



EUROPEAN CENTRAL BANK
EUROSYSTEM

ECB-PUBLIC
COURTESY TRANSLATION

Christine LAGARDE
President

Mr Engin Eroglu
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 15 September 2023

L/CL/23/175

Re: Your letter (QZ-018)

Honourable Member of the European Parliament, dear Mr Eroglu,

Thank you for your letter, which was passed on to me by Ms Irene Tinagli, Chair of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 13 July 2023.

The ECB monitors developments in the international role of the euro and the other main international currencies. It publishes its findings in an annual report. The latest report, published in June, discusses several of the issues that you raise in your letter.¹

As regards your first question, the report provides anecdotal evidence, including official statements, suggesting that some countries intend to expand their use of alternatives to major traditional currencies for invoicing international trade. It also points to the increased accumulation of gold as an alternative reserve asset by some countries, possibly for geopolitical reasons. However, these developments do not indicate any imminent decline in the importance of the major international currencies. At present, the data do not show any substantial change in their use, although they do suggest that international currency status should no longer be taken for granted.

On your second question, strong economic fundamentals and sound policies are important factors determining the use of international currencies, as predictability and stability are crucial to their global appeal. An international monetary system in which several currencies played a significant role would be in line with the

¹ See "[The international role of the euro](#)", ECB, June 2023.

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prospective economic and financial weights of the major economies. However, it could also bring challenges if the system became fragmented. This means that there is an even greater onus on European policymakers to create the conditions for the euro to develop further as a sound and credible currency. Further European economic and financial integration will be key to increasing the euro's resilience in a potentially more fragmented international monetary system.

The ECB will continue to monitor developments and regularly publish information on the international role of the euro.

Yours sincerely,

[signed]

Christine Lagarde

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