

# ECONOMIC PAPERS

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Number 113 July 1995

## **BANKING IN ECU\***

A Survey of Banking Facilities across the European Union  
in the ECU, Deutschmark and Dollar and of Small  
Firms' Experiences and Opinions of the Ecu

BDO Stoy Hayward Management Consultants-A Report for the European  
Commission.



*"Economic Papers" are written by the Staff of the Directorate-General for Economic and Financial Affairs, or by experts working in association with them. The "Papers" are intended to increase awareness of the technical work being done by the staff and to seek comments and suggestions for further analyses. Views expressed represent exclusively the positions of the author and do not necessarily correspond to those of the European Commission. Comments and enquiries should be addressed to the:*

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## INTRODUCTION

Many companies involved in importing and/or exporting between several countries find it useful to undertake transactions on the basis of a third currency. Within the European Union (EU), the deutschmark and dollar have traditionally been favoured. These days, however, many believe that firms could benefit from using a newer third currency, the ecu, to improve the quality of their investment decisions and - for those active in a number of EU markets - to reduce their transaction and management costs. Despite the turbulence in the European Monetary System in 1993, the ecu is perceived as offering at least as much stability as other third currencies.

Yet few companies are aware either of the advantages that using the ecu might bring or of just *how* they can use it: few realise how many ecu services their bank provides. As a study undertaken for the European Commission by BDO Stoy Hayward in 1991/1992 showed, most banks offer as full a range of facilities in ecu as for the deutschmark or dollar.

In order to update the information collected earlier and with a view to disseminating the results to companies, the European Commission contracted BDO Stoy Hayward to undertake a further survey in all twelve Member States of the ecu services offered by major banks.

As with the earlier study, the Commission wished to compare services in the ecu with those in the deutschmark and dollar, to ascertain whether the ecu was favoured or disfavoured relative to the other two currencies. In contrast to the earlier study, which also examined interest rates on deposits and loans, the second study was to look at the charges made for operating bank accounts and transferring money overseas in ecus, deutschmarks and dollars.

The Commission also wished to compare the treatment of normal cheques in ecu with that of Eurocheques in ecu and, again, establish whether this was more or less favourable than the treatment of other major "third" currencies, such as the deutschmark (DM) or US dollar (USD).

As a second element of the study, the Commission asked BDO Stoy Hayward to undertake a number of interviews with potential end users of the ecu, concentrating on small and medium-sized enterprises (SMEs) and their representatives, particularly in the tourism sector. The intention was to ascertain how much SMEs used foreign currencies, whether they had ever used the ecu or were likely to do so, the advantages and disadvantages they foresaw, and how use of the ecu could be further encouraged.

It is hoped that the qualitative data gathered by the interviews will complement the quantitative banking data in providing material which can assist small and medium-sized firms in making more use of the ecu than at present.





**Part 1: ECU BANKING SERVICES**

<p style="text-align: center;"><b>Part 1: Ecu Banking Services</b> <b>DETAILED CONTENTS</b></p>
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## **1.1 OVERVIEW OF FINDINGS**

### **1.1.1 Bank responses**

Most banks expressed themselves willing to respond to the survey. That they received a letter from the European Commission helped in this. However, in some countries, repeated chasing produced only repeated promises to send the questionnaire back within a couple of days, which did not happen. Many of our offices experienced considerable difficulty identifying the right person in the bank to organise the completion of the form, with the contact changing (particularly in Italy) even after banks had received the survey. In France, banks were prevented from answering by the Association Française des Banques (see below and Appendix C).

### **1.1.2 Banking facilities: changes 1992-1994**

The survey was submitted to the Commission in April 1994. In comparison with the last survey, which was completed in April 1992, fewer banks appear to be offering letters of credit in ecu, while the number of banks which have stopped providing ecu travellers cheques and ecu mortgages appears only slightly to exceed the number of those who have begun to offer these services.

### **1.1.3 Banking facilities today (Table A)**

Most banks across the EU offer the same wide range of services in ecu as in DM and USD. The greatest consistency is in Belgium; the greatest differences (with the USD) in Germany. Where differences do exist, services are usually less likely to be offered in ecu than in DM or USD. This is especially so of travellers cheques (see also note from Crédit Agricole at Appendix B).

### **1.1.4 Charges on Ecu, DM and USD accounts (Table B)**

All respondent banks charge the same for running an account in ecu as for DM and USD. In Germany, most DM accounts are cheaper to run, as might be expected. Exceptions are the Bank für Gemeinwirtschaft and the Kreissparkasse Esslingen, where charges are the same. A number of banks appear unwilling to specify their charges, simply writing "n/a" or leaving a blank.

Although the main purpose of this section was to ascertain whether ecu accounts are treated like other foreign currency accounts (which they are, except in Belgium), we have commented on individual countries' charges in the Country Reports below.

### **1.1.5 Charges for transferring Ecu, DM or USD from, respectively, an Ecu DM or USD account to an overseas account in the same or a different currency (Table C)**

Banks in eleven Member States levy the same charges on transfers in ecu as on transfers in DM or USD. In Belgium, however, most of the national banks surveyed do not charge a foreign exchange commission on ecu transfers, which therefore reduces their cost relative to transfers denominated in the DM or USD.

Banks in Belgium tend to charge very nearly the same for any given transaction, as do banks in the Netherlands. Spanish banks' prices are also similar, if less so, as are British ones. In Germany, Greece and Italy, wide differences between banks' prices exist.

#### Notes:

- (1) Banks completed this section in a variety of ways, which complicates comparison. Some specified their minimum and maximum charges; others worked out the relevant charge for 10 January 1994; others did both. For the totals, where banks did not do this themselves, we have estimated the cost of transferring ecu 5000: where minimum values exceed the percentage specified, we have used these.
- (2) Not all banks specified transmission costs (eg telex, Swift) and, although we did not feel it appropriate to put in speculative figures, we would suggest that these charges should be assumed throughout.
- (3) Some banks do not levy a separate foreign exchange commission but build it into their standard fee. This is particularly so in Ireland and the United Kingdom, where all banks absorb the forex commission in a flat fee.

### **1.1.6 Charges for clearing an overseas ecu cheque/Eurocheque (Table D)**

Most banks charge the same for clearing a normal cheque in ecu and a Eurocheque in ecu. With the exception of Belgium, where most banks exempt the ecu from forex charges, the vast majority also charges the same for clearing both sorts of cheques whether written in ecu or in other major "third" currencies such as the DM and USD.

### 1.1.7 Ecu, DM and USD exchange rates (Table E)

#### Rate dispersions

Given that we have only a snapshot of rates on a single day, which we cannot be sure provides a statistically normal distribution, any conclusions must necessarily be approximate and tentative. That said, for a potential user, examining the dispersion of rates might indicate whether or not it is worth visiting several banks to obtain the most favourable rate<sup>1</sup>.

As Table 1 below shows, it is generally most worthwhile "shopping around" in Italy and Greece (with the widest and second widest dispersions respectively) and then Spain and Portugal (generally third or fourth widest). It is least worthwhile seeking out the best deal in Germany (with generally the narrowest dispersions), Netherlands and France (in most cases, second or third narrowest dispersions). The UK and Ireland tend to have the next narrowest dispersions; Belgium is a little above them (on the whole, fifth widest). Danish rate dispersions fluctuate most: comparatively wide for buying the ecu but narrowest of all for selling the USD.

**Table 1**

RATE DISPERSIONS						
Rank: 1 = widest	Buying			Selling		
	ECU	DM	USD	ECU	DM	USD
1	I = 7.3721	I = 4.7291	I = 5.1121	I = 3.3536	I = 1.4731	I = 5.8308
2	GR = 5.1298	GR = 1.198	GR = 4.8285	GR = 2.1840	GR = 1.1757	GR = 4.4700
3	S = 0.1689	P = 0.0720	S = 0.4105	S = 0.4757	S = 0.0977	P = 0.2883
4	DK = 0.1281	S = 0.0702	P = 0.2849	B = 0.0698	P = 0.0756	S = 0.1828
5	B = 0.0712	B = 0.0476	B = 0.1027	P = 0.0618	B = 0.0411	B = 0.0584
6	P = 0.0216	DK = 0.0143	DK = 0.0201	DK = 0.0180	F = 0.0024	UK = 0.0057
7	UK = 0.0043	IR = 0.0019	UK = 0.0059	UK = 0.0061	IR = 0.0018	IR = 0.0045
8	IR = 0.0039	UK = 0.0016	N = 0.0042	IR = 0.0053	UK = 0.0018	N = 0.0038
9	N = 0.0024	F = 0.0014	IR = 0.0036	F = 0.0040	DK = 0.0009	F = 0.0025
10	F = 0.0020	N = 0.0011	F = 0.0032	N = 0.0011	N = 0.0008	G = 0.0013
11	G = 0.0014	[G = -]	G = 0.0017	G = 0.0019	[G = -]	DK = 0.0010

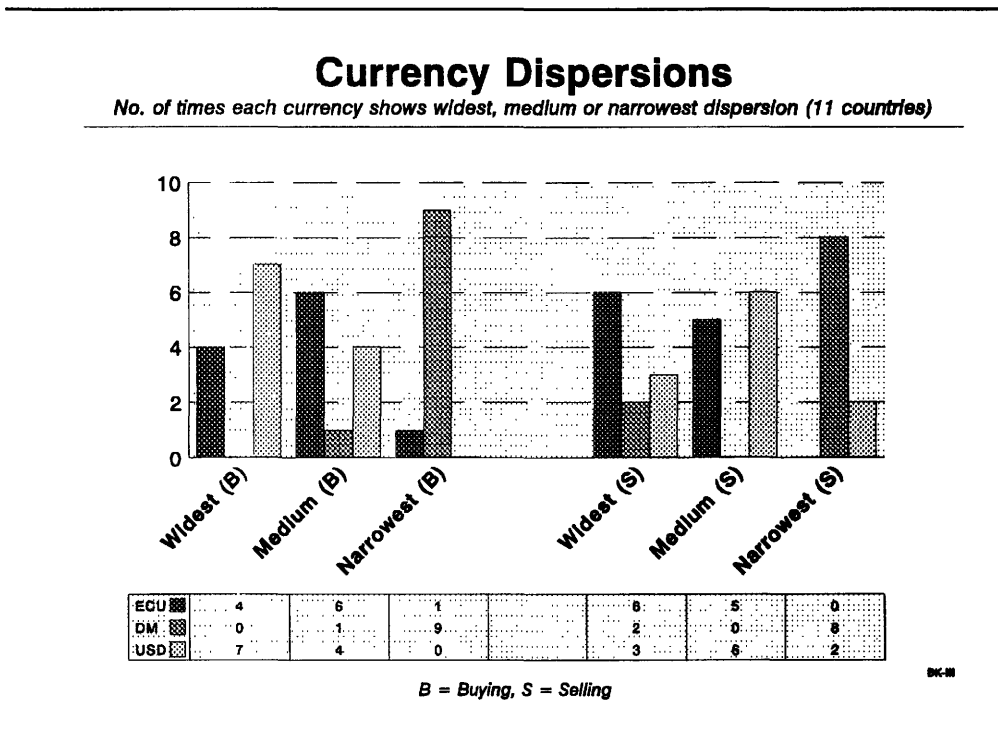
<sup>1</sup> The *rate dispersion* is described by the standard deviation of the amount by which rates diverge from the mean rate, indicating how far apart the rates are. When, for example, all banks in one country offer different rates for buying or selling a particular currency but the differences between those rates is small, the rate dispersion will be narrow. When two or three banks offer the same rate but the difference between this and the other rates offered is large, the dispersion will be wide.

Currency dispersions

Again only as a guide, the stability of a currency may be assessed by comparing the different dispersions between currencies: the narrower the dispersion, the less liable the currency to fluctuation. A further, rougher way of comparing currencies is by looking at the difference between the highest and lowest rates offered: the *range*.

As Table 2 below shows, taking the EU as a whole, DM rates are consistently the most narrowly dispersed of the three currencies. For buying, dispersions are on the whole narrower for the ecu than the USD. For selling, they are narrower for the USD than the ecu. Ranges mirror dispersions in virtually every case.

Table 2



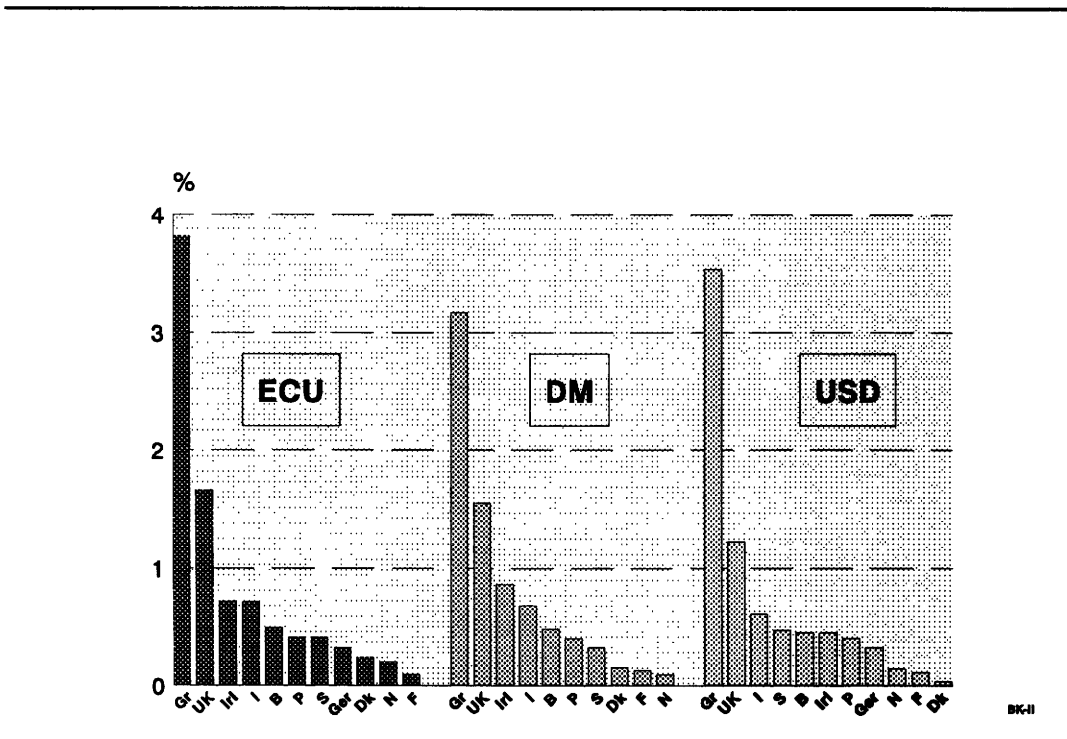
Profit margins

The percentage difference between the rates at which banks sell and buy currencies indicates their *margin of profit* on the transaction.



As Table 3 below shows, for all currencies, Greek banks have the largest average profit margin, followed at some distance by British banks and at a further distance by Irish and Italian banks (although Ireland has a comparatively lower margin on the USD). French banks have the consistently smallest margin, along with Danish, Dutch and German banks. Belgian, Portuguese and Spanish banks come in the middle. Dispersions for each profit margin are given in the Country Reports below.

**Table 3**



**1.1.8 Note**

Two banks, Lloyds (UK) and Crédit Agricole (F), offered some stimulating additional comments regarding their interpretation of the questions. These provide useful definitions of terms and concepts and give us a detailed insight into the actual practices of two major banks. See Appendices A and B.

**1.2 METHODOLOGY**

BDO Stoy Hayward's international offices made initial telephone contact with banks whom they judged might be appropriate: these included where possible a savings banks/Sparkasse and a PTT/Girobank. This led to a shortlist of banks to be surveyed.

A questionnaire and covering letter were then prepared by BDO Stoy Hayward and approved by the European Commission.

A covering letter from the Commission was also prepared and translated into the EU languages. This was signed by DG II and accompanied the questionnaire in the hope that it would encourage banks to respond.

The Commission's letter informed the banks:

The description you give us of your ecu services may be made public by the Commission at a future date to promote banks' services in ecu and to inform businesses of the range of such services available to them. We hope this will serve as an encouragement to firms to employ the ecu for cross-border transactions and will be of promotional value to those banks participating in the survey.

The questionnaires were sent out by our international offices at the beginning of January 1994 and banks were requested to respond by 21 January 1994.

As the offices received replies, they sent them to BDO Stoy Hayward, which entered them on tables and asked offices to clarify any major points of uncertainty.

### 1.3 PARTICIPATING BANKS

The banks to whom we sent questionnaires are listed in Table 4 below. Those from whom we received replies are highlighted in **bold**.

Although some of the banks listed in the interim report were willing to participate on first contact, on further contact they expressed themselves uninterested or said they did not offer any services in ecu. They were therefore excluded from the survey and not sent a questionnaire and different banks were substituted where possible. With other banks, it only became apparent that they did not offer ecu services on receipt of their replies.

Most post offices offer none of the services surveyed in ecu or other foreign currencies: those that do are included on the table below in *italics*. With a very few exceptions, no principally foreign-owned banks have been included: those that have been are also indicated in *italics*. (This does not affect partially foreign-owned banks such as Woodchester in Ireland and Midland in the UK.)

Table 4

PARTICIPATING BANKS	
<b>BELGIUM</b>	<b>DENMARK</b>
Banque Bruxelles Lambert Banque Paribas Belgique Caisse Générale d'Épargne et de Retraite (ASKL-CGER) Centrale Raffaisenkas (CERA) Crédit Agricole Crédit Communal Crédit Lyonnais Belgium Générale de Banque Kredietbank <i>Citibank</i>	Amager Banken Bikuben Sparekassen Den Danske Bank Jyske Bank Sydbank Unibank <i>Girobank</i>
<b>FRANCE</b>	<b>GERMANY</b>
Banque de l'Entreprise (CEPME group) Banque Française du Commerce Extérieur Banque Hervet Banque Nationale de Paris Banque Paribas Banque Régionale d'Escompte et de Dépôts (BRED) Caisse Centrale du Crédit Mutuel Caisse Centrale des Banques Populaires Caisse Nationale du Crédit Agricole Crédit Commercial de France Crédit Lyonnais Société Générale <i>La Poste</i> (excluded)	Bayerische Vereinsbank BfG - Bank für Gemeinwirtschaft Commerzbank Deutsche Bank Dresdner Bank Frankfurter Volksbank Kreissparkasse Esslingen Landesgirokasse Stuttgarter Bank Südwestbank Westfalenbank Württembergische Handelsbank Stuttgart
<b>GREECE</b>	<b>IRELAND</b>
Bank of Attica Commercial Bank Credit Bank Egnatia Bank Ergo Bank General Hellenic Bank Ionian Bank Interbank National Bank of Greece Xiosbank (excluded) <i>Midland Bank</i>	AIB Bank Bank of Ireland Industrial Credit Corporation Irish Intercontinental Bank National Irish Bank Ulster Bank Woodchester Crédit Lyonnais Bank
<b>ITALY</b>	<b>LUXEMBOURG</b>
Banca Commerciale Italiana Banca Nazionale del Lavoro (BNL) Banca Popolare Commercio e Industria Banca S. Paolo di Torino Istituto Banca Popolare di Milano Banca Popolare di Fondi	Banque Colbert Banque Degroof Luxembourg Banque de l'Europe Méridionale Banque du Gothard Banque Indosuez Luxembourg Banque IPPA & Associés Banque Nagelmackers 1747 (Lux) Banque Privée Edmond de Rothschild
<b>NETHERLANDS</b>	<b>PORTUGAL</b>
ABN AMRO Albert de Bary & Co. International Netherlands Group (ING) Bank Mees & Pierson Rabobank Nederland Staal Bankiers <i>Postbank</i> <i>Banque Nationale de Paris</i> <i>Barclays Bank</i>	Banco Borges & Irmão Banco Central Hispano Portugal (excluded) Banco Comercial Português Banco Comercio & Industria Banco Espirito Santo Banco Essi (excluded) Banco Internacional do Funchal (Banif) Banco Nacional Ultramarino Banco Pinto & Sotto Mayor Banco Português do Atlantico Banco Totta & Açores Caixa Geral Depósitos
<b>SPAIN</b>	<b>UK</b>

Banco Bilbao Vizcaya Banco Central Hispanamericano Banco Pastor Banco de Sabadell Banco Santander Banesto Bankinter Bilbao Bizcaya Kutxa (BBK) Caixa d'Estalvis i Pensions de Barcelona (La Caixa) Caja Ahorros Mediterraneo Caja de Ahorros de Catalunya Caja de Madrid	Bank of Scotland Barclays Bank Clydesdale Bank Lloyds Bank Midland Bank National Westminster Bank Royal Bank of Scotland TSB Group
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1.3.1 The above table breaks down numerically as shown in Table 5 below.

**Table 5**

<b>NUMERICAL BREAKDOWN</b>				
<b>Country</b>	<b>Banks Surveyed</b>	<b>Responses</b>	<b>Outstanding Responses</b>	<b>Response Rate</b>
Belgium	10	10	0	100%
Denmark	8	8	0	100%
France	13	5	7	38%
Germany	12	11	1	92%
Greece	11	10	1	91%
Ireland	7	6	1	86%
Italy	6	4	2	67%
Luxembourg	9	1	8	11%
Netherlands	9	6	3	74%
Portugal	11	6	5	54%
Spain	12	9	3	75%
United Kingdom	8	8	0	100%

### 1.3.2 Notes

- (1) A peculiar situation arose in France, where all banks initially expressed themselves willing to cooperate. Very few, however, returned the questionnaires and it was only after we repeatedly phoned them that one bank (Crédit Lyonnais) told us on 1 March 1994 that the Association Française des Banques (AFB) had advised them not to respond. Apparently, the AFB would have preferred the survey to have gone through it. With the ultimate exception of Crédit Lyonnais (and then only after some weeks), however, none of the banks chose to tell us why they were not responding. As noted above, a letter of further explanation from our French office is attached as Appendix C to this report.
- (2) As a result of administrative difficulties in Luxembourg, we had received a reply from only one Luxembourg bank at the time of writing this report.

### 1.4 COUNTRY REPORTS

The twelve country reports begin on the following page. The report for each Member State begins on a fresh page.

<b>BELGIUM</b>	
<b>Banks contacted</b>	<b>Banks responding</b>
Banque Bruxelles Lambert	Banque Bruxelles Lambert
Banque Paribas Belgique	Banque Paribas Belgique
Caisse Générale d'Epargne et de Retraite (ASKL-CGER)	Caisse Générale d'Epargne et de Retraite (ASKL-CGER)
Centrale Raffaisenkas (CERA)	Centrale Raffaisenkas (CERA)
Crédit Agricole	Crédit Agricole
Crédit Communal	Crédit Communal
Crédit Lyonnais Belgium	Crédit Lyonnais Belgium
Générale de Banque	Générale de Banque
Kredietbank	Kredietbank
<i>Citibank</i>	<i>Citibank</i>

#### 1.4.1 Bank responses

Banks displayed no strong reactions to the survey. The only negative responses were from those who were sceptical about using the ecu (CERA and Crédit Communal). Only Générale de Banque, Banque Paribas and Crédit Lyonnais had to be chased to respond. The letter from the European Commission was of great help, as the subject still remains sensitive, and is probably the reason why the response was much better than last time.

#### 1.4.2 Banking facilities: changes 1992-1994

Banque Paribas Belgique *now* offers travellers cheques in ecu, DM and USD; but *no longer* offers certificates of deposit in ecu, DM or USD. Credit Communal de Belgique *now* offers call and/or fixed term deposits and discounted bills in ecu. Générale de Banque *now* offers certificates of deposit in ecu, DM and USD; but *no longer* offers a cheque book in ecu, DM or USD.

#### 1.4.3 Banking facilities today (Table A)

Although banks vary between themselves in the facilities they offer, each offers the same in ecu, DM and USD (the sole exception is CERA, which does not offer DM certificates of deposit).

#### 1.4.4 Charges on Ecu, DM and USD accounts (Table B)

Of respondent banks, CGER and Crédit Lyonnais make an unspecified charge for each transaction; BBL and Banque Paribas charge an overall BEF 200 per annum and CERA; and Crédit Communal and Générale de Banque generally make no charge.

#### 1.4.5 Charges for transferring Ecu, DM or USD from, respectively, an Ecu DM or USD account to an overseas account in the same or a different currency (Table C)

Charges for transfers to the *same* currency are identical for the ecu, DM and USD and are on the whole cheaper for transferring ecus to a *different* currency, as six banks do not levy any foreign exchange commission. The charges are virtually identical between the banks (although Kredietbank appears significantly cheaper).

#### 1.4.6 Charges for clearing an overseas ecu cheque/Eurocheque (Table D)

##### Normal cheques vs Eurocheques

BBL and CERA charge the same to clear normal cheques in ecu as Eurocheques in ecu; Crédit Communal and Crédit Lyonnais charge less for Eurocheques; and Générale de Banque and Kredietbank charge nothing for Eurocheques.

##### Ecu vs other common "third" currencies (eg DM or USD)

Two banks charge the same for clearing normal cheques in ecu as for those in other common currencies; five, including CGER and Générale de Banque, charge more for other currencies (foreign exchange commission); and one bank charges less.

Four banks charge the same for clearing Eurocheques in ecu as in other currencies; CGER and Générale de Banque again charge more for other currencies (forex commission); and one bank charges the same or more depending on the amount.

#### 1.4.7 Ecu, DM and USD exchange rates (Table E)

##### Rate dispersions

All banks offer different rates from each other for buying all three currencies. The same is on the whole true for selling (exceptions are Crédit Agricole and Crédit Communal, which offer the same DM rate). But dispersions of rates are not large.

##### Currency dispersions

Buying dispersions are narrowest for the DM, followed by the ecu and USD respectively. Selling dispersions are close together and again narrowest for the DM, followed by the USD and then ecu. The same pattern is found for ranges.

##### Profit margins

Profit margins are middle level and close together, at an average of 0.49 per cent for the ecu, 0.48 per cent for the DM and 0.45 per cent for the USD. The margin varies somewhat between banks.

<b>DENMARK</b>	
<b>Banks Contacted</b>	<b>Banks Responding</b>
Amager Banken	Amager Banken
Bikuben Sparekassen	Bikuben Sparekassen
Den Danske Bank	Den Danske Bank
Jyske Bank	Jyske Bank
Sydbank	Sydbank
Unibank	Unibank
<i>Girobank</i>	<i>Girobank</i>

#### 1.4.8 Bank responses

As with last time, the general reaction of the banks was friendly and enthusiastic and resulted in a full response. All banks answered within a week of being chased. The letter from the Commission was without doubt of great value in achieving this.

#### 1.4.9 Banking facilities: changes 1992-1994

Bikuben Sparekassen *now* offers travellers cheques in ecu; but *no longer* offers certificates of deposit in ecu, DM or USD. Den Danske Bank *no longer* offers commercial mortgages in DM or USD. Jyske Bank *no longer* offers travellers cheques in ecu or commercial mortgages in ecu, DM or USD. Unibank *no longer* offers travellers cheques in ecu or commercial mortgages in ecu, DM or USD.

