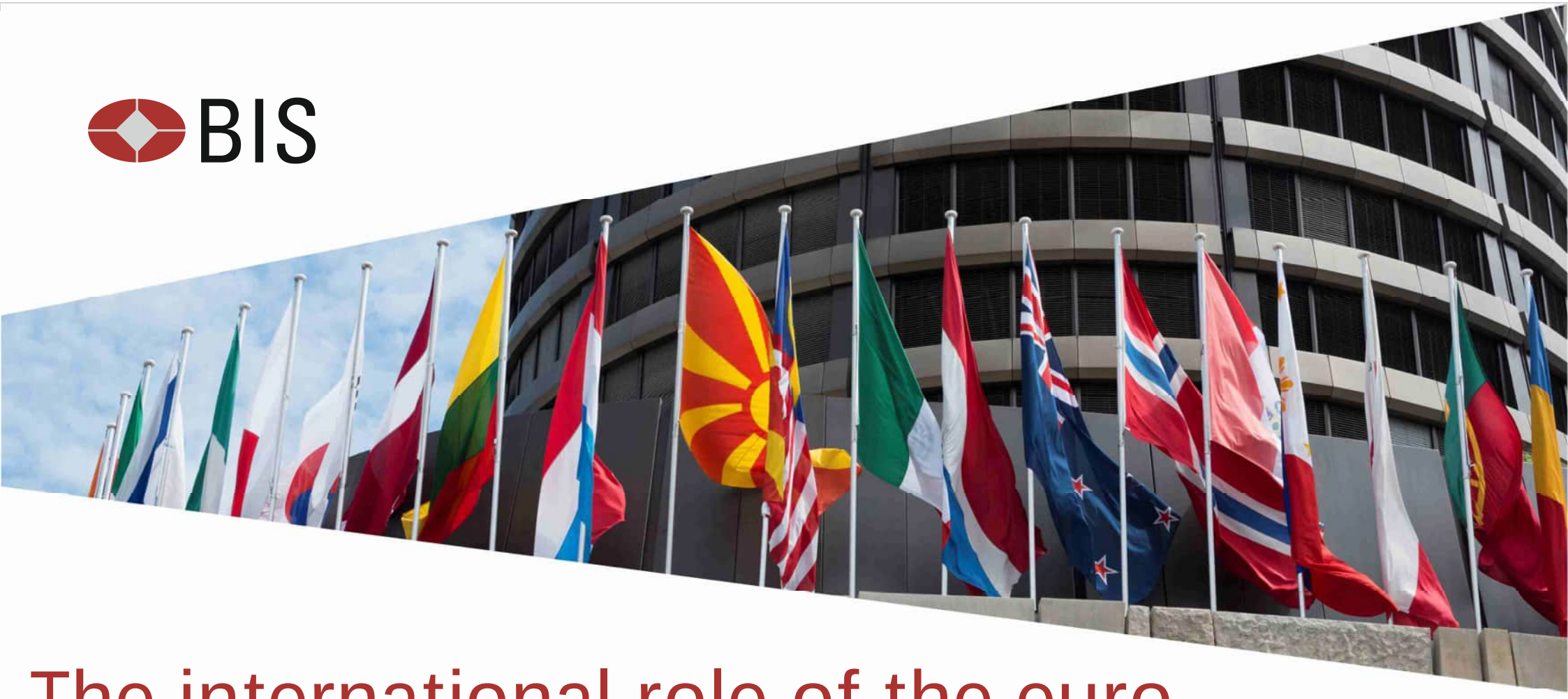


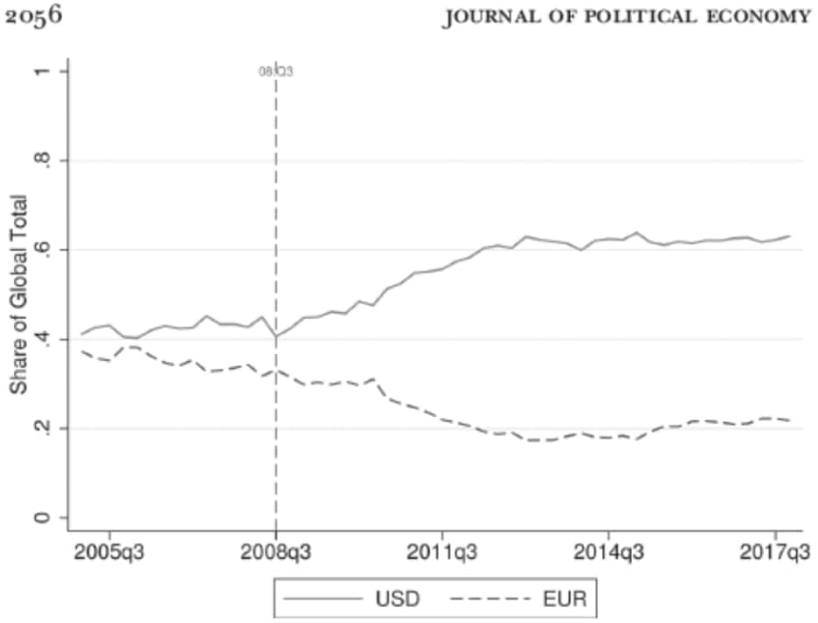
The international role of the euro

Előd Takáts (BIS – LSE)

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International currency use: does the dollar eclipse the euro?

- There is much discussion about the increasing role of the dollar
- Key example: Maggiori, Neiman, and Schreger (2020, JPE) examine through holdings of selected investors
