# Glossary:Convergence criteria

Statistics Explained

The **convergence criteria** , sometimes also called **Maastricht criteria** , are conditions that Member States of the European Union must fulfil to join in economic and monetary union and to use the euro as official currency. There are four conditions, all aimed at growing convergence of EMU participants:

- *price stability* : Member States should have a price performance that is sustainable and an average rate of inflation that does not exceed by more than 1.5 percentage points that of the three best-performing Member States in terms of price stability for a period of one year before the examination;
- *Government budgetary position* : Member States are to avoid situations of excessive government deficits , that is their ratio of planned or actual government deficit to gross domestic product should be no more than 3 %, and their ratio of (general) government debt to GDP should be no more than 60 %, unless the excess over the reference value is only exceptional or temporary or the ratios have declined substantially and continuously;
- *exchange rates* : Member States should have respected the normal fluctuation margins of the Exchange rate mechanism without severe tensions for at least the two years before the examination. In particular, the Member State shall not have devalued its currency's bilateral central rate against any other Member State's currency on its own initiative over the same period;
- *long-term interest rates* : Member States should have had an average nominal long-term interest rate over a period of one year before the examination that does not exceed by more than 2 percentage points that of the three best-performing Member States in terms of price stability.

## Further information

- European Commission - Economic and Financial Affairs - The euro - Adopting the euro - Who can join and when?

## Related concepts

- Economic and monetary union
- euro
- Treaty of Maastricht