



**COUNCIL OF
THE EUROPEAN UNION**



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PRESSE 275

Euro area countries recommend Latvia euro accession

The euro area member states today¹ adopted a recommendation in favour of a proposal to allow Latvia to join the currency union on 1 January 2014.

They agreed with the Commission's assessment that Latvia has achieved a high degree of sustainable convergence and therefore fulfils the necessary conditions for adoption of the euro as its currency. The Council is expected to adopt the decision in July, after consulting the European Parliament and following a discussion in the European Council on 27 and 28 June.

The euro area member states' recommendation draws on reports from the Commission and the European Central Bank on the fulfilment by Latvia of convergence criteria and other requirements that are a necessary precondition for joining the euro.

The reports assess the compatibility of Latvia's legislation with EU treaty provisions and with the statute of the European system of central banks. They examine progress in fulfilment of the convergence criteria -- namely price stability, the government's budgetary position, exchange rate stability and long-term interest rates -- and several other factors.

The reports and proposals are based on article 140 of the Treaty on the Functioning of the European Union, which requires a qualified majority of euro area member states for a decision by the Council.

¹ At a meeting of the Economic and Financial Affairs Council.

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