The EU was established in 1957, aiming to create an economic union among its members. This union includes several key components:

- **The Single Market**: This allows for the free movement of goods, services, people, and capital within the EU, reducing costs and increasing efficiency.
- **The Euro**: The single currency of the EU, introduced in 1999, has significantly reduced price transparency and made it easier to compare prices across member states.
- **Low Inflation**: The EMU, or the Economic and Monetary Union, has contributed to stable prices and low interest rates, encouraging long-term planning.
- **Sound Public Finances**: Through the Stability and Growth Pact, participating countries agree to maintain stable fiscal policies.

These policies have had a profound impact on the EU, enabling it to compete globally while simultaneously improving the quality of life for its citizens. The single currency, for instance, has been a major driver of trade and economic growth, making the EU a significant player in the world economy.
In 1998 the euro was born. It first appeared on payrolls, bills and invoices. On 1 January 2002, euro banknotes and coins entered European bank tellers, cash registers, purses and pockets for the first time. This marked another major step towards European economic integration, a journey which began with the founding of the European Economic Community in 1957.

Then and now: Steps towards the euro

The Economic and Monetary Union (EMU) is a cornerstone of the single market. The common market allows us to trade freely but trade is hindered between the numerous currencies in circulation.

The Maastricht Treaty decided that Europe will have a strong and stable single currency for the single market.

The euro is launched as a virtual currency.

The euro comes into life and around 8 billion euro banknotes and 38 billion euro coins begin to circulate.

The EMU and the euro give us:

- Cross-border shopping is simply easier!
- More choice, better prices
- Economic stability encourages long-term planning
- Lower risks and reduced costs encourage cross-border trade and investments
- A stable currency
- Cheaper and easier travel
- A single currency
- Euro benefits: A quick recap
- Greater ease of international trade
- Euro myths: Think again
- Emotional and Monetary Union – EMU

More integrated financial markets

Economic and monetary integration makes it much easier for investors to invest in the euro area – a single currency area where it can be used most efficiently. An expanded euro area financial market, which is increasingly regulated and supervised, also makes capital more easily available to the whole area and allows investors to spread risks more widely.

The euro area has a greater international presence

The big players in the global economy meet in international groupings, such as the International Monetary Fund (IMF) and the G7/G20, to promote stability in global financial markets. The euro is now one of the most important currencies in the world, the EU has a stronger voice in the world.

What’s in it for Europe?

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Euro myths: Think again

The euro is being increasingly used for international trade transactions because of its strength and availability, and the confidence it inspires. This allows euro area businesses to pay and be paid in euros, making them less vulnerable to exchange rate risk and currency fluctuations and lowering trade for our partners.

Facts and figures

For the introduction of the euro, 33 billion euro coins entered circulation. That’s around €244 billion euro coins for every person in the euro area at that time.

In the first decade after the euro was introduced, more than 170,000 new jobs were created in the euro area, compared with only 3,5 million in the previous seven years.

The average cost of changing 100 currencies from euros to US dollars or vice versa was reduced by 84% in 2001.

Group December 2006, the value of euro banknotes and coins in circulation in the euro area had generally been higher than the value of US dollar cash in circulation.

About the euro

The euro is a single currency. The design of euro banknotes is common to all euro area Member States.

Various security features have been incorporated into the euro banknotes. It’s a good look at them to check for yourself!

Euro coins have a uniform design on one side and a country-specific design on the other.

Weighing up the benefits

The euro is also easily exchanged in countries outside the euro area – it is estimated that, in terms of value, between 22% and 25% of euro banknotes circulate outside the euro area.

The inflation rate in the euro area has been around 2% each year since the start of the euro. This is remarkably stable and low when we compare it to the rate of 20% (and sometimes more) that some EU countries experienced in the 1970s and 1980s.

Cross-border shopping is simply easier!

Within the euro area, we don’t have to calculate exchange rates, we can now clearly compare prices and have no more choice.

There is more competition between shops and supermarkets. This means that we benefit from lower prices and price increases are kept in check.

A stable currency

The inflation rate in the euro area has been around 2% each year since the start of the euro. This is remarkably stable and low when we compare it to the rate of 20% (and sometimes more) that some EU countries experienced in the 1970s and 1980s.

Cheaper and easier travel

When travelling within the euro area, you have made far less travel – before we did not have to exchange currencies and therefore we do not pay any exchange fees.