- Our question: How this dollarization trend shows in longer-term and more comprehensive data?



Maggiori, Neiman, and Schreger (2020, JPE)

Findings: the euro remains widely used

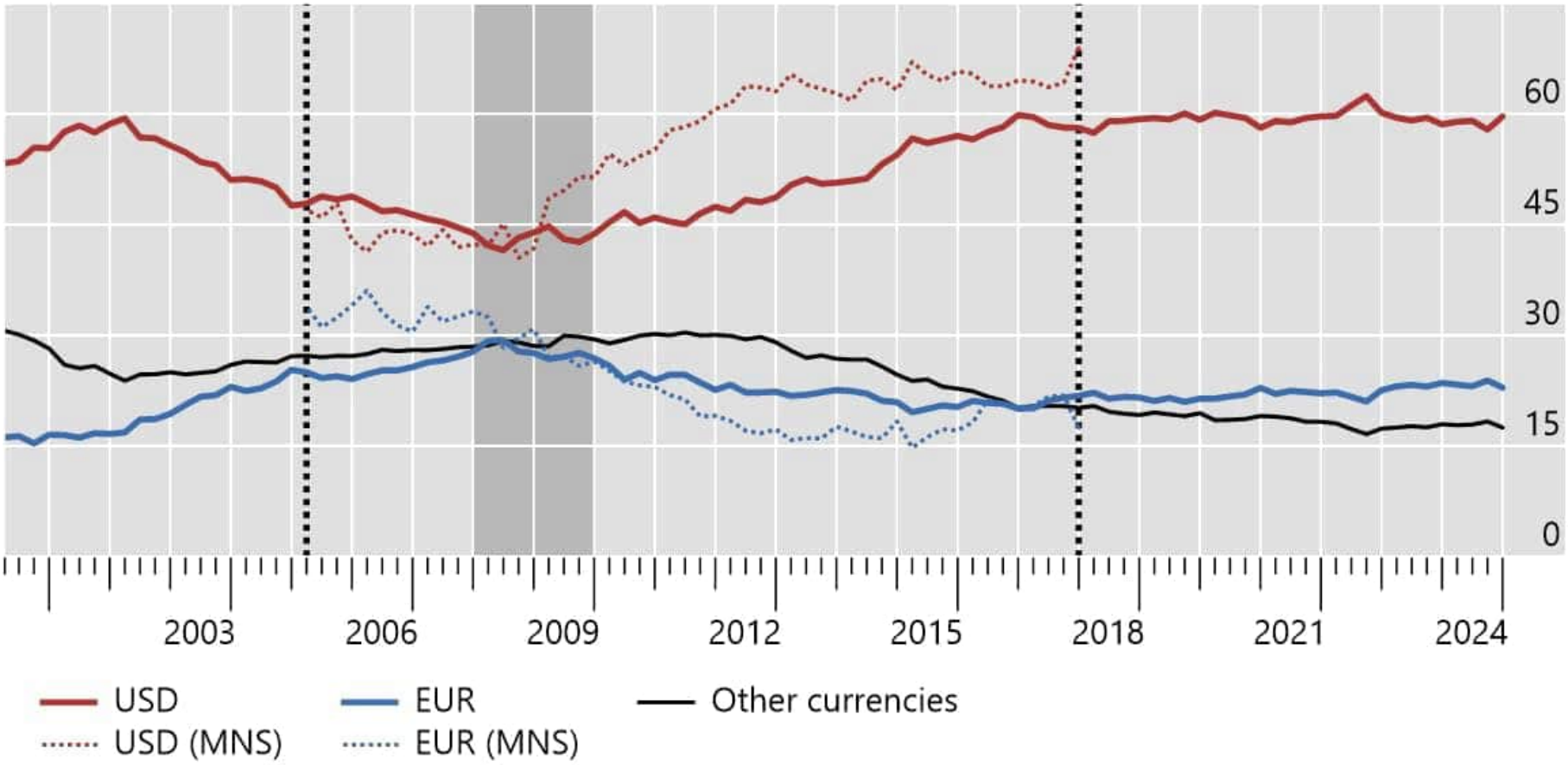
- We explore a comprehensive and long-term dataset on international debt securities (IDS) to investigate dollarization trends

