Eurozone

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Eurozone Latest News

Eurozone inflation climbs to 3.2 per cent in May, with energy and services prices driving renewed price pressures across the currency bloc.

About Eurozone

- The eurozone, officially known as the **euro area,** is a geographic and economic region that consists of **countries in the European Union (EU)** that have **adopted the euro (€) as their national currency.**
- **Members**:
  - As of January 2026, the eurozone consists of **21 countries in the** EU.
  - These are Austria, Belgium, Bulgaria, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.
  - **Latest member: Bulgaria (2026)**

- **Not all EU nations participate in the eurozone**; **some** opt to **use their own currency** and maintain their financial independence.
    - **EU members not using the euro**: **Czech Republic, Denmark, Hungary, Poland, Romania, Sweden**
- The **European Central Bank (ECB)** exercises the sole power to **set the monetary policy for the Eurozone countries.**
    - The ECB exercises the s**ole authority to decide the printing** and **minting of euro notes and coins.** It also **decides the interest rate** for the Eurozone.
    - The ECBs is **headed by a president and a board, comprising** the **heads of the central banks** of the participating nations.
- The **Eurozone** has **mechanisms for support** during periods of economic instability.
    - The **European Stability Mechanism (ESM)** was created to provide **financial assistance through rescue loans** under specific conditions.
- **How do countries join the Eurozone?**
    - In order to join the euro area, EU member states are **required to fulfil** so-called **'convergence criteria'** which consists of **price stability, sound public finances,** the d**urability of convergence,** and **exchange rate stability.**
    - These binding economic and legal conditions were **agreed upon in the Maastricht Treaty in 1992** and are also known as **'Maastricht criteria'.**
    - **All EU member states, except Denmark**, are **required to adopt the euro** and join the euro area once they are ready to fulfill them.
    - The Treaty **does not specify** a **particular timetable for joining the euro area** but leaves it to member states to develop their own strategies for meeting the condition for euro adoption.
    - The **European Commission and the ECB jointly decide** whether the **conditions are met** for euro area candidate countries to adopt the euro.

Source: FP
