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The future of payments and the international role of the euro*

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To begin, I would like to thank Juan Flames, CEO of Bolsas y Mercados Españoles, and the Federación Iberoamericana de Bolsas for inviting me to take part in this Annual Meeting. I am honoured to address today representatives from 23 stock exchanges across Latin America and the Caribbean, with which we share a history, a language and the view that sound finances have a valuable contribution to make to growth.

Today's programme rightly highlights how capital markets are undergoing a profound technological and geo-economic transformation, which affects not only trading and investment, but also the way in which transactions are settled and are interconnected. **In this new environment, payment systems are no longer merely a technical issue, having become central to economies' competitiveness and stability, and to their autonomy.**

For decades, the dollar has held a dominant position thanks to the strength of the US economy, confidence in its institutions, the development and depth of its financial markets and its control of global payment infrastructures. This hegemony has been based on sound foundations, but it has also generated dependencies that have placed constraints on many countries and regions.

Today, around 45% of world exports are invoiced in dollars, compared with some 35% in euro. However, **if we exclude the United States and the euro area, the contrast is greater: 60% of exports are invoiced in dollars and only 25% in euro.** And this, despite the fact that **only 10% of global exports go to the United States, compared with 35% to the euro area.**

Another key factor is the dollar's share of international payments: around half of all **cross-border market payments are made in dollars, compared with less than 25% in euro.** This shows that the predominance of the dollar owes not only to the economic strength of the United States, but also to historical inertia and US dominance over the financial infrastructures through which the bulk of international financial flows are channelled.

However, **some signs of change are starting to emerge, opening the door to a system that is less skewed towards one single currency,** and this **presents an opportunity for the euro to play a greater international role**. Uncertainty associated with US economic decisions, tariff policies that tend to realign trade flows, the regionalisation of value chains and the diversification of reserves at many central banks point to a diverse future. The technological revolution in payment systems and the emergence of new service providers are particularly closely interconnected with this transformation.

Accordingly, although new technologies, and especially distributed ledger (DLT) platforms, offer opportunities for efficiency and innovation, they also pose profound dilemmas for the future of money. The private sector sees them as a means of streamlining transactions and reducing costs, and stablecoins appear to be particularly well positioned to play these roles as settlement assets that are native to these platforms.

The key point is that the reach of stablecoins extends beyond financial trading. Were they to become widespread as a means of payment in commercial transactions, remittances or cross-border settlements, they would impact the real economy. **At present, virtually all stablecoin market capitalisation is dollar denominated, 99.8% to be precise.** In the present circumstances, a large-scale expansion could further boost global demand for dollars, to the extent that even transactions with no direct link to the United States would ultimately be channelled through the dollar, intensifying existing dependencies. **In addition, as stablecoins are issued by private agents and are not backed by central banks, they generate fragmentation risks and erode the role of public money as an anchor of the monetary system.**

It is, therefore, important to recall a lesson from the past, namely that **trust is the ultimate bedrock of any monetary system.** When money was privatised in the 19th century, banknotes issued by banks without sufficient backing proliferated and, what looked to be progress, ultimately ended in crises of confidence and recurring instability. Today, the role of central banks is precisely to prevent that from happening again: to safeguard the value of money and ensure payment security, both in retail payments, through cash, and in wholesale payments, through settlement in central bank reserves.

Naturally, good regulation is a necessary condition for preserving that trust. Europe has taken important steps with the Markets in Crypto-Assets (MiCA) Regulation, which establishes a clear and rigorous framework for crypto-assets and stablecoins. But **regulation, while essential, is not sufficient on its own,** especially if other jurisdictions apply looser rules, opening the door to regulatory arbitrage.

In this setting, we central banks also need to innovate. The Eurosystem is working on two fronts. First, the digital euro, which will safeguard the role that cash has fulfilled to date for the public as an anchor; and second, wholesale projects, which seek to adapt our infrastructure to the new technological environment. The Eurosystem's Pontes and Appia projects are concrete examples of this work: Pontes seeks to ensure interoperability between DLT platforms and systems in which settlement takes place in central bank money, while Appia is exploring the creation of a platform where tokenised central bank money can coexist with other financial assets. The ultimate goal is clear: to prepare for a scenario in which financial markets make more intensive use of DLT, but without sacrificing the security provided by having public money as the final settlement asset, with no credit risk.