- We find no evidence of a dollarization trend,
  rather we find dollarization (or euroization) waves
  - Not only since 2000 but since the 1960s

- The euro seems to have had a moment pre-GFC
  - In financial sector issuance
  - And its share today remains higher than at its introduction

- *Findings bases on NBER WP34942*
  Dollarization Waves: New Evidence From a Comprehensive International Bond Database with Swapan-Kumar Pradhan, Eswar S. Prasad, & Judit Temesvary

Key finding: dollarization happens in waves, no dollarization trend since-2000

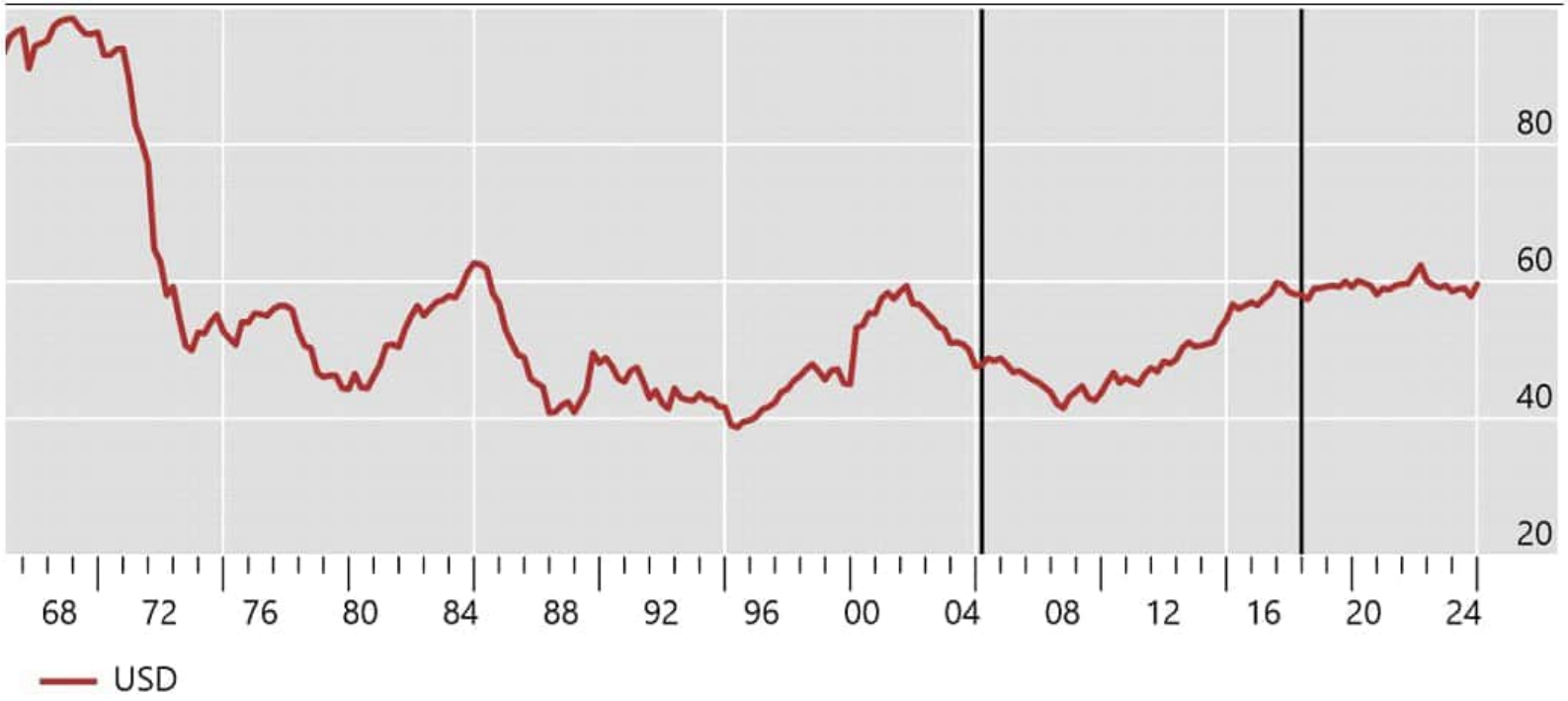


Similar dollarization waves emerge over the longer term

Outstanding international debt securities: 1966 -2024

In % of total in all currencies

Graph 2



Sources: Dealogic; Euroclear; Thomson Reuters; Xtrakter Ltd; BIS calculations.

