

# Inf€uro

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## Euro Trophies awarded to five proactive firms

The Euro Trophies – which are organised by the Association for the Monetary Union of Europe (AMUE) and supported by the European Commission – have been awarded to five firms which developed innovative approaches in preparing for the euro.



*Pedro Solbes, European Commissioner for economic and monetary affairs, on the occasion of the award of the Euro Trophies: "These exemplary approaches, which have been widely disseminated, can help other SMEs in implementing their euro plans."*

They were established by the AMUE in partnership with the European Federation of Accountants and IBM and, with the support of the European Commission, are awarded to firms which have adopted an exemplary approach in their switchover to the single currency. The experience of those firms can then be used to encourage and assist others in preparing for the euro. The aim here is twofold: to raise the awareness of European SMEs regarding the benefits of effective preparation and to identify good practices which can be useful for them. Many SMEs have not yet made serious preparations for the changeover to the euro. They are waiting until the last minute and at the risk of having to act hastily at the end of 2001 and of missing out on the advantages of proper administrative, business and financial preparations.

Several thousand firms took an interest in this event, which was managed on the relevant Internet site. The greater number of entries from France, Germany and the Netherlands is due to the fact that similar events had been held at national level. From the 79 entries finally selected, 20 were submitted to a European jury composed of representatives of the European Commission, the Association for the Monetary Union of Europe, the European Federation of Accountants and IBM. The jury met on 9 November in Brussels to select the award-winning firms. Under the regulations governing the event five SMEs are honoured, one from each category: manufacturing, commerce, tourism and leisure, transport and services and, finally, craft firms and one-man businesses. The professionals who assisted the firms, especially financial institutions and the Euro Info Centres, also received awards. (> 2)

### Internet Site

<http://europa.eu.int/euro/>





## (> 1) The five winning firms

Commercial firm: **Ben Vroklage Fashion**, Bussum, Netherlands

Tourism industry firm: **Figi**, Zeist, Netherlands

One-man business: **City Sensors**, Massy, France

Service company: **Schwingel Automaten**, Dorsten, Germany

Manufacturing company: **Newmec**, Monza, Italy

## The Euro Trophies: the five winners

### Ben Vroklage Fashion (Netherlands)

*Supported by: ABN/AMRO Bank*

This medium- to top-of-the-range clothing store for men and women is developing a partnership based on trust with more than 4 000 customers, who automatically receive a 5% bonus with each purchase. The transaction is carried out with the aid of an electronic card and till which make it possible to send regularly to each customer a voucher which can be set against the next purchase. Since the beginning of this year, the card and voucher – which are issued every two months – have been denominated in euros. The customers were advised of this transaction by letter in December 2000. The firm has now gone even further: price labels and receipts are printed in euros, plastic bags and envelopes show euro notes and coins, and the shop window also highlights the euro. The tills and other equipment are ready for the euro even now in order to avoid excessively high costs.

### Figi (Netherlands)

*Supported by: Deloitte & Touche and Rabobank*

This firm, which is active in the hotel business, catering, theatres, cinemas and the tourist industry, is a pioneer of the euro. Back in 1996 it already had dual-price displays based on the presumed value of the future currency! One year later, it introduced the virtual euro in its various businesses as a means of payment; this boosted public awareness in both the Netherlands and abroad and led to an increase in sales. At the same time, the company has disseminated its experience widely, to the extent of encouraging other firms to follow its example and develop a common synergy based on the euro. These communication and training efforts have been continued in 2001 in relation to both business-to-business transactions and consumers. Internally, Figi has chosen to introduce the euro in stages with a view to familiarising all of its staff with use of the euro. A conference on the opportunities created by the euro will be organised at the end of 2001.

### City Sensors (France)

*Supported by: Banque Société Générale and Banque Populaire BICS*

This high-tech SME works in the field of industrial pressure sensors. It exports 33% of its output. The firm took the plunge very early as regards using the euro and, as a result, it is now more competitive and able to devote all its efforts to other challenges, particularly commercial ones. By using the euro with

its customers, it has earned the image of a top-of-the-range firm. Its main supplier also works in euros, and this enables it to avoid the foreign exchange commissions charged by banks. City Sensors has also opened a second euro account to take advantage of competition between banks and thus to benefit from more favourable rates. All internal transactions have been carried out fully in euros since 1 January 2000. The staff, who are paid in euros, have been familiar with the currency since 1998.

### Schwingel Automaten (Germany)

*Supported by: Zenit GmbH/Euro Info Centre and Bundesverband Automatenunternehmer E.V. (a trade federation)*

This firm specialises in vending machines and is clearly very well placed to meet the challenge of the euro. It has drawn up an inventory of all the applications with a view to studying their compatibility with the euro. It was therefore able to ascertain quickly which machines could not be adapted. In connection with the purchase of new equipment, top priority has long been given to compatibility, and this has enabled the firm to cut expenditure and avoid unnecessary investment. The workforce was trained at a very early stage to use the euro, in particular with the assistance of a euro team working on the basis of a checklist. An in-depth analysis of the impact of the euro also made it possible to acquire suitable new software. Even if some work remains to be done, the firm considers that this dynamic approach to the euro has enabled it to increase its competitiveness, which is due, among other things, to the ability to work on a project management basis.