#### 1.4.10 Banking facilities today (Table A)

All banks offer the same level of facilities in DM and USD and most do for the ecu. The exceptions are Den Danske Bank, which does not offer ecu certificates of deposit; Jyske Bank, which does not provide ecu travellers cheques; and Roskilde Bank, which does not allow ecu overdrafts.

#### 1.4.11 Charges on Ecu, DM and USD accounts (Table B)

None of the respondents levies charges.

#### 1.4.12 Charges for transferring Ecu, DM or USD from, respectively, an Ecu DM or USD account to an overseas account in the same or a different currency (Table C)

Charges for both sorts of transfer are the same in all currencies. The charges themselves vary quite markedly between banks (Jyske Bank appears cheapest). The average cost appears to be around ecu 10, plus ecu 2-3 in forex commission.



## DENMARK

### 1.4.13 Charges for clearing an overseas ecu cheque/Eurocheque (Table D)

#### Normal cheques vs Eurocheques

It tends to cost the same to clear normal cheques and Eurocheques in ecu, although, for Eurocheques, Sydbank Sonderjylland charges nothing and Unibank charges less. The average cost is at least ecu 6.6.

#### Ecu vs other common "third" currencies (eg DM or USD)

For clearing normal cheques, five banks charge the same for ecu as for other common currencies; Amager Banken charges less for other currencies; and Giro Bank charges the same for DM and ecu and more for USD.

For clearing Eurocheques, the costs are the same as for normal cheques, except that Sydbank Sonderjylland charges more for all foreign currencies; and Den Danske Bank charges less for DM than ecu and the same for USD.

### 1.4.14 Ecu, DM and USD exchange rates (Table E)

#### Rate dispersions

For buying foreign currencies, six banks all offer the same rates for ecus, six for DM and four for USD. For selling, five offer the same rates for ecus, five for DM and all for USD. Dispersions are moderate, although wide for selling the ecu.

#### Currency dispersions

For buying and selling, the ecu rate dispersion is widest, followed by USD and then DM. If we take out the substantially different rates offered by Roskilde Bank, however, which may be distorting the picture, the ecu dispersion is narrowest for buying, followed by the USD and DM; while the USD dispersion is nil for selling, followed by the DM and ecu.

#### Profit margins

Profit margins appear higher than they would be without the distortion of Roskilde Bank's rates. Removing this, margins stand at an average 0.24 per cent for the ecu, 0.15 per cent for the DM and 0.03 per cent for the USD, very narrowly dispersed.

<b>FRANCE</b>	
<b>Banks Contacted</b>	<b>Banks Responding</b>
Banque de l'Entreprise (CEPME group)	Banque de l'Entreprise (CEPME group)
Banque Française du Commerce Extérieur	
Banque Hervet	
Banque Nationale de Paris	
Banque Paribas	Banque Paribas
Banque Régionale d'Escompte et de Dépôts (BRED)	Banque Régionale d'Escompte et de Dépôts (BRED)
Caisse Centrale du Crédit Mutuel	
Caisse Centrale des Banques Populaires	
Caisse Nationale du Crédit Agricole	Caisse Nationale du Crédit Agricole
Crédit Commercial de France	Crédit Commercial de France
Crédit Lyonnais	
Société Générale	
<i>La Poste</i> (excluded)	

*NB The Caisse Nationale du Crédit Agricole supplied us with a useful accompanying note, which we have reproduced in Appendix B as being generally applicable.*

#### 1.4.15 Bank responses

While most banks received the survey positively, some appeared surprised by it (especially BNP), some were not interested (Caisse Centrale des Banques Populaires); and new banks to whom we turned had material problems (Banque Worms lacked time and staff). The Commission's letter definitely provoked a better initial reaction than last time. However, many banks were effectively instructed by the French Banking Association not to respond, a fact we did not learn until very late (see above and Appendix for details), which has given us comparatively few responses. La Poste replied but only offers USD travellers cheques and was thus excluded.

#### 1.4.16 Banking facilities: changes 1992-1994

Banque Nationale de Paris *now* offers certificates of deposit in DM.

#### 1.4.17 Banking facilities today (Table A)

Crédit Agricole does not offer travellers cheques or commercial mortgages in ecu but does in DM and USD; and Crédit Commercial offers a cheque card in ecu but not in DM or USD.

## FRANCE

### 1.4.18 Charges on Ecu, DM and USD accounts (Table B)

Most respondents did not complete this section. Crédit Commercial stated it levies up to around ecu 30 quarterly.

### 1.4.19 Charges for transferring Ecu, DM or USD from, respectively, an Ecu DM or USD account to an overseas account in the same or a different currency (Table C)

Charges for both sorts of transfer are the same in all currencies. The average cost appears to be around ecu 20, plus ecu 11 in forex commission.

### 1.4.20 Charges for clearing an overseas ecu cheque/Eurocheque (Table D)

#### Normal cheques vs Eurocheques

Banque Paribas and BRED charge the same for clearing normal cheques and Eurocheques in ecu, and Crédit Agricole charges considerably less for Eurocheques in ecu (only a forex commission).

#### Ecu vs other common "third" currencies (eg DM or USD)

For clearing normal cheques, the BRED charges the same for ecu as for other third currencies and the Crédit Agricole charges less for other currencies.

For clearing Eurocheques, both the BRED and the Crédit Agricole charge the same for ecu as for other third currencies.

### 1.4.21 Ecu, DM and USD exchange rates (Table E)

#### Rate dispersions

For buying and selling foreign currencies, most rates differ from bank to bank. Dispersions are very narrow, as are ranges.

#### Currency dispersions

Dispersions are similar for buying and selling all currencies. The DM rate dispersion is widest for buying, followed by USD and then ecu. For selling, the ecu dispersion is widest, followed by the DM and USD, which are almost the same.

#### Profit margins

The average margins that banks make on transactions are among the lowest of the survey and are similar, at an average of 0.13 per cent for the DM, 0.11 per cent for the USD and 0.1 per cent for the ecu. There is little dispersion.

<b>GERMANY</b>	
<b>Banks Contacted</b>	<b>Banks Responding</b>
Bayerische Vereinsbank	
BfG - Bank für Gemeinwirtschaft	BfG - Bank für Gemeinwirtschaft
Commerzbank	Commerzbank
Deutsche Bank	Deutsche Bank
Dresdner Bank	Dresdner Bank
Frankfurter Volksbank	Frankfurter Volksbank
Kreissparkasse Esslingen	Kreissparkasse Esslingen
Landesgirokasse	Landesgirokasse
Stuttgarter Bank	Stuttgarter Bank
Südwestbank	Südwestbank
Westfalenbank	Westfalenbank
Württembergische Handelsbank	Württembergische Handelsbank
Stuttgart	Stuttgart

#### 1.4.22 Bank responses

In contrast to the indifference shown last time (and maybe because we involved more regional banks), most banks were willing to respond, with reactions varying from interested to very interested and a consequent full response. Mention of the European Commission in our preparatory telephone conversations was necessary, as was the subsequent Commission letter. As with last time, Deutsche Bank originally wanted payment for completing the questionnaire but eventually completed it gratis.

#### 1.4.23 Banking facilities: changes 1992-1994

Frankfurter Volksbank *now* offers travellers cheques in ecu, DM and USD, and letters of credit, discounted bills and loans in ecu; but *no longer* offers a cheque card in USD.

#### 1.4.24 Banking facilities today (Table A)

German banks offer generally fewer services in ecu than in USD. Ecu travellers cheques are not offered by Dresdner Bank, Kreissparkasse Esslingen, Landesgirokasse or Westfalenbank. Deutsche Bank does not permit ecu discounted bills; and Dresdner Bank does not offer ecu forward rate agreements. Kreissparkasse Esslingen does not make any foreign currency loans.

## GERMANY

### 1.4.25 Charges on Ecu, DM and USD accounts (Table B)

Nearly half the banks did not complete this section. The others operate mostly on the basis of quarterly fixed charges (Kreissparkasse Esslingen and Landesgirokasse) or of monthly fixed charges and a charge per cheque (BfG, Frankfurter Volksbank, Stuttgarter Bank).

### 1.4.26 Charges for transferring Ecu, DM or USD from, respectively, an Ecu DM or USD account to an overseas account in the same or a different currency (Table C)

Charges for both sorts of transfer are the same in the ecu and USD. The average cost appears to be 0.15 per cent, plus 0.25 per cent in forex commission. It also appears the same for both sorts of DM transfer, with the exception of Deutsche Bank, Südwest Bank and Westfalenbank, who do not charge forex commission.

### 1.4.27 Charges for clearing an overseas ecu cheque/Eurocheque (Table D)

#### Normal cheques vs Eurocheques

Most banks charge the same for clearing ecu normal cheques as ecu Eurocheques, except for Commerzbank and Südwestbank, which charge nothing for Eurocheques.

#### Ecu vs other common "third" currencies (eg DM or USD)

All banks charge the same for clearing both sorts of cheques in ecu and other currencies.

### 1.4.28 Ecu, DM and USD exchange rates (Table E)

#### Rate dispersions

For buying, rates tend to be the same between banks for the ecu and are all the same for the USD with two exceptions, with extremely narrow dispersions and ranges. For selling, banks offer mostly different ecu rates and mostly similar USD rates, with narrow dispersions.

#### Currency dispersions

Dispersion are similar between both currencies. For buying, the USD rate dispersion is slightly wider than for ecu rates. For selling, the ecu dispersion is slightly wider.

#### Profit margins

Margins are similar, at an average of 0.38 per cent for the USD and 0.32 per cent for the ecu. Dispersion are narrow, confirming that there is little point in shopping around in Germany.

<b>GREECE</b>	
<b>Banks Contacted</b>	<b>Banks Responding</b>
Bank of Attica	Bank of Attica
Commercial Bank	Commercial Bank
Credit Bank	Credit Bank
Egnatia Bank	Egnatia Bank
Ergo Bank	Ergo Bank
General Hellenic Bank	General Hellenic Bank
Ionian Bank	Ionian Bank
Interbank	Interbank
National Bank of Greece	National Bank of Greece
Xiosbank (excluded)	
<i>Midland Bank</i>	<i>Midland Bank</i>

#### 1.4.29 Bank responses

In contrast to the first survey, banks were generally enthusiastic. We believe that the Commission's letter made a lot of difference in ensuring a full response. We were assured that delays were due to heavy workload and not lack of will (eg Interbank). Xiosbank decided not to complete the questionnaire as it did not find any similarity with its operating systems and the type of questions asked (it was thus excluded).

#### 1.4.30 Banking facilities: changes 1992-1994

Commercial Bank of Greece *now* offers travellers cheques in ecu; but *no longer* offers certificates of deposit in ecu or DM, or forward rate agreements in ecu, DM or USD. Ergo Bank *now* offers discounted bills and forward rate agreements in ecu; but *no longer* offers travellers cheques in ecu. General Bank of Greece *now* offers forward rate agreements in ecu. National Bank of Greece *now* offers travellers cheques in DM and USD and forward rate agreements in ecu, DM and USD; but *no longer* offers certificates of deposit in DM or USD.

#### 1.4.31 Banking facilities today (Table A)

The only difference between currencies is that neither Credit Bank nor the National Bank of Greece offer ecu travellers cheques.

#### 1.4.32 Charges on Ecu, DM and USD accounts (Table B)

Most banks make no charge. Midland (foreign-owned) charges up to ecu 45 a year on accounts in all three currencies.

## GREECE

### 1.4.33 Charges for transferring Ecu, DM or USD from, respectively, an Ecu DM or USD account to an overseas account in the same or a different currency (Table C)

Charges for both sorts of transfer are the same in all currencies. The average cost appears to be 0.2-0.3 per cent, plus a forex commission. The commission appears to vary widely: from 0.085 per cent, min ecu 7.2 (one bank), to 0.1 per cent (two banks), to ecu 3.6-35.9 (one bank), to "tiered" (three banks). General Hellenic Bank quoted a fixed ecu 5.3: the rate for ecu 5000 on 10 January 1994.

### 1.4.34 Charges for clearing an overseas ecu cheque/Eurocheque (Table D)

#### Normal cheques vs Eurocheques

Of those banks that clear normal cheques and Eurocheques in ecu, most charge the same, although the General Hellenic Bank charges from ecu 26 for a Eurocheque and only from ecu 11 for a normal cheque.

#### Ecu vs other common "third" currencies (eg DM or USD)

Of those banks that clear normal cheques and Eurocheques in ecu, all charge the same for ecu as for other currencies.

### 1.4.35 Ecu, DM and USD exchange rates (Table E)

#### Rate dispersions

For buying, all banks offer different rates from each other for all three currencies. For selling, three banks offer the same rate for the ecu; otherwise rates are different between banks for all currencies. Dispersions and ranges are very wide.

#### Currency dispersions

For buying, the dispersion for DM is much narrower than for the ecu or USD (USD is widest). For selling, the dispersion for USD is much wider than for the ecu or DM. Ranges are also clearly widest for the USD.

#### Profit margins

The complication of arranging forex transactions in Greece is reflected in the banks' high profit margins, averaging 3.82 per cent for the ecu, 3.54 per cent for the USD and 3.17 per cent for the DM. There are significant differences between banks.

<b>IRELAND</b>	
<b>Banks Contacted</b>	<b>Banks Responding</b>
AIB Bank	AIB Bank
Bank of Ireland	
Industrial Credit Corporation	Industrial Credit Corporation
Irish Intercontinental Bank	Irish Intercontinental Bank
National Irish Bank	National Irish Bank
Ulster Bank	Ulster Bank
Woodchester Crédit Lyonnais Bank	Woodchester Crédit Lyonnais Bank

#### 1.4.36 Bank responses

The banks appear to receive a number of surveys and, in contrast to the enthusiasm they showed in 1991/92, their initial response to our telephone call was cool. That fact that the survey was being undertaken for the European Commission strongly influenced their decision to take part and the Commission's letter appeared to play a major role in this. They were on the whole easy to deal with and polite and professional at all times. Ulster Bank was the most enthusiastic and appears to have a clear policy of promoting the ecu. The Bank of Ireland nominated an individual to complete the survey without telling him, hence the delay.

#### 1.4.37 Banking facilities: changes 1992-1994

AIB Bank *now* offers overdrafts in ecu, DM and USD. Irish Intercontinental Bank *no longer* offers commercial mortgages or letters of credit in ecu, DM or USD. National Irish Bank *now* offers forward rate agreements in ecu, DM and USD. Ulster Bank *now* offers travellers cheques and commercial mortgages in ecu, DM and USD.

#### 1.4.38 Banking facilities today (Table A)

The only difference between currencies is that National Irish Bank does not offer ecu travellers cheques.

#### 1.4.39 Charges on Ecu, DM and USD accounts (Table B)

Of those who gave details, AIB and Woodchester make no charge and Ulster Bank charges IRL 50 every six months on accounts in all three currencies.



## IRELAND

### 1.4.40 Charges for transferring Ecu, DM or USD from, respectively, an Ecu DM or USD Account to an overseas account in the same or a different currency (Table C)

Charges for both sorts of transfer are the same in all currencies for all banks except AIB and Ulster Bank, which are cheaper for both transfers in ecu. Forex commission is absorbed in the main charge.

### 1.4.41 Charges for clearing an overseas ecu cheque/Eurocheque (Table D)

#### Normal cheques vs Eurocheques

On those banks which responded and which gave details, three charge IRL 10 and two (including ICC Bank) charge nothing for clearing a normal cheque in ecu. One charges IRL 5 and two (again including ICC Bank) charge nothing for clearing a Eurocheque in ecu.

#### Ecu vs other common "third" currencies (eg DM or USD)

Three banks charge the same and Ulster Bank charges less for clearing a normal cheque in ecu as opposed to another currency. Ulster Bank, however, charges the same for Eurocheques in all currencies.

### 1.4.42 Ecu, DM and USD exchange rates (Table E)

#### Rate dispersions

All banks quote different rates from each other for buying and selling the ecu and DM, and most do so for the USD, yet dispersions are very low.

#### Currency dispersions

Dispersion are similar between currencies, particularly for buying ecu or USD. The DM dispersion is notably narrower for both buying and selling; the ecu rate is highest for both.

#### Profit margins

Changing money in Ireland can be expensive and it is worth choosing the right bank. Margins are the third highest of the Member States: an average of 0.86 per cent for the DM, 0.72 per cent for the ecu and 0.45 per cent for the USD. Ecu and USD dispersions are high.

<b>ITALY</b>	
<b>Banks Contacted</b>	<b>Banks Responding</b>
Banca Commerciale Italiana	Banca Commerciale Italiana
Banca Nazionale del Lavoro	Banca Nazionale del Lavoro
Banca Popolare Commercio e Industria	Banca Popolare Commercio e Industria
Banca S. Paolo di Torino	
Istituto Banca Popolare di Milano	
Banca Popolare di Fondi	Banca Popolare di Fondi

#### 1.4.43 Bank responses

At the time of our initial telephone calls, the reaction of the banks was indifference and in some cases irritation. This may in part be due to the upheavals in Italy, which are affecting some banks in particular (eg Cariplo). As a result, we amended and reduced the number of the banks we had intended to survey. However, with the exception of two keen and efficient small banks, Banca Popolare Commercio e Industria and Banca Popolare di Fondi, even those with whom we judged it worth proceeding were not easy to deal with (inappropriate contact names; staff absence; information needed from Rome and Milan, with poor coordination between the two; mislaying of questionnaire). We had a similar experience last time and the same number of responses.

#### 1.4.44 Banking facilities: changes 1992-1994

Banca Commerciale Italiana *now* offers travellers cheques in ecu and commercial mortgages in ecu, DM and USD. Banca Nazionale del Lavoro *no longer* offers certificates of deposit in DM or USD. Banca S. Paolo di Torino *now* offers commercial mortgages and certificates of deposit in ecu, DM and USD.

#### 1.4.45 Banking facilities today (Table A)

More banks offer the same facilities for all currencies. Banca Nazionale del Lavoro does not issue ecu travellers cheques, but offers certificates of deposit in ecu and not in DM or USD; and Banca Popolare di Fondi does not offer cheque cards in ecu or DM.

## ITALY

### 1.4.46 Charges on Ecu, DM and USD accounts (Table B)

The two banks who gave us details (BNL and Banca Popolare Commercio e Industria) both charge around ecu 1.2 per transaction, with an annual minimum of ecu 27 and ecu 5 respectively. Banca Commerciale Italiana informed us only that:

Confronta allegato foglio analitico predisposto per conti correnti liberi in valuta secondo la normativa italiana in tema di trasparenza (All. 1/2; 2/2).

### 1.4.47 Charges for transferring Ecu, DM or USD from, respectively, an Ecu DM or USD account to an overseas account in the same or a different currency (Table C)

All banks charge the same for both sorts of transfer in all currencies. Service charges vary considerably; the average forex commission is around 0.15 per cent.

### 1.4.48 Charges for clearing an overseas ecu cheque/Eurocheque (Table D)

#### Normal cheques vs Eurocheques

BNL charges more for normal ecu cheques than for ecu Eurocheques; the Banco Popolare Commercio e Industria and Banco Popolare di Fondi charge the same.

#### Ecu vs other common "third" currencies (eg DM or USD)

All respondent banks charge the same to clear normal cheques and Eurocheques in other currencies as in the ecu.

### 1.4.49 Ecu, DM and USD exchange rates (Table E)

#### Rate dispersions

Both for buying and selling, all banks offer different rates from each other for all three currencies. Dispersions are wide.

#### Currency dispersions

Dispersions are similar for buying all three currencies; the USD dispersion is notably higher for selling. For buying, the DM rate dispersion is widest, followed by the ecu and then the USD. For selling, the USD dispersion is much the widest, followed by ecu and then DM. The ranking of the ranges is the same.

#### Profit margins

These are medium-high, averaging 0.71 per cent for the ecu, 0.68 per cent for the DM and 0.61 per cent for the USD: dispersions are similar (narrowest for the ecu).

<b>LUXEMBOURG</b>	
<b>Banks Contacted</b>	<b>Banks Responding</b>
Banque Colbert	
Banque Degroof Luxembourg	
Banque de l'Europe Méridionale	
Banque du Gothard	
Banque Indosuez Luxembourg	
Banque IPPA & Associés	
Banque de Luxembourg	
Banque Nagelmackers 1747 (Lux)	
Banque Privée Edmond de Rothschild	Banque Privée Edmond de Rothschild

Due to administrative difficulties, the questionnaires were sent to Luxembourg banks considerably later than to banks in other member states. We received only one response by the deadline, from the Banque Privée Edmond de Rothschild (BPER).

#### 1.4.50 Banking Facilities (Table A)

BPER offers the same facilities in all currencies, which are limited to current and deposit accounts (call and fixed-term), loans/overdrafts, and spot/forward exchange contracts.

#### 1.4.51 Charges on Ecu, DM and USD accounts (Table B)

Charges are the same for all three currencies, at ecu 30.4 per quarter.

#### 1.4.52 Charges for transferring Ecu, DM or USD from, respectively, an Ecu DM or USD account to an overseas account in the same or a different currency (Table C)

BPER charges the same for both sorts of transfer in all currencies.

#### 1.4.53 Charges for Clearing an Ecu Cheque/Eurocheque (Table D)

##### Normal cheques vs Eurocheques

The cost for clearing either sort of cheque is the same.

##### Ecu vs other common "third" currencies (eg DM or USD)

The cost is the same for clearing cheques in the ecu and other currencies.

<b>NETHERLANDS</b>	
<b>Banks Contacted</b>	<b>Banks Responding</b>
ABN AMRO	ABN AMRO
Albert de Bary & Co.	
International Netherlands Group Bank	
Mees & Pierson	Mees & Pierson
Rabobank Nederland	Rabobank Nederland
Staal Bankiers	Staal Bankiers
<i>Postbank</i>	
<i>Banque Nationale de Paris</i>	<i>Banque Nationale de Paris</i>
<i>Barclays Bank</i>	<i>Barclays Bank</i>

#### 1.4.54 Bank responses

Unlike last time, the general attitude was indifference, upon which the Commission's letter made no impact. The main exceptions were Rabobank and Staal Bankiers, who had both taken part in the first survey, and were cooperative; indeed, Rabobank was keen. Most other contacts appeared initially well disposed to completing the questionnaire but then could not find, or would not make, the time to do so. Although they stayed very friendly even after several phone calls, they did not respond. ING Bank agreed, although not very interested, but has not responded to date. Albert de Bary gave it a low priority: our contact fell ill, is now only working part time and no-one else is dealing with the matter. As a "fail safe", we had also sent the questionnaire to two foreign-owned banks, Barclays and BNP, who proved to be the quickest to respond and whom, given the overall situation, we are including.

#### 1.4.55 Banking facilities: changes 1992-1994

ABN AMRO *no longer* offers commercial mortgages, letters of credit, discounted bills or certificates of deposit in ecu, DM or USD. Staal Bankiers *no longer* offers travellers cheques in ecu.

#### 1.4.56 Banking facilities today (Table A)

Banks tend to offer fewer services in ecu than in DM or USD. ABN AMRO offers deposit accounts, cheque card, commercial mortgages, letters of credit, discounted bills, certificates of deposit and call and/or fixed-term deposits in DM and USD but not in ecu. Rabobank does not provide ecu mortgages; Staal Bankiers does not offer ecu forward rate agreements; and BNP Netherlands offers neither ecu current accounts nor travellers cheques in ecu or USD.

#### 1.4.57 Charges on Ecu, DM and USD accounts (Table B)

All respondents stated they make no charge.

## NETHERLANDS

### 1.4.58 Charges for transferring Ecu, DM or USD from, respectively, an Ecu DM or USD account to an overseas account in the same or a different currency (Table C)

All banks charge the same for both sorts of transfer in all currencies. Service charges average around HFL 15. Only BNP specifies a further forex commission of 0.1 per cent.

### 1.4.59 Charges for clearing an overseas ecu cheque/Eurocheque (Table D)

#### Normal cheques vs Eurocheques

Of banks who replied to both parts of this section, costs appear to be the same for clearing normal ecu cheques as for ecu Eurocheques.

#### Ecu vs other common "third" currencies (eg DM or USD)

All respondent banks charge the same to clear normal cheques and Eurocheques in other currencies as in the ecu.

### 1.4.60 Ecu, DM and USD exchange rates (Table E)

#### Rate dispersions

ABN AMRO and Staal Bankiers offer the same rates as each other for buying ecu and DM and for selling all three currencies. Otherwise, all rates for all currencies differ between banks for both buying and selling. Dispersions, however, are extremely low.

#### Currency dispersions

Both for buying and selling, USD dispersions are clearly widest and are followed at a distance by the ecu and then the DM. Ranges observe similar proportions.

#### Profit margins

Banks' margins are among the EU's smallest, along with France, averaging 0.20 per cent for the ecu, 0.14 per cent for the USD and 0.09 per cent for the DM, with identical dispersions.

<b>PORTUGAL</b>	
<b>Banks Contacted</b>	<b>Banks Responding</b>
Banco Borges & Irmão	Banco Borges & Irmão
Banco Central Hispano Portugal (excluded)	
Banco Comercial Portugês	
Banco Comercio & Industria	
Banco Espirito Santo	Banco Espirito Santo
Banco Essi (excluded)	
Banco Internacional do Funchal (Banif)	Banco Internacional do Funchal (Banif)
Banco Nacional Ultramarino	
Banco Pinto & Sotto Mayor	Banco Pinto & Sotto Mayor
Banco Português do Atlantico	
Banco Totta & Açores	Banco Totta & Açores
Caixa Geral Depósitos	Caixa Geral Depósitos

#### 1.4.61 **Bank responses**

In contrast to the interest and enthusiastic cooperation of 1991/92, the main reaction this time was indifference. Banks also claimed lack of time as their annual reports are due in January. The Commission's letter made little difference. However, most were quite easy to deal with. Of the original banks, Banco Português do Atlantico was not interested; Banco Comércio e Industria was very difficult to deal with; Banco Central Hispano no longer offered the services requested and was thus excluded; and Banco Nacional Ultramarino and Banco Internacional do Funchal lacked the time to respond. Banco Essi replied but offers forward rate agreement in ecu, DM and USD but nothing else and was thus excluded.

#### 1.4.62 **Banking facilities: changes 1992-1994**

Banco Totta and Açores *now* offers travellers cheques in ecu. Caixa Geral Depósitos *now* offers travellers cheques in ecu.

#### 1.4.63 **Banking facilities today (Table A)**

Most facilities are the same for all currencies, although Banco Borges & Irmão does not offer ecu travellers cheques and Banif does not provide ecu cheque books.

#### 1.4.64 **Charges on Ecu, DM and USD accounts (Table B)**

## PORTUGAL

Of respondents, Banco Borges & Irmão and Caixa Geral Depósitos charge nothing, and Banco Pinto & Sotto Mayor and Banco Totta & Açores charge around ecu 13 a year.

### 1.4.65 Charges for transferring Ecu, DM or USD from, respectively, an Ecu DM or USD account to an overseas account in the same or a different currency (Table C)

All banks charge the same for both sorts of transfer in all currencies. Service charges average at least ESC 2500. Only Banco Borges & Irmão and Banco Pinto & Sotto Mayor specify a further forex commission.

