

BULGARIA SWITCHES TO EURO

Context:

Recently, Bulgaria became the 21st country to switch to the euro, nearly 20 years after the Balkan nation joined the European Union (EU).

European Union



► The Maastricht Treaty of 1992 established the European Union.



► It allowed the adoption of a common currency, which would be accepted as the sole legal tender, the euro.



► It also has a unified central banking system, which established the European Central Bank (ECB).



► It paved the way for the formation of a common economic and monetary union, which is the European Economic and Monetary Union.



► The euro was first rolled out in 12 countries on January 1, 2002. Croatia was the latest to join, in 2023.



► And a common economic region.



The remaining six use their own currencies instead.

► Four microstates, Andorra, Monaco, the Vatican City and San Marino, also use the euro through agreements with the EU, while Kosovo and Montenegro use the euro as their sole currency without an agreement. However, none of these countries are not regarded as members of the eurozone.



► Croatia was the last country to join the eurozone in 2023.

Eurozone

► The eurozone, or officially the euro area, refers to the geographic and economic region comprising those members of the EU that have fully adopted the euro as their official currency.



► **Composition:** Bulgaria's admission to the eurozone makes it the 21st nation out of 27 EU members to do so.

Additional Information - Bulgaria

► **Location:** It is a country occupying the eastern portion of the Balkan Peninsula in southeastern Europe.



► **Neighbourhood:** It is bounded by Romania to the north, with most of the border marked by the lower Danube River.



► The Black Sea lies to the east, Turkey and Greece to the south, North Macedonia to the southwest, and Serbia to the west.



► **Capital city- Sofia.**