### Newmec (Italy)

*Supported by: Banca Intesa*

This company manufactures microprocessors and has been using the euro for all its transactions since January 1999. As it works with many customers and suppliers throughout Europe, this option has enabled it to eliminate the exchange-rate risk and reduce bank charges. The firm has, however, been obliged to continue using the lira in its own country because its private-sector partners in Italy and the public are not yet ready for the euro. Technically, the microprocessors are adapted for the euro, and this will ensure a smooth changeover when the euro becomes the only currency in circulation. Newmec is considered by its partners to be a vanguard company and it believes that this proactive preparation will very soon show up in improved competitiveness. ■



## 41 - SIMPLE QUESTION

Qu'est-ce qui est le plus cher : un litre de lait à 4 F. ou une baguette à 0,62 euro (ou 62 cents).

R C'est pareil, si l'on considère le taux de conversion d'un euro à 6,5 F.

10 euros

## Auchan "simplifies the euro" for its customers and staff

*"Following a brisk launch on 1 January 1999, which was preceded by intensive preparations, our shops attached new labels with prices in euros and they accepted the first payments in euros. An intensive communication campaign was carried out for several months. There was a great deal of curiosity and then..... nothing more. Until then, for most of us the euro had, as it were, ceased to be a daily concern. And yet....."*

It was with this realistic finding that the Auchan distribution group, which has a presence in five of the countries in the euro area, launched its campaigns to make a success of the final stage of the transition to the euro. It is a stage which, as Auchan's managers emphasise, will result in what *"promises to be a real cultural revolution for each of us, in both personal and professional terms"*. In this context, the approach adopted by Auchan therefore aims at being *"reassuring and educational"*. It will revive and restate all aspects of the commitment given at the outset: *"Auchan will simplify the euro for you."*

All levels of the company, which has a staff of nearly 110 000 in 201 hypermarkets and 523 supermarkets in the euro area, will be involved in the transition process. *"Accountants and management controllers at first, but also heads of department, managers and executives will be writing, reading and counting in euros."* Throughout 2001, Auchan will therefore, in particular, adopt an incentive-based and progressive approach in order to have tens of thousands of suppliers of merchandise and general expenditure items make the switchover smoothly: changeover programmes for relations with suppliers have been drawn up in each country, and payment in euros for all purchases and for company expenditures will become widespread throughout the year. In the case of wages, the changeover in 2001 will occur on a country-by-country basis: from January in Italy, from September in France and Luxembourg, from October in Portugal and from December onwards in Spain.

Since it is intrinsically well placed to facilitate adoption of the euro by millions of consumers, Auchan also intends to launch further initiatives. This will not be its first attempt, and various trials tend to show that, if these are backed up in an entertaining and intelligent manner, consumers will be ready to use the euro right away. Michel Paillard, who is in charge of communication relating to euro matters at Auchan, says: *"There are not many customers in France*

*who pay in euros - far from it. In September 2000 there were exactly 4 618 of them in the 118 hypermarkets. However, what is astonishing is that one of them registered a figure of 1 836 during that period."*

**What was the reason for this?** It can be found in the enthusiasm of the personnel of this hypermarket, which is located in Faches Thumesnil in Northern France. In February 1999 the personnel initiated drives and various awareness campaigns for both customers and staff. A working group made up of checkout employees actively prepares these operations, which include training in the use of the euro for customers, consumer protection associations and senior citizens (stand and euro guides) and also campaigns targeting children (drawing competition, snacks). Moreover, in-house training is provided for each new employee by means of a game specially created by Auchan and called *"Eurauchan"*. Round-table discussions with customers and many other ideas are also under consideration at this store.

The campaign will spread to all of Auchan's stores during 2001, with due regard for the national diversity of consumers. For example, Auchan Portugal has drawn up its own action plan built around two unifying themes: *"come to the euro"* and *"in euros or escudos, the price is still the same"*. In Portugal many campaigns have also been organised in stores since January of this year. For instance, all the hypermarkets will have a euro stand made up of a display of information sheets together with a giant price-converter and countdown mechanism designed to attract attention and maintain interest. Each day, a trolley full of shopping items will also be exhibited in the store and will go to the customer who guesses their euro value most accurately.

A major training programme targeting checkout employees as a matter of priority is also being prepared and coordinated on an international basis. Nearly 300 000 training hours will be devoted to it in the various countries during October and November 2001. Michel Paillard says: *"All these campaigns will be intensified and speeded up as the months go by. They will form part of an approach which we wish to make both reassuring and educational. The aim is to ensure that the transition to the euro will be as simple as possible for both our customers and staff."*

## 41 - SIMPLE QUESTION

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R C'est pareil, si l'on considère le taux de conversion d'un euro à 6,5 F.

