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Effects of the Euro on Trade, Capital Markets and the International Monetary System

The implications of the introduction of the euro undoubtedly reach far beyond Europe. How will the rest of the world be affected? What role will the euro play as an international trading, investment and reserve currency? Will it be able to function as a stabilising element in the international monetary system?

The introduction of the euro in 11 member states of the European Union (EU) and the creation of the euro currency area, or 'Euroland', as it is also known, fundamentally changed the weighting of the world's economies overnight.

☐ Euroland has become the world's leading trader. (The share of world exports accounted for by Euroland was 20.1% in 1998 excluding intra-EU community trade, while the share of the United States was 16.3% and that of Japan 7.5%).[1]

☐ With a share of 15.5% of the world's GDP (aggregate purchasing power parity-valued GDP), Euroland has become the second largest economic region in the world – after the United States. In 1998, the USA produced 20.8% of the world's GDP; Japan accounted for 7.4%. If not Euroland but the whole of the EU is taken, with all 15 member states and a population of more than 370 million – compared with 270 million in the USA – the gross domestic product virtually matches that of the USA (EU-GDP 1998: € 7,458 billion, USA: € 7,592 billion).

☐ There have also been far-reaching changes on the international capital and financial markets. Euroland is now the world's second largest capital market. Taking the market for bank deposits alone, Euroland is actually the world leader, followed by the United States and Japan. (Euroland bank deposits at the end of 1998: € 4,894 billion; USA: € 4.129 billion; Japan: € 4,104 billion). In terms of the share and bond markets, however, the United States is still clearly the world leader by quite a margin.

The establishment of European Economic and Monetary Union and the related introduction of the euro have therefore created new structures, economic potential and changed market dimensions around the world. 'The introduction of the euro enables Europe to play a role commensurate with its economic weight in the global economy' – that is the assessment of the Cologne European Council (3-4 June 1999). With the introduction of the euro, Europe is facing up to its global responsibility.

Of no less importance than the quantitative impact of the euro on the global economy are the qualitative effects. The old philosophical saying that the whole is greater than the sum of the parts has already been impressively confirmed: the economic and political weight of the euro currency area as a whole is clearly greater than the sum of the individual economic weights of its 11 members. Without doubt – as the IMF says in its Outlook of March 1999 – the euro has helped to shelter Europe from the international turbulence on the financial markets which started in Asia. In this context, the very successful and technically smooth introduction of the euro and the good 'institutional environment' for the euro were certainly helpful.

The arrival of the euro has removed an important source of asymmetric shocks within the European Union. The main cause of these shocks – monetary turbulence within the EU due to inconsistent monetary and fiscal policy – has largely been checked by the Economic and Monetary Union. By way of a reminder: the Stability and Growth Pact adopted by the heads of state and government of the EU provides not least

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[1] European Central Bank: Monthly Report, August 1999.

for financial penalties if member states run a budget deficit of more than 3% of GDP. And the statutes of the European Central Bank on price level stability are formulated even more strictly than the equivalent rules of the Deutsche Bundesbank.

Completion of the Internal Market

'Because of the EU's huge economic size and far-reaching trade connections, this interpretation suggests an influence of the euro well beyond the current political borders of the European Union'.[2] The introduction of the single currency, the euro, marks the culmination of the single Euro-pean market. The economic and monetary integration of the internal market has thus – according to the European Council in Cologne – attained its highest level so far. This will be reflected in deeper integration of this large market and greater economic dynamism. Several international studies therefore expect the increased intensity of competition, for example, to engender additional positive effects on growth and trade in the Economic and Monetary Union, and these are also likely to benefit non-EU countries. This implies that Europe will become an even more interesting economic prospect – particularly for direct investment (i.e. the trade-fostering effects of the euro are likely to exceed the trade-diverting effects due to the higher level of competition within the EU).

The IMF estimates, for example, that the creation of Economic and Monetary Union alone will result in additional GDP growth in Euroland of one percentage point after two years and about three percentage points after ten years. This is likely to substantially boost Europe's trade and thus also the exports of non-EU countries to Euroland. The tourism industries of the non-EU countries should also profit. Another positive effect for non-EU countries derives from significant savings on public debt servicing for European countries as interest rates have declined significantly (the costs of government bonds have gone down dramatically: interest rates are now roughly 3 percentage points lower than in 1995 in Germany, and even 7 to 8 points lower in Italy and Spain).

