

Dimitar Radev: Bulgaria's accession to the euro area

Speech by Mr Dimitar Radev, Governor of the Bulgarian National Bank, at the annual dinner of the European Stability Mechanism, Brussels, 11 December 2025.

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Dear Pierre^{[1](#)},

Ladies and gentlemen,

Colleagues and friends,

Thank you for the generous introduction, and thank you to the European Stability Mechanism for hosting this evening's event. It is a pleasure to join so many distinguished representatives of financial community.

The ESM has become an essential pillar of the euro area's financial architecture-a demonstration of Europe's capacity to act with discipline, responsibility, and solidarity. As Jacques Delors once reminded us, "Europe is a journey requiring both vision and persistence."

Tonight, Bulgaria stands at the threshold of an important step in that journey: joining the euro area.

A Natural Completion of Bulgaria's European Path

Bulgaria's readiness to adopt the euro is not the result of a single moment. It reflects more than two decades of consistent economic orientation and institutional alignment.

Our currency board-anchored first to the Deutsche Mark and then to the euro-has provided the foundation of macroeconomic stability for over 25 years. The euro has long been our de facto monetary anchor, shaping expectations and encouraging discipline across households, firms, and the public sector.

Since 2020, we have been part of the Single Supervisory Mechanism, applying the same supervisory standards as euro-area banks. Under ERM II, our authorities have worked systematically to meet every legal, operational, and institutional requirement for the changeover.

In this sense, euro adoption is not a new beginning. It is the formal completion of a trajectory that has defined Bulgaria's economic model for a generation.

A Strong Anchor in an Uncertain World

We meet at a time of elevated geopolitical tensions, tighter financial conditions, and accelerated structural change. In such circumstances, the value of a credible monetary anchor becomes even clearer.

Euro-area membership brings Bulgaria three important advantages.

First, it strengthens confidence. Participation in the Eurosystem's monetary policy framework offers predictability and reinforces trust among investors, banks, and households.

Second, it deepens integration with European financial markets-improving financing conditions, reducing transaction costs, and supporting long-term investment.

Third, it enhances resilience through access to the euro area's stability instruments-tools designed not only to manage crises but also to prevent them.

These benefits support Bulgaria's convergence path and reinforce its capacity to navigate uncertainty.

Public Confidence and Clear Communication

We understand that citizens have concerns, particularly around prices. These concerns are not unique to Bulgaria-they accompany every changeover.

But decades of experience across the euro area show that these effects are temporary and limited, especially when addressed through strong oversight, dual pricing, and transparent communication.

Our message is simple: the institutional safeguards are strong, and they protect consumers.

Institutional Readiness-Thorough and Complete

The Bulgarian National Bank has prepared extensively for the changeover through a comprehensive set of decisions covering legislation, payment systems, cash operations, logistics, and IT security.

Our banks are liquid, well-capitalised, and technically prepared for operations in euro from day one. These preparations reflect close cooperation with the ECB, the European Commission, national institutions, and the ESM.

Political Continuity-A Nuanced but Real Consensus

Euro adoption requires political responsibility and societal confidence, not only technical readiness.

Bulgaria is currently experiencing political tensions and surges of public pressure. These dynamics are part of democratic life, and they have generated intense debate. But throughout these changes, the strategic direction toward the euro has been maintained.

Support for euro adoption extends across the political spectrum and is reflected in a constitutional majority. This is not a consensus of unanimity; it is a consensus of continuity-anchored in the recognition that Bulgaria's long-term security and prosperity are strengthened through deeper European integration.

This continuity gives credibility to the accession process.

Looking Ahead-Europe's Stability Architecture and the Challenges Before Us

As we look forward, we must recognise that Europe is operating at an inflection point. The global economy is becoming more fragmented; geopolitical tensions have become structural; Europe's competitive position is under pressure; and the green and digital transitions demand substantial and sustained investment.

These developments will test our institutions and policy frameworks. They require Europe to reinforce its capacity to act, to strengthen its economic governance, and to safeguard the credibility of the frameworks that anchor stability-monetary, fiscal, and financial.

It is in this context that Europe's strengthened stability architecture becomes especially important. The reform of the ESM Treaty-once fully in force-will allow the ESM to provide the common backstop to the Single Resolution Fund, reinforcing the credibility of the Banking Union and strengthening Europe's ability to respond to crises with confidence and coherence.

For Bulgaria, joining the euro area at this moment means assuming a share of these responsibilities from the very beginning.

As a member of the ECB's Governing Council, I will seek to contribute with independence and professionalism to the formulation of the single monetary policy-guided by the mandate of price stability and aware that the decisions we take in the coming years will shape Europe's resilience for decades to come.

Bulgaria brings relevant experience: that of a small, open economy long accustomed to operating under strict monetary constraints, maintaining fiscal discipline, and adapting to external shocks. This experience will inform our contribution to the Eurosystem and support our collective effort to navigate an increasingly complex European and global landscape.

Conclusion

Allow me to conclude with the words of Tommaso Padoa-Schioppa, one of the founding architects of the euro: "The euro is a community of stability and trust."

For Bulgaria, joining this community marks the beginning of a more advanced stage of our European journey- one that strengthens our institutions, supports our citizens, and deepens our engagement with Europe's future.

Behind every technical preparation lies a simple truth: the euro is about people- their savings, their security, and their opportunities.

Thank you for your attention.

I invite you to join me in a toast – to Bulgaria, to Europe, and to the euro-our shared foundation for stability and prosperity.

¹ Pierre Gramegna, Managing Director of the European Stability Mechanism