10 euros

## Advice for shopkeepers: do not delay in seizing the opportunity to prepare for the euro



As you know, if you are a shopkeeper, you can decide whether or not to use the euro until 31 December 2001. However, you must be ready to do so on 1 January 2002. By that date, you must have converted your prices and accounts into euros and be in a position to accept payment in euro notes and coins. In addition, you will have a ringside seat as regards helping your customers to familiarise themselves with these coins and notes. It is therefore essential that you prepare for this right now, especially as the people and organisations who could advise you will be in increasing demand as the deadline approaches. Here we summarise for you the most important aspects involved.

### 1) Managing the euro in your business

Your business is unique. It is therefore for you to decide how to organise it. Nevertheless, you will not be alone in this regard, as many partners (trade associations, Euro Info Centres, financial bodies, etc.) can help you devise solutions. You should set about this without delay, e.g., by starting to convert some of your current prices into euros and by having dual displays of prices. Remember that only the official conversion rate should be used.

### 2) Communicating with your customers

You should not underestimate your customers' reactions. Some of them will be enthusiastic while others will perhaps be more worried. Whatever their reactions, your customers will expect to receive practical information from you and they will need to be reassured regarding the transparency of the transactions involved. You will therefore need to explain to them the current conversion and rounding rules, apply these scrupulously and show customers that conversion does not involve any price increases. Do not hesitate to use more than one method of communication (explanations, folders, displays). You can also subscribe to a voluntary code of good conduct which will enable you to put up a confidence logo (eurologo) in your shop.

### 3) Converting prices into euros

All your prices (in your shop, your catalogue or on your price list) will have to be displayed in euros by 1 January 2002 at the latest. In Greece and Austria, dual display of prices will be compulsory during 2001. Therefore, do not wait until the last minute: instead, proceed by stages, adopting dual display of prices for your most important products so that you, your staff and your customers will get used to these prices. In each case make sure that the conversion and rounding rules are correct and, where necessary,

use labels of different colours. As far as your cash register is concerned, you will need to indicate only the corresponding value for the total amount, not all prices line-by-line on a dual-display basis. In this way, you will more easily avoid rounding errors. In any event, you should make sure with your supplier that sales receipts are printed in euros as of 1 January 2002. Finally, do not forget to think about the question of psychological prices and rounded prices in euros: do not wait until the last minute to adapt your business strategy.

### 4) Introduction of euro notes and coins

Book-money payments in euros (transfers, cheques, cards) have been possible since 1 January 1999, while euro notes and coins will be used as from 1 January 2002. At the end of the dual circulation period, which will be at the end of February at the latest, only the euro can be used. Starter kits will be distributed to shopkeepers with a view to facilitating the introduction of notes and coins, although you will have to assess your supply requirements after 1 January 2002 in order to be in a position to give change in euros. It is well to remember that euro coins have a "national" face but that this will not prevent them from being used throughout the euro area. Also make sure to set aside somewhere other than your cash register where you will be able to store the national currency before sending it to the bank responsible for withdrawing it from circulation. You should also ascertain from your insurance company what additional measures, if any, should be taken if you find yourself holding more cash than usual during this period. It is at this stage, when you have to handle two currencies, that you will appreciate the extent of your own preparedness as well as that of your customers.

### 5) Relations with your staff, business partners and financial institutions

Like yourself, your staff will need to field customers' queries. They should therefore be able to explain the main features involved (conversion rate, rounding rules, payment methods, etc.). Do not hesitate therefore to include them right now in the transition process, especially as they themselves will be seeking information from you too (conversion of pay, bonuses, etc.). Your main suppliers and business partners themselves will probably not wait until the last minute to finalise their switchover to the euro. It is therefore essential that you consult them about their timetable right now, so that you will be in a position to prepare for it. Your accounts are not the only aspect involved: you will have to be able to negotiate your prices in euros. As regards relations with your

bank and accountant, you should make sure to enquire in particular about the availability of starter kits and about the practical aspects of managing the euro in your accounts. You should take into account the possible consequences of an accounting year which is different from the calendar year. If you settle these questions right now, you will be able to focus on your customers during the second half of 2001.

To sum up, as has been emphasised in particular by the Association for the Monetary Union of Europe <sup>(1)</sup>, only you can make the euro a success in your business. You should therefore always keep in mind the following:

#### What you should not do:

- Wait for the introduction of euro notes and coins before making your own preparations.
- Imagine that you will be able to convert all your prices into euros in just one or two days.
- Worry about not being able to cope with the changeover to the euro. (Most of the measures will be easy if you take them soon enough.)
- Use the euro to increase prices surreptitiously.
- Prevent your customers from using the euro.
- Expect your customers to know everything about the euro before using it.
- Become impatient if your staff have questions for you.

