



Ten years of the euro

On 1st January 2009 the euro will celebrate its tenth birthday. To mark the anniversary Halifax takes a look at the history of the euro and its highs and lows:

- The euro began trading at £0.71 against the pound and \$1.17 against the US dollar on Monday 4th January 1999.
- The euro has traded at an average of £0.67 against the pound and \$1.15 against the US dollar since January 1999.
- The euro hit an all time low against the dollar on 25th October 2000 (\$0.83) and against the pound on 3rd May 2000 (£0.57).
- In 2006 euro notes in circulation first surpassed the value of all US dollars circulating.
- The euro hit an all time high against the dollar on 22nd April 2008 (\$1.60) and is currently at a record high against the pound (£0.98 as at 29th December 2008).

Figure1: UK pound (£) to euro (€) exchange rate



Source: Datastream

Martin Ellis, Halifax chief economist, comments:

"The euro has risen strongly against the pound in 2008, with an almost parity being reached between the two currencies over recent days.

The financial markets appear to be reacting to the belief that the already record low bank rate of two per cent could be cut further in the New Year."

More/...

Initially, the euro made its debut with 11 member states in January 1999: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. The respective national currencies continued to circulate but were locked together at fixed exchange rates.

Although first launched in January 1999, euro notes and coins weren't introduced until 2002 when 12 countries decided to use the euro instead of their own currencies (Greece joined the euro in January 2001).

Now, a further three countries have joined the euro bringing the total to 15: Slovenia (January 2007), Malta and Cyprus (January 2008).

Ends.

Editors' notes:

Countries using the euro are: Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovenia and Spain.

In 2006 euro notes in circulation first surpassed the value of all US dollars circulating - <http://www.theaustralian.news.com.au/business/story/0,28124,24779996-36375,00.html>

All trading data is supplied by Datastream.

Data up until 29th December 2008 has been used in this release.