



EUROPEAN CENTRAL BANK

EUROSYSTEM

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PRESS RELEASE

REVIEW OF THE INTERNATIONAL ROLE OF THE EURO

The European Central Bank (ECB) publishes today its “Review of the international role of the euro”, focusing on developments during the year 2009.

The review finds that the international role of the euro remained stable throughout 2009. Despite the profound impact of the global financial crisis on overall financial market activity, the relative use of the euro and other major international currencies was broadly unchanged over the review period. Specifically, between end-2008 and end-2009, the share of euro-denominated instruments increased by around half a percentage point in global reserve holdings, remained virtually unchanged in foreign exchange transactions and in total cross-border deposits and declined by 1.3 percentage points in the outstanding amount of international debt securities (narrow measure) and by 1.6 percentage points in the outstanding amount of cross-border loans. Changes of that order of magnitude are fully in line with normal fluctuations observed in the years prior to the global economic and financial crisis.

The review confirms the regional pattern of the international role of the euro. The euro was relatively widely used in countries with close geographical or institutional links with the euro area. During 2009, the role of the euro increased in currency substitution (use of euro banknotes) and asset substitution (use of the euro in bank deposits and loans) in EU neighbouring regions.

The review also presents some analytical findings on the international role of the euro. It contains special features on the returns on international assets and liabilities of issuers of international currencies, on the construction of a summary indicator of the international role of the euro, and on the degree of internationalisation of major currencies.

The ECB's “Review of the international role of the euro” can be obtained on the ECB's website (<http://www.ecb.europa.eu>).

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