Adoption by Croatia of the euro on 1 January 2023

2022/0179(NLE) - 05/07/2022 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 539 votes to 45, with 48 abstentions, a legislative resolution on the proposal for a Council decision on the adoption by Croatia of the euro on 1 January 2023.

Parliament **approved the Commission's proposal and expressed its support for Croatia's adoption of the euro on 1 January 2023**.

Members noted that the Commission's and ECB's positive assessments were made against the background of a longer than initially expected COVID-19 shock and the subsequent economic recovery in 2021. In addition, the Russian invasion of Ukraine had a limited impact on the historical data used for the convergence reports.

Parliament stressed that, notwithstanding the difficult socio-economic situation caused by the health crisis and the very recent increase in energy prices, the adoption of the euro by Croatia and the fact that the necessary criteria have been met are a **strong political signal of the viability and attractiveness of the Union's single currency**. The adoption of the euro will strengthen the Croatian economy and benefit its citizens and businesses.

Parliament welcomed the Croatian government's efforts to strengthen the country's institutional capacity, its efforts to improve the business environment and the implementation of structural reforms that are factors for sustainable and inclusive economic growth. It called for a swift and effective implementation of the reforms and investments of Croatia's Recovery and Resilience Plan. It urged the Croatian authorities to continue their good information and communication campaign on the adoption of the euro and called on the Croatian authorities to maintain the current course of practical preparations to ensure a smooth changeover process.

Parliament noted that, according to the Commission's Convergence Report 2022, the price level in Croatia has already reached a higher level of price convergence with the euro area than other Member States when they joined the euro area. It therefore expects sustained efforts by the Croatian government to ensure that price convergence continues in a sustainable manner and that the introduction of the euro does not lead to artificial price increases.

The Croatian government is invited to continue its actions in order to fulfil its commitment to implement a new anti-money laundering action plan by 2023.