### 1.4.66 Charges for clearing an overseas ecu cheque/Eurocheque (Table D)

#### Normal cheques vs Eurocheques

Of banks who replied to both parts of this section, costs are the same for clearing normal ecu cheques as for ecu Eurocheques.

#### Ecu vs other common "third" currencies (eg DM or USD)

Most banks charge the same to clear both normal cheques and Eurocheques in other currencies as in ecu, except for Caixa Geral Depósitos, which charges more for Eurocheques in other currencies than in the ecu.

### 1.4.67 Ecu, DM and USD exchange rates (Table E)

#### Rate dispersions

Four out of the six respondent banks offer the same rates as each other for buying all three currencies, and two offer the same rates for selling the ecu and USD. Dispersions are generally very narrow.

#### Currency dispersions

USD rate dispersions are clearly widest for both for buying and selling, followed by the DM (a quarter as wide) and then the ecu. Ranges follow in similar proportions.

#### Profit margins

Changing money in Portugal appears inexpensive whatever the bank. Margins are low, at an average of 0.41 per cent for the ecu and 0.40 per cent for both the DM and USD, and dispersions are negligible.



<b>SPAIN</b>	
<b>Banks Contacted</b>	<b>Banks Responding</b>
Banco Bilbao Vizcaya	Banco Bilbao Vizcaya
Banco Central Hispanamericano	Banco Central Hispanamericano
Banco Pastor	Banco Pastor
Banco de Sabadell	Banco de Sabadell
Banco Santander	Banco Santander
Banesto	
Bankinter	Bankinter
Bilbao Bizcaya Kutxa (BBK)	
Caixa d'Estalvis i Pensions de Barcelona (La Caixa)	Caixa d'Estalvis i Pensions de Barcelona (La Caixa)
Caja Ahorros Mediterraneo	
Caja de Ahorros de Catalunya	Caja de Ahorros de Catalunya
Caja de Madrid	Caja de Madrid

#### 1.4.68 **Bank responses**

Again, the main reaction was indifference, which we gathered might be due to questionnaire fatigue. The Commission's letter did add some credibility. On repeated chasing, all outstanding banks regularly promised to send responses within the next few days, which many have still not done. Only Banesto refused to respond because of its current difficulties.

#### 1.4.69 **Banking facilities: changes 1992-1994**

Banco Bilbao Vizcaya *no longer* offers travellers cheques, discounted bills and certificates of deposit in ecu, DM or USD. Banco Santander *no longer* offers travellers cheques in ecu, certificates of deposit in ecu, DM or USD nor commercial mortgages in DM or USD.

#### 1.4.70 **Banking facilities today (Table A)**

In Spain, only Banco Pastor provides a far narrower range of facilities in ecu than in DM or USD (no travellers cheques, certificates of deposit, call deposits, spot/forward contracts or forward rate agreements). Banco Santander and La Caixa (as before) do not issue ecu travellers cheques.

#### 1.4.71 **Charges on Ecu, DM and USD accounts (Table B)**

All those who replied to this section levy some sort of charge: levels vary considerably.

## SPAIN

### 1.4.72 Charges for transferring Ecu, DM or USD from, respectively, an Ecu DM or USD account to an overseas account in the same or a different currency (Table C)

All banks charge the same for both sorts of transfer in all currencies. Service charges vary considerably. Only Banco Borges & Irmão, Bankinter and Banco Pinto & Sotto Mayor specify further, varying forex commissions. Banco Sabadell charges some five times as much for a Swift transfer in USD as in ecu or DM (ecu 25 instead of ecu 5).

### 1.4.73 Charges for clearing an overseas ecu cheque/Eurocheque (Table D)

#### Normal cheques vs Eurocheques

Most banks charge considerably less for clearing Eurocheques in ecu than normal cheques in ecu, except for Bankinter and Caja de Ahorros de Catalunya, which charge the same.

#### Ecu vs other common "third" currencies (eg DM or USD)

All banks charge the same for clearing normal cheques and Eurocheques in ecu and in other currencies. Only Banco Sabadell charges more for clearing other foreign currency Eurocheques than for clearing ecu Eurocheques.

### 1.4.74 Ecu, DM and USD exchange rates (Table E)

#### Rate dispersions

All banks offer different rates from each other for buying and selling all currencies. Dispersions are not wide.

#### Currency dispersions

Rate dispersions are widest for buying USD and for selling ecu and DM. For buying, the USD rate dispersion is much the widest, followed by the ecu and then the DM. For selling, the ecu dispersion is widest, followed by the USD and DM. As elsewhere in this study, ranges follow a similar pattern.

#### Profit margins

Margins are not high, at an average OF 0.47 per cent for the USD, 0.41 per cent for the ecu and 0.32 per cent for the DM. Dispersions are narrow.

<b>UNITED KINGDOM</b>	
<b>Banks Contacted</b>	<b>Banks Responding</b>
Bank of Scotland	Bank of Scotland
Barclays Bank	Barclays Bank
Clydesdale Bank	Clydesdale Bank
Lloyds Bank	Lloyds Bank
Midland Bank	Midland Bank
National Westminster Bank	National Westminster Bank
Royal Bank of Scotland	Royal Bank of Scotland
TSB Group	TSB Group

#### 1.4.75 **Bank responses**

As in 1991/92, the survey excited little enthusiasm or real interest, although the response was better this time (many people remembered the first survey). The Commission's letter clearly gave it more impact. Midland Bank again sent a brochure explaining their ecu services. The Cooperative Bank said from the first that it did not do foreign banking and was thus excluded from our original list.

#### 1.4.76 **Banking facilities: changes 1992-1994**

National Westminster Bank *now* offers travellers cheques in ecu. TSB Group *now* offers travellers cheques in ecu and certificates of deposit in ecu, DM and USD.

#### 1.4.77 **Banking facilities today (Table A)**

There is little difference between currencies, the only exceptions being no ecu travellers cheques from Lloyds Bank (as before) or Royal Bank of Scotland and no DM certificates of deposit from Bank of Scotland or Midland Bank.

#### 1.4.78 **Charges on Ecu, DM and USD accounts (Table B)**

The two Scottish banks do not make charges; the others levy a standard charge (Lloyds) or charge for each transaction (National Westminster and TSB) or both (Barclays, Clydesdale, Midland). Prices vary considerably.

#### 1.4.79 **Charges for transferring Ecu, DM or USD from, respectively, an Ecu DM or USD account to an overseas account in the same or a different currency (Table C)**

All banks charge the same for both sorts of transfer in all currencies. The average cost appears to be 0.3 per cent, with the forex commission absorbed into the main charge.

## UNITED KINGDOM

### 1.4.80 Charges for clearing an overseas ecu cheque/Eurocheque (Table D)

#### Normal cheques vs Eurocheques

While six banks charge the same for clearing normal ecu cheques as for ecu Eurocheques, Barclays charges considerably less (and, unusually, quotes its ceiling in ecus) and Clydesdale somewhat less for Eurocheques.

#### Ecu vs other common "third" currencies (eg DM or USD)

Most banks charge the same for clearing normal cheques and Eurocheques in ecu and other currencies, except for TSB Bank, which charges less for both kinds of cheque in other currencies than the ecu.

### 1.4.81 Ecu, DM and USD exchange rates (Table E)

#### Rate dispersions

All banks offer slightly different rates from each other for buying and selling all currencies. Dispersions are universally narrow.

#### Currency dispersions

Ecu and USD dispersions are broadly similar (the ecu is narrower for buying and wider for selling), with DM dispersions much the narrowest. Ranges reflect this.

#### Profit margins

Margins are the second highest after Greece, at an average of 1.66 per cent for the ecu, 1.55 per cent for the DM and 1.22 per cent for the USD. Dispersions are also medium-high, especially for the ecu.

## 1.5 **BANKING TABLES**

This section comprises the following tables:

- A. Banking facilities offered in ecu, DM and USD
- B. Charges on the normal operation of a small business account in ecu, DM and USD
- C. Charges for transferring ecu, DM or USD from, respectively, an ecu, DM or USD account to an overseas account in the same or a different currency
- D. Charges for clearing normal cheques and Eurocheques in ecu, drawn on a bank in another European country
- E. Ecu, DM and USD exchange rates on 10 January 1994









## [B] CHARGES ON THE NORMAL OPERATION OF A SMALL BUSINESS ACCOUNT IN ECU, DM AND USD

**NB** (1) All charges are displayed in ECU, converted at central rate on 10.01.94.  
(2) Charges exclude VAT, any other taxes and correspondent banks' charges.

Country Bank	Currency Charges	ECU Charge	Frequency	DM Charge	Frequency	US \$ Charge	Frequency
<b>BELGIUM</b>							
ASKL - CGER		per transaction (unspecified)		per transaction (unspecified)		per transaction (unspecified)	
BBL - Banque Bruxelles Lambert		5	annual	5	annual	5	annual
Banque Paribas Belgique		5	annual	5	annual	5	annual
Centrale Raffaisenkas (CERA)		nil		nil		nil	
Crédit Agricole		n/a		n/a		n/a	
Crédit Communal		nil		nil		nil	
Crédit Lyonnais Belgium		per transaction (unspecified)		per transaction (unspecified)		per transaction (unspecified)	
Générale de Banque		nil (if not interest bearing)		nil (if not interest bearing)		nil (if not interest bearing)	
Kredietbank		n/a		n/a		n/a	
Citibank		<i>"Citibank's policy is to provide tailor-made solutions and our pricing will depend on the suggested solution/account structure and design"</i>					
<b>DENMARK</b>							
Amagerbanken		nil		nil		nil	
Bikuben Sparekassen		nil		nil		nil	
Den Danske Bank		nil		nil		nil	
Jyske Bank		n/a		n/a		n/a	
Roskilde Bank		nil		nil		nil	
Sydbank Sonderjylland		nil		nil		nil	
Unibank		nil		nil		nil	
Giro Bank		nil		nil		nil	

# [B] CHARGES ON THE NORMAL OPERATION OF A SMALL BUSINESS ACCOUNT IN ECU, DM AND USD

Country Bank	Currency Charges
-----------------	---------------------

ECU	
Charge	Frequency

DM	
Charge	Frequency

US \$	
Charge	Frequency

## FRANCE

Banque Paribas
BRED
Caisse Nationale du Crédit Agricole
Crédit Commercial de France
Banque de l'Entreprise (CEPME)

n/a	
n/a	
n/a	
0.25% (debits) + 3.8-30.3 (costs)	quarterly
n/a	

n/a	
n/a	
n/a	
0.25% (debits) + 3.8-30.3 (costs)	quarterly
n/a	

n/a	
n/a	
n/a	
0.25% (debits) + 3.8-30.3 (costs)	quarterly
n/a	

## GERMANY

BfG - Bank für Gemeinwirtschaft
Commerzbank
Deutsche Bank
Dresdner Bank
Frankfurter Volksbank
Kreissparkasse Esslingen
Landes Girokasse
Merck Finck & Co.
Stuttgarter Bank
Südwestbank AG
Westfalenbank AG

5.2 + 0.8 per cheque (statement)	monthly
n/a	
n/a	
n/a	
5.2 + 0.5 per cheque (statement)	monthly
3.1	quarterly
7.7	quarterly
n/a	
15.5 + 0.3 per cheque (statement)	quarterly
n/a	
per transaction (unspecified)	

5.2 + 0.8 per cheque (statement)	monthly
n/a	
n/a	
n/a	
5.2 + 0.5 per cheque (statement)	monthly
3.1	quarterly
1.5	monthly
n/a	
4.5 + 0.3 per cheque (statement)	quarterly
n/a	
per transaction (unspecified)	

5.2 + 0.8 per cheque (statement)	monthly
n/a	
n/a	
n/a	
5.2 + 0.5 per cheque (statement)	monthly
3.1	quarterly
7.7	quarterly
n/a	
15.5 + 0.3 per cheque (statement)	quarterly
n/a	
per transaction (unspecified)	

## GREECE

Bank of Attica
Commercial Bank of Greece
Credit Bank
Egnatia Bank
Ergobank
General Hellenic Bank
Ionian Bank
Interbank
National Bank of Greece
Midland Bank

n/a	
per transaction (unspecified)	
negotiable	
nil	
nil	
nil	
nil	
nil	
n/a	
nil	
18.0-45.1	annual

n/a	
per transaction (unspecified)	
negotiable	
nil	
nil	
nil	
nil	
nil	
n/a	
nil	
18.0-45.1	annual

n/a	
per transaction (unspecified)	
negotiable	
nil	
nil	
nil	
nil	
nil	-
n/a	
nil	-
18.0-45.1	annual

# [B] CHARGES ON THE NORMAL OPERATION OF A SMALL BUSINESS ACCOUNT IN ECU, DM AND USD

Country Bank	Currency Charges	ECU		DM		US \$	
		Charge	Frequency	Charge	Frequency	Charge	Frequency
<b>IRELAND</b>							
AIB Bank		nil		25.5	annual	25.5	annual
ICC Bank (Industrial Credit Corporation)		n/a		n/a		n/a	
Irish Intercontinental Bank		Deals only in large wholesale amounts					
National Irish Bank		n/a	half-yearly	n/a	half-yearly	n/a	half-yearly
Ulster Bank		63.9	half-yearly	63.9	half-yearly	63.9	half-yearly
Woodchester Crédit Lyonnais Bank		nil		nil		nil	
<b>ITALY</b>							
Banca Commerciale Italiana		n/a	n/a	n/a	n/a	n/a	n/a
Banca Nazionale del Lavoro (BNL)		1.2 per transaction, min 26.5 pa	annual	1.2 per transaction, min 26.5 pa	annual	1.2 per transaction, min 26.5 pa	annual
Banca Popolare Commercio e Industria		1.2 per transaction, min 5.3 pa	annual	1.2 per transaction, min 5.3 pa	annual	1.2 per transaction, min 5.3 pa	annual
Banca Popolare di Fondi		n/a		n/a		n/a	
<b>LUXEMBOURG</b>							
Banque Privée Edmond de Rothschild		30.4	quarterly	30.4	quarterly	30.4	quarterly
<b>NETHERLANDS</b>							
ABN AMRO		nil		nil		nil	
Mees & Pierson		nil		nil		nil	
Rabobank Nederland		nil		nil		nil	
Staal Bankiers		nil		nil		nil	
Banque Nationale de Paris		nil		nil		nil	
Barclays Bank		nil		nil		nil	

## [B] CHARGES ON THE NORMAL OPERATION OF A SMALL BUSINESS ACCOUNT IN ECU, DM AND USD

Country Bank	Currency Charges
-----------------	---------------------

ECU	
Charge	Frequency

DM	
Charge	Frequency

US \$	
Charge	Frequency

### PORTUGAL

Banco Borges & Irmão
Banco Espirito Santo
Banco Internacional do Funchal (Banif)
Banco Pinto & Sotto Mayor
Banco Totta & Açores
Caixa Geral de Depósitos

nil	
n/a	
n/a	
10.1	annual
min 12.7	n/a
nil	

nil	
n/a	
n/a	
10.1	annual
min 12.7	n/a
nil	

nil	
n/a	
n/a	
10.1	annual
min 12.7	n/a
nil	

### SPAIN

Banco Bilbao Vizcaya
Banco Central Hispanamericano
Banco Pastor
Banco Sabadell
Banco Santander
Bankinter
La Caixa
Caja de Ahorros de Catalunya
Caja de Madrid

per transaction (unspecified)	
12.3-15.0 + 0.2 per trans; 36 trans's free	annual
12.3	annual
min 4.9	n/a
6.2-18.5	half-yearly
9.3	annual
n/a	
n/a	
n/a	

per transaction (unspecified)	
12.3-15.0 + 0.2 per trans; 36 trans's free	annual
12.3	annual
min 4.9	n/a
6.2-18.5	half-yearly
9.3	annual
n/a	
n/a	
n/a	

per transaction (unspecified)	
12.3-15.0 + 0.2 per trans; 36 trans's free	annual
12.3	annual
min 4.9	n/a
6.2-18.5	half-yearly
9.3	annual
n/a	
n/a	
n/a	

### UNITED KINGDOM

Bank of Scotland
Barclays Bank
Clydesdale Bank
Lloyds Bank
Midland Bank
National Westminster Bank
Royal Bank of Scotland
TSB Group

nil	
8 + 0.9 per entry	quarterly
0.8 per cheque issued, min 20	quarterly
40	half-yearly
46.7 + 1.6 per cheque	half-yearly
1 per transaction	
nil	
6.7 per transaction	

nil	
8 + 0.9 per entry	quarterly
0.8 per cheque issued, min 20	quarterly
40	half-yearly
46.7 + 1.6 per cheque	half-yearly
1 per transaction	
nil	
6.7 per transaction	

None	
8 + 0.9 per entry	quarterly
0.8 per cheque issued, min 20	quarterly
40	half-yearly
46.7 + 1.6 per cheque	half-yearly
1 per transaction	
nil	
6.7 per transaction	

**[C] CHARGES FOR TRANSFERRING ECU, DM OR USD FROM, RESPECTIVELY, AN ECU, DM OR USD ACCOUNT TO AN OVERSEAS A/C IN THE SAME OR A DIFFERENT CURRENCY**

- NB** (1) All charges are displayed in ECU, converted at central rate on 10.01.94.  
 (2) Charges exclude VAT, any other taxes and correspondent banks' charges.  
 (3) Unless otherwise indicated (↓→, italics), charges apply equally to ecu, DM and USD.  
 (4) BDO has estimated most totals for transferring ECU 5000 based on banks' information.  
 (5) Where banks have themselves specified the totals, this is marked with an asterisk (\*).

Sum	Currency
Bank	Charges

Transfer to Overseas Account in...				
... Same Currency			... Other Currency	
Service	Other	TOTAL	+ Forex	TOTAL

**BELGIUM**

- ↓ ASKL – CGER
- ↓ BBL – Banque Bruxelles Lambert  
Banque Paribas Belgique
- ↓ Centrale Raffaisenkas (CERA)  
Crédit Agricole
- ↓ Crédit Communal  
Crédit Lyonnais Belgium
- ↓ Générale de Banque
- ↓ Kredietbank  
*Citibank*

12.6*	1.2–2.5 (post/Swift)	<b>13.8–15.0*</b>		<b>13.8–15.0*</b>
12.5*	1.8 (transaction costs)	<b>14.3*</b>		<b>14.3*</b>
3.7–12.4	2.5 (Swift)	<b>6.2–14.9</b>	1.9–6.2	<b>8.1–21.1</b>
±12.4		<b>±12.4</b>		<b>±12.4</b>
12.4		<b>12.4</b>	6.2	<b>18.6</b>
12.4		<b>12.4</b>		<b>12.4</b>
12.4	2.5 (Swift)	<b>14.9</b>	6.2	<b>21.1</b>
12.5	2.5 (post/Swift)	<b>15.0</b>		<b>15.0</b>
10.5	0.7 (Swift)	<b>11.2</b>		<b>11.2</b>

*\*Citibank's policy is to provide tailor-made solutions and our pricing will depend on the suggested solution/account structure and design.\**

→ **DM & USD differences**

- ASKL – CGER
- BBL – Banque Bruxelles Lambert
- Centrale Raffaisenkas (CERA)
- Crédit Communal
- Générale de Banque
- Kredietbank

12.6*	1.2–2.5 (post/Swift)	<b>13.8–15.0*</b>	→ 6.2	→ <b>20.5–21.8*</b>
12.5*	1.8 (transaction costs)	<b>14.3*</b>	→ 6.2	→ <b>21.1*</b>
±12.4		<b>±12.4</b>	→ 6.2	→ <b>±18.6</b>
12.4		<b>12.4</b>	→ 6.2	→ <b>18.6</b>
12.5	2.5 (post/Swift)	<b>15.0</b>	→ 6.2	→ <b>21.7*</b>
10.5	0.7 (Swift)	<b>11.2</b>	→ 5.6	→ <b>17.3*</b>

**[C] CHARGES FOR TRANSFERRING ECU, DM OR USD FROM, RESPECTIVELY, AN ECU, DM OR USD ACCOUNT TO AN OVERSEAS A/C IN THE SAME OR A DIFFERENT CURRENCY**

Sum	
Bank	Charges

Transfer to Overseas Account in...				
... Same Currency			... Other Currency	
Service	Other	TOTAL	+ Forex	TOTAL

**DENMARK**

Amager Banken	13.3	0.3 (Swift)	13.6	0.1%	18.6
Bikuben Sparekassen	2.7-39.8 + 0.05%		5.2-42.3		5.2-42.3
↓ Den Danske Bank	4.0-36.5 + 0.1%		4.0-41.5	2.9 + 0.1%	12.9-49.4
↓ Jyske Bank	6.6		6.6	2.3	8.9
↓ Roskilde Bank	0.05-0.1%, 13.3-132.6 §		13.3-132.6 §	3.3	16.6-135.9 §
Sydbank Sonderjylland	6.6-26.5 + 0.05% §		9.1-29.0 §		9.1-29.0 §
↓ Unibank	13.3		13.3	0.07 per ecu 100	16.6
Giro Bank	2.0-33.2		2.0-33.2	0-3.3	2.0-36.5

§ Depending on whether 1, 2 or 3 value days

→ **DM differences**

Den Danske Bank	4.0-36.5 + 0.1%		4.0-41.5	→ 2.9 + 0.4%	→ 27.9-64.4
Jyske Bank	6.6		6.6	→ 2.7	→ 9.3
Roskilde Bank	0.05-0.1%, 13.3-132.6 §		13.3-132.6 §	→ 2.7	→ 16.0-135.3 §
Unibank	13.3		13.3	→ 0.03 per DM 100	→ 15.9

§ Depending on whether 1, 2 or 3 value days

→ **USD differences**

Den Danske Bank	4.0-36.5 + 0.1%		4.0-41.5	→ 2.9 + 0.7%	→ 42.9-79.4
Jyske Bank	6.6		6.6	→ 2.8	→ 9.4
Roskilde Bank	0.05-0.1%, 13.3-132.6 §		13.3-132.6 §	→ 2.8	→ 16.1-135.4 §
Unibank	13.3		13.3	→ 0.05 per USD 100	→ 16.1

§ Depending on whether 1, 2 or 3 value days

**FRANCE**

Banque Paribas	30.3-0.1%	4.5-7.6 (transmission)	34.9-37.9	10.6-0.05%	45.5-48.5
BRED	min 16.7		min 16.7	9.1	min 25.8
Caisse Nationale du Crédit Agricole	11.4-0.1%		16.7*	11.4-0.05%	22.8*
Crédit Commercial de France	min 11.4		min 11.4	11.4	min 22.8
Banque de l'Entreprise (CEPME)	min 11.4	7.6 (dossier)	min 19.0	11.4	min 30.3

**[C] CHARGES FOR TRANSFERRING ECU, DM OR USD FROM, RESPECTIVELY, AN ECU, DM OR USD ACCOUNT TO AN OVERSEAS A/C IN THE SAME OR A DIFFERENT CURRENCY**

Sum	
Bank	Charges

Transfer to Overseas Account in...				
... Same Currency			... Other Currency	
Service	Other	TOTAL	+ Forex	TOTAL

**GERMANY**

BFG – Bank für Gemeinwirtschaft	0.15%, min 10.3		10.3	0.025%, min 1.3	11.6
Commerzbank	12.9		12.9	0.025%, min 1.5	min 14.4
↓ Deutsche Bank	12.9	4.1	17.0	2.6	19.6
Dresdner Bank	0.15%, min 12.9	2.1–2.6 (post/Swift)	15.0–15.5	3.6	18.6–19.1
Frankfurter Volksbank	0.15%, min 7.7	2.6 (post/expenses)	10.3	0.025%, min 1.0	11.55
Kreissparkasse Esslingen	0.15%, min 7.7	0.8 (expenses)	8.5	0.025%, min 0.5	9.75
Landesgirokasse	0.15%, min 9.3	1.3 (expenses)	10.6	0.025%, min 1.3	11.9
Merck Finck & Co.	10.3		10.3		10.3
Stuttgarter Bank	10.3	3.9 (expenses)	14.2	1.0	15.2
↓ Südwestbank	0.15%, min 7.7		7.7	0.025%, min 0.5	8.95
↓ Westfalenbank	0.15%		7.5	0.025%, min 1.0	8.75

**→ DM differences**

Deutsche Bank	12.9	→ 1.5	14.4	→ --	→ 14.4
Südwestbank	0.15%, min 7.7		7.7	→ --	→ 7.7
Westfalenbank	0.15%		7.5	→ --	→ 7.5

**GREECE**

Bank of Attica	0.1%, min 3.6		5.0		5.0
Commercial Bank of Greece	0.3%, min 10.8		15	0.085%, min 7.2	22.2
Credit Bank	0.2%, min 18.0	17.9	27.7*	Tiered	27.7* + forex
Egnatia Bank	0.3%, min 7.2	5.4	20.4	Tiered	20.4 + forex
Ergo Bank	0.3%	60.6 (Swift/telex)	76.5*	0.1%	81.8*
General Hellenic Bank	0.2%, min 9.0	10.8 (Swift)	21.0*	5.3*	26.3*
Ionian Bank	0.3%, min 10.8	11.2 (telex,etc)	26.2	3.6–35.9	25.5–57.8
Interbank	0.3%, min 18.0	17.9 (confirmation)	35.9	Tiered	35.7 + forex
National Bank of Greece	0.2%–0.3%		10.2–15.3*	0.1%	15.4–20.5*
Midland Bank	n/a		n/a		n/a

**[C] CHARGES FOR TRANSFERRING ECU, DM OR USD FROM, RESPECTIVELY, AN ECU, DM OR USD ACCOUNT TO AN OVERSEAS A/C IN THE SAME OR A DIFFERENT CURRENCY**

Sum	Currency Charges	Transfer to Overseas Account in...				
		... Same Currency			... Other Currency	
Bank		Service	Other	TOTAL	+ Forex	TOTAL

**IRELAND**

↓ AIB Bank	0.1%, 4.5–22.3 [10.9*]	6.4 (Swift/telex)	10.9*		10.9*
Industrial Credit Corporation Bank	Service not provided				
Irish Intercontinental Bank	Service not provided – deal only in large wholesale amounts				
National Irish Bank	19.2		19.2		19.2
↓ Ulster Bank	0.2%, 12.8–44.7 [12.9*]	5.1 (Swift/telex/cable)	18.1*		18.1*
Woodchester Crédit Lyonnais Bank	n/a		n/a		n/a

**→ DM & USD differences**

AIB Bank	→ 0.2%, 8.9–44.7 [16.6*]	6.4 (Swift/telex)	→ 23.0*		→ 23.0*
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**→ USD differences**

Ulster Bank	0.2%, 12.8–44.7 [12.9*]	→ 7.7 (Swift/tx/cable)	→ 20.7*		→ 20.7*
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**ITALY**

