

Global role of the euro

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The European Parliament adopted by 405 votes to 146, with 60 abstentions, a resolution on the global role of the euro.

The international monetary system remains centred on the US dollar, which represented 57.8 % of global official foreign exchange reserves at the end of 2024. The euro is firmly established as the world's second most used currency; it accounts for approximately 20 % of global foreign exchange reserves.

Reduce strategic dependencies and strengthen the EU's autonomy

The resolution called on the EU to reduce its strategic dependencies and strengthen its capacity for autonomous action, while actively promoting **global interoperability** and a more balanced, sustainable and resilient international monetary and financial system. In this context, Members considered that a stronger global role for the euro is about reinforcing its role within a more multipolar international monetary system.

The euro area already benefits from a significant and mature public payment infrastructure, including the T2 real-time gross settlement system operated by the Eurosystem, the TARGET2-Securities securities settlement platform, and the TARGET instant payment settlement (TIPS) infrastructure. Members believe that strengthening the international role of the euro should **address gaps** by building on these existing foundations rather than assuming that the EU lacks the basic infrastructure on which to act.

Parliament underlined the **dominance of foreign financial market infrastructures**, ranging from retail payments (reliant on international card schemes) to wholesale transactions dependent on systems provided by US corporations. It reiterated that a euro that relies on third-country payment rails remains structurally exposed to extraterritorial leverage. Members also warned of the risks associated with the dependence of euro area banks on US dollar wholesale funding.

These **dependencies** expose EU citizens and businesses to the extraterritorial application of sanctions from non-EU countries, or to the threat of such application. Consequently, Parliament stressed that **strengthening the EU's economic resilience and political autonomy** should become one of its strategic objectives.

A fully-fledged international currency

Parliament considered that strengthening the international role of the euro can generate benefits both in the short and long term: insulate Europe's economy from swings in foreign exchange rates, secure better financing conditions, support for the green and digital transition, and increase the EU's macroeconomic autonomy.

The resolution stressed that any strategy to strengthen the international role of the euro must be pursued on the basis of a clear-eyed assessment of both its benefits and its costs. It recognised that **full international currency status** confers significant advantages, including, precisely, insulation from exchange rate volatility, lower borrowing costs, geopolitical leverage, while also entailing structural obligations and constraints, notably the capacity to provide safe, liquid and credible assets at scale to global markets.

Parliament therefore agreed with the ECB President on the need for the euro to ‘move from being an “in between” to being a full international currency’. However, it is concerned that the economic and monetary union’s lack of ability to speak as a unified voice with international institutions can hold back the international role of the euro.

Strengthening the economic foundations of the euro

Parliament stressed that the internationalisation of the euro depends on the **further development of EU capital markets** and genuine cross-border equity market integration. It considered that European savings should be channelled more effectively towards investment within the Union rather than being predominantly intermediated through US capital markets. It called for the timely completion of the **savings and investments union**.

According to Members, European savings should be mobilised towards productive investments in the EU through integrated and competitive capital markets, greater retail investor participation, appropriate investment incentives and a stable regulatory framework.

Parliament called, in line with the ECB President’s and the Bundesbank President’s statements, for the **development of a deep and liquid common European safe asset** to help strengthen the euro’s international role. It agreed with Mario Draghi that, within the EU, such assets would reduce financing costs, weaken the bank-sovereign nexus and help create a genuine European bond yield curve, which would deepen capital market integration. It stressed that an EU safe asset can only fulfil these functions if issuance reaches a scale sufficient to create a deep and liquid market.

Members stressed that the international role of the euro depends on sustainable and sound fiscal and structural growth-enhancing policies based on a commitment to credible fiscal rules to maintain the stability and integrity of the euro.

Trade, international payments and settlement

Members considered that strengthening the international role of the euro requires its wider use across **cross-border value chains**. Stimulating the choice of the euro in trade will reduce exchange rate risk and other currency-related costs, especially for European small and medium-sized enterprises.

Parliament called on the Commission to **promote invoicing and payments in euros** in European investments, public procurement and trade agreements, particularly in the strategic sectors of clean technology, energy and defence.

The resolution emphasised that **borrowing, lending, and settling in euros** requires a sovereign European public digital payments and settlement infrastructure, with a European wholesale central bank digital currency (CBDC) at its core. Furthermore, reinforcing the euro’s role across cross-border value chains requires the further expansion of bilateral swap lines with EU Member States and internationally, which remain currently restricted.

Lastly, Parliament warned that the circulation in the EU of fully fungible US dollar-denominated stablecoins issued by both EU and non-EU entities creates potential new financial stability risks.