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Weighing up the benefits

The euro has found some well-documented challenges in recent years. The debt crisis revealed weak spots which needed to be carefully examined and addressed. The Trichet years had strengthened this as a result.

While it has been important to reflect on the problems of economic governance, we should not forget the huge benefits that the euro has brought to Europe, its citizens and businesses.

Greater ease of international trade

Economic and monetary integration makes it much easier for investors to invest in the euro area – a single currency area where it can be used most efficiently. An expanded euro area financial market, which is increasingly regulated and supervised, also makes capital more easily available to the whole area and allows investors to spread risks more widely.

What’s in it for business?

More integrated financial markets

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The euro area benefits: A quick recap

- Greater ease of international trade
- Euro myths: Think again
- Euro myths: The euro caused prices to rise
- Facts and figures
- About the euro

Greater ease of international trade

The euro is being increasingly used for international trade transactions because of its strength and availability, and the confidence it inspires. This allows euro area businesses to pay and be paid in euros, making them less vulnerable to exchange rate risk and currency fluctuations and lowering trade for our partners.

EMU and the euro give us:

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- Euro benefits: A quick recap
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Euro coins have a uniform design on one side and a country-specific design on the other.
In 1998 the euro was born. It first appeared on pay slips, bills and invoices. On 1 January 2002, euro banknotes and coins entered European bank vaults, cash registers, purses and pockets for the first time. This marked another major step towards European economic integration: a journey which began with the founding of the European Economic Community in 1957.

Now we are here. The euro is almost 20 years old. After the challenges of its first two decades, the single currency has proven its ability to bring stability and prosperity.

The euro has faced some well-documented challenges in recent years. The debt crisis revealed weak spots that needed to be examined and addressed. The framework for having an Economic and Monetary Union (EMU) has been strengthened as a result.

What's in it for business?

More integrated financial markets

Economic and monetary integration makes it much easier for investors to move capital freely between the euro area and third countries, where it can be used most efficiently. An expanded euro area financial market, which is more regulated and supervised, also makes it possible for euro area investors to have easier access to the capital markets and to obtain all the services they need. Available instruments to spread risks more widely.

The euro area has a greater international role

The big players in the global economy meet in international groupings, such as the International Monetary Fund (IMF) and the G7/G20, to promote stability in global markets. The euro is now one of the most important global currencies. The euro is the world's second most traded currency. The EU has a stronger voice in the world.

Greater ease of international trade

The euro is increasingly used for international trade transactions because of its strength and availability, and the confidence it inspires. This allows euro area businesses to pay, and be paid, in euro, making them less vulnerable to global currency fluctuations and easing trade for our partners.

What's in it for Europe?

More integrated financial markets

Economic and monetary integration makes it much easier for investors to move capital freely between the euro area and third countries, where it can be used most efficiently. An expanded euro area financial market, which is more regulated and supervised, also makes it possible for euro area investors to have easier access to the capital markets and to obtain all the services they need. Available instruments to spread risks more widely.

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Lower risks and reduced costs

More integrated financial markets with more transparent exchange rates. In the past, trade between EU countries involved many currencies, with fluctuating exchange rates. To cope with this, companies tended to seek out a higher profit margin, which discouraged some global players from entering the euro area. Today, a single currency lowers transaction costs, which makes it easier for companies to conduct business within the euro area.

What's in it for citizens?

More choice, better prices

There is more competition between shops and suppliers. This means that we benefit from lower prices and price increases are kept in check.

The euro is also exchanged in many countries outside the euro area – it is estimated that in terms of value, between 2% and 5% of euro banknotes circulate outside the euro area.

Steps towards the euro

The European Economic Community is founded opening a common market for goods, people, services and capital to move more freely between Member States.

The common market flourishes and expands but trade is hindered between the numerous currencies in circulation.

The Hauge's Treaty decides that the European Union will have a single currency.

The single currency is launched as a virtual currency.

The euro comes into and around billions euro banknotes and 58 billion euro coins begin to circulate.

The enlargement of the euro area, which has created the world's second largest currency in circulation.

What's the what?

The euro around the world

You might be surprised to learn just how well-integrated the euro is. It is used in the Caribbean (Guadeloupe, Martinique and Saint-Barthélémy), in the Indian Ocean (Seychelles), in South America (Uruguay, Chile and Brazil), and in the North Pole (Kuwait and French Guiana in South America). It is also used in Haiti. The Vatican City and San Marino are the only states that are not in the euro currency area.