Banca Commerciale Italiana	4.2		4.2	0.15%	11.7
Banca Nazionale del Lavoro (BNL)	13.2 (16.9 to USA)	max 7.9	max 21.1	0.15%, min 2.6	± 28.6
Banca Popolare Commercio e Industria	15.8		15.8	0.2%, min 3.2	26.3*
Banca Popolare di Fondi	min 4.0–15.8		min 4.0–15.8	0.05–0.15%	min 6.5–23.3

**LUXEMBOURG**

Banque Privée Edmond de Rothschild	7.3*	11.4 (Swift/telex)	18.7*		18.7*
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**NETHERLANDS**

ABN AMRO	6.9		6.9		6.9
Mees & Pierson	0.1%, 6.9–69.2		6.9*		6.9*
Rabobank Nederland	6.9–69.2		6.9–69.2		6.9–69.2
Staal Bankiers	6.9–414.9	4.6	± 12.1*		± 12.1*
Barclays Bank	6.9–69.2	4.6 (urgent)	11.5–73.8		11.5–73.8
Banque Nationale de Paris	5.5		5.5	0.1%	10.5



**[C] CHARGES FOR TRANSFERRING ECU, DM OR USD FROM, RESPECTIVELY, AN ECU, DM OR USD ACCOUNT TO AN OVERSEAS A/C IN THE SAME OR A DIFFERENT CURRENCY**

Sum	Currency
Bank	Charges

Transfer to Overseas Account in...				
... Same Currency			... Other Currency	
Service	Other	TOTAL	+ Forex	TOTAL

**PORTUGAL**

Banco Borges & Irmao	12.7	7.6	20.3	7.6	27.9
Banco Espirito Santo	0.1125%, 7.6-101.3	15.2 (sending & coms)	min 20.8	n/a	n/a
Banco Internacional do Funchal (Banif)	12.7-50.7	12.7-25.3 (telecoms)	25.3-76.0		25.3-76.0
Banco Pinto & Sotto Mayor	nil	7.6-20.3 (telecoms)	7.6-20.3	0.25%, 10.1-101.3	min 20.1-32.8
Banco Totta & Açores	12.7-25.3	15.2 (validation)	27.9-40.5		27.9-40.5
Caixa Geral Depósitos	11.4-22.8		11.4-22.8		11.4-22.8

**SPAIN**

Banco Bilbao Vizcaya	0.3%, min 9.3		15.0*	0.2%-0.9%, min 6.2	25.1-62.7*
Banco Central Hispanoamericano	0.2%, min 6.2	15.5 (Swift)	25.5		25.5
Banco Pastor	22.2	3.1-9.3 (telex/Swift)	25.3-31.5		25.3-31.5
↓ Banco Sabadell	0.5%, 25.0*	4.7 (Swift)	29.7*		29.7*
Banco Santander	12.5*	Swift as tariffs	12.5 + Swift		12.5 + Swift
Bankinter	0.3%		15.0	0.2%	25.0
La Caixa	0.5%, min 8.0		25		25
Caja de Ahorros de Catalunya	nil	9.3 (Swift)	9.3	0.5%, min 9.3	34.3
Caja de Madrid	0.45%	6.2	28.7		28.7

**→ USD differences**

Banco Sabadell	0.5%, 25.0*	→ 25.1 (Swift)	→ 50.1*	→ 50.1*
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**UNITED KINGDOM**

Bank of Scotland	16.0-18.7		16.0-18.7		16.0-18.7
Barclays Bank	24.0 (urgent)		24.0		24.0
Clydesdale Bank	0.3% (13.3-46.7)	6.7 (priority handling)	21.7		20.0-53.3
Lloyds Bank	17.3-25.3		17.3-25.3		17.3-25.3
Midland Bank	16.0-22.7		16.0-22.7		16.0-22.7
National Westminster Bank	16.0-24.0		16.0-24.0		16.0-24.0
Royal Bank of Scotland	0.3%, 18.7-53.3		18.7-53.3		18.7-53.3
TSB Group	0.3%, 16.0-53.3		16.0-53.3		16.0-53.3

# [D] CHARGES FOR CLEARING NORMAL CHEQUES AND EUROCHEQUES IN ECU, DRAWN ON A BANK IN ANOTHER EUROPEAN COUNTRY

- NB** (1) All charges are displayed in ECU, converted at central rate on 10 January 1994.  
 (2) Charges exclude VAT, any other taxes and correspondent banks' charges.  
 (3) Cheque payees are assumed to hold an account at the bank in question.  
 (4) Where possible, BDO has estimated totals for clearing cheques worth ECU 5000 based on bank's information: this is indicated by an asterisk (\*); most estimates are based on minimum values.

Country	Cheque type	Normal Cheque : Costs					Eurocheque : Costs						
		Bank	Charges	Transaction (eg Payment)	Forex	Other (eg Collection)	TOTAL	DM/USD costs higher/lower?	Transaction (eg Payment)	Forex	Other (eg Collect'n)	TOTAL	DM/USD costs higher/lower?
<b>BELGIUM</b>													
	ASKL - CGER		min 5.6	min 2.9		min 8.5	Higher (forex)		min 5.6	min 2.9		min 8.5	Higher (forex)
	BBL - Banque Bruxelles Lambert		0.2% + 2.5*	0.1% + 1.2*	3.7-6.2 (coll. & post)	22.4-24.9*	Lower		0.2%+2.5	0.1%+1.2	3.7-6.2 (coll. & post)	0.3%+9.9	Same
	Banque Paribas Belgique		3.7-244.7	1.9-122.3	3.7 (collection)	9.3-370.07	Same		n/a			n/a	Same
	Centrale Raffaisenkas (CERA)		5.6-244.7		3.7-6.5 (coll. & post)	9.3-251.2	Higher		5.6-244.7		3.7-6.5 (coll. & post)	9.3-251.2	n/a
	Crédit Agricole		12.42		3.7 (collection)	16.11	DM higher, USD same		nil < 1043 > 12.42		3.7 (collection)	16.11	Same
	Crédit Communal		3.7-244.7		3.7 (collection)	7.5-248.4	Higher		3.7-244.7			3.7-244.7	Same <ecu 1000> Higher
	Crédit Lyonnais Belgium		17.4*	6.2*		23.6*	Same		1.2-5.1			1.2-5.1	Same
	Générale de Banque		5.6-151.5	nil br ecu	3.7-7.2 (coll. & post)	9.3-158.7	Higher (forex)		nil			nil	Higher (forex)
	Kredietbank		nil <ecu 100> 5.6-244.7	nil br ecu	6.2 (coll. & post)	11.8-250.9	Higher (forex)		nil			nil	Same
	Citibank												

\*Citibank's policy is to provide tailor-made solutions and our pricing will depend on the suggested solution/account structure and design.\*

<b>DENMARK</b>													
	Amager Banken		0.5%, min 6.6	0.1%(spread)		30*	Lower		0.5%, min 6.6	0.1%(spread)		0.6%(min 6.6)	Lower
	Bikuben Sparekassen		0.1%, min 6.6			6.6*	Same		0.1%, min 6.6			min 6.6	Same
	Den Danske Bank		6.0			6.0	Same		0.2% + 6.6			0.2% + 6.6	DM lower, USD same
	Jyske Bank		0.1%, min 6.6	0.05 per ecu 100		9.1*	n/a		0.1%, min 6.6	0.05 per ecu 100		min 6.6	n/a
	Roskilde Bank		0.1%, min 4.6	0.07 per ecu 100		8.1*	Same		0.1%, min 4.6	0.07 per ecu 100		min 4.6	Same
	Sydbank Sønderjylland		0.5%, min 6.6			25*	Same		nil			nil	Higher
	Unibank		0.1% + 6.6	0.07 per ecu 100		9.1*	Same		0.1%, min 6.6	0.07 per ecu 100		9.1* †	Same
	Giro Bank		0.75%, min 6.6	0.07 per ecu 100		41*	DM same, USD higher		0.75%, min 6.6	0.07 per ecu 100		41*	DM same, USD higher

# [D] CHARGES FOR CLEARING NORMAL CHEQUES AND EUROCHEQUES IN ECU, DRAWN ON A BANK IN ANOTHER EUROPEAN COUNTRY

Country	Cheque type Charges	Normal Cheque : Costs				
		Transaction (eg Payment)	Forex	Other (eg Collection)	TOTAL	DM/USD costs higher/lower?

Country	Cheque type Charges	Eurocheque : Costs				
		Transaction (eg Payment)	Forex	Other (eg Collect'n)	TOTAL	DM/USD costs higher/lower?

## FRANCE

Banque de l'Entreprise (CEPME)

Banque Paribas

BRED

Caisse Nationale du Cr dit Agricole

Cr dit Commercial de France

11.4-44.5	min 11.4		min 22.7-55.	Same
0.15%, 4.5-10.6	10.6-0.05%		min 18.1*	n/a
min 9.9	min 9.1		min 19.0	Same
11.4-76.8	11.4-0.05%	9.9-22.7(dossier)	min 32.7	Lower
11.4-43.2	11.4-0.0125%		min 22.8	Same

11.4-44.5	min 11.4		min 22.7-55.	Same
0.15%, 4.5-10.6	10.6-0.05%		min 18.1*	n/a
min 9.9	min 9.1		min 19.0	Same
	0.1%, min 11.4		11.4*	Same
n/a			n/a	

## GERMANY

NB Excluding DM

NB Excluding DM

BFG - Bank f r Gemeinwirtschaft

Commerzbank

Deutsche Bank

Dresdner Bank

Frankfurter Volksbank

Kreissparkasse Esslingen

Landesgrokasse

Merck Finck &amp; Co.

Stuttgarter Bank

S dwestbank

Westfalenbank

0.15%, min 10.3	0.025%, min 1.3		8.75*	Same
nil < 25.9 > 7.7 < 258.0 > min 12.9	0.025%, min 1.5		min 14.4	Same
10.3 < 258 > 0.15%, min 12.9	0.025%, min 2.6	1.5	min 17.0	Same
0.15%, min 12.9	0.025%, min 0.5-3.8	2.1-2.6 (postcosts)	16.25-16.75*	Same
0.15%, min 7.7	0.025%, min 1.0	2.6 (postcosts)	11.55*	Same
0.15%, min 7.7	0.025%, min 0.5	0.8 (expenses)	9.75*	Same
0.15%, min 1.0	0.025%, min 1.3	1.3 (expenses)	3.6	Same
0.15%, min 10.3			10.3*	Same
10.3	1.0	1.8	13.1	Same
0.15%, min 7.7	0.025%, min 7.7		15.5*	Same
nil	0.025%, min 1.0		1.25*	Same

0.15% (min 10.3)	0.025%, min 1.3		min 11.6	Same
nil			nil	Same
10.3 < 258 > 0.15%, min 12.9	0.025%, min 2.6	1.5	min 17.0*	Same
0.15%, min 2.6-12.9	0.025%, min 0.5-3.8	1.5 (encashment)	10.25*	Same
0.15%, min 7.7	0.025%, min 1.0	2.6 (postcosts)	min 11.4	Same
0.15%, min 7.7	0.025%, min 0.5	0.8 (expenses)	9.75*	Same
0.15%, min 1.0	0.025%, min 1.3	1.3 (expenses)	10.1*	Same
0.175%		0.3 (post)	9.05%	Same
10.3	1.0	1.8	13.1	Same
nil			nil	Same
Service not provided				

## GREECE

Bank of Attica

Commercial Bank of Greece

Credit Bank

Egnaia Bank

Ergo Bank

General Hellenic Bank

Ionian Bank

Interbank

National Bank of Greece

Midland Bank

0.15%, min 3.7			7.5*	Same
0.15%, 2.5-8.1			7.5*	n/a
1.1 < 44.7 > 0.3%, min 5.4	Tiered		15.0* + forex	Same
10.8	Tiered		10.8 + forex	Same
0.3%	0.1%	5.5 (postage)	25.5*	Same
0.2%, min 1.4	0.7-30.1	0.2 (postage)	10.9-40.3*	Same
0.3%, min 1.8	3.6-35.9		18.6-50.9*	Same
Service not provided				
0.3%, min 9.0		2.3 (postage)	17.3*	Same
nil			nil	Same

Service not provided				
0.15%, 2.5-8.1			7.5*	n/a
Service not provided				
10.8	Tiered		10.8 + forex	Same
0.3%	0.1%	5.5 (postage)	25.5*	Same
0.5%, min 17.9	0.7-30.1	0.2 (postage)	25.9-55.3*	Same
Service not provided				
Service not provided				
0.3%, min 9.0		2.3 (postage)	17.3*	Same
nil			nil	Same

# [D] CHARGES FOR CLEARING NORMAL CHEQUES AND EUROCHEQUES IN ECU, DRAWN ON A BANK IN ANOTHER EUROPEAN COUNTRY

Country	Cheque type Charges	Normal Cheque - Costs					Eurocheque - Costs				
		Transaction (eg Payment)	Forex	Other (eg Collection)	TOTAL	DM/USD costs higher/lower?	Transaction (eg Payment)	Forex	Other (eg Collect'n)	TOTAL	DM/USD costs higher/lower?
<b>IRELAND</b>											
AIB Bank		nil		12.8 (collection)	12.8	Same	n/a			n/a	n/a
ICC Bank (Industrial Credit Corp.)		nil			nil	n/a	nil			nil	n/a
Irish Intercontinental Bank		Service not provided					Service not provided				
National Irish Bank		nil if from ecu clearing bank		12.8 (collection)	12.8	Same	6.4			6.4	n/a
Ulster Bank		nil		12.8 (collection)	12.8 \$	Higher	nil			nil \$	Same
Woodchester Cr�dit Lyonnais Bank		nil			nil	Same	n/a			n/a	n/a
<p>\$ "Except when payable in London or Belgium, cheques drawn in ecu must be sent on a collection basis and incur a flat fee of IRL 10 [ECU 12.8] per item. Drawee banks may apply/deduct charges."</p> <p>\$\$ "Eurocheques written in ecu become collection items and incur a flat fee of IRL 10 [ECU 12.8] per item. No charges if drawn on banks in Belgium."</p>											
<b>ITALY</b>											
Banca Commerciale Italiana		2.1	0.15%		9.6*	Same	Service not provided				
Banca Nazionale del Lavoro (BNL)		min 5.3		post	5.3+post	Same	0.15%, min 2.7			min 2.7	Same
Banca Popolare Commercio e Industria			0.2%, min 3.2		10.0*	Same		0.2% (min 3.2)		min 3.2	Same
Banca Popolare di Fondi		2.7			2.7	Same	2.7			2.7	Same
<b>LUXEMBOURG</b>											
Banque Priv�e Edmond de Rothschild		0.2%, 2.0-11.4			10.0*	Same	0.2%, 2.0-11.4			10.0*	Same
<b>NETHERLANDS</b>											
ABN AMRO		8.3		6.9-69.2 (transfer)	14.8-77.4	Same	8.3		6.9-69.2 (transfer)	14.8-77.4	Same
Mees & Pierson		4.6		0.1% (6.9-69.2)	11.6*	Same	n/a			n/a	n/a
Rabobank Nederland		23.1			23.1	Same	n/a			n/a	n/a
Staal Bankiers		6.9-414.9		23.1	30-438.0	Same	nil < 138.3 > 6.9-414.9		138.3 > 6.9-438.0 (coll.)	min 13.8*	Same
Banque Nationale de Paris		nil	0.1%		6*	Same	nil	0.1%		6*	Same
Barclays Bank		23.1			23.1		n/a			n/a	n/a

# [D] CHARGES FOR CLEARING NORMAL CHEQUES AND EUROCHEQUES IN ECU, DRAWN ON A BANK IN ANOTHER EUROPEAN COUNTRY

Country	Cheque type
Bank	Charges

Normal Cheque : Costs				
Transaction (eg Payment)	Forex	Other (eg Collection)	TOTAL	DM/USD costs higher/lower?

Eurocheque : Costs				
Transaction (eg Payment)	Forex	Other (eg Collect'n)	TOTAL	DM/USD costs higher/lower?

## PORTUGAL

Banco Borges & Irmao
Banco Espinho Santo
Banco Internacional do Funchal (Banif)
Banco Pinto & Sotto Mayor
Banco Totta & Acores
Caixa Geral Depósitos

nil			nil	n/a
0.5%, min 5.1			25.0*	n/a
0.5%, min 10.1			25.0*	n/a
0.5%, min 10.1			25.0*	Same
0.5%, min 10.1		20.3	45.3*	Same
0.5%, min 10.1		2.5	27.5*	Same

nil			nil	n/a
Service not provided				
nil < 405.6 > 0.5%, min 10.1			25.0*	n/a
0.5%, min 10.1			25.0*	Same
0.5%, min 10.1		20.3	45.3*	Same
			nil	Higher

## SPAIN

Banco Bilbao Vizcaya
Banco Central Hispanamericano
Banco Pastor
Banco Sabadell
Banco Santander
Bankinter
La Caixa
Caja de Ahorros de Catalunya
Caja de Madrid

0.5% - 1.2%, min 6.2			min 25.0*	n/a
0.2%, min 6.2			10.0*	Same
0.35%, min 6.2			17.5*	Same
0.6%, min 9.3		1.5 (postage)	31.5*	Same
0.4%, min 6.2			20.0*	Same
0.5%	0.2%		35.0*	Same
0.5%, min 8.0			25.0*	n/a
0.35%, min 4.6			17.5*	Same
nil	0.45%		22.5*	n/a

0.2%, min 1.5 - 1.0%, min 3.1			10.0*	Same
0.2%, min 7.7			10.0*	Same
1.0% - 1.3%, min 1.5 - 3.1			50*	Same
nil			nil	Higher
1.6%, min 1 < 240.6 > min 3.9			min 3.9*	Same
0.5%	0.2%		35*	Same
n/a			n/a	
0.35%, min 4.6			17.5*	Same
nil	nil		nil	n/a

## UNITED KINGDOM

Bank of Scotland
Bardays Bank
Clydesdale Bank
Lloyds Bank
Midland Bank
National Westminster Bank
Royal Bank of Scotland
TSB Bank

0.3%, 16.7 - 86.7		0.4 - 0.5 (postage)	17.1 - 17.2*	Same
0.25%, 21.3 - 100.0		5.3 < 133.3 > 0.25%, 12 - 80	33.8*	Same
0.3%, 16.0 - 80.0		2.7 < 26.7 > 8.0 - 53.3	24.0 - 133.3*	Same
6.7 - 106.6			6.7 - 106.6	Same
5.3 - 40.0			5.3 - 40.0	Same
6.7 < 133.3 > 0.3%, 21.3 - 24.0			21.3*	n/a
0.25% (20.0 - 86.6)			20.0*	n/a
0.3% (20.0 - 93.3)			20.0*	Lower

0.3% (16.7 - 86.7)		0.4 (postage)	17.1*	Same
0.16% < 293.3 > 4.8		0.4 (handling)	5.2*	Same
0.3%, 16.0 - 80.0			16.0*	Same
nil \$			nil	Same
5.3 - 40.0			5.3 - 40.0	Same
nil < 933.1 > 0.3%, 21.3 - 24.0			21.3*	n/a
0.25%, 20.0 - 86.6			20.0*	Same
0.3%, 20.0 - 93.3			20.0*	Lower

**[E] ECU, DM AND USD EXCHANGE RATES ON 10 JANUARY 1994**

Country	Rate	Buying Rate			Selling Rate			Selling - Buying % difference		
		Bank	Currency	ECU	DM	USD	ECU	DM	USD	ECU
<b>BELGIUM (BEF)</b>										
ASKL - CGER		40.3226	20.8117	35.9919	40.4120	20.8700	36.0725	0.22	0.28	0.22
BBL - Banque Bruxelles Lambert		40.1638	20.8566	36.0375	40.4858	20.9205	36.2319	0.80	0.31	0.54
Banque Paribas Belgique		40.3226	20.8333	36.1011	40.4100	20.8500	36.1900	0.22	0.08	0.25
Centrale Raffaisenkas (CERA)		40.2360	20.8000	35.9600	40.4560	20.9000	36.1400	0.54	0.48	0.50
Crédit Agricole		40.1900	20.7000	35.7550	40.5800	20.9500	36.1750	0.96	1.19	1.16
Crédit Communal		40.1608	20.7469	35.8423	40.5350	20.9500	36.1825	0.92	0.97	0.94
Crédit Lyonnais Belgium		40.3400	20.8400	36.0200	40.3700	20.8400	36.0400	0.07	0.00	0.06
Générale de Banque		40.2000	20.7800	35.9300	40.4200	20.9050	36.1150	0.54	0.60	0.51
Kredietbank		40.3226	20.8333	36.0490	40.3600	20.8700	36.1000	0.09	0.18	0.14
<b>Mean</b>		40.2509	20.8002	35.9652	40.4476	20.8951	36.1385	0.49	0.45	0.48
<b>Standard Dev.</b>		0.0712	0.0476	0.1027	0.0699	0.0411	0.0584	0.33	0.42	0.35
<b>Range</b>		0.1794	0.1566	0.3461	0.2200	0.1100	0.1919	0.8868	1.1933	1.1055
<b>DENMARK (DKK)</b>										
Amagerbanken		7.5301	3.8880	6.7295	7.5373	3.8919	6.7330	0.10	0.10	0.05
Bikuben Sparekassen		7.5301	3.8880	6.7249	7.5373	3.8919	6.7330	0.10	0.10	0.12
Den Danske Bank		7.5300	3.8700	6.7300	7.5900	3.8900	6.7330	0.79	0.51	0.04
Jyske Bank		7.5301	3.8880	6.7249	7.5358	3.8919	6.7330	0.08	0.10	0.12
Roskilde Bank		7.1429	3.8462	6.6667	7.5300	3.8900	6.7300	5.14	1.13	0.94
Sydbank Sonderjylland		7.5301	3.8880	6.7249	7.5373	3.8919	6.7330	0.10	0.10	0.12
Unibank		7.5301	3.8880	6.7295	7.5373	3.8919	6.7330	0.10	0.10	0.05
Girobank		7.5301	3.8880	6.7249	7.5373	3.8919	6.7330	0.10	0.10	0.12
<b>Mean</b>		7.4817	3.8805	6.7194	7.5428	3.8914	6.7326	0.81	0.28	0.20
<b>Standard Dev.</b>		0.1281	0.0143	0.0201	0.0180	0.0009	0.0010	1.65	0.36	0.28
<b>Range</b>		0.3873	0.0419	0.0633	0.0600	0.0019	0.0030	5.0680	1.0276	0.8965
<b>FRANCE (FF)</b>										
Banque de l'Entreprise (CEPME)		6.5938	3.4049	5.8885	6.6005	3.4127	5.8910	0.10	0.23	0.14
Banque Paribas		6.5885	3.4053	5.8830	6.6005	3.4127	5.8910	0.18	0.22	0.14
BRED		6.5890	3.4048	5.8865	6.6010	3.4080	5.8925	0.18	0.09	0.10
Caisse Nationale du Crédit Agricole		6.5890	3.4060	5.8865	6.5905	3.4070	5.8890	0.02	0.03	0.04
Crédit Commercial de France		6.5910	3.4085	5.8928	6.5963	3.4118	5.8965	0.08	0.10	0.06
<b>Mean</b>		6.5903	3.4059	5.8875	6.5978	3.4104	5.8920	0.11	0.13	0.10
<b>Standard Dev.</b>		0.0020	0.0014	0.0032	0.0040	0.0024	0.0025	0.08	0.08	0.04
<b>Range</b>		0.0053	0.0037	0.0096	0.0105	0.0057	0.0075	0.1580	0.1990	0.0975

**[E] ECU, DM AND USD EXCHANGE RATES ON 10 JANUARY 1994**

Country	Rate
Bank	Currency

Buying Rate		
ECU	DM	USD

Selling Rate		
ECU	DM	USD

Selling-Buying: % difference		
ECU	DM	USD

**GERMANY (DM)**

BFG – Bank für Gemeinwirtschaft
Commerzbank
Deutsche Bank
Dresdner Bank
Frankfurter Volksbank
Kreissparkasse Esslingen
Landesgirokasse
Stuttgarter Bank
Südwestbank
Westfalenbank

1.9315		1.7253
1.9361		1.7289
1.9342		1.7301
1.9320		1.7253
1.9331		1.7253
1.9320		1.7253
1.9320		1.7253
1.9316		1.7253
1.9316		1.7253
1.9324		1.7253

1.9395		1.7333
1.9362		1.7293
1.9370		1.7333
1.9370		1.7333
1.9410		1.7333
1.9400		1.7333
1.9417		1.7331
1.9416		1.7333
1.9395		1.7330
1.9401		1.7343

0.41		0.46
0.00		0.02
0.14		0.18
0.26		0.46
0.41		0.46
0.41		0.46
0.50		0.45
0.51		0.46
0.41		0.44
0.40		0.52

<b>Mean</b>
<b>Standard Dev.</b>
<b>Range</b>

1.9327		1.7262
0.0014		0.0017
0.0046		0.0048

1.9394		1.7330
0.0019		0.0013
0.0055		0.0050

0.35		0.39
0.15		0.15
0.5092		0.4942

**GREECE (GDR)**

Bank of Attica
Commercial Bank of Greece
Credit Bank
Egnatia Bank
Ergo Bank
General Hellenic Bank
Ionian Bank
Interbank
National Bank of Greece
Midland Bank

258.7530	143.9885	238.5496
273.1830	141.1114	243.8251
273.2838	140.8728	243.7895
273.7476	140.8451	242.5418
269.1960	142.5700	229.1430
273.0003	140.7440	243.5994
273.1121	140.7856	243.6410
277.7778	140.8451	243.9024
277.9245	143.5585	248.0589
270.2703	140.8451	243.9024

278.7580	143.9900	248.8000
284.3330	146.8700	253.7780
284.4200	146.6160	253.7910
284.1410	146.4720	252.0400
280.1905	148.3922	238.5781
284.1410	146.4580	253.4860
284.2530	146.5290	253.6410
284.1410	146.4780	253.5410
279.5940	144.4220	249.5460
284.1400	146.4700	252.5400

7.18	0.00	4.12
3.92	3.92	3.92
3.92	3.92	3.94
3.66	3.84	3.77
3.92	3.92	3.95
3.92	3.90	3.90
3.92	3.92	3.94
2.24	3.85	3.80
0.60	0.60	0.60
4.88	3.84	3.42

<b>Mean</b>
<b>Standard Dev.</b>
<b>Range</b>

272.0248	141.6166	242.0953
5.1298	1.1980	4.8285
19.1715	3.2445	18.9159

282.8112	146.2697	250.9739
2.1840	1.1757	4.4700
5.8620	4.4022	15.2129

3.82	3.17	3.54
1.59	1.44	1.00
6.5793	3.9224	3.5240

**IRELAND (IRL)**

AIB Bank
ICC Bank (Industrial Credit Corp.)
Irish Intercontinental Bank
National Irish Bank
Ulster Bank
Woodchester Crédit Lyonnais Bank

0.7766	0.3994	0.6881
0.7809	0.4024	0.6973
0.7725	0.4028	0.6988
0.7782	0.3997	0.6916
0.7728	0.3988	0.6916
0.7682	0.3976	0.6944

