

# Pierre Gramegna at Eurogroup press conference, October 2025

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Press conferences

**Remarks by ESM Managing Director Pierre Gramegna  
Press conference following Eurogroup meeting  
Luxembourg, 10 October 2025**



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Let me welcome you warmly to this press conference in Luxembourg, which is also the headquarters of the European Stability Mechanism.

I will dwell on two topics today: the macroeconomic environment and the international role of the euro, and then also say a few words on stablecoins.

The macroeconomic environment is still largely shaped by US economic developments and political uncertainty there. So far, US tariffs have had a smaller effect on the US economy and in lowering growth and sparking inflation than was initially feared. That has made markets and investors optimistic.

However, the full impact of these tariffs needs yet to be seen. The US economy might also be approaching a turning point. Continued uncertainty surrounding US policy choices is also weakening the United States' safe-haven status. The "sell America moment" in April did not last long but has certainly dented the trust in the dollar. The dollar's weakness might be an opportunity that Europe should grasp. The euro is in high demand this year and its growing international appeal is also mirrored in a steady rise in foreign participation in euro sovereign debt issuances.

I had a clear confirmation of this at the Capital Markets Seminar that we co-organised last week with European Investment Bank and the European Commission. In addition, central banks are adjusting their foreign reserve strategies. The 2025 OMFIF survey reveals that a net 16% of central banks anticipate increasing their euro holdings in the next 12 to 24 months, the highest share of any currency. For the US dollar, this share is only 5%. Compared to the figures last year, this is quite a reversal. If you're interested in that, I [wrote a blog](#) on all these points.

We need to build on this momentum and we need to act. We have three major things to do in Europe. First, maintain sound fiscal policies and financial stability. Second, advance the savings and investments union and the single market. And third, embrace technological innovation and launch the digital euro as quickly as possible.

Staying on the topic of digital assets, let me take a wider perspective on the issue of stablecoins. The ESM, first and foremost, fully supports the digital euro project to provide European citizens and firms with a digital means of payment, both for retail and wholesale use. Europe should not be dependent on US dollar denominated stablecoins, which are currently dominating markets. The ECB is right to warn about financial stability risks which may emerge from our exposure to foreign currency denominated stablecoins.

We need to close the remaining regulatory gaps if they are there. At the same time, I believe Europe should also embrace the potential for financial innovation with stablecoins and tokenised assets. Stablecoins are an inevitable part of this equation. In a rapidly evolving financial landscape, Europe should do its best to facilitate the generation of euro-denominated stablecoins by domestic issuers.

On that account, I find it a welcome development that several European banks have created a consortium to launch a euro-denominated stablecoin. Today was not

meant to discuss regulation, but it seems clear to us at the ESM that European rules should serve the double purpose of creating space for a European stablecoin market and preserving financial stability.

*Response to question on whether there are regulation gaps in relation to stablecoins*

We should fill gaps if there are gaps. The discussion today did not offer the opportunity to go into the details of this, but it is clear that there is a high level of USD denominated stablecoins, and this is increasing. To be on the safe side, as President Donohoe has mentioned, we need to see in the light of these developments if the Markets in Crypto-Assets Regulation (MiCA) is fit for purpose. For the time being, it looks like that, but I think it is important to always adjust if it is necessary. I didn't want to say more than that.

*Response to question on whether Bulgaria has asked to join the ESM, and if it means that it will be the second time a new ESM Member has ratified the amended Treaty while Italy hasn't done so yet.*

Bulgaria wrote in September to inform that it is ready to join the ESM. That is welcome news. In order to do that, Bulgaria needs to ratify the ESM Treaty. It will do so in the course of probably the first or second quarter of next year. As you are well aware, Bulgaria will become a member of the euro area on 1 January of next year. In the aftermath, it will do the ratification. What Bulgaria is going to ratify is the Treaty as it is. The fact that Italy has not ratified the amended treaty of the ESM is not a problem as such because we have an ESM Treaty that entered into force a long time ago. The only part that is not active is the amended treaty that Italy has not ratified.

## Author



[Pierre Gramegna](#)

Managing Director

## Contacts



[Cédric Crelo](#)

Head of Communications and Chief Spokesperson

+352 260 962 205

[c.crelo@esm.europa.eu](mailto:c.crelo@esm.europa.eu)



[Anabela Reis](#)

Deputy Head of Communications and Deputy Chief Spokesperson

+352 260 962 551

[a.reis@esm.europa.eu](mailto:a.reis@esm.europa.eu)



[Juliana Dahl](#)

Principal Speechwriter and Principal Spokesperson

+352 260 962 654

[j.dahl@esm.europa.eu](mailto:j.dahl@esm.europa.eu)

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Managing Director

## **The euro's moment**

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