

Press Release

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Krona holds its own against the euro on home ground

The position of the krona in Sweden has not been affected by the introduction of the euro. Use of the euro in Swedish society is limited, but increasing gradually. However, the euro is an important foreign currency for Swedish companies and financial institutions with operations abroad. This is clear from the Riksbank's follow-up of developments after the introduction of the euro in "The euro in the Swedish financial sector – experiences from the introduction of banknotes and coins in the euro area – Progress Report 8", which is published today.

The report also describes the experiences of the countries involved in the introduction of euro banknotes and coins. Parallels are drawn to Swedish conditions and there are detailed descriptions in particular of the experiences from the currency changeover in Finland, the Netherlands and Ireland. "The experiences have been positive and the currency changeover has occurred without any major problems or disruptions to the economy as a whole," states Deputy Governor Eva Srejber. "Thanks to the fact that different countries have chosen different solutions, there are many positive examples to follow if Sweden should decide to participate in Stage Three of EMU. The Riksbank's preparations for a possible future currency changeover are now being adapted to the experiences gained."

The introduction of the euro has speeded up the emergence of a common capital market in the euro area. Swedish financial companies and the Swedish financial market as a whole are meeting tougher competition and simpler financing in euros. Methods of trading, marketplaces and systems for transferring payments are three areas currently undergoing tremendous changes towards a common European structure.

In Sweden, the main users of euro are the banks. The euro comprised approximately 9 per cent of the banks' balance sheet totals in December 2001. However, neither Swedish households nor small and medium-sized companies in Sweden are using the euro to any great extent.

An English version of the report will be available in a couple of weeks' time.

Any further questions regarding the report can be answered by Second Deputy Governor Eva Srejber, tel. +46-8-787 06 73, Johan Pontén, tel. +46-8-787 01 62 or Björn Hasselgren, tel. +46-8-787 04 72.

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