

Introduction of the euro in the new Member States

Summary

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This document does not represent the point of view of the European Commission. The interpretations and opinions contained in it are solely those of the authors.

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Introduction of the euro in the new Member States Round 12

Survey conducted by The Gallup Organization,
Hungary upon the request of the
European Commission,
Directorate-General for Economic and
Financial Affairs



Coordinated by Directorate-General
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THE GALLUP ORGANIZATION

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Introduction

All EU Member States shall adopt the common currency, the euro, once they have fulfilled the criteria defined in the Maastricht Treaty on the Functioning of the European Union (with the exception of Denmark and the UK which have a specific opt-out from these Treaty provisions). There is no common strategy or fixed timetable with regard to the introduction of the euro in each of the Member States that joined in 2004 or later, but the Treaty does require them to join the euro area at an undefined date in the future.

Of the countries that joined the EU in 2004 or later, Slovenia, Cyprus and Malta joined the euro area in 2007 and 2008, Slovakia followed in January 2009 and Estonia in January 2011. Before adopting the euro, a country must comply with the Maastricht criteria including membership in the Exchange Rate Mechanism II (ERM II) for a minimum of two years. Lithuania and Latvia are members of the ERM II, whereas Poland, the Czech Republic, Hungary, Bulgaria and Romania have not yet joined the Mechanism.

Concerning the introduction of the euro in the Member States that joined the EU in 2004 or later, the European Commission keeps track of general opinions, levels of knowledge and familiarity with the single currency among citizens of the respective countries. This survey is the twelfth of its kind, following earlier Flash Eurobarometer surveys in the period 2004–2010.

The objectives of this survey are identical to those of previous rounds: to identify and track citizens' perceptions in non-euro area new Member States (hereafter referred to as the NMS7), regarding the future introduction of the common currency.

The main themes of this report are an examination of:

- levels of knowledge and experience of the euro among citizens in the NMS7
- feelings as to whether these citizens are informed and their most favoured information channels
- NMS7 citizens' perceptions and support for the single currency
- their expectations concerning the adoption of the euro and the envisaged potential inconveniences related to it.

This report sums up the main attitudes towards the euro in the NMS7 and describes the climate of opinion in each of the countries due to adopt the common currency in the future. It should be noted that “average” perceptions might change because of the different composition of samples in comparison to previous rounds: Slovenia was dropped from the surveys in 2007, Malta and Cyprus in 2008 and Slovakia in 2009. As of this survey, Estonia has been excluded. In addition, Bulgaria and Romania joined the surveys as of autumn 2007. In the current round, the NMS7 average includes Bulgaria, the Czech Republic, Hungary, Latvia, Lithuania, Poland and Romania.

The present questionnaire is fully comparable to those of 2006-2010. The survey's fieldwork was carried out between 2 and 5 May 2011. Over 7,000 randomly selected residents aged 15 and above were interviewed in the NMS7. Statistical results were weighted to correct for known demographic discrepancies.

Main findings

Awareness of – and experience with – the euro

- When asked about the exact number of Member States already in the euro area, about a quarter (26%) of respondents knew the correct answer: 17 countries. This figure represents a decrease in awareness compared to September 2010; at that time, the correct answer was 16 countries – Estonia joined the euro area in January 2011. The proportion of respondents who were able to state the exact number of euro area countries ranged from 20% in Romania to 36% in Hungary.
- A majority (57%) of respondents in the NMS7 anticipated accession to the euro area to happen *by 2016 at the latest*. Roughly a fifth (21%) of interviewees thought their country would join the euro area *in 2017 at the earliest*; a small proportion (5%) believed that accession to the euro area would *never* happen.
- The share of respondents who thought their country would join the euro area *by 2016 at the latest* ranged from 41% in the Czech Republic and Hungary to 74% in Latvia. Focusing on changes that have occurred since September 2010, respondents in Latvia, Lithuania, Poland and Hungary were now more optimistic about a rapid accession of their country to the euro area.
- Almost two-thirds (65%) of respondents believed that their nation had a choice as to whether it would adopt the euro, even though the Accession Treaty obliges all new Member States to join the euro area. Roughly a quarter of respondents correctly answered that their country had no choice in this regard; at the individual country level this figure ranged from 19% in Poland to 35% in Latvia.
- As in other rounds of the survey, in most NMS7 countries, citizens were more familiar with euro banknotes than euro coins:
 - 85% of respondents had seen euro banknotes and 79% had seen euro coins; 61% had already used the banknotes and 54% had used such coins
 - while 48% of interviewees knew that euro banknotes had the same design in all euro area countries, only 34% correctly stated that euro coins had partly different designs from country to country.
- Payments in euros in foreign countries were said to be more widespread than those made in the respondents' home countries. For example, a slim majority (52%) of respondents had only used euro banknotes *abroad*, 20% had only used such banknotes *in their home country* and 28% had used them *both at home and abroad*.