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What's in it for Europe?

The euro is aimed at encouraging economic growth and more and better jobs.

A closer look at the euro

The euro is the symbol of Europe, the design of each euro banknote is common to all euro area Member States.

About the euro

The euro is the currency of 19 of the 28 EU Member States. It is used by more than 330 million people and is the world's second most traded currency.

In 1999, European countries agreed to introduce a single currency, the euro. Cross-border shopping is simply easier! Within the euro area, we don’t have to calculate exchange rates, we can now clearly compare prices and have no more exchange fees.

The euro around the world

The euro is the world’s second most traded currency and is used in more than 330 countries. Euro coins and banknotes have been designed to be acceptable in any country that uses the euro.

Euro myths: the euro caused prices to rise

This is a myth. Lower interest rates makes for easier investment in the euro area and allows investors to speak fewer exchange fees.

Euro myths: the euro caused the financial crisis

This is a myth. The euro has faced some well-documented challenges in recent years. The debt crisis revealed flaws in the eurozone’s system, but these flaws have been strengthened over time.

More integrated financial markets

The euro is the world’s second most traded currency and is used in more than 330 countries. Euro coins and banknotes have been designed to be acceptable in any country that uses the euro.

The EMU and the euro give us:

- a stable currency
- low inflation and lower interest rates
- price transparency
- elimination of currency exchange costs
- more integrated financial markets with adequate regulation, supervision and supervision
- a better performing economy
- a framework for fiscal discipline
- a stronger voice for the EU in the global economy
- greater ease of international trade
- a tangible symbol of European identity

Facts and figures

For the introduction of the euro, 38 billion coins came into circulation. That’s around 124 euro coins for every person in the euro area at that time.

The value of euro banknotes and coins in circulation has been remarkably stable and low since 2002.

The euro will be celebrated at the 2012 Olympic Games in London. The euro will be the official currency of the Olympic Games and the Paralympic Games.

A Short Guide to the Euro

About the euro

In 1999 the euro was born. It first appeared on banknotes, bills and invoices. On 1 January 2002, euro banknotes and coins entered European bank tills, cash registers, purses and pockets for the first time. This marked another major step towards European economic integration, a journey which began with the founding of the European Economic Community in 1957.

Weighing up the benefits

The euro has a number of benefits for European economies. Cheaper and easier travel is one of them. The euro has also made it easier to make long-term investments. Interest rates are stable so it’s easier to predict whether an investment will make a profit.

What’s in it for business?

The euro has made life cheaper! As a matter of fact, consumer price data shows that, on average, euro adoption has made retail prices lower in the euro area than in non-eurozone counterparts. The overall effect on prices was very small (a one-off impact of between 0.1 and 0.3% in 2002).

What’s in it for citizens?

There are no competition between shops and suppliers. This means that we benefit from lower prices and improved services.

Economic stability encourages long-term planning

Today, Eurozone business need to be better prepared for international trade transactions because of its strength and availability, and the confidence it inspires. This allows euro area businesses to play and be paid in euro, making them less vulnerable to global currency fluctuations and lowering their risk for trade partners.

Greater ease of international trade

The euro is the world’s second most traded currency and is used in more than 330 countries. Euro coins and banknotes have been designed to be acceptable in any country that uses the euro. Eurozone businesses see a number of benefits from using the euro, including lower risks and reduced costs.

Euro benefits: A quick recap

The EMU and the euro give us:

- a stable currency
- low inflation and lower interest rates
- price transparency
- elimination of currency exchange costs
- more integrated financial markets with adequate regulation, supervision and supervision
- a better performing economy
- a framework for fiscal discipline
- a stronger voice for the EU in the global economy
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About the euro

The euro was born on 1 January 2002. Euro banknotes and coins entered European bank tills, cash registers, purses and pockets for the first time. This marked another major step towards European economic integration, a journey which began with the founding of the European Economic Community in 1957.

The euro: An answer to the euro

The euro is the world’s second most traded currency and is used in more than 330 countries. Euro coins and banknotes have been designed to be acceptable in any country that uses the euro. Eurozone businesses see a number of benefits from using the euro, including lower risks and reduced costs.
The euro offers many potential benefits, but only if participating countries have sound economic policies. This is why membership of the euro, since the outset, has come with a firm obligation to avoid large and excessive budget deficits and sound public finances. This is better than cure, and these new surveillance instruments also aim to prevent damaging bubbles in housing markets.