If Economic and Monetary Union is to be a lasting success, and if there is to be lasting non-inflationary growth and more employment, it is vital – according to the European Council in Cologne – for there to be comprehensive structural reforms at Community level and in the member states, and for there to be enhanced policy co-ordination.

The Dollar-Euro Exchange Rate

There is no denying that the euro has become a major new world currency alongside the dollar and the yen, and that the trend towards a multipolar international currency system is continuing. The recent dollar-euro exchange-rate movements should not be overstressed. The relatively strong dollar is primarily an expression of the different stages of the economic cycle in the United States and Europe and the related interest-rate expectations on the markets. Longer-term comparisons show clearly that the dollar-euro trend seen so far is by no means unusual. For example, the (calculated) rate of one euro from January to September 1998 was between $ 1.05 and $ 1.11, as the President of the European Central Bank has pointed out on various occasions. McKinnon supports the view that the dollar is not out of line because similar fluctuations in the 'synthetic euro' took place even from 1980 to 1998.[3]

Notwithstanding the current strength of the dollar, it is interesting to compare the fundamentals underlying the euro and the dollar, which tend to indicate a substantial degree of scope for an appreciating euro:

☐ The IMF anticipates a current account deficit of more than $ 300 billion for the United States in 1999, or 3.5% of GDP, the highest in the USA's history. Even for a country as wealthy as the USA, this can no longer be termed a negligible quantity.

☐ We can also observe that high current account deficits have cumulated over several years in the United States, with a corresponding rise in foreign debt (more than $ 1,300 billion in 1997, i.e. approx. 15% of the US GDP).

☐ The decline in the savings ratio of private households in the United States points in the same direction (in October and November of last year, US households even had a negative savings ratio).

☐ IMF and OECD predictions of substantially higher GDP growth for Euroland than for the USA in 2000 also indicate a higher euro rate.

Experience in the past has shown that fundamentals which deteriorate gradually over a longer

[2] Ronald I. McKinnon: Euroland and East Asia in a dollar-based system, in: The international Economy, September /October 1999.

[3] Cf. ibid.

period – so also the OECD's warning – can suddenly result in major exchange-rate fluctuations.

The introduction of the euro is leading to discussions around the world – e.g. in Asia, Latin America, the USA and the Arab countries – as to what significance the introduction of the euro will have for the countries outside Euroland, i.e. the rest of the world. Of course, no-one can make definite, precise quantitative statements today about the potential impact of the euro on the world economy and the international monetary system. Inevitably this will depend largely on the degree to which the euro is accepted around the world in non-EU countries. But it is worth analysing the euro in its separate functional spheres, e.g. its future role as a global trading currency, as an issuing and investment currency on the international capital markets, as an anchor currency and as a reserve currency in the international monetary system.

The Euro as a Global Trading Currency

If current patterns remain in place, roughly 20% of world trade is likely to be denominated in euros and roughly 60% in dollars.[4] The comparatively low figure of 20% for billing in euros may be due to a confusing statistical effect: at the end of 1998, some 30% of world trade was billed in European currencies, just under 50% in dollars and 5% in yen. Since the introduction of the euro, trade within the single European market, such as the sale of German cars in France, has no longer counted statistically as international trade. The EU's share of world trade and the amount denominated in euros are correspondingly smaller. But the economic weight of Europe is unaffected.

The large amounts of trade between Euroland and many countries and major regions of the world, the large size of the European market with correspondingly low transaction costs, and the presumably low volatility of the euro suggest that in future a considerably larger share of world trade will be billed in euros. After all, Britain, Switzerland, Poland, the Czech Republic and Hungary, for example, all import and export about 50% of their products from and to Euroland. The situation in the Mediterranean countries is similar: they sell almost 50% of their exports to Euroland; and the same goes for Sweden and Denmark, which obtain 50% of their imports from Euroland.

Smaller European countries, such as Belgium, the Netherlands, or Portugal, which have so far not been able to conduct their foreign trade in their national currency, will now invoice in euros. In particular, the central and eastern European countries bordering the European Union, as well as the Mediterranean countries, are likely to conduct a large proportion of their trade in euros very soon. And the policy of European multinationals from 1999 on to manage internal payments exclusively in euros will also foster the use of the euro.