Informing citizens about the euro

- A majority of citizens in the NMS7 did not feel well informed about the euro: 42% said they were *not very well informed* and 16% *did not feel well informed at all*. Focusing on respondents who felt informed about the euro, 34% answered that they felt *rather well informed* and 6% said they were *very well informed*.
- In Romania, Hungary, Poland, Latvia and Bulgaria, a majority of respondents felt not well informed about the euro (54%-61%). In the Czech Republic, equal shares of respondents felt either well informed or not well informed about the euro (48% and 51%, respectively).
- A majority of respondents – who did not feel well informed about the euro – would like to receive information about the introduction of the euro well in advance of the changeover: 33% would like to be informed *as soon as possible* (+6 percentage points compared to September 2010) and 25% would like to receive information at least *a few years before* the changeover (-4 points).
- The proportion of survey participants who wanted to be informed *as soon as possible* ranged from 12% in Hungary to 40% in Romania. Similarly, between 22% of respondents in Bulgaria and 34% of those in Latvia and Lithuania would like to be informed *at least a few years* before the introduction of the euro.
- More than three-quarters (78%) of respondents said they would trust information regarding the euro and issues related to the changeover provided by their national central bank and almost two-

thirds (65%) said the same about information from the European institutions. Compared to the previous round, the trustworthiness of euro-related information provided by European institutions has decreased by four percentage points (from 69% in September 2010 to 65% in May 2011).

- Half of respondents would trust information about the euro changeover from tax and fiscal administrations (50%) and somewhat less than one in two respondents had faith in information provided by consumer associations (47%), governments, national or regional authorities (46%) or commercial banks (45%).
- Television remained the most preferred channels for information about the introduction of the euro (selected by 90%). Other popular channels for information were banks (80%), newspapers and magazines (78%), the radio and the Internet (both 77%).
- As for citizens' views about the content of the euro information campaign, most respondents felt that all of the suggested topics were important: the proportion of "essential" items ranged from 77% for information on *the appearance of euro banknotes and coins* to 92% for the *value of the national currency in euros*.
- Respondents were also asked which campaign activities and tools were essential if they were to be well prepared for the changeover. The dual display of prices was seen to be the most important campaign tool; dual price displays in shops were most frequently mentioned (87%), followed by dual price displays on utility bills (78%) and on pay slips (74%).

The euro: perceptions and support for its introduction

- Equal shares of respondents in the NMS7 thought that the euro would either have *positive* or *negative* consequences for their country (both 43%). The figures showed a constant decrease – since May 2009 – in the proportion of respondents who believed that the euro's introduction would have a positive impact at a national level.
- The proportion of NMS7 citizens expecting positive personal consequences from the introduction of the euro also continued to decrease: in May 2011, 40% of respondents thought there would be positive outcomes at a personal level (compared to 43% in September 2010), while 45% believed in negative consequences (unchanged compared to September 2010).
- Changes in respondents' support for the fact that the euro could replace their national currency were similar to those observed in regard to the general climate of opinion surrounding the euro's introduction. In May 2010, 48% of respondents were *very* or *rather happy* that the euro could replace their national currency, this proportion decreased to 41% in the current round.
- Romania was the only country where more than half of interviewees expected positive consequences – for their country (54%) or for themselves (57%) – in the event that they joined the euro area. Furthermore, 51% of Romanians said they were *very* or *rather happy* that the euro could replace their national currency.
- While 34% of interviewees in the NMS7 thought that their fellow citizens were *very much* or *rather in favour* of the euro's introduction, 45% of respondents believed that people they knew were against (*very much* or *rather*) this idea. Compared to previous rounds, the current results indicated some worsening in the climate of opinion concerning the euro.
- The proportion of respondents who thought that the general climate of opinion surrounding the euro's introduction in their country was negative (i.e. they thought their fellow citizens were against the changeover) ranged from 24% in Romania to 67% in the Czech Republic.
- A relative majority of NMS7 citizens would like to see the euro introduced *as late as possible* (40%). Roughly one-third (34%) of interviewees wanted the changeover to happen *after a certain time*, while approximately one-fifth (19%) opted for *as soon as possible*. In most NMS7 countries, respondents were more likely to want the euro to be introduced later rather than sooner.
- Somewhat more than 7 in 10 (72%) respondents agreed that the euro had the status of an international currency, similar to the US dollar or the Japanese yen; one in five respondents disagreed with this proposition.

