

## **Lithuania to adopt euro on 1 January 2015**

The Council today<sup>1</sup> adopted a decision allowing Lithuania to adopt the euro as its currency.

The decision will enlarge the euro area to 19 member states, including all three Baltic states, and give Lithuania over five months to prepare for the changeover.

The Council also adopted regulations setting a permanent conversion rate for the Lithuanian litas to the euro, and adapting certain technical provisions.

The conversion rate is set at 3.45280 Lithuanian litas to the euro, which corresponds to the current central rate of the litas in the EU's exchange rate mechanism.

Euro notes and coins will be issued in Lithuania on 1 January 2015.

*"The entry of Lithuania into the euro family is not only a crucial event for this partner country, but it is of great importance for the whole eurozone", said Sandro Gozi, State Secretary for European Affairs of Italy and President of the Council of the EU. "It's a demonstration of the continuing attractiveness of the single currency project and its relevance for the future of our community".*

*"Lithuania's consistent efforts have paid off: today the eurozone has opened the door for us", said Algirdas Butkevičius, Prime Minister of Lithuania. "The adoption of the euro has been Lithuania's strategic step, well thought-out economically and politically, to foster national economic growth. Lithuania's accession to the single European currency will strengthen the EU's Economic and Monetary Union. Deeper euro integration means greater security as well."*

Eighteen of the 28 member states of the EU currently have the euro as their currency. Euro banknotes and coins were introduced:

- on 1 January 2002 in Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Austria and Finland;
- on 1 January 2007 in Slovenia;
- on 1 January 2008 in Cyprus and Malta;

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<sup>1</sup> The decision was taken at a meeting of the General Affairs Council.

- on 1 January 2009 in Slovakia;
- on 1 January 2011 in Estonia; and
- on 1 January 2014 in Latvia.

At the Council's meeting on 20 June, the euro area member states adopted a recommendation in favour of Lithuania joining the currency union in the light of reports from the Commission and the European Central Bank (ECB)<sup>2</sup>.

The European Council on 27 June welcomed the fact that Lithuania had fulfilled all the convergence criteria set out in the EU treaties<sup>3</sup> and endorsed the Commission's proposal for it to join the euro.

The ECB gave a favourable opinion on 14 July, the European Parliament on 16 July.

Two-yearly reports from the Commission and from the ECB assess the readiness of non-euro member states to adopt the euro. The most recent reports, issued on 4 June, confirm that Lithuania's legislation is compatible with EU treaty provisions and with the statute of the European system of central banks. They confirm the progress made by Lithuania in fulfilling the convergence criteria – namely price stability, the government's budgetary position, exchange rate stability and long-term interest rates – and several other factors.

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<sup>2</sup> Docs [10604/14 ADD 1](#) and [10579/14 ADD 1](#).

<sup>3</sup> Article 140(2) of the Treaty on the Functioning of the European Union.