

Primož Dolenc: Ever changing payment landscape - what will a digital euro bring?

Opening address by Mr Primož Dolenc, Acting Governor of Bank of Slovenia, at the lecture "Ever changing payment landscape: What will a digital euro bring?", Split, 9 July 2025.

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Dear ladies and gentlemen, dear colleagues and our distinguished guest,

It is my great honour to welcome you at today's event on the digital euro in the ever-changing payment landscape. With almost half participants joining virtually, we can already reflect on how many aspects of our lives are becoming increasingly digitalised. Today, we're going to talk about what this means for our shared currency and what the digital euro project is all about.

The development of the monetary system and its impact on the economy has been a story of constant change. Human beings have been exchanging in trade with one another since organised societies have existed. First using barter to trade, they first simplified their lives by using common items as money, like cattle or grain. Then followed metals. Then coins, then paper money. Then introduction of money as recorded book entries overseen by trusted intermediaries. It has been constant evolution and over time, advances in monetary technology have closely accompanied significant growth in economic activity. Traditional paper records eventually transitioned to digital formats, transforming both the economy and society in fundamental ways. It seems only natural that this evolution still continues. Also due to a lot of innovations in security features and material, banknotes have stood the test of time. But our goal is to also make sure we keep up with the times. In recent years, a surge of digital innovations has emerged, unlocking entirely new opportunities.

As a consequence of digitalisation, the way we pay is changing. Expectations of consumers have changed, to which the payment methods had to adapt. The share of cash payments at physical payment points in euro area has dropped significantly. At the same time we also shop more online, where cash payment is usually unavailable. Slovenia is a part of the same trend, though we do seem to still prefer cash a bit more than the average European.

Digital payments are now a daily reality for most Europeans. Mobile apps, online platforms, and payment cards have redefined convenience and speed – but most of these payment methods are privately controlled, in most cases from outside of the Europe. In an increasingly unpredictable global environment, riddled with heightened geopolitical tensions, excessive reliance on foreign providers leaves us vulnerable to external pressure. It undermines our resilience and compromises our monetary sovereignty.

Existence of digital euro would offer a solution – it would allow us to control our financial future. In the digital euro project, we are thus investigating the possibility of issuing a central bank digital currency. Digital euro would enable consumers and businesses to

make secure, rapid and cost-effective payments fit for the digital era. Digital euro would ensure that, as economies go digital, the general public would retain access to the safest form of money - a claim on a central bank.

The potential introduction of the digital euro would not mean that cash, or other current payment methods, would become obsolete or unwelcomed. Cash remains the cornerstone of our financial system. It must be emphasised that the Eurosystem is fully committed to ensuring that cash remains a widely available and accepted means of payment for everyone in Europe. Not only does cash ensure financial inclusion, it also remains an important and reliable fall back options in case of power outages, like we have seen in Iberian Peninsula blackout in April this year, or in case of potential cyber attacks.

At the same time, we must ensure for citizens of Europe that our currency remains future-proof. For that, it needs to evolve in line with people's payment preferences. Like cash, paying with digital euro would be free of charge. Privacy and security-preserving techniques would make it more private than current methods. The ECB and the Eurosystem would not be able to identify who you are or what you are buying.

To dive deeper into the topic, it is my great honour to introduce our speaker – Mr Piero Cipollone, executive board member of the ECB and the chair of the Eurosystem High-Level Task Force on Digital Euro.

Mr. Cipollone has been serving as a member of the Executive Board of the European Central Bank since November 2023. In this role, he is responsible for the Directorate Banknotes, the Directorate General International and European Relations and the Directorate General Market Infrastructure and Payments.

Before joining the ECB, Mr Cipollone was Deputy Governor of the Banca d'Italia and a member of the Board of the Italian Institute for the Supervision of Insurance. He also served as a member of the Coordination Group for the Cross-border payments programme at the Bank for International Settlements and as an Executive Director on the Board of the World Bank Group.

There truly is no one better placed to speak to us today about the future of money and the digital euro. Mr. Piero Cipollone, the stage is yours.