



Convergence criteria for joining

In order to adopt the euro, EU countries have to bring their national legislation in line with relevant EU law and meet specific conditions designed to ensure economic convergence.

These requirements, agreed by the EU Member States in Maastricht in 1991, are known as the convergence criteria.

Convergence criteria were put in place to measure progress in countries' preparedness to adopt the euro, and are defined as a set of macroeconomic indicators, which focus on:

- Price stability
- Sound public finances, to ensure they are sustainable
- Exchange-rate stability, to demonstrate that a Member State can manage its economy without recourse to excessive currency fluctuations
- Long-term interest rates, to assess the durability of the convergence

The four convergence criteria

What is measured:	Price stability	Sound and sustainable public finances	Durability of convergence	Exchange rate stability
How it is measured:	Harmonised consumer price inflation	Government deficit and debt	Long-term interest rate	Exchange rate developments in ERM II
Convergence criteria:	A price performance that is sustainable and average inflation not more than 1.5 percentage points above the rate of the three best performing Member States	Not under excessive deficit procedure at the time of examination	Not more than 2 percentage points above the rate of the three best performing Member States in terms of price stability	Participation in ERM II for at least 2 years without severe tensions, in particular without devaluing against the euro

The Treaty also calls for an examination of other factors relevant to economic integration and convergence. These additional factors include the integration of markets and the development of the balance of payments. Their assessment is also seen as an important indication of whether the integration of a Member State into the euro area would proceed smoothly.

When is the assessment of the convergence criteria done?

According to the Treaty, at least once every two years, or at the request of a Member State with a derogation, the Commission and the European Central Bank assess the progress made by the euro-area candidate countries and publish their conclusions in respective convergence reports.