#### What you should do:

- Think about the euro right away and decide when you intend to take measures and which ones.
- Have your prices converted into euros by 1 January 2002 at the latest.
- Always use the exact conversion rate.
- Ask your staff to familiarise themselves with the euro.
- Ensure that your technical equipment (payment terminals, scales, etc.) is adapted in good time.
- Think of the practical aspects of handling two currencies during the dual circulation period.
- Ensure transparency for your customers.
- Keep an eye on what your competitors are doing.
- Talk about the euro with your business partners and financial institutions.

#### Two useful sites:

Eurochambres: <http://www.eurochambres.be/>

Eurocommerce: <http://www.eurocommerce.be/> ■

*(1) The site of the Association for the Monetary Union of Europe (AMUE) contains practical guidance in this matter, which was prepared with an eye to specific national conditions: <http://www.amue.org>*



### CD-ROM for very small firms

Among the many initiatives taken in the countries participating in the euro, the one by the French Euro Info Centres is particularly

interesting. Coordinated by the Bordeaux EIC, an eight-centre steering group (Dijon, Versailles, Paris CCI, Chalons en Champagne, Rouen, Orléans and Lille) has been offering the Tous prêts pour l'euro














CD-ROM, which has been specially designed for very small firms. It covers six topics such as conversion and rounding, dual display of prices and means of payment. Each topic can be covered in ten minutes, although this does not prevent the user from going into the matter in greater detail. Progress is guided by a "Super Euro" mascot. The CD also has a game with four problem levels designed to familiarise users with handling the euro during the dual circulation period. With every fourth customer on average, the shopkeeper receives payment in French francs or mixed currencies. He obviously has to give change in euros. A total of 250 000 CD-ROMs have been distributed free of charge by the EICs and through branches of Société Générale. ■

## Useful sites

## European institutions

European Commission: <http://europa.eu.int/euro/>European Parliament: <http://www.europarl.eu.int/>European Central Bank: <http://www.ecb.int/>

## Elements of the national cash changeover plans Government plans.

		Frontloading financial institutions	Sub-frontloading cash-in-transit/retailers	Frontloading coins to public	Free-of-charge * exchange by banks	Denominations of notes at ATMs	End-date of legal tender	Withdrawal of national coins	Exchange at banks after legal tender	Redemption ** after legal tender
<b>Participating countries:</b> <a href="http://euro.fgov.be/">http://euro.fgov.be/</a> <a href="http://www.bnb.be">http://www.bnb.be</a>		Belgium Notes: from November 2001 Coins: 1/9/2001	CIT: 1/9/2001 Retailers: 1/12/2001	15/12/2001	No limit for: notes until 28/2/02; note-coin by deposit until 31/12/02	€ (5), 20, 50	28/2/2002, midnight	By banks under control of BNB and Belgian Mint	31/12/2002	Notes: indefinitely Coins: end 2004
<a href="http://www.bundesfinanzministerium.de/">http://www.bundesfinanzministerium.de/</a> <a href="http://www.bundesbank.de/">http://www.bundesbank.de/</a>		Germany 1/9/2001	1/9/2001	17/12/2001	Subject to each bank's decision	€ 5, 10, 20, 50 mostly	31/12/2001 ***	By banks. Storage in special BBK facilities	At least until 28/2/2002. Effort for flexibility thereafter.	Indefinitely
<a href="http://www.mof-gl.k.gr/">http://www.mof-gl.k.gr/</a> <a href="http://www.bankofgreece.gr/en/">http://www.bankofgreece.gr/en/</a>		Greece 1/10/2001	1/12/2001	17/12/2001	No limit	€ 20, 50 mostly	28/2/2002	Through BoG and Treasury branches.	Positive; period to be defined	Notes: 10 years Coins: 2 years
<a href="http://www.euro.meh.es/">http://www.euro.meh.es/</a> <a href="http://www.bde.es/">http://www.bde.es/</a>		Spain Notes: 1/11/2001 Coins: 1/9/2001	CIT and large retailers: 1/9/2001 Small retailers: Dec 2001	15/12/2001	No limit	€ 10, 20, 50 or € 20, 50	28/2/2002	Following the same procedure used for the distribution of € coins	30/6/2002	Notes and coins : indefinitely
<a href="http://www.finances.gouv.fr/euro/">http://www.finances.gouv.fr/euro/</a> <a href="http://www.banque-france.fr/">http://www.banque-france.fr/</a>		France Notes: 1/12/2001 Coins: 1/9/2001	CIT (notes) and retailers : Dec. 2001 CIT (coins): 1/9/2001	14/12/2001	No limit	€ 10 and 20 mostly	17/2/2002 midnight	Standardised packing for retailers; storage BdF	30/6/2002	Notes: 10 years Coins: 3 years
<a href="http://www.ir.gov.ie/ecbi-euro/">http://www.ir.gov.ie/ecbi-euro/</a> <a href="http://www.centralbank.ie/">http://www.centralbank.ie/</a>		Ireland From 1/9/2001	Notes : 15/11/2001 Coins earlier	17/12/2001	Up to an overall total of at least IEP 500 per individual	€ 10 and 20 predominantly	9/2/2002 midnight		For a period not yet specified	Indefinitely
<a href="http://www.tesoro.it/Euro/">http://www.tesoro.it/Euro/</a> <a href="http://www.bancaditalia.it/">http://www.bancaditalia.it/</a>		Italy Banks and post offices Notes: 15/11/2001 Coins: 1/9/2001	Retailers: final days of 2001	15/12/2001	Recommendation € 500. No limit on one day notice	€ 50 and 10 or € 20 and 10	28/2/2002	50 and 100 lire coins to be withdrawn before 2002	Banks to continue the exchange on a voluntary basis	10 years
<a href="http://www.etat.lu/FI/">http://www.etat.lu/FI/</a> <a href="http://www.bcl.lu/html/fr/index.html">http://www.bcl.lu/html/fr/index.html</a>		Luxembourg Notes and coins (banks and post offices): 1/9/2001	1/9/2001	15/12/2001	Free for clients; free for non-clients in - the € change centres	€ 20, 50 or 100; € 5 and 10 in selected ATMs	28/2/2002	By banks under BCL control	30/6/2002	Notes: indefinitely Coins: end 2004
<a href="http://www.euro.nl/">http://www.euro.nl/</a> <a href="http://www.dnb.nl/">http://www.dnb.nl/</a>		Netherlands Notes and coins: 1/12/2001	Retailers: 17/12/2001 For training purposes small quantities in October	17/12/2001: free kits for those over 6 years; larger kits for sale	No limit until 1/4/2002; exchange via bank account	€ 5, 10, 20, 50	28/1/2002 midnight	By banks and NCB. Retailers can use a free collection service. With a phone call the guilder coins will be collected within 3 days at the shop premises.	31/12/2002 (banks may charge for the exchange as from 1/4/2002)	End-date: notes 1/1/2032; coins 1/1/2007
<a href="http://www.euro.gv.at/">http://www.euro.gv.at/</a> <a href="http://www.oenb.co.at/">http://www.oenb.co.at/</a>		Austria Notes and coins: 1/9/2001	1/9/2001	17/12/2001	Recommended ATS 50 000	€ 10 and 100	28/2/2002	By banks and CIT under control of the OeNB and the Mint	To be decided individually by banks after 28/2/2002	Indefinitely
<a href="http://www.infoeuro.pt/">http://www.infoeuro.pt/</a> <a href="http://www.bportugal.pt/">http://www.bportugal.pt/</a>		Portugal Notes : 1/10/2001 Coins : 1/9/2001	Retailers: 1/12/2001	17/12/2001	Free for clients	€ 5, 10, 20, 50	28/2/2002	Storage in special facilities	30/6/2002	Notes: 20 years Coins: end 2002
<a href="http://www.euro.fi/">http://www.euro.fi/</a> <a href="http://www.bof.fi/">http://www.bof.fi/</a>		Finland Notes and coins : 1/9/2001	CIT. Notes and coins: 1/9/2001 Retailers : start December 2001	Packs 1 piece of each coin at face value: 15/12/2001	No limit	€ 20 and 50	28/2/2002	Storage in special facilities	To be decided individually by banks	Notes and coins: ten years