0.7880	0.4035	0.6881
0.7833	0.4040	0.6993
0.7731	0.4036	0.6995
0.7843	0.4067	0.7008
0.7746	0.4004	0.6935
0.7810	0.4032	0.6993

1.44	1.03	-0.01
0.30	0.39	0.29
0.08	0.21	0.11
0.78	1.73	1.32
0.23	0.40	0.28
1.51	1.39	0.69

<b>Mean</b>
<b>Standard Dev.</b>
<b>Range</b>

0.7751	0.4001	0.6936
0.0039	0.0019	0.0036
0.0117	0.0052	0.0107

0.7807	0.4036	0.6988
0.0053	0.0018	0.0045
0.0149	0.0063	0.0127

0.72	0.86	0.45
0.57	0.56	0.45
1.4298	1.5197	1.3234

**[E] ECU, DM AND USD EXCHANGE RATES ON 10 JANUARY 1994**

Country	Rate	Buying Rate			Selling Rate			Selling - Buying: % difference		
		Bank	Currency	ECU	DM	USD	ECU	DM	USD	ECU

**ITALY (LIT)**

Banka Commerciale Italiana	1895.0017	975.0000	1690.0028	1905.0000	985.0000	1705.0000	0.52	1.02	0.98
Banca Nazionale del Lavoro (BNL)	1889.3000	980.7500	1696.5000	1900.4181	981.2580	1697.7929	0.59	0.05	0.08
Banca Popolare Commercio e Industria	1901.5022	981.7396	1700.8538	1905.9000	983.3300	1700.9600	0.23	0.16	0.01
Banca Popolare di Fondi	1881.4875	970.0262	1688.0488	1909.8500	984.6800	1713.3300	1.49	1.49	1.48
<b>Mean</b>	1891.8179	976.8790	1693.8513	1905.2920	983.5670	1704.2707	0.71	0.68	0.61
<b>Standard Dev.</b>	7.3721	4.7197	5.1121	3.3538	1.4731	5.8208	0.47	0.60	0.61
<b>Range</b>	20.0346	11.7135	12.8052	9.4319	3.7420	15.5371	1.2554	1.4364	1.4693

**LUXEMBOURG (BEF)**

Banque Privée Edmond de Rothschild	40.2336	20.7469	36.2319	40.3256	20.7756	36.1600	0.23	0.14	-0.20
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**NETHERLANDS (HFL)**

ABN AMRO	2.1635	1.1188	1.9342	2.1685	1.1194	1.9368	0.23	0.04	0.13
Mees & Pierson	2.1664	1.1186	1.9448	2.1715	1.1186	1.9473	0.24	0.00	0.13
Rabobank Nederland	2.1640	1.1163	1.9337	2.1690	1.1193	1.9363	0.23	0.27	0.13
Staal Bankiers	2.1635	1.1189	1.9346	2.1685	1.1194	1.9368	0.23	0.04	0.11
Banque Nationale de Paris	2.1700	1.1200	1.9400	2.1701	1.1211	1.9402	0.01	0.10	0.01
Barclays Bank	2.1640	1.1188	1.9337	2.1700	1.1200	1.9400	0.28	0.11	0.32
<b>Mean</b>	2.1652	1.1185	1.9368	2.1696	1.1198	1.9395	0.20	0.09	0.14
<b>Standard Dev.</b>	0.0024	0.0011	0.0042	0.0011	0.0008	0.0038	0.09	0.09	0.09
<b>Range</b>	0.0065	0.0037	0.0110	0.0030	0.0025	0.0110	0.2707	0.2645	0.3098

**PORTUGAL (ESC)**

Banco Borges & Irmão	197.0870	101.8010	175.9830	198.0198	102.2495	176.6784	0.47	0.44	0.39
Banco Espírito Santo	197.0870	101.8010	175.9830	197.8631	102.2077	176.6784	0.39	0.40	0.39
Banco Internacional do Funchal (Banif)	197.0871	101.8019	175.9851	197.8770	102.2080	176.6890	0.40	0.40	0.40
Banco Pinto & Sotto Mayor	197.0290	101.6080	176.7480	197.8200	102.0189	177.4591	0.40	0.40	0.40
Banco Totta & Açores	197.0870	101.8010	175.9830	197.8787	102.2014	176.6909	0.40	0.39	0.40
Caixa Geral Depósitos	197.0870	101.8010	175.9830	197.8787	102.2098	176.6909	0.40	0.40	0.40
<b>Mean</b>	197.0773	101.7690	176.1108	197.8896	102.1822	176.8145	0.41	0.40	0.40
<b>Standard Dev.</b>	0.0216	0.0720	0.2849	0.0618	0.0756	0.2883	0.03	0.02	0.00
<b>Range</b>	0.0581	0.1939	0.7650	0.1998	0.2328	0.7807	0.0788	0.0468	0.0071



## [E] ECU, DM AND USD EXCHANGE RATES ON 10 JANUARY 1994

Country	Rate	Buying Rate			Selling Rate			Selling - Buying: % difference		
		Bank	Currency	ECU	DM	USD	ECU	DM	USD	ECU

### SPAIN (PTA)

Banco Bilbao Vizcaya	160.9660	83.2100	144.5320	161.9340	83.7100	144.5320	0.60	0.60	0.00
Banco Central Hispanamericano	161.2903	83.2750	144.1040	161.3380	83.3333	144.9275	0.03	0.07	0.57
Banco Pastor	161.4413	83.4251	144.1379	161.9250	83.6750	144.5700	0.30	0.30	0.30
Banco Sabadell	161.3420	83.3150	144.0362	161.8150	83.5650	144.4670	0.29	0.30	0.30
Banco Santander	161.2903	83.3333	142.8571	161.9710	83.5670	144.3620	0.42	0.28	1.04
Bankinter	161.2800	83.3000	144.1100	161.9200	83.6400	144.5900	0.40	0.41	0.33
Bilbao Bizcaya Kutxa (BBK)	161.4550	83.3200	143.8430	162.9400	83.5700	144.2760			
La Caixa	161.4550	83.3200	143.8430	162.9400	83.5700	144.2760	0.91	0.30	0.30
Caja de Ahorros de Catalunya	160.9762	83.1532	143.7670	161.9420	83.6500	144.6320	0.60	0.59	0.60
Caja de Madrid	161.3370	83.3350	144.0450	161.8200	83.5850	144.4770	0.30	0.30	0.30
<b>Mean</b>	<b>161.2833</b>	<b>83.2987</b>	<b>143.9275</b>	<b>162.0545</b>	<b>83.5865</b>	<b>144.5110</b>	<b>0.43</b>	<b>0.35</b>	<b>0.42</b>
<b>Standard Dev.</b>	<b>0.1689</b>	<b>0.0702</b>	<b>0.4105</b>	<b>0.4757</b>	<b>0.0977</b>	<b>0.1828</b>	<b>0.24</b>	<b>0.16</b>	<b>0.28</b>
<b>Range</b>	<b>0.4890</b>	<b>0.2719</b>	<b>1.6749</b>	<b>1.6020</b>	<b>0.3767</b>	<b>0.6515</b>	<b>0.8818</b>	<b>0.5273</b>	<b>1.0424</b>

### UNITED KINGDOM (UKL)

Bank of Scotland	0.7479	0.3864	0.6671	0.7508	0.3906	0.6739	0.37	1.07	1.00
Barclays Bank	0.7460	0.3855	0.6660	0.7561	0.3909	0.6750	1.34	1.39	1.33
Clydesdale Bank	0.7472	0.3865	0.6699	0.7472	0.3900	0.6700	0.01	0.91	0.01
Lloyds Bank	0.7448	0.3857	0.6664	0.7549	0.3906	0.6750	1.34	1.25	1.27
Midland Bank	0.7482	0.3874	0.6696	0.7531	0.3886	0.6712	0.66	0.31	0.25
National Westminster Bank	0.7421	0.3854	0.6656	0.7590	0.3922	0.6803	2.23	1.73	2.16
Royal Bank of Scotland	0.7353	0.3824	0.6626	0.7663	0.3937	0.6887	4.04	2.87	0.89
TSB Group	0.7392	0.3828	0.6610	0.7644	0.3940	0.6805	3.30	2.86	2.86
<b>Mean</b>	<b>0.7438</b>	<b>0.3852</b>	<b>0.6685</b>	<b>0.7565</b>	<b>0.3913</b>	<b>0.6768</b>	<b>1.66</b>	<b>1.55</b>	<b>1.22</b>
<b>Standard Dev.</b>	<b>0.0043</b>	<b>0.0016</b>	<b>0.0059</b>	<b>0.0061</b>	<b>0.0018</b>	<b>0.0057</b>	<b>1.34</b>	<b>0.89</b>	<b>0.88</b>
<b>Range</b>	<b>0.0129</b>	<b>0.0050</b>	<b>0.0216</b>	<b>0.0181</b>	<b>0.0055</b>	<b>0.0187</b>	<b>4.0389</b>	<b>2.5621</b>	<b>2.8447</b>



**Part 2: THE ECU AND SMALL FIRMS TODAY**

<p style="text-align: center;"><b>Part 2: The Ecu and Small Firms Today</b> <b>DETAILED CONTENTS</b></p>
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## **2.1 OVERVIEW OF FINDINGS**

### **2.1.1 Overseas Trade**

Over 60 per cent of SMEs interviewed have overseas trade, with two-thirds of this in Europe. SME organisations estimate their members to trade similarly.

### **2.1.2 Foreign Currency Usage**

96 per cent of firms make some use of foreign currencies and over 80 per cent use a foreign currency often or very often. 60 per cent use at least two foreign currencies and nearly a third at least three. The US dollar is the most popular foreign currency, followed by the deutschmark, pound sterling and French franc respectively. The ecu is used by two firms.

Nearly nine out of ten firms have adapted their internal accounting systems to handle foreign currencies. Of these, as many found this easy or very easy to do.

Over half the firms run a bank account in at least one foreign currency and virtually none experiences problems. The dollar is the favoured account currency, followed respectively by the French franc, pound sterling and deutschmark.

### **2.1.3 Foreign Currency Transactions**

Those firms that do not run foreign currency (forex) accounts cite the main reasons as being lack of support from their banks and the complication. These are not, however, major issues for firms with forex accounts, whose main complaint is that forex accounts can be too slow and expensive. Overall, 85 per cent of firms claim to be satisfied with their bank's forex service.

For overseas trade, firms tend to invoice in their own currency (59 per cent) rather than in forex (37 per cent) and to receive more invoices in foreign currencies (62 per cent) than in their own currency (38 per cent).

Among methods of sending payment abroad, forex account-holders favour cheques first and then Swift and inter-bank transfers equally, all of which they find highly satisfactory. Telex is little used and unsatisfactory. Non-forex account-holders favour inter-bank transfers, with Swift, cheques and banker's drafts coming respectively some way behind: none uses telex. They are less satisfied with inter-bank transfers and cheques than with Swift and banker's drafts. Only one firm has used Eurocheques, which it found unsatisfactory.

The majority of forex account-holders receives payment by cheque, followed in descending order by inter-bank transfers, Swift, banker's drafts and telex. Yet 40 per cent find cheques unsatisfactory, preferring Swift and banker's drafts respectively. Those holding only national currency accounts prefer to be paid by inter-bank transfer, followed respectively by cheques and Swift. Most recipients are satisfied with all methods of payment.

#### **2.1.4 Ecu Usage**

Nine per cent of SMEs (five firms) have used the ecu, usually at the request of a supplier or purchaser. Of those who have not used the ecu, a third have considered it: the main reason for not doing so is that suppliers and purchasers are willing to use the firm's national currency or insist on their own currency. Two-thirds of non-users have not even considered the ecu, the main reason being that they can use their own currency, although nearly a third of non-users admit the ecu has simply never occurred to them. Given a consistent level of European trade, three out of five firms would consider using the ecu in the future.

Nearly 95 per cent of organisations believe their members' use of the ecu is low. Two-thirds attribute this to ignorance, but nearly a fifth blame lack of bank support.

The last finding is underscored by the fact that, although nearly half of SMEs are aware of their bank's ecu services, over half are not. Business organisations are better informed: over 60 per cent know banks offer the same services in ecu as in other forex. Less than a third, however think that most or all of their members know this.

#### **2.1.5 The Ecu's Advantages and Disadvantages**

Of all SME respondents, three-quarters see distinct advantages to using the ecu, chief among these being the reduction of exchange risks and costs.

Business organisations have also found some enthusiasm among their members for the ecu: half of those who have discussed it with members received a positive reaction. Like SMEs, three-quarters of organisations themselves believe the ecu is useful to firms trading in more than two European countries. The main advantages are business simplification, reducing exchange risks and saving money. The main disadvantages are that the ecu is limited to the European Union and is too little used.

#### **2.1.6 Promoting the Ecu**

Over half the organisations believe the ecu is worth promoting and a third claim to be doing so already. Most initiatives appear, however, to be reactive or part of normal activities. Half the organisations suggested ways in which they and others could promote the ecu: many think more information is the key, particularly if provided by institutions of the European Union.

## 2.2 METHODOLOGY

Each of our offices in the Member States identified five SMEs involved in exporting, two trade associations and one association specifically representing small businesses, making five firms and three organisations per Member State. Two of the SMEs and one of the trade associations were from the tourism sector.

In close cooperation with the Commission, we developed a checklist of questions to ask each of the organisations in order to elicit their impressions and experiences of using the ecu. We then contacted each of the firms and organisations for a telephone interview. A small number did not wish to discuss the questions over the telephone but requested us to send them the questionnaire, which we did.

### Notes:

- (1) In the UK, the main travel agents' association, ABTA, declined to participate and we therefore interviewed two trade associations.
- (2) In Spain, all the original and replacement organisations contacted refused to answer the questions on grounds either of confidentiality or ignorance of their membership or both<sup>1</sup>. We could have continued to seek out further organisations but felt we would only come up again the same reaction. Our explanations that the questions were simple, required no disclosure of restricted information and only aimed at an overview of members' foreign currency usage were to no avail. The analysis below therefore includes responses from Spanish SMEs but not from the organisations that are meant to represent them.

We had similar problems in getting a response the French Syndicat National des Agences de Voyage. We felt it might be of interest instead to obtain the views of the International Hotel Association, based in Paris (see 2.6 below).

- (3) Due to administrative difficulties, we have only been able to include two replies from Luxembourg, from exporting SMEs. We do not feel that this affects the otherwise comprehensive findings.

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<sup>1</sup> The AEDAVE (Asociación Española de Agencias de Viajes) said their members expected all information to be kept confidential. The AVASA (Agencias de Viajes Asociados) replied similarly. The PIMEC (Petita i Mitjana Empresa de Catalunya - SME organisation) claimed that that its members were too varied for it to be able to give a general answer. The ACAV (Asociación Catalana de Agencia de Viajes) cited confidentiality. The AECOC (Asociación Española de Codificación Comercial) said it had thousands of members and could not give a reliable answer.



## 2.3 SMES AND SME ORGANISATIONS

<u>CONTENTS OF THIS SECTION</u>	
1	TYPE OF COMPANY AND ORGANISATION
2	SMEs INTERVIEWED
3	ORGANISATIONS INTERVIEWED
4	COMPANIES' INTERNATIONAL TRADE

As described above, we interviewed a range of small firms throughout the member states, comprising a mixture of importers, exporters, importers/exporters, tour operators, travel agents and other tourism companies. We also interviewed a range of organisations with a preponderance of small firms as members: trade associations, tourism organisations and bodies representing small and medium-sized enterprises.

Participating firms and organisations are detailed below. In analysing their responses, we have on the whole not identified specific bodies. *The Commission should note that many of the respondents do not wish to be publicly identified.*

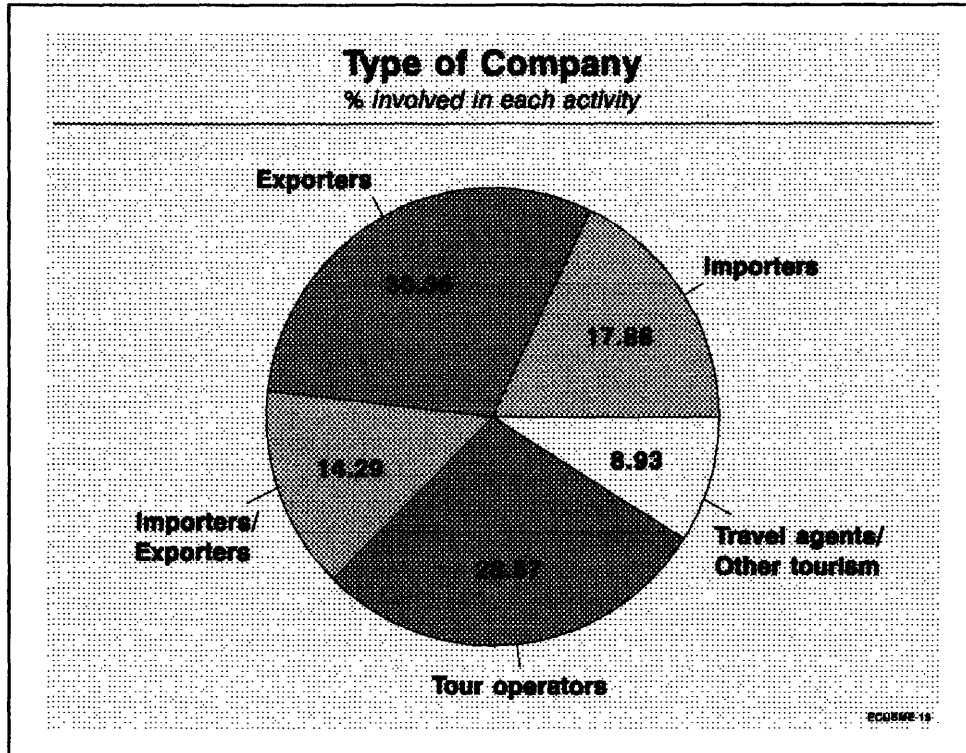
### Notes:

- (1) Given the relatively small number of travel agents and other tourism concerns (a total of five), we have grouped these together for the purposes of analysis.
- (2) It should be borne in mind that some of the smaller percentages in the following tables may refer to just one or two firms and should not be taken as anything more than a snapshot indication of the situation. They are unlikely to stand up to rigorous scrutiny as, for example, a basis for new policy, which would, of course, require a far larger sample.
- (3) Unless otherwise specified, "Europe" refers to the continent as a whole and not just the member states of the European Union.

### 2.3.1 Type of Company and Organisation

The names of the companies and organisations interviewed are given in 2.3.2 and 2.3.3 below.

**Table 1**

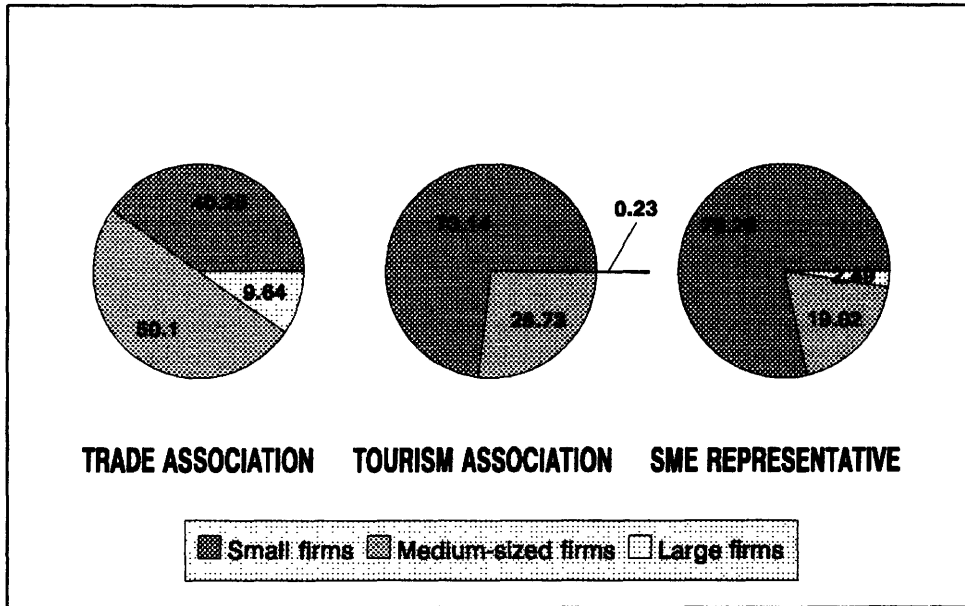


#### **Comment**

Over 60 per cent of firms interviewed are involved in importing or exporting, with the remainder in the tourism sector, predominantly tour operators.

Note: The greater number of exporters and tour operators and smaller number of importer/exporters and other tourism companies should be borne in mind when drawing conclusions on the basis of analysis in this report.

**Table 2**



**Comments**

The participating organisations are fairly evenly balanced between trade associations (34 per cent), tourism associations (28 per cent) and SME representatives (38 per cent).

The number of their members ranges as follows (SD = standard deviation):

- Trade associations: from 60 to 3,000 / average 810 / SD 1,060
- Tourism associations: from 120 to 25,000 / average 3,611 / SD 8,665
- SME representatives: from 500 to 60,000 / average 15,600 / SD 18,364.

As the above table shows, the membership of all participating trade associations and SME representatives is made up chiefly of small firms, with far fewer medium-sized firms and a negligible number of large ones. Trade associations have more medium-sized than small members and a more significant number of large firms (almost ten per cent).

Some two-thirds of organisations have members throughout the country in which they are based: the rest concentrate on specific cities or regions.

2.3.2 **SMEs Interviewed**

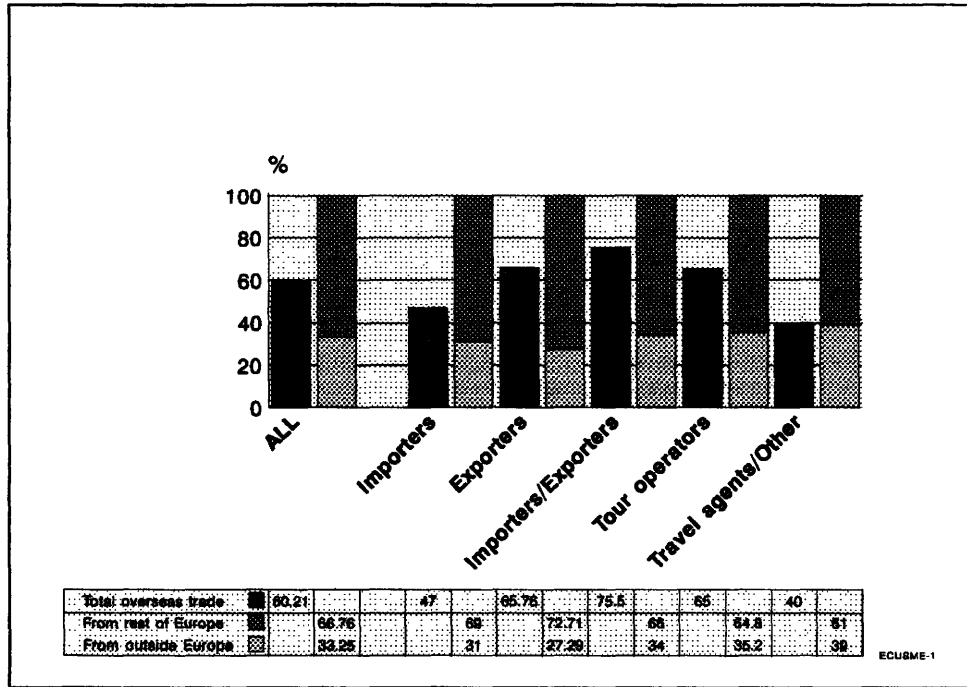
<b>IMPORTERS</b>			
Denmark	Trans Canada I/S	Italy	Compagnia Distribuzione Macchine
France	France Truck	Portugal	CJ Michaelis de Vasconcelos Lda
Germany	Schwaben Bräu	Spain	Kromschroeder SA
Greece	Globe Dianemittiki	UK	Pisani
Ireland	Pump Services Ltd	UK	Merlin Publishing International plc
<b>EXPORTERS</b>			
Belgium	Nuclear Fuel Experts	Luxembourg	Luxguard
Denmark	Stormax International A/S	Luxembourg	Segatos
France	Jean-Louis Scherrer SA	Netherlands	Ruys Vloeren BV
Germany	OSMO Anlagenbau	Netherlands	Meuwissen Industries Haarlem
Greece	John Papagiannoulis & Bros Co	Portugal	4 Damas - Confeccoes
Greece	Fintexport	Spain	Laboratorios Inibea SA
Ireland	Clara Candy Ltd	Spain	Helados la Menorquina
Italy	Italian Trading Service (ITS) SpA	UK	Miller Graphics Ltd
Italy	Eventi Srl		
<b>IMPORTERS/EXPORTERS</b>			
Belgium	SIDCO/Belfinvest	Germany	MIRA-X (international textile specialists)
Belgium	Etablissements Cantaert	Ireland	Howmedica International Inc.
Denmark	Jorgen Dohmann A/S	Netherlands	Boon Edam
France	Interparfums	Portugal	SIPS - Comércio Internacional de Produtos de Silvicultura
<b>TOUR OPERATORS</b>			
Belgium	Uniclam 2000	Ireland	Budget Travel
Denmark	WB Travel	Ireland	Abbey Sun
France	Tour Kuoni	Italy	Skimar Srl
France	Jet Tour - Visit Europe	Italy	OK Congressi Srl
Germany	Kuhnle Tours	Netherlands	OAD Holten
Germany	Morgenstein Reisen	Netherlands	Arke Reizen Enschede
Greece	Manos Travel System	Spain	Latitud 4 SA
Greece	AMEX	UK	Cosmos
<b>TRAVEL AGENTS</b>			
Portugal	Space Tours	UK	Cassis Travel
Portugal	Viagens Rawes		
<b>OTHER TOURISM</b>			
Belgium	Meeting Time (seminars & events)	Denmark	Spies-Koncernen

### 2.3.3 Organisations Interviewed

<b>TRADE ASSOCIATIONS</b>	
Denmark	<b>Branchenforeningen for Tøj-Og Tekstilfabrikanter (Federation of Textile Manufacturers)</b>
France	<b>SYCEP/SITELESC</b>
Germany	<b>VDMA - Verband Deutscher Maschinen-und Anlagenbau eV (Association of German Machinery and Equipment Manufacturers)</b>
Greece	<b>Pan-Hellenic Association of Exporters</b>
Ireland	<b>Engineering Association</b>
Italy	<b>Camera Della Moda (Chamber of Fashion Industries)</b>
Netherlands	<b>KRL Veenendaal (Textile Association)</b>
Portugal	<b>AGEFE - Associação Portuguesa dos Grossistas e Importadores de Material Electrico, Electronico, Electrodomesticos, Fotografico e de Relojoaria (Portuguese Association of Wholesalers and Importers of Electrical, Electronic, etc. Equipment)</b>
UK	<b>Cutlery &amp; Allied Trades Research Association</b>
UK	<b>Builders Merchants' Federation</b>
<b>TOURISM ASSOCIATIONS</b>	
Belgium	<b>Fédération de l'Industrie du Tourisme</b>
Denmark	<b>Turistvognmændenes Arbejdsgiverforening (Tourist Haulage Association)</b>
Germany	<b>asr - Bundesverband Mittelständischer Reiseunternehmen (Association of Medium- Sized Travel Agents)</b>
Greece	<b>S.E.T.E.</b>
Ireland	<b>Irish Hotels Federation</b>
Italy	<b>FAIAT - Federazione Associazione Italiana Alberghi e Turismo (Federation of the Associations of Italian Hotel and Tourism Operators)</b>
Netherlands	<b>ANVR (Netherlands Association of Tour Operators)</b>
Portugal	<b>APAVT - Associação Portuguesa das Agências de Viagens e Turismo (Portuguese Association of Travel &amp; Tourism Agencies)</b>
<b>SME REPRESENTATIVE ORGANISATIONS</b>	
Belgium	<b>Chambre de Commerce et de l'Industrie de Bruxelles</b>
Denmark	<b>Haandværksrådet (Federation of Craft Industries/SMEs)</b>
France	<b>Chambre de Commerce de Paris - Euro Info Centre</b>
Germany	<b>BvMW - Bundesverband Mittelständische Wirtschaft (German SME Association)</b>
Greece	<b>SME Chamber of Piraeus</b>
Ireland	<b>Irish Small Firms Association</b>
Italy	<b>Confederazione Associazioni de Piccole Imprese (Confederation of the Associations of Small Businesses)</b>
Netherlands	<b>Dutch Institute for SMEs</b>
Portugal	<b>Associação Industrial Portuguesa (Portuguese Industry Association)</b>
UK	<b>Federation of Small Business</b>

2.3.4 Companies' International Trade

**Table 3**

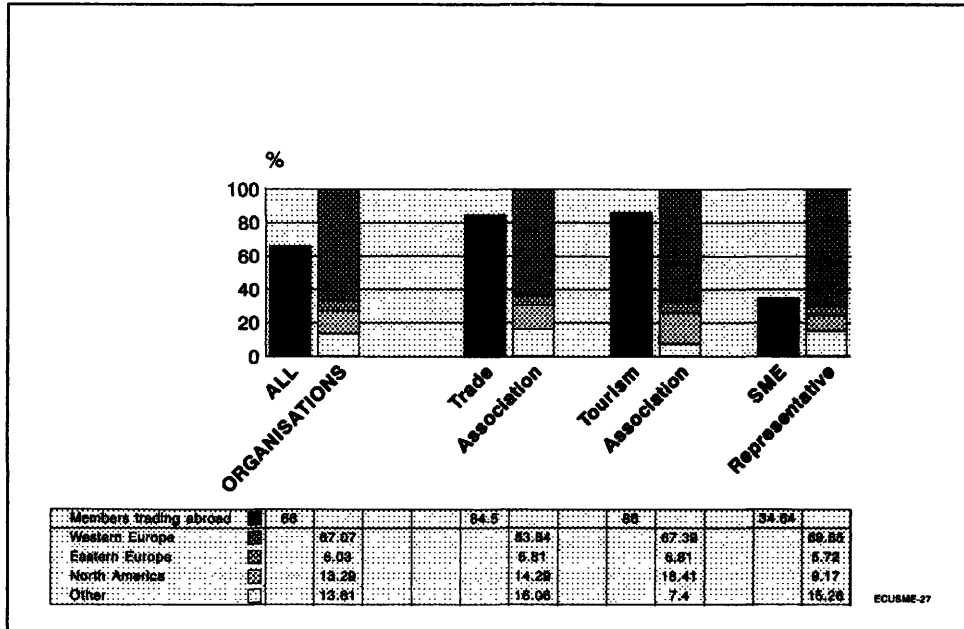


**Comments**

On average, over 60 per cent of firms' total turnover is derived from overseas trade. Not surprisingly, those who import *and* export turn over a larger share from foreign trade than any other group. Travel agents/other tourism concerns have the smallest share.