A closer look at the euro

The symbol of the euro is €.

The euro is the official currency of the European Union (EU) and the euro area. The euro area consists of 19 countries in the eurozone: France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Austria, Belgium, Estonia, Greece, Cyprus, Malta, Slovenia, Slovakia, Croatia, Slovenia, Finland, Hungary, Ireland, and Portugal.

A short guide to the euro

A country-specific design on the other.

The EMU and the euro give us:

- A stable currency
- Low inflation and lower interest rates
- Price transparency
- Elimination of currency exchange costs
- More integrated financial markets with adequate regulation and supervision
- A better performing economy
- A framework for fiscal public finances
- A stronger voice for the EU in the global economy
- Greater ease of international trade
- A tangible symbol of European identity

Euromyths: think again

Rounding up

Euromyth: the euro means an unwelcome loss of national sovereignty.

Some governments in Europe, collectively and individually, when a country adopts the euro as its official currency, the government must coordinate its economic policies with those of other eurozone member states. These countries also have to set a budget deficit target in line with the 3% of GDP ceiling set out in the Stability and Growth Pact.

What’s in it for Europe?

The euro is being increasingly used for international trade transactions because of its stability and availability, and the confidence it inspires. This allows euro area businesses to trade, plan, and invest in euros, making them more competitive in international trade. Euro area currencies are also used as a reserve currency for non-euro area countries.

Facts and figures

For the introduction of the euro, 38 billion coins came into circulation.

In 1998 the euro was born. It first appeared on banknotes, bills and invoices. On 1 January 2002, euro banknotes and coins entered circulation. Cash registers, purses and pocket-files for the first time. The euro has since become an integral part of the European Economic and Monetary Union (EMU), which came into force in 1999.

More integrated financial markets

The euro is increasingly used as a reserve currency, particularly by emerging markets and other non-euro area countries.

Greater ease of international trade

The euro is increasingly used as a reserve currency, particularly by emerging markets and other non-euro area countries.

Euro myths: think again

The euro is not the cause of financial crises.

In the first decade after the euro was introduced in 1999, new jobs were created in the euro area, and the average cost of lending to small and medium-sized enterprises was lowered by about 20 basis points compared with previous years.

Some governments in Europe, collectively and individually, when a country adopts the euro as its official currency, the government must coordinate its economic policies with those of other eurozone member states. These countries also have to set a budget deficit target in line with the 3% of GDP ceiling set out in the Stability and Growth Pact.

What’s in it for you?

The euro offers many potential benefits, but only if participating countries have sound economic policies. This is why membership of the euro, since the outset, has come with a firm obligation to avoid large and excessive budget deficits and sound public finances. Euro area currencies are also used as a reserve currency for non-euro area countries.

In the past, trade between EU countries involved many currencies with fluctuating exchange rates. To cope with this risk, companies tended to sell at a higher price abroad, which discouraged trade. This risk is now gone.

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Economic and monetary integration makes it much easier for those who make use of it to be part of the eurozone.
a tangible symbol of European identity

2006

Cheaper and easier travel

1.5m

Various security features have been incorporated into the euro banknotes. Have a good look at them to check for yourself!

1999

The common market thrives and expands but trade is hindered because of the numerous currencies in circulation.

Lower risks and reduced costs

The EMU and the euro give us:

Within the euro area, we don’t have to calculate the euro’s introduction in 1999, around 8.7 million new jobs were created in the euro area, compared with only 1.5 million in the previous seven years.

More integrated financial markets with adequate supervision, also makes more capital available for investment and allows investors to spread risks more widely.

Economic stability encourages promoting growth

By lowering inflation and increasing competition, governments must now submit their draft budget plans for scrutiny by the Commission...and supervised, also makes more capital available for investment and allows investors to spread risks more widely.

A short guide to the euro

The euro offers many potential benefits, but only if participating countries have sound economic policies. This is why membership of the euro, since the outset, has come with a firm obligation to avoid large and excessive budget deficits and surpluses.

Rules of the game: adopting & governing the euro

Bumps along the road

The recent financial and sovereign debt crisis reduced awareness in the Framework for coordinating economic policies in EMU. In response, the EU has strengthened the rules and procedures for ensuring sound economic and budgetary policies. These changes support our economies in the recovery from the current crisis and help prevent a recurrence of similar crises in the future.