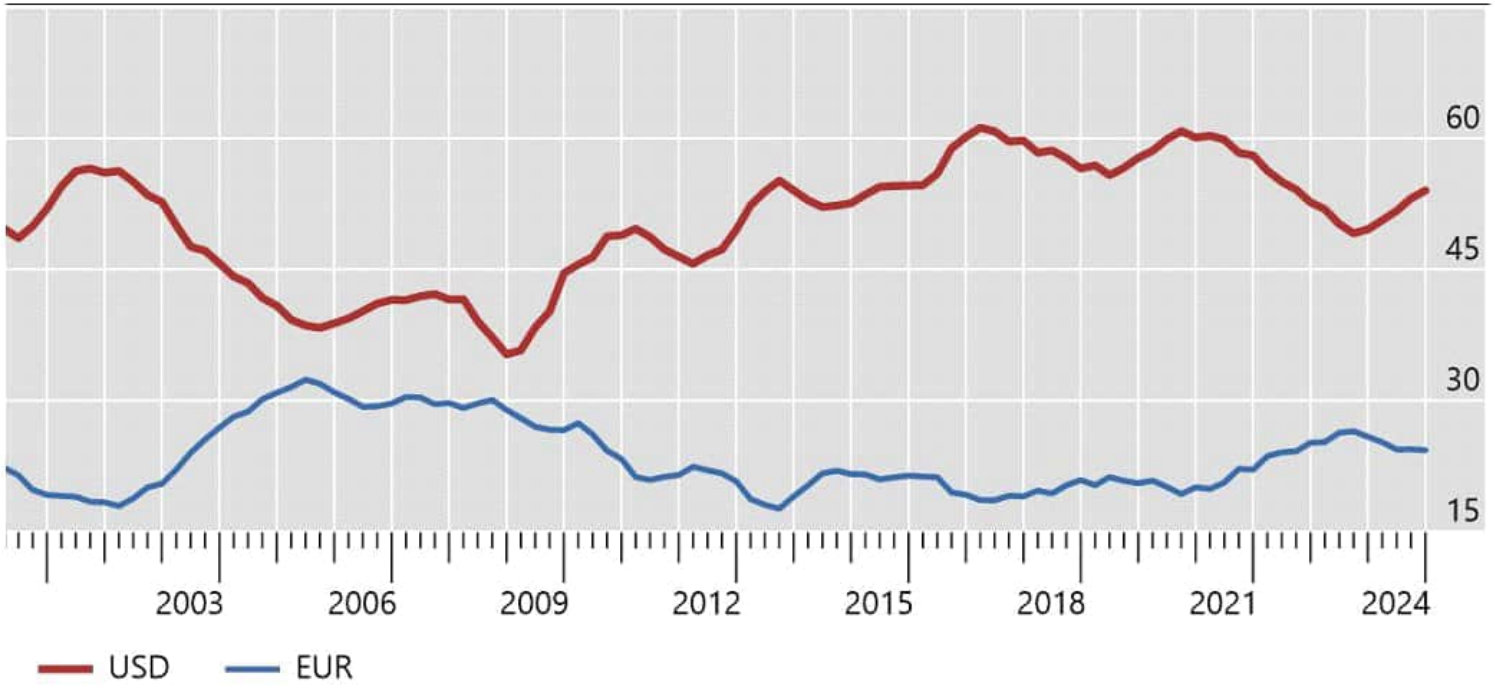
Euro share heatmap

REGION	COUNTRY	2000	2004	2008	2012	2016	2020	2024
ADVANCED ECONOMIES (NON-EU)	Australia	7.4	23.3	26.2	18.6	21.6	26.7	21.2
	Canada	8.9	11.5	15.1	4.8	15.0	17.8	22.9
	Japan	12.3	15.8	11.9	5.4	5.4	12.6	14.8
	United Kingdom	24.7	39.7	39.1	31.1	27.6	26.0	22.7
	United States	12.6	19.2	25.5	21.0	19.9	29.3	24.2
EUROPE	Denmark	30.1	60.5	64.6	58.5	57.6	62.8	64.6
	Finland	10.4	26.0	15.8	11.1	1.9	7.4	13.1
	France	3.5	4.9	6.0	6.2	5.5	6.3	3.8
	Germany	2.4	4.9	6.0	4.1	4.6	6.9	7.5
	Ireland	8.4	32.8	44.7	45.2	38.9	53.1	59.7
	Italy	3.9	1.5	2.4	2.5	16.0	20.3	31.3
	Luxembourg	7.3	16.4	24.6	21.6	22.0	36.9	36.9
	Netherlands	11.6	21.0	26.9	21.0	19.7	27.5	31.0
	Norway	19.0	30.3	45.5	36.1	44.5	52.5	47.1
	Poland	14.6	66.3	69.4	63.3	64.8	76.4	63.4