But even in the case of the United States and Asia, it is quite feasible and likely that in future a greater proportion of trade with Europe will be denominated in euros. As exports are mostly invoiced in the currency of the exporting country or region, the amount of euro-denominated exports could rise. The United States is so far in a comfortable position – similar to that of Germany – since it can manage almost all its exports (92%) and imports (more than 80%) in the same currency, the dollar.[5] Japan on the other hand invoices only about 36% of its exports in its own currency, the yen, which is a low proportion by the standards of other large industrial countries.

An interesting case in this context are the six members of the Gulf Cooperation Council (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates). After all, the EU is the leading trading partner for the GCC states on the import side (33.9% of all imports) and the second most important partner after Asia on the export side (17.8%).[6] In view of the great bias of GCC exports towards oil – between 70% and 90% of exports of goods from the GCC take the form of oil – the oil price and thus the dollar will remain the most important factor influencing balances of trade here.

This probably means that the Arab countries will be debating the consequences for the economy and their balances of payments if the export revenues of the GCC countries continue to be mainly in dollars, but their spending on imports has increasingly to take place in euros. With regard to the impact on the balances of payments when exports and imports are denominated in different currencies, it is also necessary to ask whether oil will in future continue to

[4] R. Hoffmann, U. Schröder: Der Euro – Eine Herausforderung für den Dollar? in: EWU-Monitor, No. 33, 17 June 1997.

[5] P. Bekx: The implications of the introduction of the euro for non-EU countries, Euro Papers, No. 26, July 1998.

[6] C. Chance: Study for the European Commission on Foreign Direct Investment in the Countries of the Arabic Gulf Cooperation Council, Dubai 1998.

Table 1
Selected Indicators on the Size of the Capital Markets, 1995
Euro Zone (11-EU-Countries), Japan and America

	GDP	Stock Market Capitalisation	Debt Securities Public	Private	Total	Bank Assets	Bonds, Equities, and Bank Assets	Bonds, Equities, and Bank Assets (in percent of GDP)
	(US dollar billion)							
Euro zone/EU (11)	6,803.9	2,119.4	3,909.7	3,083.5	6,993.2	11,971.6	21,084.2	309.89
United States	7,253.8	6,857.6	6,712.4	4,295.1	11,007.5	5,000.0	22,865.1	315.21
Japan	5,114.0	3,667.3	3,450.3	1,875.5	5,325.8	7,382.2	16,375.2	320.21
	in per cent (EU (11) = 100)							
Euro zone/EU (11)	100	100	100	100	100	100	100	–
United States	107	324	171	139	157	42	108	–
Japan	75	173	88	61	76	61	78	–

Sources: IMF (A. Prati, G. J. Schinasi): European Monetary Union and International Capital Markets: Structural Implications and Risks, May 1997, p. 7.; own calculations.

be invoiced in dollars or whether the oil-producing countries will seek greater independence from the dollar. It was interesting to note the statement by the Egyptian finance minister that, in the medium term, it might be possible to bill crude oil in euros.

Finally, it is also feasible that the euro – like the dollar today in Asia and Latin America – will in future assume the function of a 'vehicular currency' outside its currency area, e.g. in trade between eastern European countries. Here, the transaction costs, the stability and the volatility of the euro against the dollar will help to decide the extent to which it is used as a vehicular currency.

Overall, there are several reasons why the euro is likely to play a substantially greater role as a world trading currency in future. The European Commission even expects a sudden structural change in invoicing towards the euro.[7] Nevertheless, most experts assume that the dollar will remain the number one currency for trade in the medium term, since changes in the way trade is invoiced usually take a long time (that at least was the experience when the dollar was replacing sterling as the world's leading currency for trade). Another argument in favour of a continuing leading role for the dollar is that the volume of world trade billed in dollars is almost four times (!) greater than that of US exports.[8] According to estimates by German banking experts, the euro could in the medium term come to be used in the billing of 35% of world trade, starting from approx. 20% today.[9]

