

Press release

14 June 2022

International use of the euro remained stable in 2021

- Euro remains second most widely used currency globally after US dollar
- Euro's share at around 19% across various indicators of international currency use
- Euro's global appeal linked to stronger Economic and Monetary Union

The international role of the euro remained stable in 2021, with its share across various indicators of international currency use averaging around 19%. This was one of the main findings in the annual review of [The international role of the euro](#) published today by the European Central Bank (ECB).

“Following the pandemic, the euro area has experienced one of the steepest recoveries in its history, thanks also to ample fiscal and monetary policy support. Now we face rising global inflation driven by higher energy costs, supply bottlenecks and normalising demand as economies reopen. On balance, however, these developments have not resulted in a significant change in the international role of the euro,” said ECB President Christine Lagarde.

The share of the euro in global foreign exchange reserves increased by 0.5 percentage points to 20.6% in 2021, and the share of the euro in international bond issuance rose by almost 3 percentage points to 24.6%. Outstanding international loans and outstanding international deposits also increased markedly. However, the share of the euro in foreign exchange settlements declined. The share of the euro in the outstanding stock of international debt securities, as well as in invoicing of extra-euro imports and exports, remained broadly stable.

Looking ahead, the international role of the euro will be primarily supported by a deeper and more complete Economic and Monetary Union, including advancing the capital markets union, in the context of the pursuit of sound economic policies. The Eurosystem supports these policies and emphasises the need for further efforts to complete Economic and Monetary Union.

This year's interim edition of the report includes five analytical boxes. Box 1 discusses the implications for the international roles of the euro and the US dollar of the Russian invasion of Ukraine and the

European Central Bank

Directorate General Communications, Global Media Relations Division
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, email: media@ecb.europa.eu, website: www.ecb.europa.eu

financial sanctions imposed on Russia. “The Union’s economic and financial resilience to the current geopolitical challenges can also support the international role of the euro,” said ECB President Christine Lagarde.

Box 2 reviews recent developments in the international role of the Chinese renminbi. Box 3 provides insights into the international use of the euro as a financing currency across different economic sectors and the trends over time. Box 4 examines the interplay between the exchange rate elasticities of euro area external trade and the role of the euro as an invoicing currency.

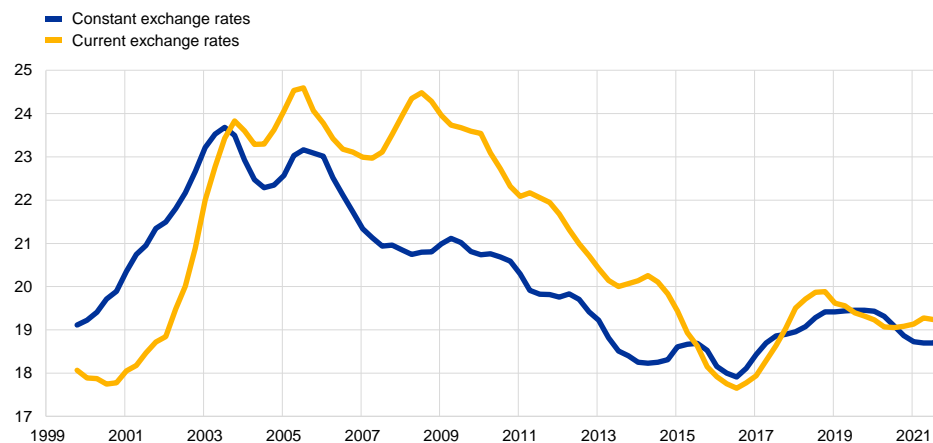
Finally, Box 5 examines the role of the euro in the global market for stablecoins.

For media queries, please contact [Alexandrine Bouilhet](#), tel.: +49 172 174 93 66.

Chart 1

Composite index of the international role of the euro

(percentages; at current and Q4 2021 exchange rates; four-quarter moving averages)



Source: [IRE Report 2022](#), page 3

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