All this invites **reflection on the need to diversify the reference currencies used to access international markets.** And this is precisely what I would like to focus on today, because the link with Latin America makes this reflection especially relevant. **The region shares many of our challenges, but it also has an added vulnerability, namely its high dependence on the dollar.**

This dependence has at least three dimensions, the first of which is financial. Virtually all corporate debt issuances in the region are made in dollars, even when corporate revenues are denominated in other currencies. **In 2025 to date, over 90% of Latin America's international issuances have been dollar denominated,** while the euro accounts for barely 7% of the total. This is the highest share since 2021, but there is still a very wide margin for further diversification. Moreover, the progress made is concentrated among sovereign issuances, as the corporate sector has not accessed the euro markets for several years now. This concentration on a single currency and jurisdiction limits options and amplifies vulnerabilities that ultimately pass through to the broader economy.

The second dimension relates to trade. Some 95% of the region's exports are invoiced in dollars, and barely 3% in euro. This means that, even when the trading partner is European, transactions are made in dollars. The result is an unnecessary dependence that amplifies the impact of dollar cycles on trade and that, in practice, forces Latin American firms to live in a financial world that does not always coincide with their economic geography. **Moreover, this vulnerability has heightened in the current setting, with the United States significantly raising its tariffs**, which now stand at around 18% for the rest of the world and have risen from 0.3% to 10.4% in barely one year for Latin America. Against this backdrop, tariffs between Europe and Latin America are much lower, at around 3%. This spread poses an opportunity to intensify bilateral exchanges. Were these flows to be made in euro, firms could benefit from a natural coverage of income and payments that would strengthen their financial stability.

The third dimension is **jurisdictional**, which is a less visible but strategic vulnerability. By making most of their issues and settlement transactions on infrastructures and markets in one single jurisdiction, Latin American issuers are exposed to discretionary decisions, with no access to alternatives that would allow them to react or reposition themselves. In practice, it's like moving through a one-way channel: when it's open, access seems secure, but regulatory or political change – which is perhaps more likely at the present time – can leave us trapped with no options. This situation reminds us that, to reduce long-term vulnerabilities, diversification should not be limited to currencies but should also extend to jurisdictions and settlement channels.

Diversifying does not mean abandoning the dollar but rather complementing it. Making some debt issuance in euro, using European infrastructure for transaction settlement, or where possible invoicing exports in euro, are just two steps that can reduce vulnerabilities. **At the same time, it is essential to continue to foster the development of local markets, while keeping the door open to international markets and diversifying across currencies.**

Europe is a credible alternative for advancing in that direction. Even in a setting of unprecedented geopolitical tensions, the euro has maintained its position as the world's second global currency, even though its use remains predominantly regional. To consolidate and strengthen this role, three specific steps forward are needed: a deeper and broader supply of liquid safe assets, resolute progress towards the capital markets union, and modern and connected infrastructure that provides international investors with confidence.

It is important to note that Europe has a higher volume of savings than the United States. In 2024, the saving rate of European households stood at around 15% of disposable income, compared with 8% in the United States. Moreover, considering the broader economy, gross national savings amount to approximately 25% of GDP in the EU, compared with 18% in the United States. This savings gap is a reminder that Europe has a structurally larger financial resources base which, if channelled effectively, can project the euro towards a more important international role.

Europe's capital markets are shallower, but they are in the process of consolidation. Some large Latin American – especially sovereign – issuers have already taken significant steps, making euro-denominated issuances and building up a track record on our markets. **Corporate issuers should also start positioning themselves now, when platforms and European integration are still expanding.** The first movers will enjoy more benefits in the future, securing more favourable conditions and building lasting relationships with European investors.

To advance this agenda, Europe needs to offer a gateway that is tailored to the Latin American market. This entails having financial instruments and developing platforms – both for equities and debt securities – designed for smaller companies, with accessible markets that do not require excessively high minimum volumes and with channels that simplify issuance and reduce access costs. Only in this way will we prevent much of the region's business sector from being held captive by a single funding channel for its access to international markets.

In short, **currency and jurisdictional diversification is not just a financial strategy; it is also a trade strategy and, ultimately, an economic autonomy strategy.** It paves the way for reduced vulnerability, increased decision-making capacity and a more balanced relationship between regions such as Europe and Latin America that share deeply aligned interests and values.

So my invitation is clear: **let's work together to strengthen the financial and trade bridges between Europe and Latin America,** and let's do this not only with the big issuers and multinationals in mind but also the medium-sized firms that are the backbone of our economies.

If we work together, we will move towards a more balanced international monetary system that is more resilient and less vulnerable to concentration risks. And we will do so while at the same time strengthening our autonomy and our decision-making capacity.