

CFA Romania's Cabat: Romania probably moving towards switching to European single currency in 2030

Romania's switching to the European single currency, the euro, is likely to be postponed until 2030 due to the ongoing coronavirus crisis, Dragos Cabat, a member on the CFA Society Romania board, said on Tuesday, noting that there should be a decision at the political level to attempt to try to enter at least the Eurozone antechamber and meet the Maastricht conditions again.

"At the moment, we are probably moving towards 2030 when it comes to adopting the single currency, if we indeed do. It would be normal to do it. But it would be very good if at the political level there is a decision to try anyway and get closer, at least get into the antechamber - and meet the Maastricht conditions again. We don't know exactly what's going on with them either. At the moment, no one is fulfilling them and neither do we, of course. In a way, switching over to the European single currency is in the air and its timing as a possibility to happen is the near future," Cabat told a CFA Romania Association event on Tuesday.

According to the 2020 Convergence Report published in June 2020 by the European Commission (EC), Romania did not meet any of the four economic criteria necessary for the adoption of the euro, namely price stability, sound public finances, exchange rate stability and convergent long-term interest rates.

Regarding the developments in the local currency's exchange rates, Cabat pointed out that "people are particularly scared of the trends in the exchange rate although, in fact, the exchange rates change by 1,2,3, maximum 5% per year," noting that the volatility of the exchange rates has been "particularly low lately."