

Croatia becomes 20th Member of ESM

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Press releases

ESM



The Republic of Croatia became the 20th Member of the European Stability Mechanism (ESM) today, with the entry into force of the ESM Treaty for that country. This follows Croatia's adoption of the euro on 1 January 2023 and the [ESM's approval of Croatia's application](#) to become a member of the organisation.

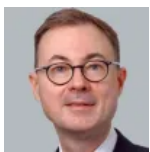
"I am very pleased to welcome Croatia as the ESM's newest Member. Through this accession, Croatia completes its integration within the euro area and it becomes part of a financial safety net with a firepower of €500 billion. The ESM was launched in 2012 to complete the architecture of the Monetary Union and ensure its financial stability, which is at the core of its mandate. All ESM Members benefit from the solidarity that lies at the heart of this institution and European integration in general — working together makes us stronger!" said ESM Managing Director Pierre Gramegna.

“One of the many advantages of joining the euro area is the privilege of membership in the ESM and the benefits that it confers. The ESM adds an important layer of protection and security to the euro area, which now Croatia is also a part of. This will contribute to the stronger resilience of our financial system and the economy, which is a significant and tangible achievement,” said Croatian Finance Minister Marko Primorac.

As an ESM Member, Croatia will be represented in the Board of Governors, the ESM’s highest decision-making body, joining the finance ministers of all euro area countries. It will also be represented in the Board of Directors, chaired by the ESM Managing Director that oversees the conduct of the current business of the ESM.

Croatia subscribed to €3.7 billion of the ESM capital stock, with an initial contribution of €422.29 million to the ESM’s paid-in capital, which provides backing for the bonds and bills issued by the ESM. This amount will be paid in five annual tranches. As a country with a GDP per capita of below 75% of the EU average, Croatia benefits from a temporary correction that lowers its paid-in capital contribution by €233 million until 2035.

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