A Currency for International Investment

A broad field for the euro, and one that is impossible to assess today, lies in the international capital and financial markets, e.g. the potential significance of the euro on the international securities markets, the international bond market, the market for bank loans and on other specialised markets like the market for government foreign debt, which so far has been dominated by the dollar and the yen. The OECD, for example, puts the volume of the international capital markets, consisting of shares, bonds and bank assets, at just under $ 23,000 billion for the United States, approx. $ 21,000 billion for Euroland, and over $ 16,000 billion for Japan, whereby the United States has large shares of the shares and bonds, and Euroland a large share of the bank assets (cf. Table 1). One interesting phenomenon in this context is the fact that the endowment with capital (i.e. total capital in relation to GDP) in the three big industrial regions of the world is more or less the same – round about 300%. This leaves the interesting question open as to whether the USA is using its capital in a more efficient way than Europe and Japan. The discussion that we need more venture capital in Europe points in the right direction. Another question is whether the money market and the derivatives market may become integrated into the 'world capital and financial market'.[10]

(a) The European Commission expects that the euro will cause the greatest structural changes on the international capital and financial markets in particu-

[7] Cf. P. Bekx, op. cit.

[8] W. Duisenberg: The international role of the euro, Berlin 1998.

[9] J. Ackermann: Der Euro – und was dann?, in: EWU-Monitor, No. 48, Deutsche Bank Research 1998.

[10] OECD: Financial Market Trends, 72, Paris, February 1999; W. Duisenberg, op. cit.

lar, since the segmentation of the individual European markets is being overcome and a genuinely integrated capital and financial market established.[11] As a reference figure, it notes that more than one-third of the world's portfolios may already be denominated in euros. Even without this, the share of European currencies in private portfolio investment has increased sharply around the world in recent years (from 13% in 1981 to 37% in 1995; correspondingly, holdings in dollars fell during this period from 67% to approx. 40%). This trend is likely to strengthen further due to the euro and could – according to the European Commission – result in the world's largest single capital market.[12]

The IMF[13] and the OECD expect the euro and globalisation to result in a restructuring of Europe's banking system and the creation of new pan-European markets, institutions and financial instruments. In particular, the depth and liquidity of Euroland's capital market will increase rapidly due to the euro.

(b) The future weight of the euro on the various capital markets will therefore certainly also depend on the different forms of financing and financial innovations. The OECD and the European Commission,[14] for example, assume that in future euro-denominated corporate bonds may well compete with traditional bank loans for investment funding and that this competition will spread across the entire European banking system. US investment banks will also try to increase their share of this pan-European capital market. The establishment of larger venture markets in Europe – not least in order to fund private old-age pensions – should however considerably increase the significance of the euro.

The substantial dimensions of this are highlighted in a study by the Bank of England cited by the OECD. Assets held for pension purposes in Europe amounted to an estimated $ 1,800 billion in 1996, and will probably be three times (!) that figure by 2001. The more the divergent taxation and accounting rules within Euroland (particularly on the share markets) are harmonised, the quicker we will see full integration of the European financial and capital market.

(c) In view of the long-established phenomenon of low stock exchange capitalisation in Euroland, compared with the United States or even Japan, the international securities market is likely to remain dominated by Wall Street in the medium term. At the end of April 1999, market capitalisation in the USA stood – according to figures from the European Central Bank[15] – at € 16,555 billion compared with only € 3,997 billion in Euroland and € 2,713 billion in Japan. Market capitalisation in the USA was four (!) times higher than in Euroland and higher than in all other industrial countries taken together. One phenomenon should not be overlooked in this context: the outstanding role played by the US share market is of course to some extent due to the fact that the United States has traditionally used different forms of financing for commercial investment than Europe, where – particularly in Germany – financing has primarily tended to take the form of bank loans. In turn, it is therefore no surprise that Euroland is far ahead of other markets in terms of domestic bank loans, and that the United States has a much smaller volume on this specific capital market (end of 1998: Euroland € 7,477 billion; USA € 6,132 billion; Japan € 5,120 billion).

Economic and Monetary Union also created one of the world's largest markets for government bonds – certainly comparable with, or maybe even larger than, the corresponding US market.[16] Growth is expected to be particularly rapid on this market. But the market for euro-denominated corporate bonds is also likely to expand quickly.

It should be noted that the euro made a brilliant start on the international bond markets.

In January 1999, some 50% of newly issued bonds worth a total of $ 140 billion were denominated in euros. This high proportion even surprised many market observers. (In the past, the relevant European currencies had accounted for about one third.)![17] For the first half of 1999 overall euro bond issues grew by 80% compared with bond issues in the old legacy currencies during the first six months of 1998.

