

Petar Chobanov: Speech - opening of the Euro Days at the University of National and World Economy

Speech by Mr Petar Chobanov, Deputy Governor of the Bulgarian National Bank, at the opening of the Euro Days at the University of National and World Economy, organised by the Bulgarian National Bank and the UNWE, Sofia, 5 November 2025.

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Dear Prof. Dimitrov, Rector of the UNWE

Dear colleagues, students, professors and guests,

It is a special honour for me to welcome you today at my university, the University of National and World Economy; it is not only a centre of excellence, but also a place where the future leaders in the Bulgarian economy and finance are formed. We have gathered here at a historic moment – there are only about 50 days to go before Bulgaria joins the euro area. This is a step that will change both the financial architecture of our country and its place in Europe. It will change the financial architecture not so much because of new rules, but because the financial world is evolving. I expect that the financial ecosystem in Bulgaria will expand, and, along with the stable banking sector, other components of this system will evolve.

The road we've gone so far was not easy. In recent years, Bulgaria has made considerable efforts to meet the Maastricht criteria of price stability, sustainable public finances, a stable exchange rate, and long-term interest rates. We have joined the European Banking Union and the Exchange Rate Mechanism (ERM II), which was a key prerequisite for today's success. We have improved the supervision of the banking system, strengthened institutions and proved that we are able to maintain financial discipline even in the face of global crises.

The strategic importance of the euro is quite obvious. It is not just a currency, but a symbol of trust, stability and integration. Once it enters the euro area, Bulgaria will become part of the core of the European financial and economic architecture. This means:

- lower transaction costs for businesses and citizens;
- greater attractiveness to foreign investors;
- better access to financial markets;
- higher protection against external shocks.

The Bulgarian National Bank will play a key role. From being an observer and a participant in the preparations, the BNB will become a full member of the Eurosystem. This will enable us to take part in the decision-making process regarding the monetary policy of the euro area, to contribute with our expertise, and to protect the interests of the Bulgarian economy within the common European framework.

Indeed, the challenges are not lacking. The euro area faces a number of risks – geopolitical instability, energy dependency, inflationary developments, and differences

in the economic structure across countries. For Bulgaria, the risks include the need to step up structural reforms, increase productivity and address demographic challenges. They should be tackled in order to ensure that our membership will be effective and meaningful.

However, Bulgaria also has its advantages.

- The currency board has proven for nearly three decades that our country can maintain financial discipline and stability. Expectations that we will compromise them should not come true and so far they have not come true.
- The low level of public debt allows us for flexibility and sustainability.
- Our membership in the EU and the integration of Bulgarian business into European production and supply chains are a natural basis for a smooth transition to the euro. This is the time to increase our role in these chains.
- A flexible and adaptable workforce, as well as our strategic geographic location, are factors that can make Bulgaria an even more attractive destination for investment and strategic partnerships, so that we can influence economic processes.

Our task from now on is to exploit these advantages, minimise risks and be an active, responsible and constructive member of the euro area. Our success will depend on how well we can reconcile our national interests with the common objectives of monetary union.

I am convinced that, with the joint efforts of institutions, businesses, academia and citizens, Bulgaria will establish itself as a strong actor in the decision-making process and can make the most of its membership of the euro area.

Let us together turn this historic moment into a sustainable development process.

Thank you for your attention.