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PRESS RELEASE

REVIEW OF THE INTERNATIONAL ROLE OF THE EURO

The European Central Bank (ECB) publishes today its report on “The international role of the euro”, which examines developments in the use of the euro by non-euro area residents during 2010.

The report finds that the international role of the euro remained broadly stable during 2010 when compared with other major international currencies. The share of euro-denominated instruments fluctuated only marginally between 2009 and 2010 in the market segments examined. When adjusted for valuation effects, the share of euro-denominated instruments increased by 0.3 percentage point in global holdings of foreign exchange reserves and by around 1 percentage point in the turnover on foreign exchange markets, while it dropped by around 2 percentage points in the stock of internationally issued debt securities. Changes of that order of magnitude are fully in line with fluctuations observed in past years.

The stability of the international role of the euro during 2010 is in line with the historical trend observed since the introduction of the single currency in 1999.

The report also contains special feature articles on the prospects for the international use of emerging market currencies, on the empirical determinants of “safe haven” currency status, on the impact of asset-backed securities on the currency composition of the outstanding stock of international debt securities, and on survey-based evidence on foreign currency lending in central, eastern and south-east Europe.

The ECB’s report on “The international role of the euro” is available on the ECB’s website (<http://www.ecb.europa.eu>).

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