\*For clients. \*\* At central banks. \*\*\*In line with the "Joint declaration" the use of DM banknotes and coins is allowed at least until 28/2/2002

## Communication plans of the euro-area Member States



### Belgium: the "Master Plan"

In Belgium the preparations for the euro began in the summer of 1996 and the General Euro Commission was set up several months later. From the outset, communication has been one of the main features of the campaigns undertaken in particular by the COM EURO COM Group, which, among other things, has the task of coordinating all the various campaigns. The overall objective is not to persuade Belgian citizens of the usefulness of the euro (as polls show that the euro is fully accepted in Belgium) but rather to guide and influence the behaviour of the population so that the changeover will take place under optimal conditions.

Following a very active phase during 1998 and the first half of 1999, the communication initiatives have become far less frequent. However, while the general public has sometimes had the impression of an information overdose, surveys show that actual knowledge of the euro is still limited as regards not only the timetable for its introduction but also its practical characteristics. The Master Plan 2001, which is guiding official Belgian communication policy for the introduction of the euro, has three priority targets:

- The general public, whose awareness has been raised since the end of last year and will be raised throughout 2001, with a peak occurring during the fourth quarter: The tools used include

the Internet site of the Federal Information Service (in particular FAQs), the federal government's freephone number and distribution of a sixth folder. Four aspects were selected in connection with the launch of information campaigns directed at the general public: in June prior to the launch of the scenario for an early changeover to the euro; in September before the "piggy bank"

event; and in December regarding early supply of notes and coins to the general public and the scenario for their introduction.

- Companies and especially SMEs, self-employed people and microenterprises during the same period: An awareness-raising letter was sent to all firms in December 2000 by the Ministry of Economic Affairs. There will be a follow-up to the eurolabel campaign during 2001 and conferences will be organised throughout the year in collaboration with trade associations.
- Vulnerable sections of the population throughout 2001: A second phase relating to the distribution of free converters has been initiated for the elderly (*VIPO*) and talking converters have been made available to the partially sighted and blind people. Moreover, Belgium is extending in various ways the "euro-easy" operation launched by the European Commission.