Consequences of adopting the euro

- Somewhat more than 4 in 10 (43%) respondents believed that the changeover to the euro had had *very or rather positive* consequences in the countries that were already using the euro, while a somewhat lower proportion (39%) thought the euro's impact had been *very or rather negative*. Compared to September 2010, the public has become more sceptical about the consequences of the euro in the euro area countries.
- In Romania, Hungary and Latvia, respondents who thought the euro's impact had been positive in the euro area countries outnumbered those who believed that its impact had been negative. Respondents in the Czech Republic were the most pessimistic: 63% thought that euro area countries had seen negative consequences after the changeover.
- A large majority (70%) of NMS7 citizens expected that the euro's introduction would *increase prices* in their country; roughly one in five (19%) thought that it would *contribute to price stability*. Few respondents (4%) expected *no impact*.
- Romanians showed the least concern about *price increases* due to the euro's introduction: 48% expected that goods and services would be more expensive once the euro was introduced. In all of the other NMS7 countries, a majority of interviewees were concerned that prices would increase; this figure ranged from 67% in Hungary to 80% in Poland.
- Respondents most frequently agreed that *Europe's place in the world would be reinforced* when the euro was introduced in their country: 57% expected this outcome. Lower shares of respondents believed that adopting the euro would *ensure sounder public finances* (41%), *low inflation rates* (39%), *lower interest rates* (38%), and would *stimulate growth and employment* (38%).
- As was seen in the previous round, respondents in Hungary were the most likely to *agree* with most of the statements that suggested a positive impact on the national economy, while those in the Czech Republic were the most likely to *disagree* with each of the statements.
- About one in two (49%) respondents thought that using the euro *would make people feel more European*; this was the lowest level of agreement measured since April 2006. In Hungary, just 30% of respondents agreed that using the euro would make people feel more European; in the remaining countries, between 45% and 52% of respondents agreed with this proposition.
- As was seen in previous rounds, an overwhelming majority of NMS7 citizens agreed with statements suggesting that travelling and shopping in countries that use the euro would become easier:
 - 91% agreed that joining the common currency would be *more convenient for those who travel in other countries that use the euro*
 - 85% agreed that the euro would make it *easier to shop in other countries using the common currency*
 - 79% confirmed that joining the euro area would *allow them to easily compare prices with those in other countries that use the euro*
 - 75% thought that the euro's introduction would *eliminate any charges relating to currency exchange when, for example, visiting other countries that use the euro*.
- Respondents were rather pessimistic about the power of the *euro to protect their country against the effect of international crises* – about one-third of respondents agreed with this statement (34%, -3 percentage points compared to September 2010).
- Respondents were also asked to evaluate some potentially negative impacts due to the euro's introduction. As in previous rounds, the only potential inconvenience (among the statements presented) that a majority of respondents in the NMS7 countries shared were possible *abuses and cases of cheating on prices during the changeover*. The proportion of respondents who expressed concerns in this regard ranged from 63% in Romania to 81% in Poland.
- Most respondents did not express concerns about *personal inconveniences that could be caused by the changeover* (55%), a *negative effect on their country's identity* (53%) or a *loss of their country's control over economic policy* (52%).