	Spain	0.0	0.0	4.6	1.5	4.1	5.6	3.1
	Sweden	29.7	53.2	53.6	42.7	38.7	48.1	54.8
	Switzerland	59.1	38.2	39.7	31.1	29.7	23.8	14.7
EMERGING MARKET ECONOMIES	Brazil	11.7	14.7	8.5	3.8	6.1	4.4	0.0
	Chile	2.4	2.7	0.0	0.0	7.0	12.6	11.8
	China	3.0	21.9	9.2	3.6	6.3	12.0	7.0
	Hong Kong SAR	1.9	3.8	3.3	2.3	4.1	4.2	3.5
	Indonesia	0.0	0.0	0.0	0.0	11.7	13.6	8.7
	Korea	3.7	4.8	12.5	5.2	5.4	9.2	9.6
	Mexico	12.7	14.2	12.5	9.0	16.5	15.0	9.8
	Saudi Arabia	0.0	0.0	8.9	0.0	0.0	3.4	2.5
	Singapore	5.8	12.1	11.4	1.9	2.8	10.7	8.5
	Türkiye	41.5	37.1	26.5	11.7	9.1	7.9	8.4
	United Arab Emirates	0.0	0.0	5.4	9.3	7.4	3.4	2.5
	AVERAGE	12.0	19.9	21.4	16.3	17.7	21.9	21.0

New issues show a clear “euro moment” pre-GFC

Gross issuance of international debt securities by currency[1]