**The overall objectives of this plan, which is being backed up by many private initiatives, are:**

- to provide detailed knowledge of the practical rules for the euro;
- to encourage all sections of the Belgian population to make regular use of the euro;
- to teach people to think, speak and count in euros, with very special attention to the most vulnerable members of society;
- to give practical expression to the implications of the dual circulation period;
- to provide targeted and clear information regarding the changeover to euro book money and regarding the practical aspects of the changeover to euro notes and coins (the duration of the dual circulation period, the "euro minikit" for private individuals, the "euro starterkit" for professionals, supplies of the currency, the period during which national currencies can be changed, etc.).

"Bientôt l'euro  
remplacera le franc"

"Straks vervangt de  
euro de frank"

### Netherlands: a proactive campaign

The National Forum on the Introduction of the Euro (NFE) was launched in 1996 with a communication forum. The communication campaign proper began in 1998 with the objective of ensuring a smooth introduction of the euro with the aid of clear, targeted and effective information. The conversion of guilders into euros affects all aspects of social life, and this requires that each citizen should be informed in good time regarding the consequences of the changeover. Since then, the NFE has been working directly with the general public and through intermediate organisations. Each organisation is responsible for the information it relays to its own contacts, who therefore know where to go in order to find it. For example,

questions relating to local authority taxes are put to local authorities while questions which concern insurance are put to insurers. These organisations rely in turn on the NFE. At the same time, the NFE has identified several target groups which require extra support: companies, people with disabilities, ethnic minorities, schools, the elderly and the homeless. Specific initiatives are planned for them.

**During 2000 the information campaign pursued the three major objectives of:**

- maintaining the level of information;
- raising awareness;
- encouraging preparations.



The messages focused on two aspects: the value of the euro and the participating countries together with a mnemonic message, “DING FLOF BIPS”, made up of the initial letter of each country in Dutch. This campaign was aimed primarily at the target groups referred to above. Special efforts (advertising in the press and audiovisual media, pilot studies, work with intermediaries) were made in relation to companies with the aim of having the large ones ready in July 2000 and SMEs ready in January 2001. In addition, various instruments were used such as information stands at exhibitions and a special exhibition at the Mint Museum.

The 2001 campaign is more focused as regards the provision of information. Its strong points are the countdown, boosting confidence in the euro, assistance with preparation, and information regarding distribution methods and the authenticity of notes and coins. The campaign is being conducted in a

coordinated manner and is integrated with the campaign of the European Central Bank.

Specific information is being disseminated according to a precise timetable: intrinsic value and purchasing power from January to April; dual display of prices during May/June; holidays and foreign coins in July/August; the changeover and early supply scenario for coins from September to December. The campaign will be based on 60- to 120-second TV commercials showing people in various situations. In particular, there are three target groups: the elderly, the mentally disabled and people without a fixed address. During the same period, a proactive public relations campaign will be undertaken with a view to exploiting free advertising opportunities. The principal actors are the Ministry of Finance and the President of the ECB.

## “DING FLOF BIPS”

### Spain: targeted campaigns

The Spanish communication campaign is being coordinated by the Directorate-General of the Treasury and Financial Policy Department of the Ministry of Economic Affairs. During 1999 and 2000 it pursued three main objectives: informing and familiarising the public with the euro; encouraging adaptation by SMEs to the new currency; and devoting special attention to the social groups with the greatest adaptation difficulties. A specific strategy was conducted on the basis of these general objectives. For instance, public attention was drawn in particular to the new scale of values through several traditional channels and by means of direct marketing operations, including a “eurotrain” with an exhibition on the euro. Another example relates to vulnerable groups: the awareness of people in rural areas was raised by “euromobile” buses, which visited 546 towns and villages.

The 2001 campaign is once again based on a differentiation of messages and dissemination channels, depending on the type of target audience involved. The most effective communication tools such as the euromobile bus and teams of trainers for vulnerable social groups have been maintained, and new initiatives will be undertaken from now until the end of the transitional period. Generally speaking, the messages for 2001 are very specific, practical and informative. The main target groups are:

- **The general public:** The basic aim is to provide sufficient information so that individuals will be able to use the euro for their day-to-day needs as from 1 January 2002. A climate of trust must be created if there is to be a smooth transition. The main aspects include: the procedures

involved in the changeover; the timetable; no price changes; calculations in euros.