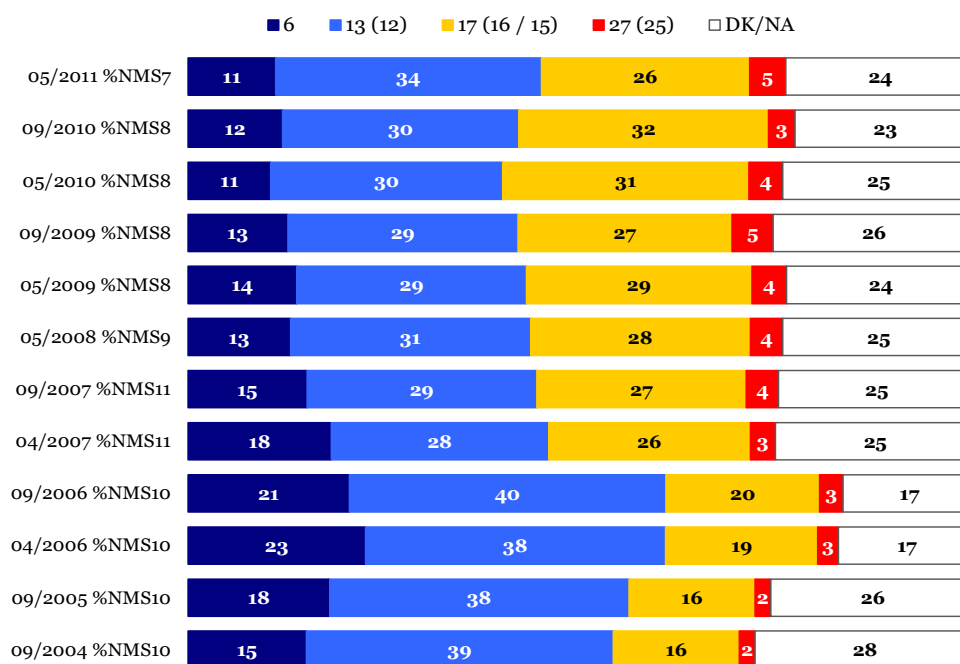
Awareness of – and experience with – the euro

Awareness of the current number of euro area countries

When asked about the exact number of Member States already in the euro area, about a quarter (26%) of interviewees knew the correct answer: 17 countries. The current result represents a decrease of six percentage points in awareness of the euro area when compared to the previous round conducted in September 2010 (at that time, the correct answer was 16 countries – Estonia joined the euro area in January 2011).

A majority of interviewees gave an incorrect answer: 34% thought that 13 countries had already started using the euro, 11% believed that the correct answer was six countries and 5% thought that all EU Member States had introduced the common currency. Finally, 24% of respondents did not know what to answer or simply chose not to respond to this question.

Number of current euro area countries



Q5. According to you, how many EU countries have already introduced the euro?
(figures in parentheses were asked in previous surveys)

The proportion of survey participants who were able to state the exact number of EU Member States in the euro area ranged from 20% in Romania to 36% in Hungary. In the previous round, 28% of Romanians knew the correct number of countries that use the euro as their currency; in May 2011, however, just 20% were able to provide the correct answer (-8 percentage points).

