

Press release

2 June 2026

International role of the euro increased moderately in 2025

- Euro's share across key indicators of international currency use grew moderately to around 20%
- Strong growth in euro-denominated international debt issuance, including green and sustainable bonds
- Geopolitical fragmentation and emerging alternative payment systems continue to pose challenges
- Report highlights need to act to reinforce foundations of euro's global potential

The international role of the euro increased moderately in 2025, reinforcing its position as the world's second most important currency. The euro's share across a broad set of indicators of international use rose to around 20%, continuing a gradual but steady upward trend observed since Russia's invasion of Crimea in 2014.

In 2025, issuance of international debt in euro reached its highest level since the introduction of the single currency, rising by around 30% compared with 2024. The euro also became the leading currency in the green and sustainable international bond market for the first time. Foreign portfolio inflows to the euro area were close to historical highs.

At the same time, signs of fragility are emerging. Central banks have continued to increase gold holdings amid persistent geopolitical tensions, while some countries have advanced alternative cross-border payment systems, including those based on digital technologies. These trends highlight growing fragmentation in the international monetary system. "There is an opening for the euro to enhance its global appeal – provided that European policymakers create the necessary conditions and put words into action," said ECB President Christine Lagarde. "For this to happen, the three pillars that underpin the euro's global potential – economic resilience, legal and institutional integrity and geopolitical credibility – must be reinforced."

For the euro to evolve into a truly global international currency, the euro area must develop deeper, more liquid capital markets. Taking concrete steps towards completing the savings and investments union under an ambitious timetable is critical. In addition, joint financing of public goods would help establish a safe and liquid pool of EU public debt. Safeguarding investors' trust in the institutions and policies that underpin the euro, including by upholding the rule of law, remains crucial to the currency's global appeal.

The ECB plays a role in underpinning the international role of the euro in three ways. As a pillar of Europe's institutional strength, its independence and price stability mandate bolster global confidence in the euro. As the issuer of a currency designed for the digital payment age, the Eurosystem ensures central bank money remains a trusted anchor of stability amid rapid technological change. And as a provider of backstop liquidity to central banks worldwide, the enhanced Eurosystem repo facility (EUREP) boosts market participants' confidence to invest, borrow and trade in euro globally, knowing that access will be there during market disruptions.

"The ECB has a coherent strategy to modernise the ways we provide euros to citizens, financial institutions and globally," said Piero Cipollone, Member of the Executive Board of the ECB. "Our goal is clear: ensuring that our shared currency remains a cornerstone of stability and supports Europe's economic prosperity."

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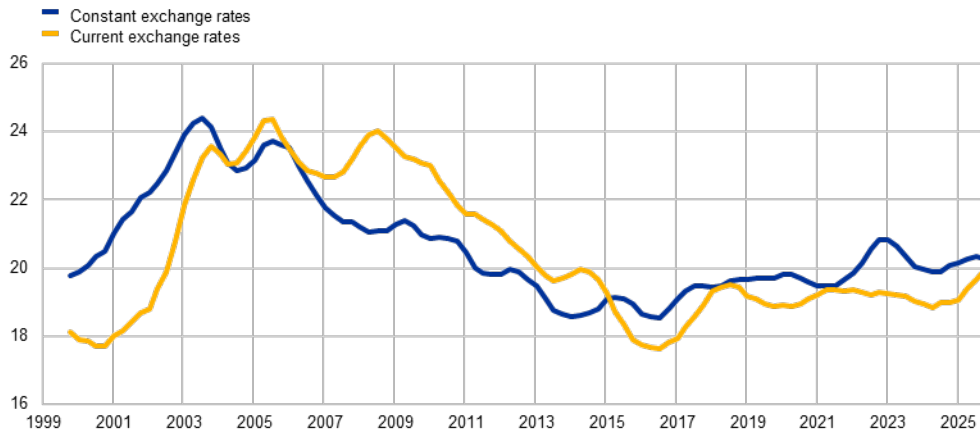
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Chart 1

The international role of the euro grew moderately in 2025

Composite index of the international role of the euro

(percentages; at current and constant Q4 2025 exchange rates; four-quarter moving averages)



Sources: Bank for International Settlements (BIS), International Monetary Fund (IMF), CLS Bank International, Ilzetzi, Reinhart and Rogoff (2019) and ECB staff calculations.

Notes: Arithmetic average of the shares of the euro at constant (current) exchange rates in (i) outstanding international debt securities (excluding home currency issuance); (ii) outstanding loans by banks outside the euro area to borrowers outside the euro area; (iii) outstanding deposits with banks outside the euro area from creditors outside the euro area; (iv) global foreign exchange settlements; (v) global foreign exchange reserves; and (vi) global exchange rate regimes (see also Chart 3 and Table 1). Indicators (i) to (iii) are taken from the BIS, indicator (iv) from the continuous linked settlement (CLS) system operated by CLS Bank International and indicator (v) from the IMF. Indicator (vi) is from the IMF from 2010 onward. Before 2010, it is estimated using data from Ilzetzi, E., Reinhart, C. and Rogoff, K., "Exchange Arrangements Entering the Twenty-First Century: Which Anchor will Hold?", *The Quarterly Journal of Economics*, Vol. 134, Issue 2, May 2019, pp. 599-646. The latest observations are for the fourth quarter of 2025.

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