



EUROPEAN CENTRAL BANK

EUROSYSTEM

Mario DRAGHI

President

COURTESY TRANSLATION

Mr Francisco Sosa Wagner
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 21 November 2013

L/MD/13/672

Re: Your letter

Dear Mr Sosa Wagner,

Thank you for your letter, which was passed on to me by Ms Sharon Bowles, Chairwoman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 14 October 2013.

The decision on the substrate to be used for the Europa series of euro banknotes is the outcome of comprehensive research and analysis. The ECB and the national central banks of the Eurosystem concluded that cotton-based banknote paper should continue to be used, with a coating to improve the durability of the lower denomination banknotes.

As part of the research carried out to improve durability, test banknotes were printed to measure the effectiveness of several types of material. 16 different materials, including polymer, were intensively tested at several printing works. In addition, test banknotes were rigorously assessed by independent laboratories and extensive durability trials were performed. The research carried out to increase the durability of the lower denomination banknotes will result in considerable savings, which will cover the cost of the research within one year of the introduction of the new banknotes.

The decision to use cotton-based paper with a coating was governed not only by an assessment of production costs. Other factors such as total life-cycle costs, the environmental impact, public acceptance and the possibilities for incorporating different security features were also taken into consideration.

The public survey organised to compare all the tested materials confirmed a high degree of acceptance of banknote paper, with which all euro area countries are familiar. The choice of security features is also wider with banknote paper than with other substrates. Furthermore, informing the public about the differences in feel

and security features between paper and polymer notes would require a very extensive educational programme.

The Eurosystem did not consider the production of commemorative banknotes. Experience in other countries shows that commemorative banknotes are mainly gathered by collectors and are little in circulation.

Finally, please note that it is not possible at this stage to indicate precisely the lifespan of the new € banknotes as they were only introduced in May 2013.

Yours sincerely,

[signed]

Mario Draghi