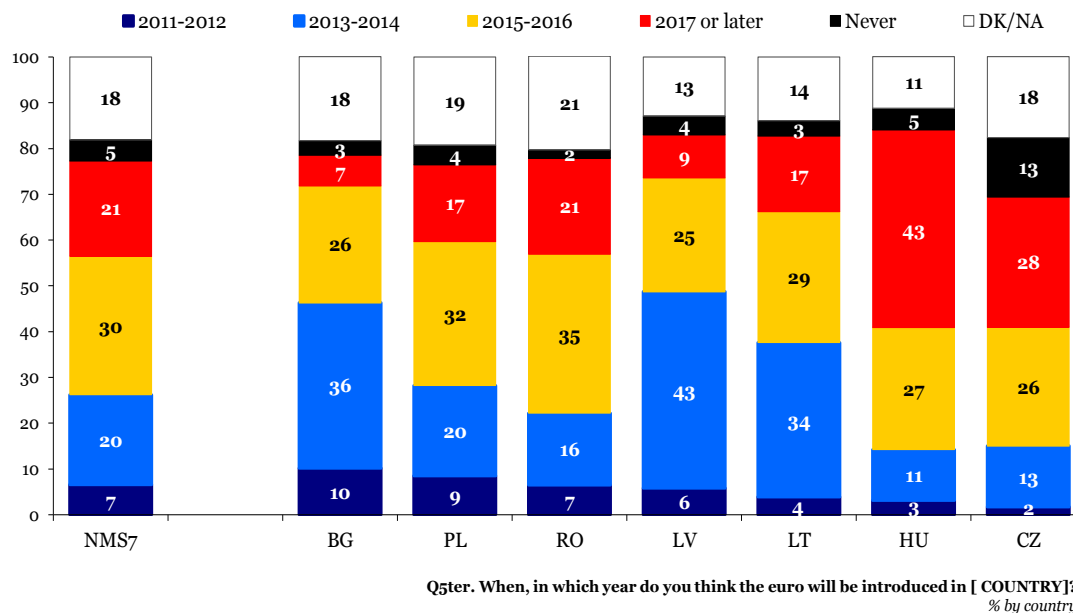
Other countries that have seen a significant decrease in the share of correct answers were the Czech Republic (from 38% in September 2010 to 32% in May 2011; -6 percentage points) and Poland (from 31% to 25%; -6 points). None of the countries have seen an opposite trend – i.e. an increase in the share of respondents who knew the exact number of euro area countries.

Expected date of the euro's adoption

A majority of respondents in the NMS7 anticipated accession to the euro area to happen by 2016 at the latest: 7% thought their country would join the euro area in the period 2011-2012, 20% said this would happen in the period 2013-2014 and 30% thought this would be the case in the period 2015-2016.

Roughly a fifth (21%) of interviewees thought their country would join the euro area in 2017 at the earliest, and a small proportion (5%) believed that accession to the euro area would *never* happen. Finally, 18% of respondents gave no answer or said they did not know when the euro would be introduced.

Expected date of the euro's adoption



The proportion of respondents who thought that their country would join the euro area in the coming five and a half years (by 2016 at the latest) ranged from 41% in the Czech Republic and Hungary to 72% in Bulgaria and 74% in Latvia. Conversely, the proportion of respondents who said this would happen at a later stage – in 2017 or later – ranged from 7% in Bulgaria and 9% in Latvia to 43% in Hungary. Respondents in the Czech Republic were the most pessimistic with 13% saying that accession to the euro area would *never* happen in their country (compared to 2%-5% in the other NMS7 countries).

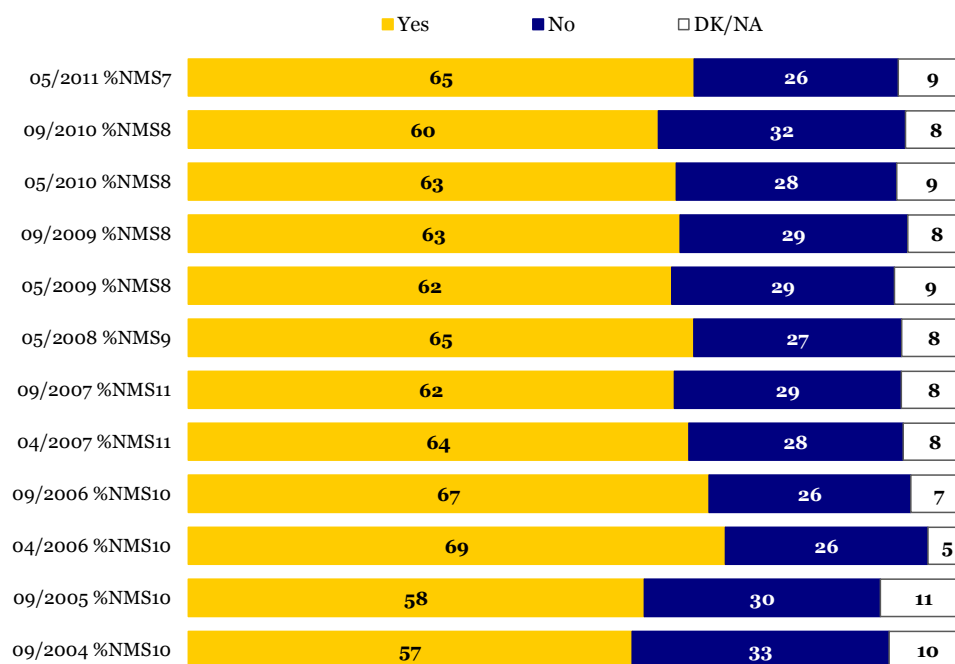
Focusing on changes that have occurred since September 2010, respondents in Latvia, Lithuania, Poland and Hungary were now more optimistic about a rapid accession of their country to the euro area. In the remaining countries, on the other hand, the proportion of those pessimistic about a fast accession to the euro has increased compared to the previous round of this survey.