- **Firms:** The aim is to encourage them to adapt to the new currency, e.g. by promoting use of the euro in all their business and accounting relations so that they will be ready to use only the euro in 2002. The basic message is clear: prepare now because the process takes a long time. In the case of SMEs in particular, many information channels are used and these include intermediaries such as chambers of commerce, associations and tax consultants.
- **Retailers:** As they have daily contact with consumers, they have an essential role to play. Communication is focused on the Code of Good Conduct and, among other aspects, on the eurolabel for the display of prices and on strict compliance with the conversion rules.
- **Vulnerable groups:** Although these groups are exposed to the information distributed to society as a whole, campaigns directed specifically at them are planned in 2001, mainly during the last three months of the year.
- **Rural areas:** 3 000 municipalities covering 5% of the population do not have access to a banking service. Suitable support is being given to local authorities and the general public.
- **The tools:** The telephone line, Web pages, the traditional media and all available channels will be used for the same message: “If you have any doubts regarding the euro, please contact us.” ■



## “Euro: el valor de la Unión”



## STEP1 participants (as of January 2001)



Bayerische Hypo-Vereinsbank,  
Commerzbank, Deutsche Bank,  
Deutsche Genossenschaftsbank,  
Dresdner Bank, Westdeutsche  
Landesbank



National Australia Bank (U.K.)



Bank Austria, Raiffeisen  
Zentralbank Österreich



Banque Bruxelles Lambert,  
Fortis Bank, KBC Bank,  
Lloyds TSB Bank Belgium



Danske Bank, Sydbank, Unibank



Banco Atlántico, Banco Bilbao  
Vizcaya Argentaria,  
Banco Cooperativo Español,  
Banco Español de Crédito,  
Banco Guipuzcoano,  
Banco Herrero, Banco Pastor,  
Banco Popular Español, Banco de  
Sabadell, Banco Santander Central  
Hispano, Caixa d'Estalvis i  
Pensions de Barcelona, Caja de  
Ahorros de Galicia, Caja Madrid,  
Confederación Española de Cajas  
de Ahorros



Bank of America (Netherlands),  
Chase Manhattan Bank (Germany),  
Citibank (U.K.), First Union  
National Bank (U.K.).



Aktia Savings Bank,  
Leonia Bank, Merita Bank,  
OKOBank



Banque Worms, BNP Paribas,  
Caisse Nationale de Crédit  
Agricole, CDC Finance - CDC Ixis,  
Crédit Commercial de France,  
Crédit Industriel et Commercial,  
Crédit Lyonnais, Crédit Mutuel,



## STEP1: A new tool for cross-border transfers of small euro amounts

Launched by the Euro Banking Association (EBA) on 20 November last year, STEP1 aims at facilitating international transfers of small amounts. Eventually, this should help to make them less expensive.

Assume that you live in Frankfurt and that you have to transfer 2 000 euros to Spain for your next holiday. Technically, this is not complicated. In practice, however, the transfer could cost you a great deal. While the single market has been a reality for years and while the euro has been in existence for more than two years, cross-border transfers of small amounts are not as simple or as inexpensive as national transfers. That said, the situation is changing, especially under pressure from the European Commission, the European Central Bank and governments anxious to make the use of the euro easier and less expensive for individuals.

Even if the situation on the ground is not always clear to consumers, the financial institutions have realised that it is important to facilitate use of the euro by both their business customers and their ordinary customers. On 20 November last year, the Euro Banking Association (EBA) officially launched STEP1, a cross-border clearing system for the payment of small euro amounts. In addition

to contributing to reducing the cost of processing orders, the three main objectives of STEP 1 are:

- to offer direct access to a sufficient number of banks without any size restriction (the only criterion required is recognition as a financial institution in one of the EU countries). Nearly 100 banks joined STEP 1 at the outset and new groups of participants are integrated every three months. The current network covers all countries of the euro area and beyond;
- to simplify cash management: The institutions participating in STEP 1 benefit from a reduction in and standardisation of payment periods. The procedures are simple;
- to organise automatic processing of payments between accounts: STEP 1 uses the "Euro1" technology, which was developed by Swift for the EBA and is already used for transfers of large amounts and by financial markets.

## Three conditions

Three conditions have to be met if a bank is to send a customer's transfer via STEP 1:

1. The transfer must be effected from one account to another on an order by a bank customer (commercial transfer).
2. The payment order must not be so urgent that it has to be transmitted the same day
3. The amount of the payment must be less than EUR 50 000.

The demand for this kind of transfer is increasing, in line with the growth of cross-border trade denominated in euros. The necessary changes have to be made by the banks and this penalises the largest ones in particular. STEP 1 will reach cruising speed during the first few weeks of 2002. According to Olivier Mas, President of the EBA, the total volume of transactions involved and therefore the potential market should exceed one million per day after 2002. In order to be in a position to cope with this explosion in demand, STEP1 has been designed to be evolutionary, especially in technological terms. However, the first few months of use have already shown that the system works very well. ■



## The ECB lays down the principles for frontloading banknotes outside the euro-area

The question of frontloading euro banknotes concerns not only banks established within the euro-area but also, to a lesser extent, banks located outside the area. As was noted previously in *InfEuro* by Eugenio Domingo Solans, a member of the ECB Executive Board, "circulation of banknotes outside the euro area is quite natural and depends on the free choice of the economic operators involved". On the basis of the principle that supplying banknotes to credit institutions not located in the euro-area will contribute to a smoother cash changeover in 2002, the Governing Council of the European Central Bank therefore adopted last December three general principles for the distribution of frontloaded euro banknotes outside the euro area:

- 1) Credit institutions which are counterparties for monetary policy operations within the Eurosystem will be allowed to distribute frontloaded euro banknotes to their branches or headquarters, as appropriate, located outside the euro-area. The general conditions of frontloading indicated in August 2000 <sup>(1)</sup> apply accordingly.
- 2) Credit institutions with their main place of business inside the euro-area will in turn be allowed to sub-frontload to their subsidiaries that are also credit institutions and are located outside the euro-area or to other credit institutions which have neither their registered office nor their head office inside the euro-area. The financial procedures indicated in August 2000 are to be applied equally for such sub-frontloading outside the euro-area.
- 3) Branches, headquarters and subsidiaries of credit institutions based in the euro-area, as well as other credit institutions located outside the euro-area, to which euro banknotes would be distributed or sub-frontloaded, as appropriate, are not allowed to further sub-frontload euro banknotes to any third parties whatsoever.

(1) On 3 August 2000 the Governing Council adopted general principles governing the financial procedures applicable to credit institutions in connection with the changeover to euro banknotes and coins in 2002. These decisions took into account the major role that credit institutions will play in making the 2002 cash changeover a smooth operation. They related to debiting cash, coverage of risks, frontloading and sub-frontloading.

Crédit Mutuel de Bretagne, Natexis Banques Populaires, Société Générale Union de Banques à Paris



EFG Eurobank, National Bank of Greece



Allied Irish Banks, Bank of Ireland



Banca del Fucino, Banca Agricola Mantovana, Banca Commerciale Italiana, Banca Intesa, Banca del Piemonte, Banca delle Marche, Banca Monte dei Paschi di Siena, Banca Nazionale del Lavoro, Banca Popolare dell' Emilia Romagna, Banca Popolare di Milano, Banca Popolare di Sondrio, Banca Popolare di Verona, Banca di Roma, SanPaolo IMI, Unicredito Italiano



Bank of Tokyo-Mitsubishi (Germany)



Banque et Caisse d'Epargne de l'État, Banque Internationale à Luxembourg, Caisse Centrale Raiffeisen, Kredietbank Luxembourggoise



Den norske Bank (U.K.)



ABN-AMRO Bank, ING Bank, Rabobank Nederland



Banco Comercial Português, Banco Espírito Santo, Caixa Geral de Depósitos



Bank of Scotland, Barclays Bank, HSBC Bank, Lloyds TSB Bank, National Westminster Bank, Royal Bank of Scotland, Standard Chartered Bank



Nordbanken, Skandinaviska Enskilda Banken, Svenska Handelsbanken, Swedbank



UBS AG (Germany)



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# The Catholic Church in Portugal is cooperating with the National Euro Commission

The approach adopted in this instance is, to say the least, an original one. In Portugal the Catholic Church and the National Euro Commission are cooperating closely with a view to facilitating the changeover to the euro for private individuals.



Following a meeting between Bishop Dom Tomaz Silva Nunes, Secretary of the Conference of Portuguese Bishops (CEP), and Consiglieri Pedroso, President of the National Euro Commission, a memorandum containing the points relating to cooperation was sent to the CEP during the first half of 2000 in view of the "role which the Church can play as regards information, especially for the most vulnerable members of society". The memorandum considered that the disruption caused by the introduction of the euro "especially at the end of 2001 and at the beginning of 2002 would tend to increase in inverse proportion to the extent of information given to the population" and that "all groups in Portuguese society should be mobilised in connection with this national and European project". The prelates who attended the CEP plenary assembly in May therefore decided to lend the Church's support in accordance with procedures to be determined in cooperation with the bishop of each diocese.

The various approaches undertaken by the National Euro Commission in relation to the prelates of all twenty dioceses in Portugal subsequently led to cooperation which should be very fruitful because of the position of the Catholic Church in Portugal. Its strong presence enables it to play a major role through priests, dioceses, lay organisations and other channels in the context of the major challenge presented by the distribution

of the new currency in Portugal. In addition, the Church is well placed to inform the most disadvantaged sections of the population.

The National Euro Commission is providing the various dioceses with all the necessary information material and intends, where necessary, to conduct campaigns aimed at raising awareness and at training trainers. It has also suggested that, at the end of the eucharistic celebrations and during the period usually devoted by priests to short announcements, the priests should refer in very simple terms to the basic characteristics of the euro, e.g. by saying "euro notes and coins will not begin to circulate until January 2002" or "escudo notes and coins will stop circulating on 1 March 2002 at the latest". These warnings should serve, on the one hand, to put the most vulnerable members of society on their guard against the swindles which have already taken place in some parts of the country and, on the other hand, to protect them against any such swindles in the future.

The responses received so far from the various dioceses, the designation of their preferential interlocutors for the National Euro Commission, the dispatch – at their request – of the most varied kinds of information material to the dioceses, and a permanent presence, especially through both correspondence and personal contacts, should ensure that this initiative will be effective. ■



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