For all types of firm, trade with other European countries is consistently about twice that with the rest of the world

**Table 4**



**Comment**

Trade associations and tourism associations estimate that over eight in ten of their members trade internationally; SME representatives believe that just over a third of theirs do. Taking all organisations together, nearly two-thirds of members are thought to trade overseas.

Around two-thirds of the members of trade associations and SME representatives who do business with overseas markets are judged to be trading in western Europe; for members of tourism associations the figure is under 60 per cent. Taking all business organisations, the average figures for where members overseas trade is located approximate to the average turnover figures given by SME themselves (see 2.3.4 above).

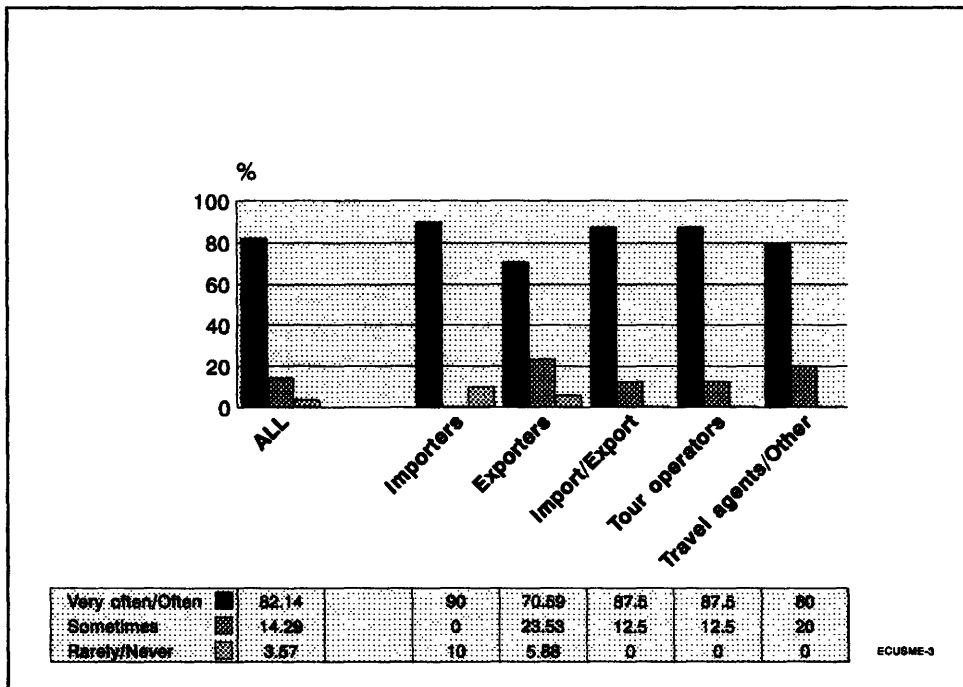
For members of trade associations and SME representatives, the second favoured trading area is outside Europe excluding North America, while for tourism association members, as we might expect, it is North America.

## 2.4 USING FOREIGN CURRENCIES

CONTENTS OF THIS SECTION	
1.	USE OF FOREIGN CURRENCIES
2.	INTERNAL FOREIGN CURRENCY ACCOUNTING
3.	FOREIGN CURRENCY BANK ACCOUNTS
4.	FOREIGN CURRENCY TRANSACTIONS

### 2.4.1 Use of Foreign Currencies

**Table 5**



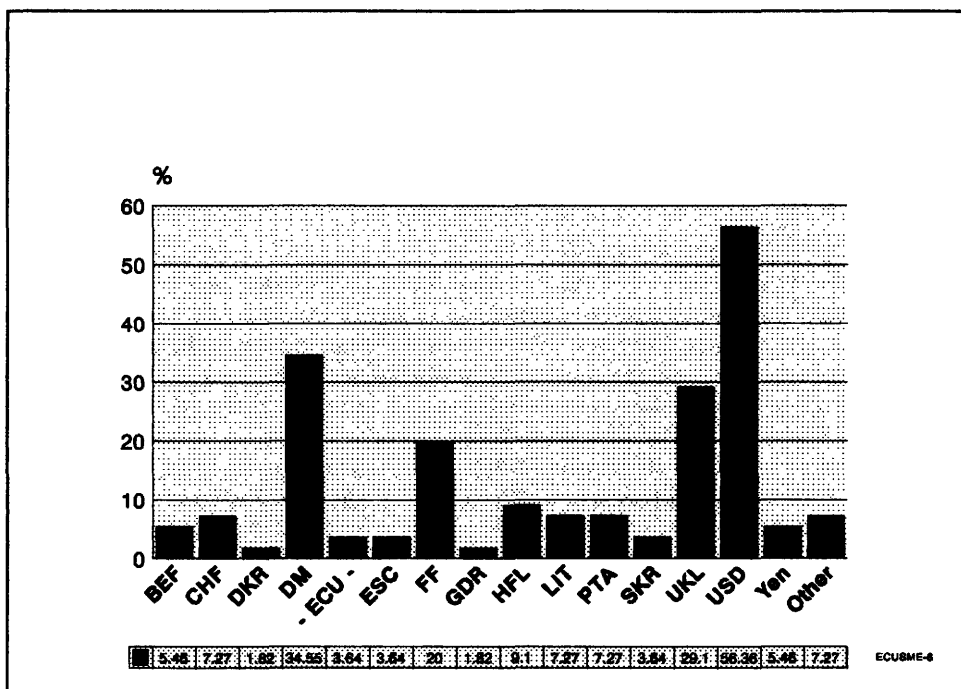
### Comment

54 out of the 56 respondents (96 per cent) make some use of foreign currencies and, as the above table shows, most firms of all types (82 per cent overall) use foreign currencies often or very often. Importers use forex most and exporters least.

Of the ten firms who use foreign currencies only sometimes, rarely or never, one finds them too complicated; two blame lack of support from their bank; four have suppliers/purchasers who use the firm's currency; four simply have no need; and two are wary of the exchange risks involved. (Firms could give more than one answer.)



**Table 6**



**Comment**

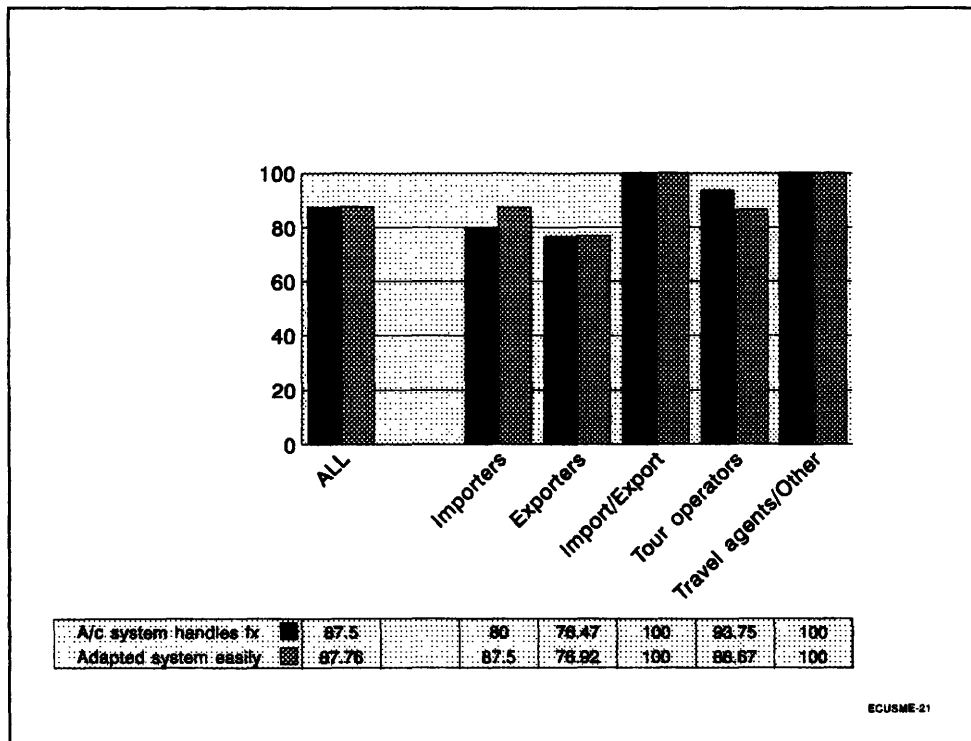
55 out of our 56 respondents make use of foreign currencies. 60 per cent use at least two foreign currencies and nearly a third (33 per cent) at least three.

As the table shows, the US dollar is by far the most popular currency, followed after an interval by the deutschmark, pound sterling and French franc. Less than ten per cent of firms use the Dutch guilder, Italian lira, Spanish peseta or Swiss franc. Other currencies used include the Belgian franc, Japanese yen, Portuguese escudo and, in one case, the Malaysian ringit.

Only two firms use the ecu to any great degree. For one (Nuclear Fuel Experts of Belgium, which exports 100 per cent of its consulting services, half within Europe and half outside), the ecu is one of the only two foreign currencies it uses, the other being the Japanese yen for trade outside Europe. See 2.5.1 below for more details of this and other firms which have used the ecu.

2.4.2 **Internal Foreign Currency Accounting**

**Table 7**

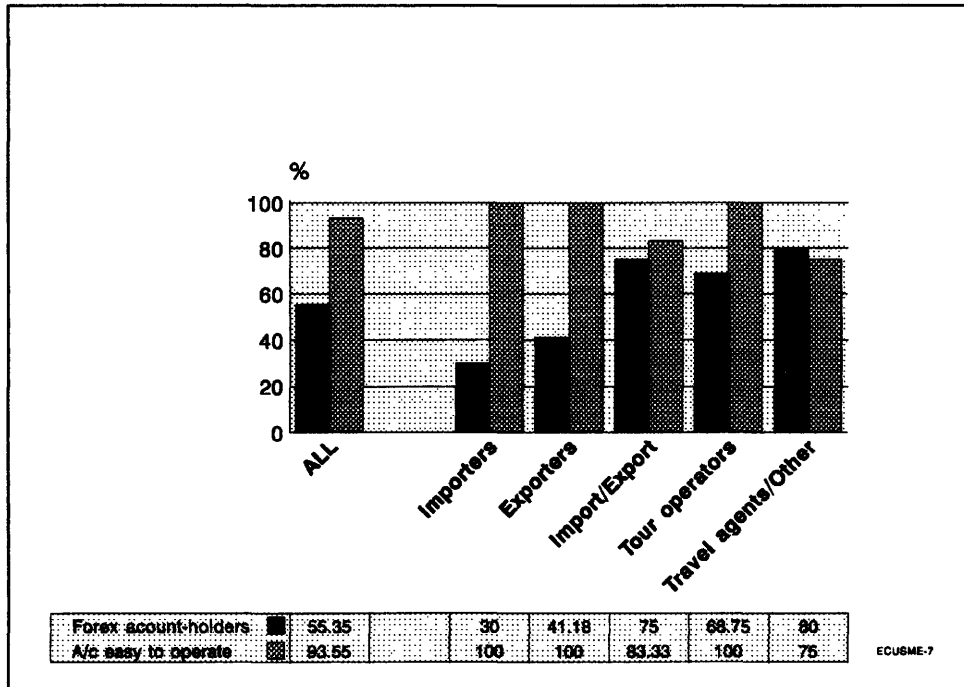


**Comment**

The internal accounting systems of nearly nine out of ten firms are capable of handling foreign currency transactions. Broken down by type of firm, the number with forex systems varies between 80 and 100 per cent. Again, nearly nine out of ten had found it easy or very easy to adapt their existing systems and procedures to forex. Only two of the exporters (15 per cent) and two of the tour operators (13 per cent) found it difficult. No firm found it very difficult.

2.4.3 **Foreign Currency Bank Accounts**

**Table 8**



**Comment**

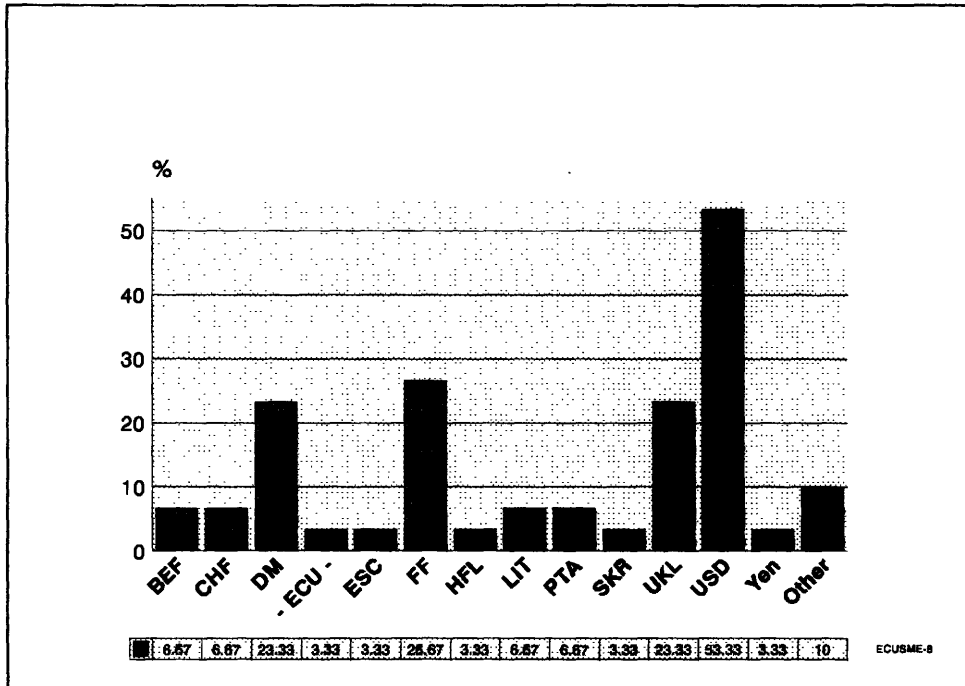
Over half of all firms (54 per cent) hold a bank account in one or more foreign currencies, with 43 per cent of these running accounts in at least two foreign currencies and 17 per cent in at least three.

As the table shows, the number of forex account-holders ranges from 30 per cent of importers and around 40 per cent of exporters to over two-thirds of all other types of firm.

With the exception of one tourism concern (very difficult) and one importer/exporter (no opinion), all forex account holders say they find these accounts easy or very easy to operate.

Firms in Greece and Portugal pointed out that the legislation in their countries restricts holding a forex account.

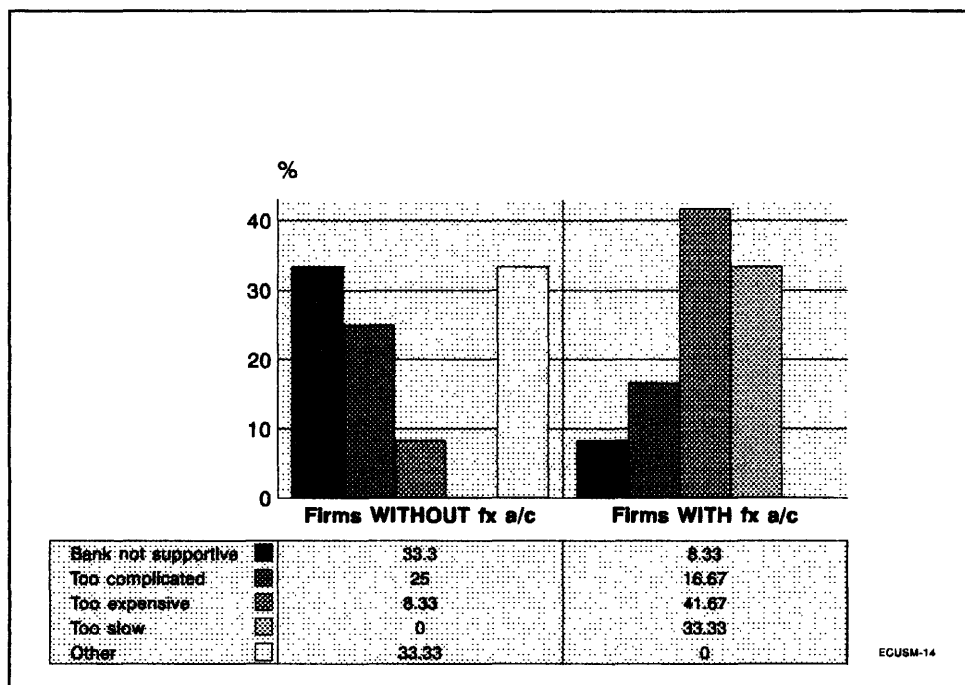
**Table 9**



**Comment**

Of the 29 forex accounts held, the dollar again takes prime position. While the forex accounts held generally reflect the forex usage noted in Table 5 above, the deutschmark and pound sterling fall behind the French franc as favoured account currencies.

**Table 10**



**Comment**

Why do more firms not have foreign currency accounts? As the table shows, of twelve comments made by firms who do not hold forex accounts, the main problems are perceived to be a lack of bank support and (perhaps a related problem) that such accounts are complicated to run. Individual firms said that interest rates were too low, their income was entirely in their own currency or it simply had not occurred to them. Only one firm cited expense.

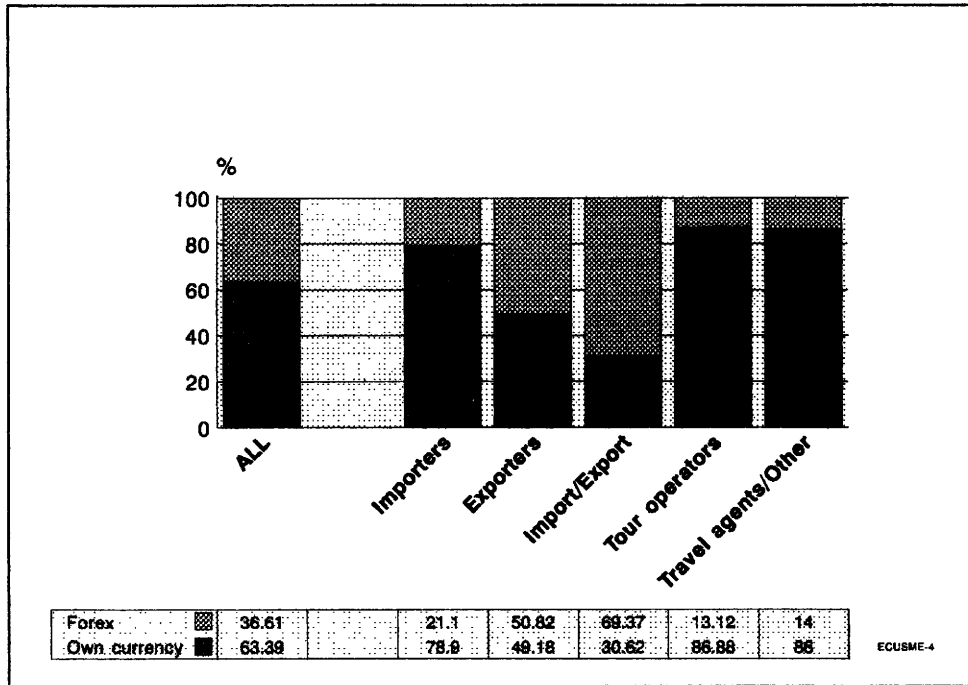
This differs from companies' actual experience. Of another twelve comments made by forex account-holders who admitted to having had problems, the main complaints were, firstly, the expense and, secondly, the slowness of such accounts.

**Bank Support**

It should be noted that most firms (85 per cent) are very or quite satisfied with the foreign currency service they receive from their bank. Almost one in ten (9.3 per cent), however, is unsatisfied or very unsatisfied.

2.4.4 **Foreign Currency Transactions**

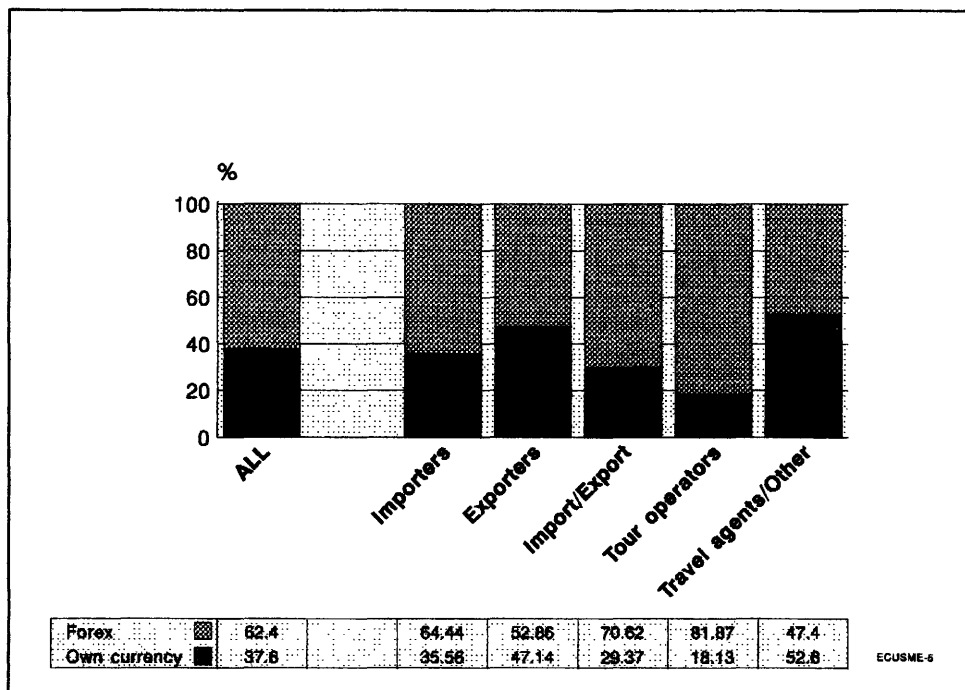
**Table 11**



**Comment**

On average, firms issue overseas suppliers with five invoices in their own currency for every three in forex. Importers/exporters tend to issue the most foreign currency invoices. Those who mainly export tend to bill fairly equally in forex and their own currency, while those who mainly import clearly prefer to issue any bills in their own currency. Tour operators raise the greatest share of invoices in their own currency, closely followed by travel agents and other tourism companies.