Four quarter moving average, in USD billion — Graph 3

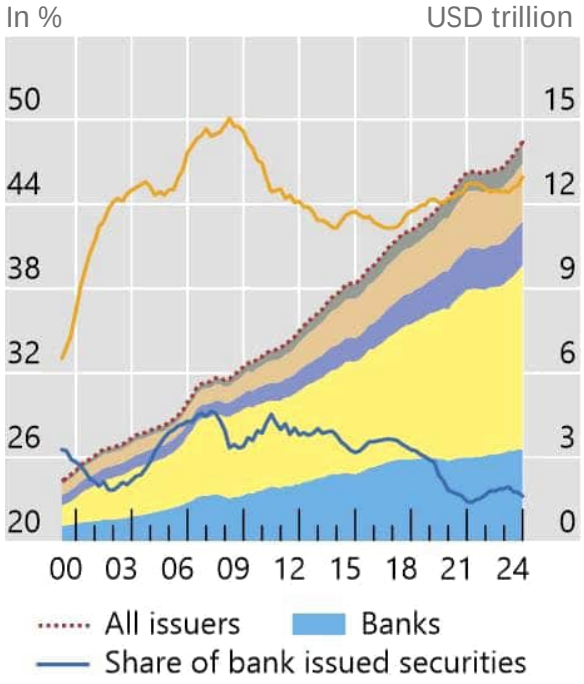


[1] Excluding intra-euro area EUR by euro area nationality issuer.,

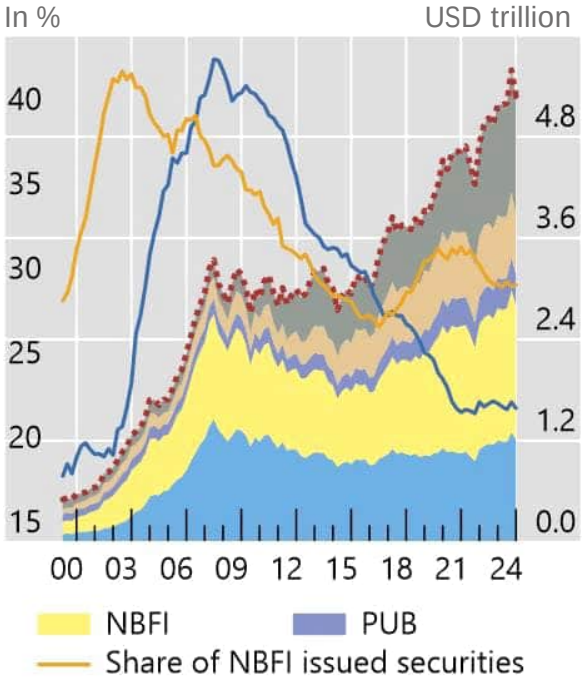
Sources: Dealogic; Euroclear; Thomson Reuters; Xtrakter Ltd; BIS calculations.

Euro denominated financial sector issuance drove the euro moment

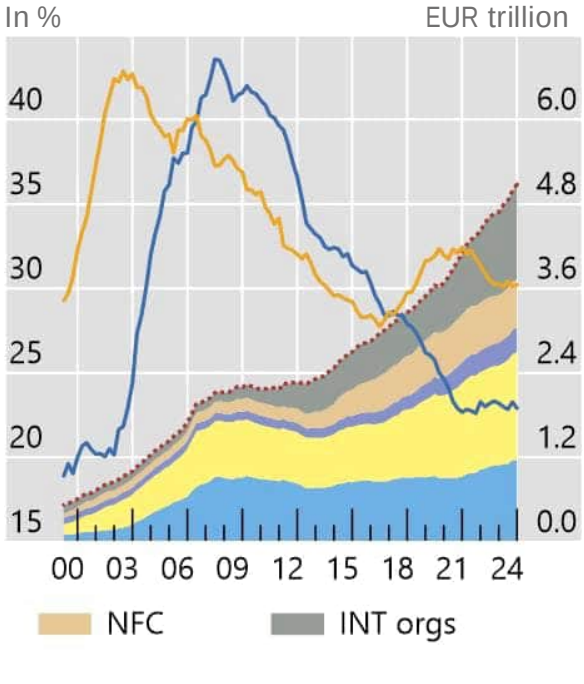
A. USD-denominated



B. EUR-denominated



C. EUR-denominated in Euros[1]



Thank you for your comments!

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