(d) Many international observers assume that in future the share of euro-denominated securities held in private portfolios will increase substantially.[18] A lot of attention was devoted to a – not undisputed –

[11] European Commission: External aspects of economic and monetary union, Euro Papers, July 1997.

[12] P. Bekx, op. cit.

[13] A. Prati, G. J. Schinasi: Financial Stability in European Economic and Monetary Union, IMF, December 1998.

[14] OECD, op. cit.; P. Bekx, op. cit.

[15] European Central Bank: Monthly Report, August 1999.

[16] P. Bekx, op. cit.

[17] OECD, op. cit.

[18] W. Duisenberg, op. cit.

estimate by Fred Bergsten, Director of the Institute for International Commerce in America, who predicted strong shifts in portfolios around the world away from the dollar and into the euro totalling between $ 500 and 1,000 billion, with a corresponding upward impact on the value of the euro of up to 40% against the dollar. If national private investors wish to diversify and optimise their risk, it may well be that they will shift their portfolios in favour of the euro. This naturally presupposes that the investors view the euro as a value-retaining and attractive currency. The OECD reports that individual Japanese investors have already undertaken a partial restructuring of their portfolios away from dollar-denominated and into euro-denominated bonds. Middle Eastern countries are also likely to reflect on their portfolios in a similar way. According to a study by the World Bank, the accumulated investment by the Middle East outside the region amounted to an estimated $ 400 billion.[19]

Impact on the International Monetary System

Finally, many international observers expect that the euro, as a major stable world currency, may have a positive impact on the international monetary system and may contribute to greater exchange-rate stability, especially as price stability is at the heart of the 'stability culture' that has developed in Europe in the period leading up to the adoption of the euro. Who would have believed twenty years ago that France could have a better record of price stability than Germany? Furthermore, many eastern European and Mediterranean countries are likely to tie their currencies to the euro or to a currency basket (including the euro) and the euro might assume a greater role as an anchor currency for other European countries. De facto the euro-zone will widen considerably. In total, the euro currency area could be less susceptible to exchange-rate fluctuations than the former separate European currencies, due to the ending of exchange-rate fluctuations within Euroland itself and the commitments entered into under the Stability and Growth Pact.

Following the collapse of the Bretton Woods System, the international monetary system has for decades been characterised by more or less flexible exchange rates. It is interesting that the number of countries which officially peg their currency to another currency has declined substantially (from 87% in 1975 to 44% in 1996).[20] However, this overlooks the fact that many countries, especially in Asia, de facto tie their currency to another, without notifying this to the IMF. In this context it is interesting to ask whether the crisis in Asia could have been (partly) avoided if the Asian countries had applied different monetary systems and had not tied their currencies exclusively to the dollar. This could have avoided the resulting over-valuations of the Asian currencies.

Experience has shown that fixed exchange rates, as in the Bretton Woods System, are incompatible with free movements of capital and with autonomous monetary policies on the part of the participating countries. If the world's monetary system is to be stable (i.e. to have relatively stable exchange rates between the euro, the dollar and the yen), therefore, it is vital for the three large currency blocs to pursue sound and stability-oriented monetary, fiscal and economic policies. Internationalisation of a currency begins at home.

The Euro as an International Reserve Currency

There are many arguments indicating that the euro will in future also play a considerably greater role as an international reserve currency compared to the previous European currency reserves. According to the ECB, at the close of 1997, 19.6% of global currency reserves were held in euro-zone currencies, 57.1% in US dollars and 4.9% in Japanese yen.[21] Central banks' currency reserves amount to only half the value of international bond and note issues, and only one third the value of international bank lending.[22]

There are two opposing effects: like the statistical effect of the declining share of the euro in international trade due to the creation of the single European market, there is a similar effect on European currency reserves, i.e. the conversion of international currency reserves into domestic assets. As the degree of external openness of Euroland is much lower than that prevailing in each of the euro area economies up to the end of 1998, the need for official reserves will decline significantly. With the introduction of the euro no European currencies (especially DM) will be needed by central banks for intervention on the foreign-exchange markets to defend a parity within the European Monetary System. A large part of the foreign assets of European member countries have therefore become domestic assets of Euroland.