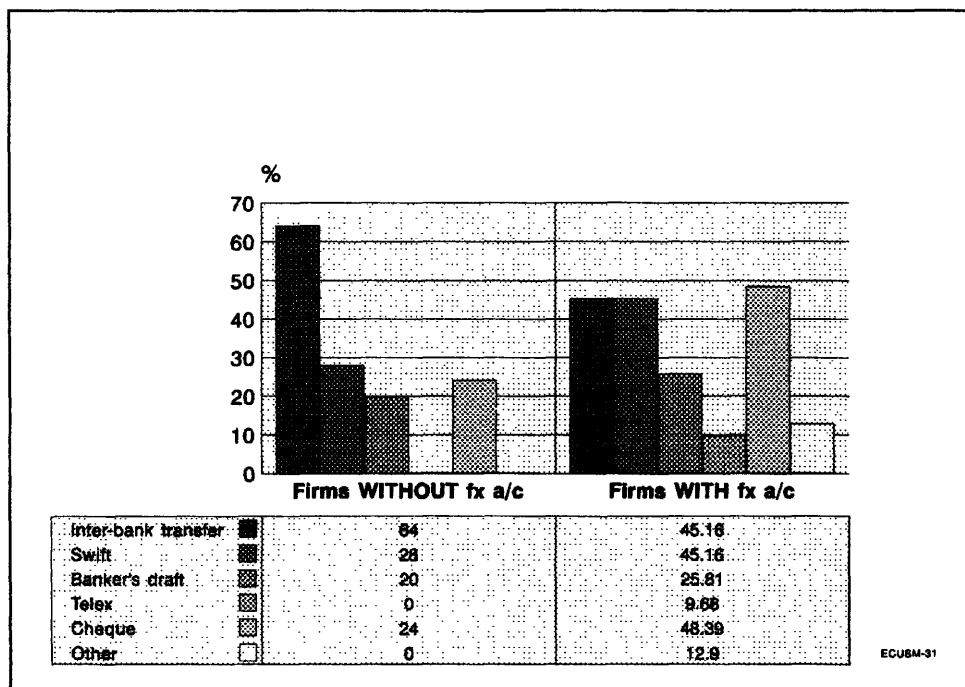
**Table 12**



**Comment**

As regards receiving invoices from abroad, the overall situation is, as might be expected, reversed, with on average twice as many firms being billed in a foreign currency as in their own currency. The number of forex invoices that importers/exporters receive, however, closely matches the number they send out and, as with invoices sent, is far in excess of invoices in their own currency. Exporters receive virtually the same number of forex invoices as they issue and, as with invoices sent, receive roughly as many invoices in a foreign currency as in their own currency.

**Table 13**

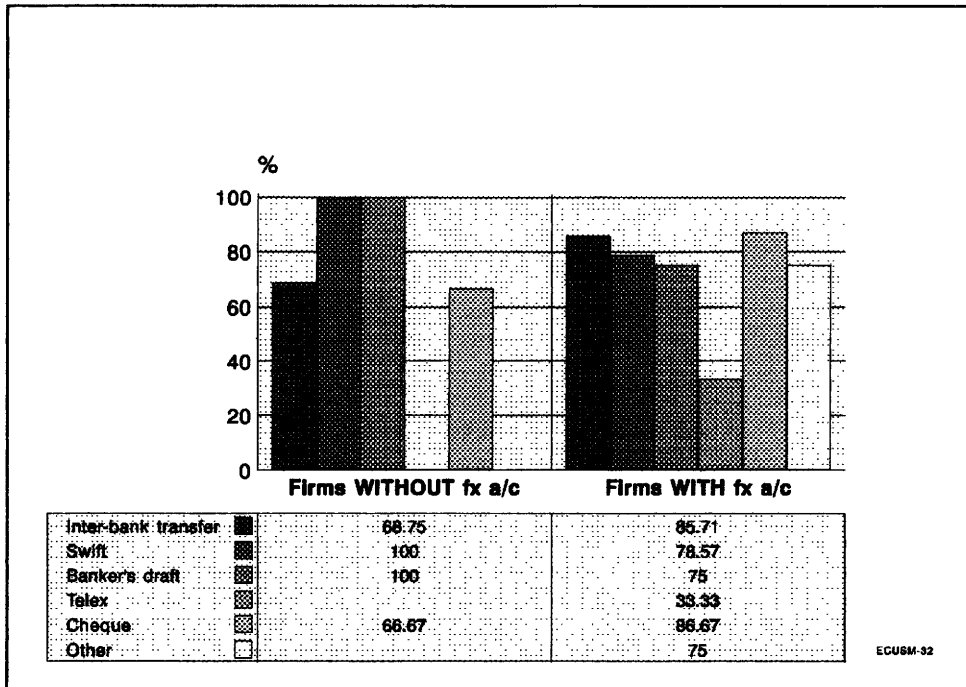


**Comment**

Inter-bank transfers and Swift are overall the most popular method of making overseas payments, particularly for those firms who do not hold a foreign currency account. Sending cheques is favoured by twice as many companies with forex accounts as without. Banker's drafts are not especially popular with either type of account-holder. Forex account-holders also use a wider variety of payment methods than non-forex account-holders, including telex and electronic transfers and bank giros (indicated on the table under "other"). Eurocheques are used by only one firm, a forex account-holder.



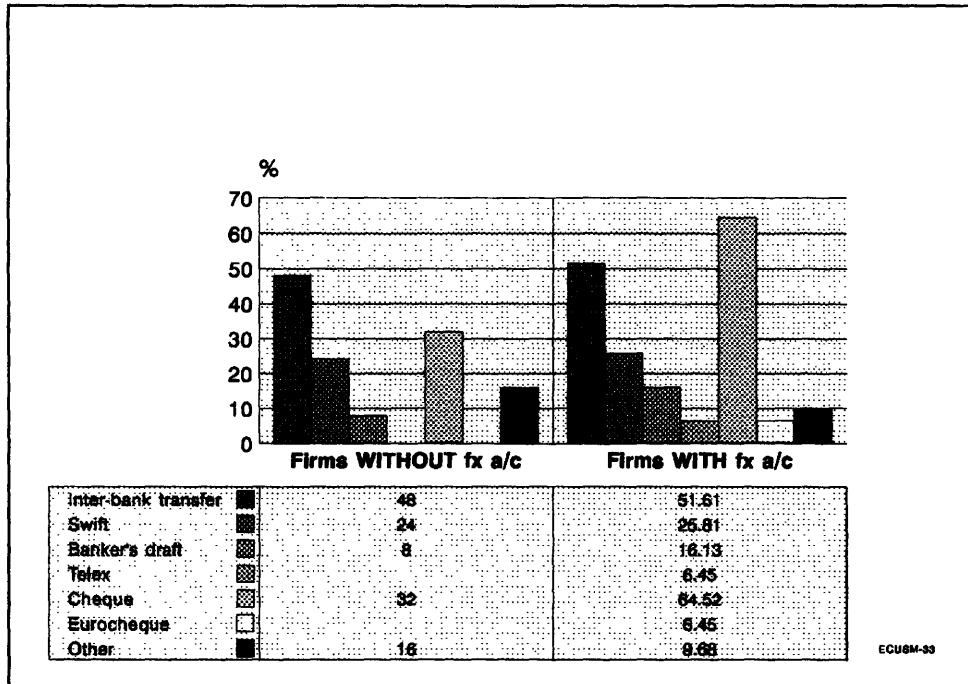
**Table 14**



**Comment**

Swift is favoured by non-forex account-holders for making overseas payments and is second most favoured after inter-bank transfers by forex account-holders. The preference of forex account-holders for cheques is understandable in the light of their extremely high satisfaction. Although fewer national currency account-holders use Swift or banker's drafts than do forex account-holders, none is dissatisfied with the results. Over one in five non-forex account-holders is dissatisfied with inter-bank transfers. Of the three forex account-holders who use telex transfers, only one finds them satisfactory. The one forex account-holder to use Eurocheques finds them unsatisfactory

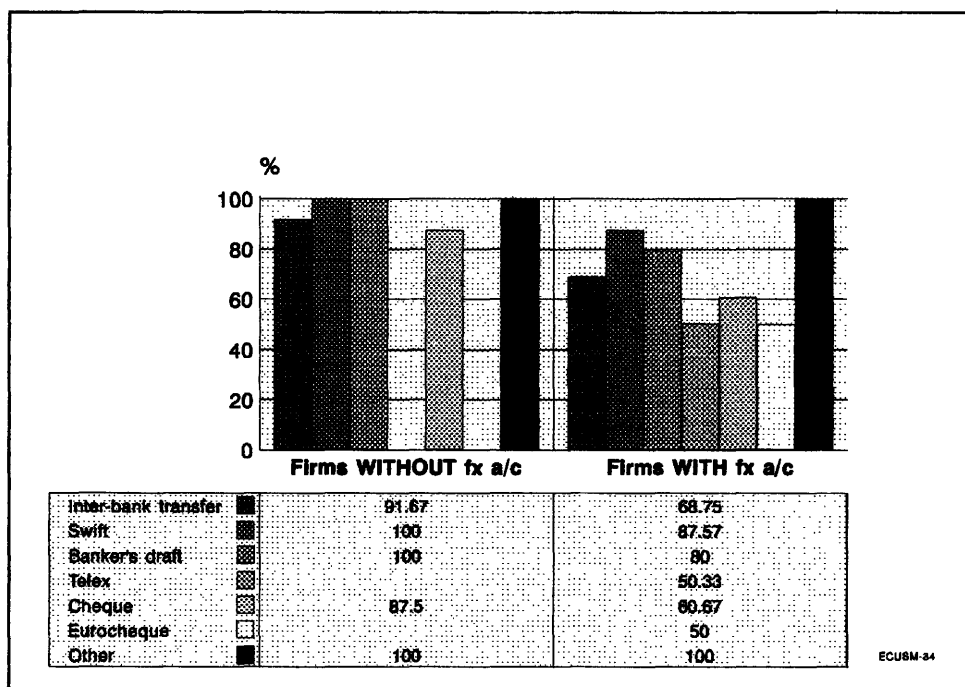
**Table 15**



**Comment**

Some half of firms with and without foreign currency accounts receive payment from abroad via inter-bank transfers. Forex account-holders receive twice as many cheques as non-forex account-holders: the same situation as for sending cheques. Swift is used by both types of firm in only around a quarter of cases. Again, forex account-holders use telex, albeit to a limited extent (two firms), where non-forex account-holders do not. Two forex account-holders receive payment via Eurocheque. "Other" methods of paying both types of account-holder include letters of credit. One national currency account-holder permits 60 day bills of exchange.

**Table 16**



**Comments**

The results here suggest that firms might benefit from a better understanding by purchasers of their suppliers' needs as regards the payment method used. Given purchasers' high usage of inter-bank transfers, it is worrying that over three in ten suppliers who hold a forex account find these unsatisfactory. Banker's drafts are not much used, yet are generally satisfactory to all firms. Cheques may be purchasers' preferred way of paying forex account-holders, yet nearly two in five such recipients do not find them satisfactory. Cheques are far more satisfactory to non-forex account-holders, who, however, receive fewer. Of the two forex account-holders paid by Eurocheque, one finds this unsatisfactory.

## 2.5 USING THE ECU

### CONTENTS OF THIS SECTION

1. USE OF THE ECU
2. THE ECU'S ADVANTAGES AND DISADVANTAGES
3. BANKS' ECU SERVICES
4. PROMOTING THE ECU

### 2.5.1 Use of the Ecu

#### **Actual SME Use**

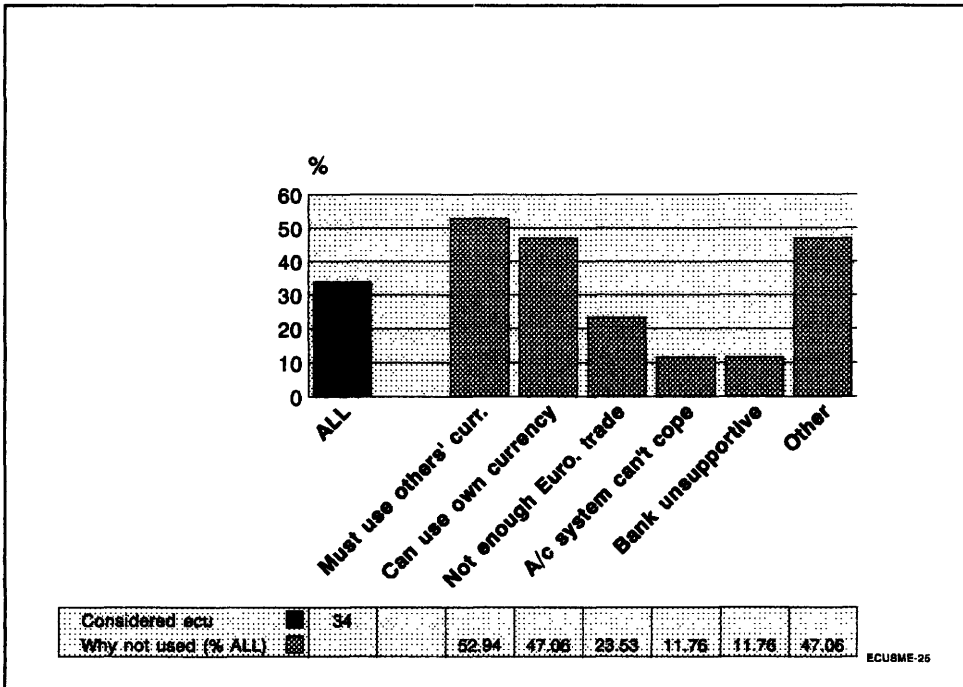
Out of 56 SME respondents, five (nine per cent) have used the ecu, of whom four continue to do so. The ecu's share of their total trade ranges from less than 1 per cent to 20 per cent, with an average share of 4.83 per cent. Three of the firms have used the ecu for invoicing and two for making payments. Four out of five have found it quite or very easy to use and only one quite difficult. On the whole, the firms have used the ecu at the request of a supplier or purchaser (in one case, the European Commission). Only one firm has actively *chosen* to use the ecu, in order to minimise exchange risks, other transaction costs and treasury management costs: this firm is also the only one to perceive a benefit from using the ecu, which has saved it money.

As we believe these responses are of particular interest to the Commission, we detail them in Table 17 below.

**Table 17**

<b>FIRMS WHO HAVE USED THE ECU</b>						
<b>Type of firm (Country)</b>	<b>Ecu trade (%)</b>	<b>How ecu was used</b>	<b>Why ecu was used</b>	<b>How easy ecu was to use</b>	<b>Difficulties</b>	<b>Benefits</b>
Exporter (L)	>1	Making payments	Supplier's request	Quite easy	None	None
Exporter (B)	20	Invoicing	Purchaser's request	Very easy	None	None
Importer/Exporter (N)	Used once	Invoicing	Purchaser's request (CEC)	Quite difficult	Problems with own bank and internal accounting	None
Travel agent (P)	5-10	Invoicing	To minimise exchange risks and costs	Very easy	None	Saved money
Other tourism (Dk)	1	Making payments	Supplier's request	Very easy	None	None

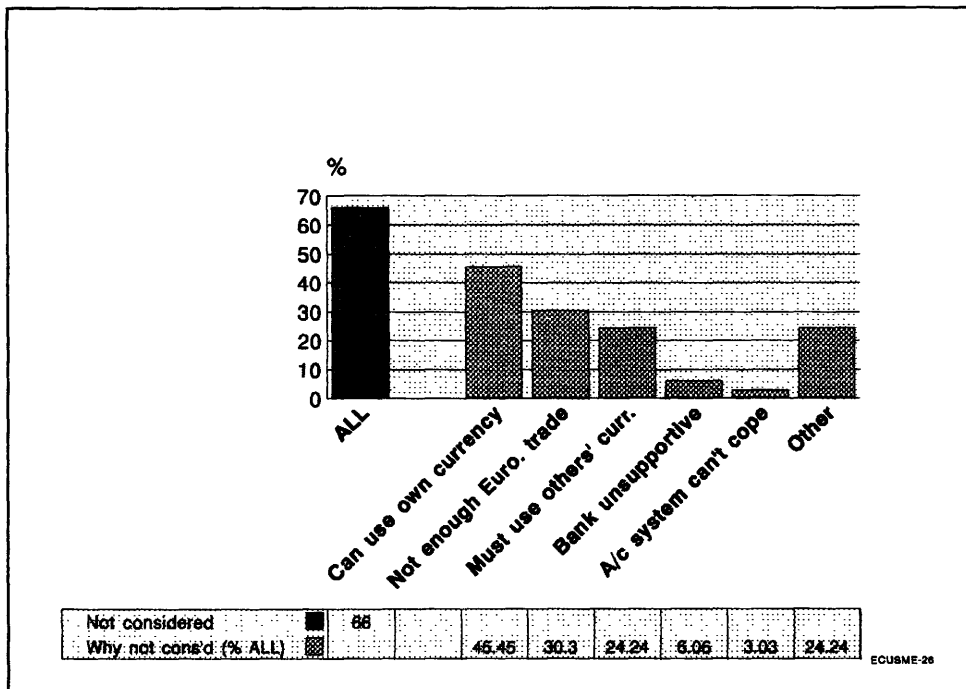
**Table 18**



**Comment**

Of those firms who have not used the ecu, a third say they have nevertheless considered doing so. Of these, most have then chosen not to use the ecu because their suppliers and purchasers either insist on using their own currency or are willing to use the firm's currency. Among those who cited other reasons, an exporter felt the ecu did not eliminate exposure, an importer/exporter said it was not used in transactions outside Europe, a tour operator and another tourism professional said the ecu was not used enough generally and a travel agent claimed the ecu was not used in the tourism industry. (Firms could give more than one answer.)

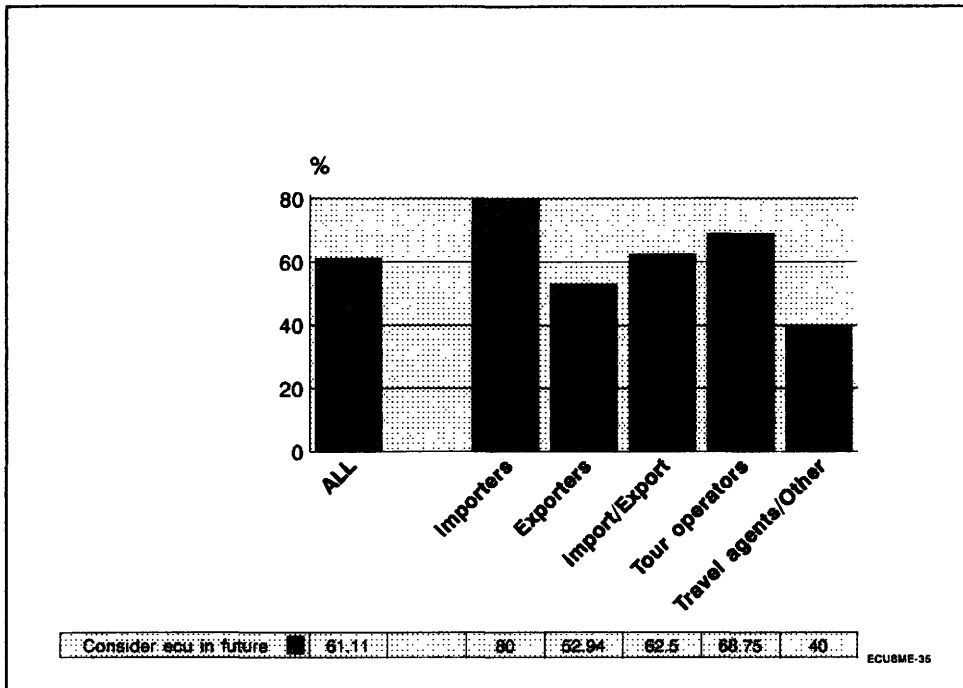
**Table 19**



**Comment**

Two-thirds of those who have not used the ecu have not even considered doing so. The main reasons for this are, again, that suppliers and purchasers either use the firm's currency or - just over half as many - use their own currency. For nearly a third of firms, using the ecu has just never occurred to them. Among other reasons for not considering the ecu, an importer and an exporter/importer were satisfied with their hedging exposure. Another importer said that the banks had never advised them to use the ecu. One of the exporters said they lacked good information about the ecu, while another importer/exporter said they did not know about the ecu's advantages.

**Table 20**



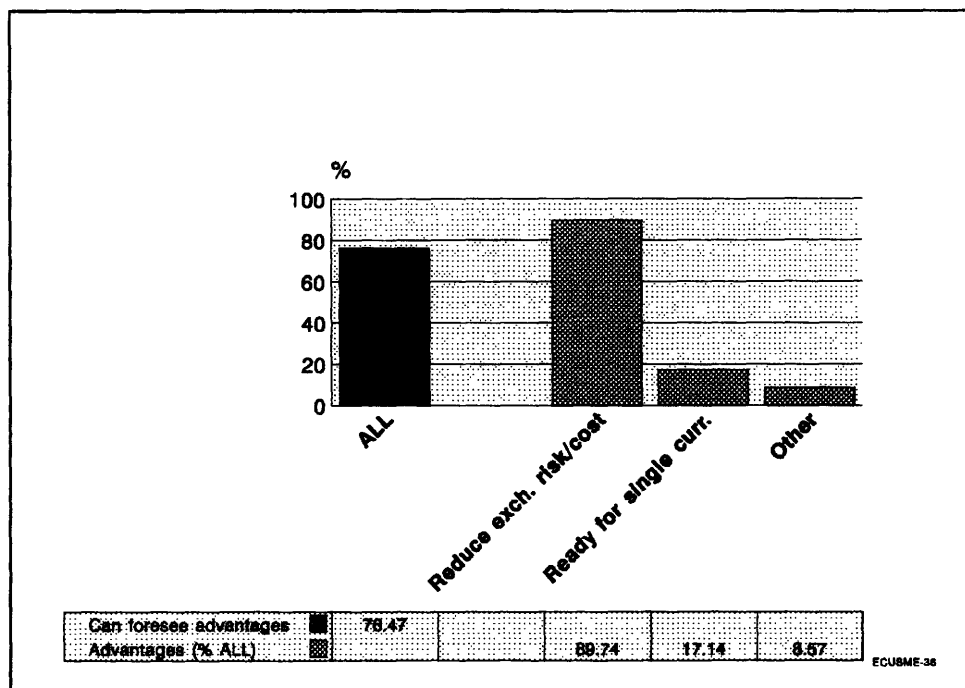
**Comment**

Given a consistent level of trade with other European countries, a majority of firms of all types, particularly importers and tour operators, would consider using the ecu in the future.

Of those firms who would not, one tour operator said that the ecu was too complicated for internal accounting, another that their bank was not supportive, and a third that suppliers/purchasers used their currency. Two other firms were required to invoice/pay in specific foreign currencies. Not everyone realises that the ecu has the full legal status of any foreign currency: one travel agent said he would remain discouraged from using the ecu as long as legislation remained complex and banks continued not to be supportive.

2.5.2 The Ecu's Advantages and Disadvantages

**Table 21**

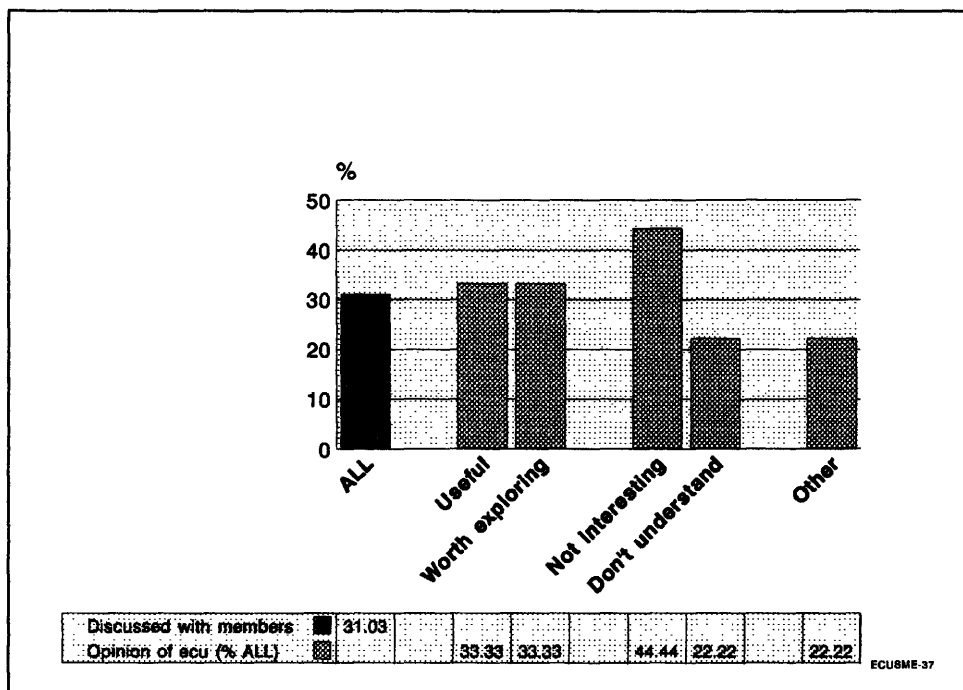


**Comment**

Despite their current lack of use of the ecu, three-quarters of those not using it feel there could be distinct advantages to doing so in the future. This applies to all types of firm, with tour operators most persuaded. For nearly 90 per cent of those who foresee benefits, using the ecu could minimise exchange risks, other transaction costs and treasury management costs. 17 per cent feel it might be an advantage to obtain familiarity with the ecu now in preparation for the introduction of a single currency.



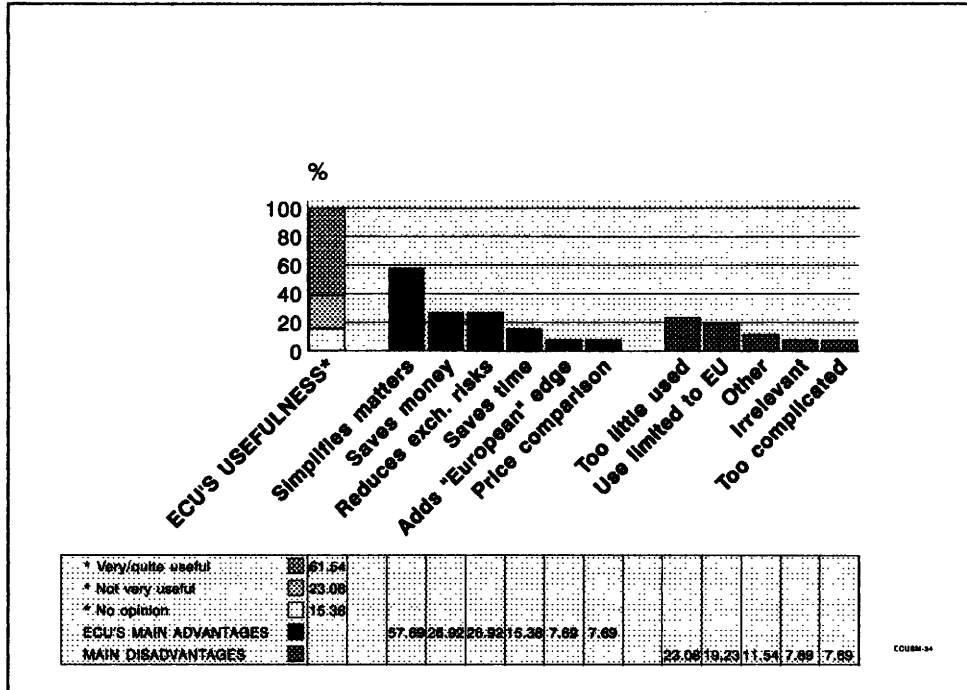
**Table 22**



**Comment**

Three out of ten organisations have discussed the ecu with their members. For every organisation whose members did not understand the ecu or were not interested, another's members found it useful or worth examining further. One also commented that it was useful for budgets and for giving a quick understanding of the finances involved in a project. Another who said he thought the ecu worth exploring had nevertheless been discouraged from following up by the crisis in the ERM.