Ensuring competitiveness and growth

Public finances are not the only key to achieving a thriving economy in the euro area. The euro area has committed itself to achieving, and sanctions can be imposed if needed:

Steps towards the euro

1957

The European Economic Community is founded, opening a common market for goods, people, services and capital to move ever more freely between Member States.

1999

The euro is launched as a ‘virtual’ currency. The euro comes to life and around 8 billion euro banknotes and 38 billion euro coins are put into circulation.

1 January 2002, euro banknotes and coins entered European bank tills, cash registers, purses and pockets for the first time: it first appeared on payslips, bills and invoices. On 1 January 2002, the single currency became fully and definitively operational.

Who’s who?

European Commission

The Commission, and its department for Economic and Financial Affairs (DG ECFIN), in particular, monitors economic developments throughout the EU and helps implement and further develop the legislation explained above.

European Parliament (EP)

The European Parliament is the legislative body of this process. It hears, discusses, and votes. It decides, together with the Council, or gives its opinion on whether or not a given policy should be enacted.

European Central Bank (ECB)

The ECB is an independent EU institution which makes decisions on monetary policy in the euro area with the aim of maintaining price stability.

ECOFIN and the Eurogroup

These are the Council meetings where the bulk of the decisions are made. ECOFIN is composed of finance ministers of all Member States of the euro area.

For more info

The euro: www.europa.eu/comm/euro
The European Commission: www.ec.europa.eu

The European Central Bank: www.ecb.eu

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When travelling within the euro area, our lives are made far easier than before — we do not need to exchange currencies and therefore we do not pay any exchange fees. Cheaper and easier travel is one of the benefits of the euro.

The common currency is also a better performing economy. Before the euro, the cost of the currencies in the EU was estimated at €20-25 billion annually. These costs have now disappeared within the euro area.

Additionally, trade within a single market using a single currency is simply more efficient than trade across many markets using multiple currencies. Before the euro, some countries had a lower price level due to a more competitive domestic currency. This meant that people in other countries could buy more with their money. The common currency eliminated this difference, allowing free trade in the euro area.

The symbol of the euro is €. The design of euro banknotes is common to all euro area Member States. A country-specific design on the other hand is used in the Caribbean (Guadeloupe, Martinique and Saint-Barthélemy), in the Indian Ocean (French Oceanic Territories) and in the world’s smallest country: the Vatican City.

The euro offers many potential benefits, but only if participating countries have sound economic policies. This is why membership of the euro, since the outset, has come with a firm obligation to avoid large and excessive budget deficits and sound public finances. European leaders believe that it is much easier to avoid rising budget deficits than to return to a period of budgetary tightness at a later stage.

Joining the club

All EU countries are eligible to join the euro. However, each country has to fulfil a number of entry criteria to show that their economies are prepared to handle the euro. To ensure that all countries are ready, a number of criteria have been established, particularly concerning public finances, price stability, and market efficiency. These have the purpose to ensure that all participating countries can handle the euro from the beginning.

Economic and monetary integration makes it easier for our economies to compete internationally. As a result, we have a stronger economy and a better future for all.

For more information, please visit www.ec.europa.eu/euro
For more info

The euro: www.ec.europa.eu/euro


The European Commission: www.ec.europa.eu

The European Central Bank: www.ecb.eu

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Towards a common currency: the euro journey

1957

Preparing the future of our common market
The foundation of the European Economic Community back in 1957 saw the birth of a common market and the beginning of European integration. It allowed for goods, people, services and capital to move ever more freely between Member States, without barriers.

1992

The common market becomes a reality
As exchange and movement across Europe became more common, it became clear that the single market was restricted by the many currencies in circulation. How could we break this additional barrier to integration? In 1992, the Maastricht Treaty decided that Europe would have a strong and stable single currency for the 21st century.

2002

The euro comes to life
On 1 January 2002, euro banknotes and coins entered our bank tills, cash registers, purses and pockets. Since then, the euro area has grown, bringing tangible benefits to an ever-increasing number of citizens and businesses.

The enlargement of the euro area is an ongoing and dynamic process.

TODAY

Keeping the euro on track
There have always been criteria and rules in place to bring stability and harmony to the euro area economy. However, in response to some weak spots highlighted during the crisis, they have been strengthened to form the new EU economic governance framework which enforces the rules to help struggling euro area countries get back on track and avoid similar problems in the future.