 'Maastricht criteria', set out in

article 140(1) of the Treaty on the Functioning of the European Union. The criteria include price stability; sound public finances; exchange rate stability; and convergence in long-term interest rates. The compatibility of national legislation with the rules of the Economic and Monetary Union is also tested.



The EU Commission was also forced to admit that in addition to the main criteria, some of the countries: 'show macroeconomic vulnerabilities and/or face challenges related to their business environment and institutional framework.'

This situation has been dragging on for years. The last country to join the euro was tiny Lithuania back in 2015. Lithuania's economy is 1/53rd of the size of the UK economy, and its GDP is 0.4% of the whole Eurozone economy.

The simple fact is that there isn't the remotest chance of another EU Member State joining the euro before the next convergence report comes out in June 2022. Indeed, some governments of candidate countries are likely perfectly happy about this. Despite being legally committed by EU treaty to adopt the euro, the governments of Sweden, Czech Republic, Poland and Hungary do not even have joining the euro on their policy agendas.

And who can blame them...