**Table 23**



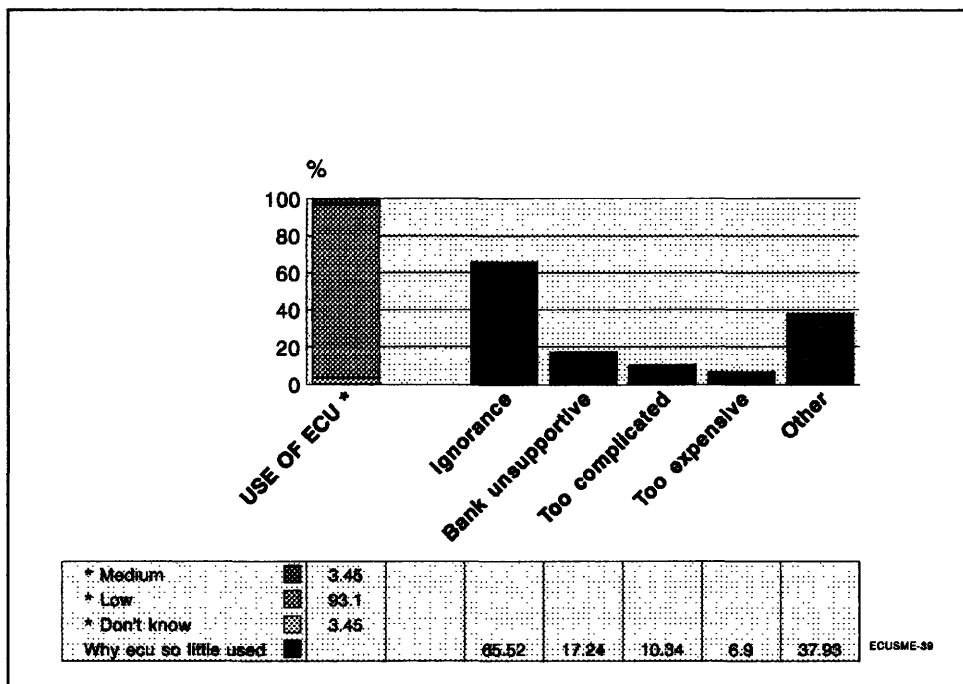
**Comment**

Excluding the five who expressed no opinion, three in four business organisations believe the ecu is useful to those trading in more than two European countries while one in four thinks it not very useful. None thinks it useless.

The advantages of using the ecu support each other. Nearly 60 per cent of business advisers see the ecu's main advantage as making trading simpler; over half as many believe it can reduce forex risks; and a quarter of the total think it can save money. Saving time, making firms seem more "European" and enabling easier price comparison between countries are all seen as further benefits.

The main complaint is that its use is too limited, being confined to the European Union. Another major disadvantage is the chicken and egg situation noted at the beginning of this section: that not enough firms use it. Two organisations felt the ecu is just too complicated for most firms to use, which throws up the wider question of the difficulty that small firms in general have with treasury management. (In all cases, more than one response was possible.)

**Table 24**



**Comment**

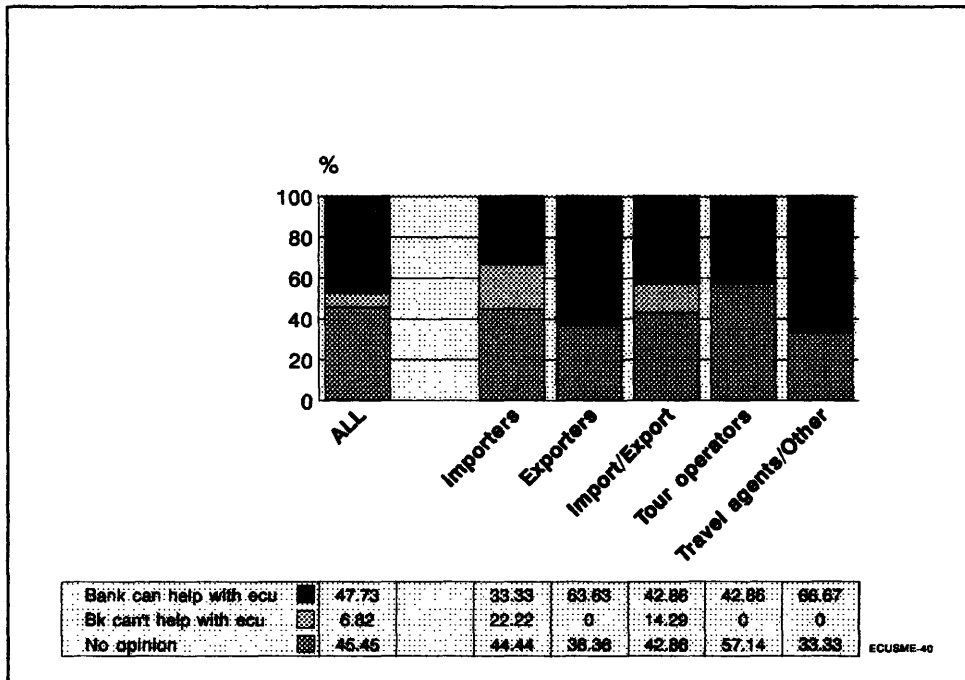
SME organisations almost uniformly believe their members' use of the ecu to be low. Only one trade association ventured that it might be medium level, citing contracts with the European Commission as a reason: such contracts often require firms from several EU Member States to come together in loose associations, budgeting in ecu for the sake of simplicity.

In the organisations' opinion, the main obstacle to greater use of the ecu is ignorance, although lack of bank support also plays a role. Among other reasons cited below, some imply that ignorance may not be confined to members:

- Other parties often prefer their own currencies, the deutschmark or US dollar, and recent currency instability is likely to encourage this, given the ecu's basket nature (*making a disadvantage out of an advantage*);
- Too few firms use the ecu: it is not generally accepted (*a chicken and egg situation*);
- The need to change currencies twice between suppliers and purchasers (*missing the point*);
- "The ecu is a value and not a currency for transactions among EU Member States' firms";
- Most members find finances generally a complete mystery: banking in their own currency is enough of a problem.

2.5.3 **Banks' Ecu Services**

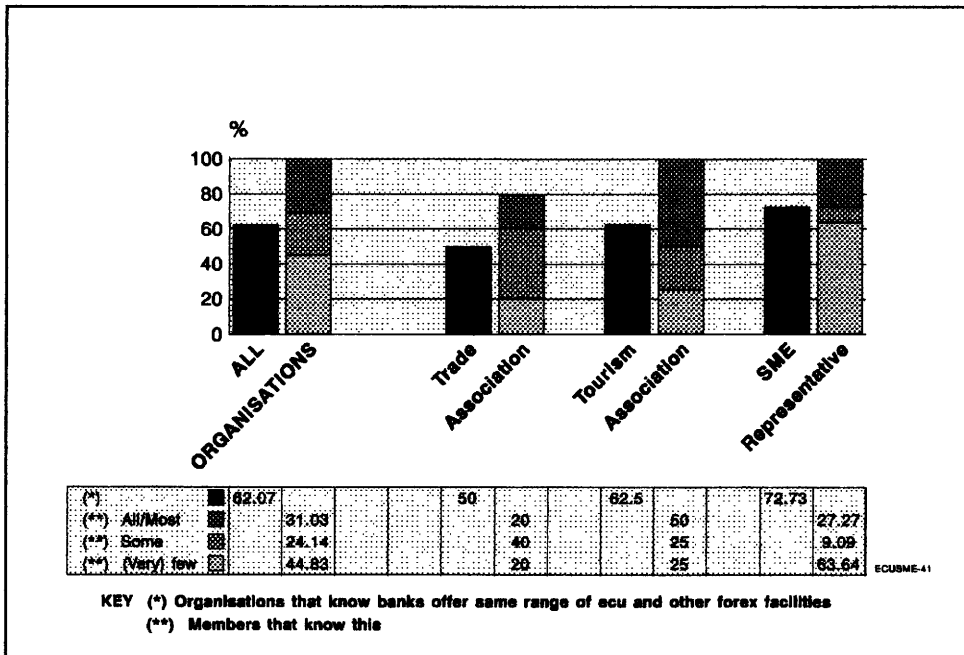
**Table 25**



**Comment**

As Part 1 of this study confirms, most banks offer a wide range of services in ecu. Yet of respondents to this question (79 per cent response), almost as many firms do *not* know whether their bank can help them use the ecu as do know this. Nearly two-thirds of exporters, however, know of their banks' ecu services, as did two of three respondent travel agents/other. Three firms (making 20 per cent of importers and 14 per cent of importers/exporters) were sure their banks were not in a position to help them.

**Table 26**



**Comment**

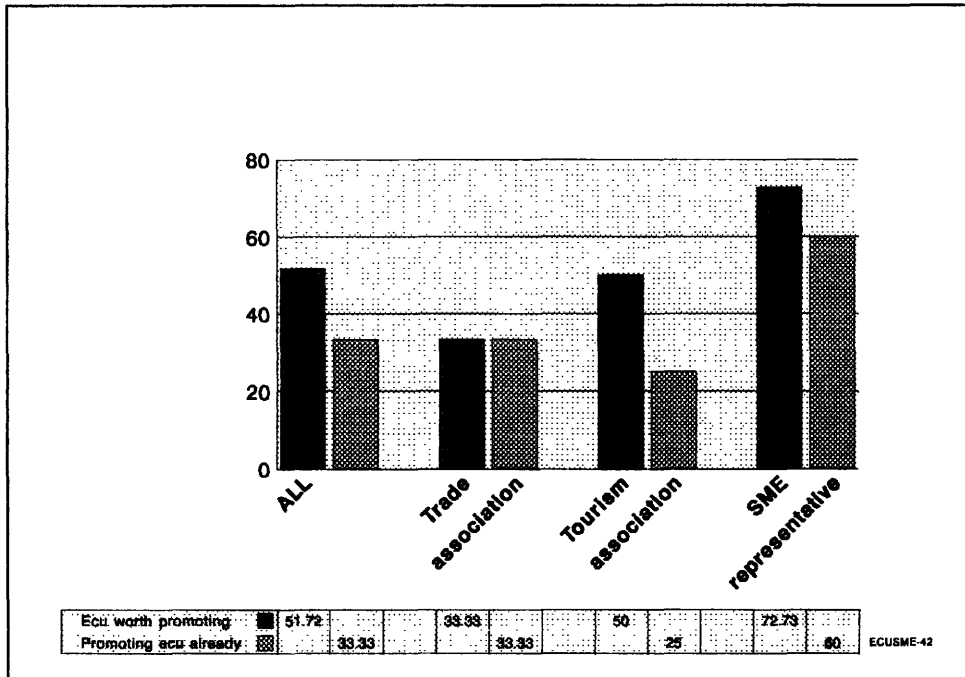
Business organisations show themselves to be better informed than their potential members. Over seven out of ten SME representatives know that banks offer the same range of facilities in ecu as in other foreign currencies, while six out of ten tourism associations and only half of the trade associations are aware of this.

Only among tourism associations is even a half confident, however, that all or most of their members know about ecu banking services. Indeed, 60 per cent of SME associations fear that few or very few of their members are properly informed.

2.5.4 **Promoting the Ecu**

One point raised by many commentators is that the ecu, not to mention the ecu services provided by banks, suffers from not being sufficiently well known. An element of promotion may be called for.

**Table 27**



**Comment**

Over half the organisations believe the ecu is worth promoting and 35 per cent claim already to be doing so. SME representatives are particularly keen on promotion and trade associations less so. Tourism associations appear keen but are doing least.

Current promotional actions are not overly inspiring. For example:

- Giving information and answering questions (*reactive*);
- Briefing members on new European Union loans denominated in ecu (*part of normal activity*); and
- Working with the CEA-PME (Confédération Européenne des Associations de Petites et Moyennes Entreprises) to promote the idea of the ecu as a parallel rather than a single currency (*political rather than immediately practical*).

We asked the organisations to suggest how the ecu could be promoted further both by themselves and by the wider business community. Leaving aside two bodies which wanted the ecu immediately to become a parallel and single European currency respectively, some half of the business advisors provided us with practical ideas.

Four organisations (15 per cent of the total) called for the EU to promote the ecu more itself. Another wanted the banks to encourage its use. There was a repeated wish for more information, perhaps through publications, explanatory brochures and special information documents. One respondent commented: "Courses are not useful, but campaigns linked to other projects are, such as our own current programme on treasury management, in which the ecu may figure".

## 2.6 FOOTNOTE

Further to the main interviews, we felt it might be of interest to ascertain the views of two relevant umbrella organisations, the International Hotel Association (IHA) and the Association pour l'Union Monétaire Européenne (AUME). The IHA was surprisingly dismissive of the ecu, while the AUME was, as expected, enthusiastic, although not blindly so.

### 2.6.1 International Hotel Association (IHA)

The IHA comprises 3,000 small hotels and hotel chains worldwide. 35 per cent of members are in western Europe and 10 per cent in eastern Europe, while a significant 40 per cent are in the USA, with 15 per cent in other countries.

The IHA estimates its members' use of the ecu to be low, with most invoicing in either the firm's own currency or the US dollar. Although the IHA is aware that banks offer full ecu facilities, it doubts that its members know this. It has not discussed the ecu with members.

Indeed, the IHA believes the ecu to be of no use even to firms trading in more than two European countries, describing it as "a waste of time for both parties" to a transaction.

### 2.6.2 Association pour l'Union Monétaire Européenne (AUME)

Ten per cent of the AUME's members are medium-sized firms and 90 per cent are large, all trading internationally.

The AUME also estimates its members' use of the ecu to be low, the reasons being that general usage of the ecu is low (again the chicken-and-egg situation), end consumers do not use the ecu and public administrations are not supportive.

The association believes that the ecu can be most useful for particular activities, such as tourism and transport, and in particular countries. It thinks that most of its members are aware of banks' range of ecu facilities.

For the AUME, the ecu is "quite" (as opposed to "very") useful to firms trading in more than two European countries: it can simplify matters and save money and time, "depending on the transaction volume and the countries". The association is promoting the ecu by invoicing and quoting subscription fees in ecu. It would like to see the ecu boosted by political promotion as a second "own" currency, which could be encouraged through grants.



**Part 3: RECOMMENDATIONS**

### 3 RECOMMENDATIONS

We make here some brief recommendations on possible European Commission action to encourage firms to make more use of the ecu. Our comments aim to make use of the results of this survey and are based both on these and on BDO's own experience as advisors to small and medium-sized enterprises.

- (1) There is a clear willingness among SMEs to examine the ecu but there is also great caution and inertia about actually using it. There is also a demand for more information on the ecu. Such information needs to be clearly targeted and relevant.
- (2) Any initiative should be framed in the down-to-earth language of SMEs themselves, stressing the savings the ecu can offer in terms of money, time and administrative simplification. It should be rigidly practical and address businesses' bottom line profit.

Building the ecu from the ground up in this way, through practice rather than theory, could help promote the market demand which will stimulate the wider political action needed for the single currency to become a reality.

- (3) As the final comment on Table 24 above stresses, many SMEs view foreign currencies in general as a minefield. The more that SMEs become acquainted with basic treasury management, the more they are likely to regard the ecu seriously. The Commission might therefore like to consider ways of placing the ecu in the wider context of encouraging SMEs to develop an effective approach to foreign currency management, as the association mentioned above is doing within its current treasury management training programme.
- (4) This approach could involve more than one Directorate General, eg DG II, DG XXIII (under the heading of improving the business environment) and DG XV (under the heading of cross-border transfers).
- (5) In the first instance, the Commission could consider the creation of a brochure which aims to demystify the use of foreign currencies (possible title: *Managing Foreign Currencies to Build Business Success*). This might be in three parts: the first would encourage SMEs to consider a more active use of foreign currencies; the second would suggest using the ecu as part of an overall forex approach; and the third would show companies that banks offer a wide range of services in ecu, based on the Ecu Banking Facilities tables in Part 1 of this report. The booklet should take account of regional/ national differences of approach, as well as of moves towards monetary union.

- (6) As one of the firms in this report highlights, the Commission itself, by virtue of the fact that it carries out virtually all of its financial dealings in ecu, has had a significant impact on the use of ecu by its suppliers. Consideration might also be given to an initiative that encourages *purchasers* to give more active consideration to using the ecu and inspires them to discuss with its suppliers how this might be mutually beneficial.



**APPENDIX A**

**LLOYDS BANK: NOTES AND ASSUMPTIONS**



## **APPENDIX A**

### **LLOYDS BANK: NOTES AND ASSUMPTIONS**

**1** We have interpreted **currency facilities** as follows:-

**Currency Account:** an account requiring no notice of withdrawal.

**Deposit Account:** an account paying credit interest, with or without a minimum period of notice of withdrawal.

**Cheque Book:** cheques drawn on the account-holding bank, by the account holder, in the currency of the account - such cheques may or may not be eligible for passing through a clearing system in the currency concerned.

**Cheque Card:** a card guaranteeing that a cheque issued, in conjunction with it, will be honoured, subject to certain conditions - such cards are not issued by Lloyds Bank to non-personal account-holders, and are not available on accounts other than in UKL.

**Travellers Cheques:** cheques issued for standard amounts for use by tourists and other travellers.

**Loans:** a loan drawn in full or a small number of agreed tranches, repayable according to a fixed schedule.

**Overdrafts:** a loan drawable on a flexible basis, at the account-holders desire (subject to a maximum figure), without a fixed repayment schedule.

**Commercial Mortgages:** a loan provided solely and exclusively for the purchase of business premises - Lloyds Bank would potentially, make a loan for this purpose, but does not differentiate from any other loan (see above).

**Letters of Credit:** an undertaking given by the Bank on behalf of its customer, in cover of a commercial transaction, issue subject to the appropriate uniform customs and practice brochure of the ICC.

**Discounted Bills:** the purchase of a bill of exchange, subject to recourse, prior to its due date, at a price less than the full face value.

**Certificates of Deposit:** a negotiable certificate specifying that the original holder has placed a deposit with the Bank, repayable with interest on a fixed date - the normal minimum is several hundreds of thousands of pounds, or currency equivalent, which would make it inappropriate for the majority of small business customers.

**Call and Fixed-Term Deposits:** similar to Certificates of Deposit (see above) but not evidenced by a negotiable certificate - Call Deposits are difficult to differentiate from Deposit Accounts (see above).

**Spot & Forward Exchange Contracts:** Contracts for provision of one currency against delivery of another, on an agreed date, at an exchange rate agreed in advance.

**Forward Rate Agreements:** a hedging mechanism allowing interest rates to be fixed in advance.

## **2 Charges**

All transfers and cheque collections involve the use of a branch or correspondent bank in the foreign country. In most cases the correspondent bank will be selected according to the destination of the transfer, or the bank on which a cheque is drawn. Most such correspondent banks, by long-standing convention impose their own commission charges for handling their part of the transaction, and such charges are paid for separately by the parties to the transaction (they are not included within the tariff applied by the principal bank). In view of the large numbers of banks, in many different countries, it is almost impossible to state simply what the minimum and maximum charges for any given transaction might be. Nevertheless, we have endeavoured to identify the lowest potential charge (often where a bank states that it will handle certain specific types of transaction without additional charge) and a likely maximum charge, often where a bank has a high minimum charge for carrying out a specific transaction. In the case of our own charges, the lowest charges for a transfer is for a non-express transfer, whilst the maximum charge is for an express transfer.

- 3** The arrangements for clearing a cheque written in ecu have been assumed to exclude eurocheques since these are specifically asked about in a later question. As there is no clearing system (other than the limited one for eurocheques) for cheques expressed in ECU, all such items have to be collected specially, which results in relatively high charges. Again, as mentioned in (2) above, the charges imposed by the correspondent bank, which may be the bank on which the cheque is drawn, vary widely, and only a representative minimum and maximum can be quoted.
- 4** We have defined a "Eurocheque" as one that is drawn within the eurocheque scheme: i.e. it is one drawn in the appropriate currency for the place of drawing, and does not exceed the maximum clearing amount (MCA). Since the MCA varies with the currency, a "notional" MCA of ecu 1000 has been used to calculate what the maximum commission charge would be. The individual currency MCAs are intended to be approximately equal to ecu 1000, so this assumption appears to be reasonable as a means of calculating the commission.
- 5** We have, as mentioned, elsewhere answered this questionnaire on the assumption that what is required is an estimate of the end-to-end transaction costs as seen by the principal party (eg ordering customer) to the transaction concerned, thus, with eurocheques, since all charges are paid by the drawer of the cheque, the clearing of such a cheque on behalf of the payee is "free".
- 6** There are no circumstances in which a eurocheque drawn in the United Kingdom would be expressed in US dollars.
- 7** The exchange rates we have quoted are representative of those in use on 10 January 1994 for relatively small transactions within the range quoted in Section 2. It should be noted, however, that it is not claimed that any individual transaction would have been carried out at these rates.



**APPENDIX B**

**CRÉDIT AGRICOLE: NOTES AND ASSUMPTIONS**



## **APPENDIX B**

### **CRÉDIT AGRICOLE: NOTES AND ASSUMPTIONS**

#### **Notes complémentaires concernant le questionnaire**

Note liminaire: notre clientèle de particuliers s'est détournée de l'usage de l'ECU depuis que le taux d'intérêt du FRF a cassé d'être supérieur à celui de la devise européenne. D'autre part, l'ECU convient mal aux usages touristiques, n'étant pas une monnaie. Nos réponses concernent donc essentiellement une clientèle de PME/PMI

#### **1 Utilisation des Devises**

Depuis la suppression du contrôle des changes, tout support de paiement (carte, chèque, virement...) peut être utilisé pour effectuer un paiement libellé en devise convertible et transférable. Il n'est pas délivré de "formules" spécifiques. Le client utilisera son chéquier habituel pour libeller un chèque en devise étrangère en faisant figurer le nom et le sigle ISO de la devise de règlement (remplacer la mention imprimée "BPF" figurant sur le chéquier par la mention BP DEM pour un paiement en deutschmark, BPF XEU pour un paiement en ECUs, BP USD etc... sans oublier de barrer le "F" de la mention préimprimée). Le client sera débité de la contrevaletur en francs français (cours import) des devises au jour du débit du "nostro" de la CNCA chez la banque de clearing. Nous attirons donc l'attention de la clientèle sur le risque de change qu'elle supporte de ce fait (le cours de la devise varie entre la date d'émission du chèque et la date du débit du compte); si le chèque est d'un montant conséquent, le client se protégera par une couverture à terme) sans préjudice des autres inconvénients de l'usage du chèque (risque de perte, insécurité, coût de traitement, allongement des délais...).

**Chèques de voyage en ECUs:** le dispositif est rapidement tombé en désuétude car non adapté aux besoins de la clientèle aussi longtemps que l'ECU n'est pas une monnaie.

**Eurochèques:** pas d'émission d'Eurochèque possible (en quelque devise que ce soit). Dans l'autre sens, conformément à la convention Eurochèque, l'encaissement d'un eurochèque "uniforme" (maximum 7000 FRF, garantie jusqu'à 14000 FRF) libellé en FRF est gratuit pour le bénéficiaire (principe du paiement pour le net). Le bénéficiaire d'un EC libellé en ECUs supporte la commission de change (1 pour mille, 75 FRF minimum).

**Prêts hypothécaires:** dans la mesure où l'hypothèque porte sur un immeuble sis en France, il est préférable de libeller le prêt en FRF (en cas de remboursement anticipé, les lois Neierz ont pour effet de faire supporter au prêteur la partie d'une perte de change excédant les indemnités légales, et en cas de défaillance de l'emprunteur, la mise en jeu de l'hypothèque procurera une recette en francs français). Toutefois en cas d'acquisition d'un immeuble par un non-resident ayant ses revenus à l'étranger, le prêt peut être libellé dans la devise de l'emprunteur, mais la durée du prêt sera plus courte et la quantité financée sera adaptée au risque de change.

## **2 Frais et Commissions**

### **Mouvements de fonds**

Si le donneur d'ordre possède un compte en devises (y compris l'ECU), un ordre de paiement libellé dans la devise du compte échappe évidemment à la commission de change (solution fréquemment adoptée par les entreprises ou les particuliers non résidents). En revanche, la banque perçoit une commission de  $\frac{1}{4}$  pour mille (minimum 110F), calculée sur le montant total des mouvements de capitaux enregistrés au débit du compte. Des frais d'arrêté de compte sont perçus à hauteur de 110F par édition demandée par le client (1 édition par an minimum).

### **Traitement des chèques**

Il faudrait distinguer les chèques dont le client du CA est bénéficiaire ("exportation") et les chèques émis par le client du CA ("importation").

Encaissement de chèques ("crédit sauf bonne fin" signifie que le client aura à supporter des intérêts débiteurs si in fine, le chèque n'est pas honoré): les frais sont moins élevés quand le chèque est libellé dans la monnaie du pays tiré (chèque allemand en DEM, américain en USD etc...), mais surtout le chèque peut être traité plus rapidement (le client gagne des jours de valeurs). NOTER que nous déconseillons l'usage du chèque en tant que moyen de paiement international du fait de son insécurité.

Dans l'autre sens, noter que la plupart des Caisses régionales ne prennent pas de commission de change pour l'utilisation en francs d'un compte ouvert en ECUs (recommandation de l'ABE).

## **3 Taux de Change**

Les cours de change indiqués correspondent au cours indicatif moyen pratiqué pour les opérations de change "tiré" n'ayant pas donné lieu à une négociation spécifique (il peut être assimilé à un "fixing"). Ils ne s'appliquent pas aux opérations de "change manuel" (vente/achat de billets étrangers).

**APPENDIX C**

**ATTITUDE OF THE ASSOCIATION FRANÇAISE DES BANQUES**



## **APPENDIX C**

### **ATTITUDE OF THE ASSOCIATION FRANÇAISE DES BANQUES**

Extract from letter from French office of 1 March 1994:

Nous vous prions de bien vouloir trouver ci-après un résumé des informations que nous avons obtenues ce jour auprès du Crédit Lyonnais puis de l'Association Française des Banques (AFB).

#### **Auprès du Crédit Lyonnais**

Lors d'une réunion, début février, la Commission d'Exploitation Bancaire de l'Association Française des Banques aurait déconseillé à ses membres de répondre à notre enquête car ni l'AFB ni la Direction du Trésor n'ont été contactées au préalable.

**Auprès de l'Association Française des Banques** (entretien avec Monsieur Benoin de la Direction des Affaires Bancaires)

Monsieur Benoin nous a confirmé la position prise par plusieurs banques, dont le Crédit Lyonnais, et nous en a expliqué les raisons:

- tout d'abord, il aurait été souhaitable d'avertir la Direction du Trésor,
- puis, l'AFB aurait introduit l'enquête auprès des banques,
- et enfin, le questionnaire aurait pu être envoyée aux directions générales des banques sélectionnées.

Lors de nos premiers contacts directs avec les banques, l'enquête avait été accueillie favorablement et toutes s'étaient engagées à y répondre.

Nous avons donc été surpris par ce brusque changement d'attitude dont nous n'avons pas été averti.





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