

Press release

4 June 2025

ECB reports on Bulgaria's progress towards euro adoption

- ECB report assesses Bulgaria's progress towards Economic and Monetary Union
- Positive assessment with respect to possible euro adoption on 1 January 2026

Bulgaria has made good progress towards economic convergence with the euro area since 2024, according to the [Convergence Report of the European Central Bank](#) (ECB) published today.

"This positive assessment of convergence paves the way for Bulgaria to introduce the euro as of 1 January 2026 and become the 21st EU Member State to join the euro area," said Philip R. Lane, Member of the ECB Executive Board. "I wish to congratulate Bulgaria on its tremendous dedication to making the adjustments needed."

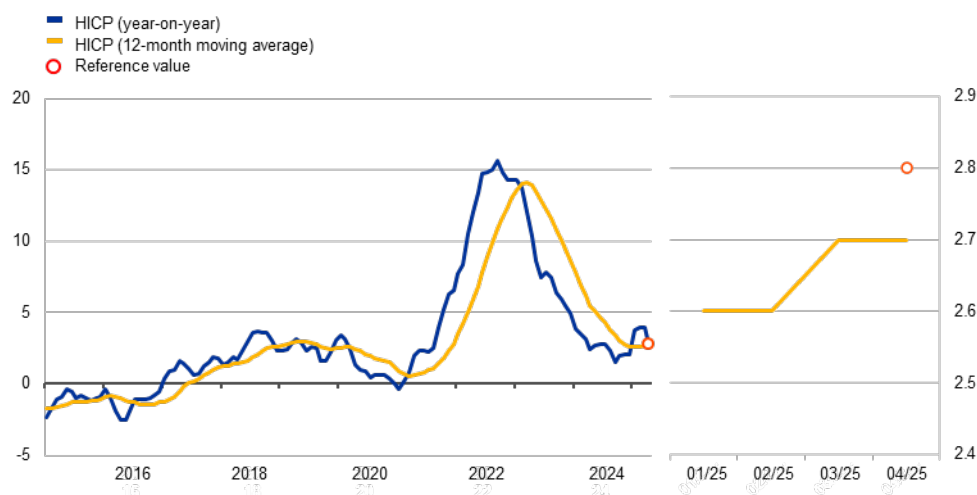
According to the ECB's assessment, Bulgaria is within the reference values of the convergence criteria and complies with the legal requirements. Having participated in the exchange rate mechanism (ERM II) and the banking union since 10 July 2020, Bulgaria has made another step towards European integration under challenging economic conditions. Achieving an environment that is conducive to sustainable convergence in Bulgaria requires stability-oriented economic policies and wide-ranging structural reforms. These policies are discussed in more detail in the report.

As regards the **price stability criterion**, in April 2025, the 12-month average rate of HICP inflation in Bulgaria stood at 2.7%, i.e. just below the reference value of 2.8% (Chart 1). The reference value is based on the three best performing Member States in terms of price stability, i.e. Ireland (1.2%), Finland (1.3%) and Italy (1.4%), taking their average inflation over the past 12 months and adding 1.5 percentage points.

Chart 1

HICP inflation and reference value

(annual percentage changes)



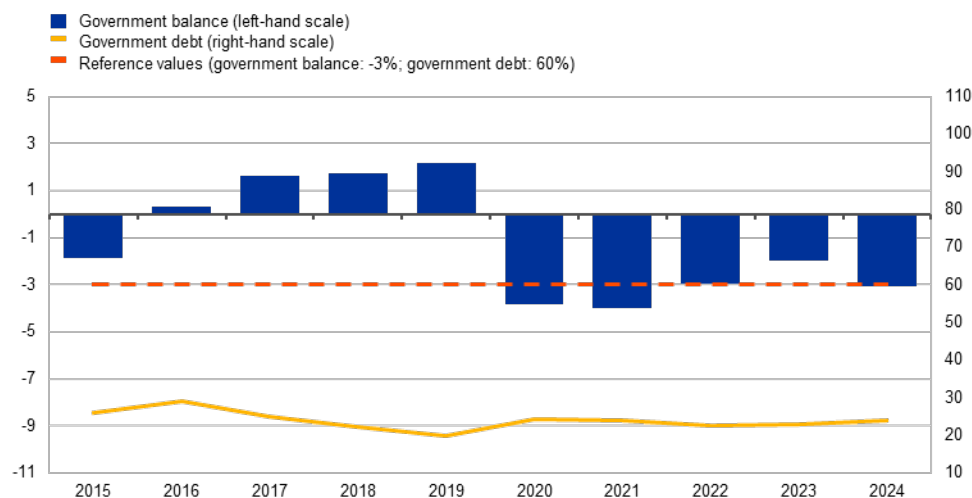
Sources: European Commission (Eurostat) and ECB calculations.
Notes: 12-month moving average rounded to one decimal.

Regarding the **fiscal criterion**, Bulgaria has not been subject to an excessive deficit procedure since 2012. The country's **general government budget deficit** stood at 3.0% of GDP in 2024, i.e. at the level of the 3% reference value (Chart 2). Its general government gross **debt-to-GDP ratio** stood at 24.1%, i.e. well below the 60% reference value, and it has been well below 60% of GDP for the past 20 years.

Chart 2

General government balance and debt

(as a percentage of GDP)



Sources: European System of Central Banks and European Commission (Eurostat).

European Central Bank

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As regards the **exchange rate criterion**, the Bulgarian lev participated in ERM II in the two-year reference period from 20 May 2023 to 19 May 2025. Over the reference period, the lev did not exhibit any deviation from the central rate of 1.95583 levs per euro. Bulgaria has completed almost all of its ERM II post-entry commitments, but further progress is needed to address the outstanding shortcomings in the area of anti-money laundering and countering the financing of terrorism.

Long-term interest rates in Bulgaria stood at 3.9%, on average, over the reference period from May 2024 to April 2025 and were therefore below the 5.1% reference value for the interest rate convergence criterion.

As for the **compatibility of national legislation**, Bulgarian law is compatible with the [Treaties](#) and the [Statute of the ESCB](#), as required under Article 131 of the Treaty.

Today's report was published following Bulgaria's request, the next regular Convergence Report of the ECB will be published in 2026.

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Notes

- [European Commission Convergence Report 2025](#)
- [Close cooperation established between ECB and Bulgaria](#)
- The Convergence Report of the ECB reviews the economic and legal convergence of non-euro area EU Member States with a derogation every second year or at the request of a specific country. It assesses the degree of sustainable economic convergence with the euro area, whether the national legislation is compatible with the EU legal framework, and whether the statutory requirements are fulfilled for the respective national central banks. Given its "opt-out" clause, Denmark is not covered by this assessment unless this is specifically requested by the country.
- The cut-off date for the statistics included in this Convergence Report was 19 May 2025. The reference period for the price stability criterion and the long-term interest rate criterion is from May 2024 to April 2025. Forecasts are based on the European Commission's Spring 2025 Economic Forecast and other information relevant to a forward-looking assessment of the sustainability of convergence.

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