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[19] Berliner Bank et al.: Investitionsführer Naher Osten, 1998.

[20] P. Bekx, op. cit.

[21] European Central Bank: Monthly Report, August 1999.

[22] R. Jochimsen: The significance of the Euro for Transatlantic Relations and the Stabilization of the World Economy, in: Deutsche Bundesbank: Auszüge aus Presseartikeln, D 16504, 28 September 1999.

On the other hand there is a self-evident need for euro currency reserves in the case of the four EU member states which will also be introducing the euro in future. The same goes for countries like Switzerland or Norway, which have traditionally had very close economic relations with the member states of Euroland. And the 20 or so countries in eastern Europe and the Mediterranean, who will want to link their national currency to the euro as an anchor currency or to a (trade-weighted) currency basket, will very probably decide to substantially increase their euro currency reserves. Since they enjoy very close economic links with Euroland, they have a great interest in a very stable exchange rate with the euro.

Not least from the point of view of risk-spreading and portfolio optimisation, it is highly probable that central banks in Asia, in the Arab countries and in Latin America will in future hold some of their currency reserves in euros. Several of these countries have already announced this officially or in confidence. Here, it is important to bear the quantitative dimensions in mind. After all, Asian central banks dispose of far more than $ 600 billion, or almost 40% of the world's currency reserves. The diversification of foreign-exchange reserves in favour of the euro will be linked to its increased use as an instrument of intervention on foreign-exchange markets and as an invoicing currency in world trade. McKinnon expresses an opposing view in as far as he considers it unlikely '...that any official demand to hold euro assets will be much greater than the former demand for reserve holdings in Europe's legacy currencies'.[23]

Overall – according to an estimate by German banking experts – the euro could in the medium term account for one third of the world's currency reserves, compared with the European currency's present 25% share.[24] The European Commission also expects a 'gradual shift' towards euro currency reserves.[25] The more convincingly the euro develops on the markets, the greater the demand for it as a reserve currency will be. On balance, the likely global demand for international currency reserves in euros indicates an appreciating euro.

Outlook

It is certainly much too early to want to make definite forecasts of the euro's future role in the world economy so soon after its launch. The euro's brilliant start and the firm political will of the member states of Euroland to continue a successful Economic and Monetary Union suggest that the euro will play a far greater role as an invoicing, investment and reserve currency around the world than the previous separate currencies of the member states, and that it will virtually 'inevitably become a world currency' (ECB President Duisenberg) alongside the dollar and the yen. Nevertheless the European Central Bank has pointed out several times that it takes a neutral stance with respect to the international role of the euro.[26]

Not surprisingly, there are differing views on the extent and speed of the increased use of the euro in individual areas but not on the general development. However, it is likely to be clear that the euro represents a new world currency and that a large, liquid European capital market has been created. In particular, many European countries and neighbouring countries in North Africa and the Middle East will strongly orient their trade and exchange-rate policies to Euroland. If the euro is to be attractive, it is vital (as the President of the European Central Bank keeps pointing out) for the ECB to pursue a successful, stability-oriented monetary policy, and for the member states of Euroland to pursue successful economic and fiscal policies.[27] To this extent, the euro must first win the confidence of international investors.

The euro is one European response to the globalisation of the world economy. It is encouraging that the euro is meeting with a positive reaction today in the United States and Asia, for all sorts of different reasons. With the euro, Europe also wishes to live up to its greater co-responsibility for global trade and the international monetary system. In addition to the economic functions of the euro, therefore, the effects of the deeper political integration of Europe should also be viewed as a stabilising element in the world. The German side has therefore repeatedly advocated that Economic and Monetary Union be supplemented by a Political Union.

The economic and political significance of the euro will very probably reach far beyond Europe. One decisive factor will be the way the euro is accepted in countries outside Euroland. From a European viewpoint it would be desirable that the euro and the European Economic and Monetary Union offer ideas, and perhaps even interesting alternatives, for the debate in other countries and regions of the world.

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[23] Ronald I. McKinnon, op. cit.

[24] U. Schröder: Die künftige Rolle des Euro im internationalen Finanz- und Währungssystem, Deutsche Bank Research, July 1998.

[25] P. Bekx, op. cit.

[26] European Central Bank: Monthly Report, August 1999.

[27] W. Duisenberg, op. cit.