Can new Member States choose whether or not to adopt the euro?

Almost two-thirds (65%) of respondents in the NMS7 believed that their nation had a choice as to whether it would adopt the euro or not, even though the Accession Treaty obliges all new Member States to join the euro area. Roughly a quarter of respondents (26%) knew that choosing to adopt the common currency or not it is not an option, but a legal obligation for the Member States. Compared to September 2010, the share of respondents who correctly answered that their country had no choice in this regard has decreased by six percentage points (from 32% to 26%). Finally, 9% of interviewees did not know how to answer the question.

An awareness of their country's legal obligation to join the euro area was the lowest in Poland, where roughly a fifth (19%) of respondents answered the question correctly. In Romania, 27% of survey participants knew that their nation has no choice as to whether or not to adopt the euro; in all other countries, however, a third – or more – of respondents were aware of this legal obligation (ranging from 33% in Hungary to 35% in Latvia).

Can Member States choose whether or not to adopt the euro?



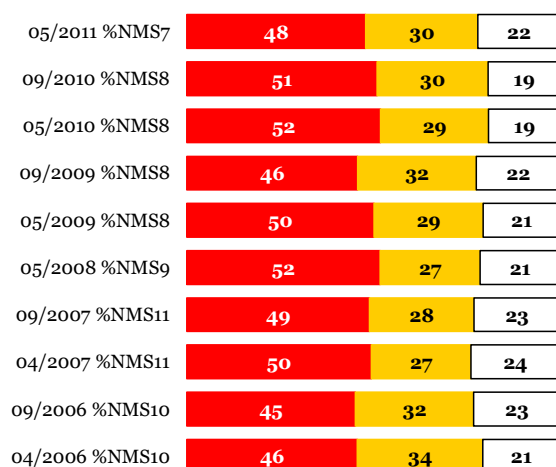
Q5bis. Can [COUNTRY] choose whether or not to introduce the euro?

Compared to September 2010, most NMS7 countries have seen a decrease in the number of respondents who knew that the Accession Treaty obliges all new Member States to join the euro area. The largest decrease in the number of informed citizens was seen in the Czech Republic: from 45% in September 2010 to 34% in May 2011 (-11 percentage points). None of the countries have seen an increase in the share of respondents who answered this question correctly.

Familiarity with the design of euro cash

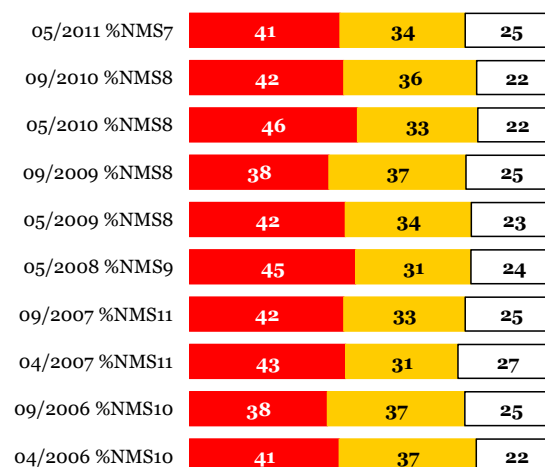
As in previous rounds of this survey, respondents were more likely to be familiar with the design of euro banknotes than with the design of euro coins: while 48% of interviewees knew that euro banknotes had the same design in all euro area countries, only 34% correctly stated that euro coins had partly different designs from country to country (a two percentage point decrease from September 2010).

The graphic design of the euro banknotes



- The euro banknotes/ coins look exactly the same in all countries
- The euro banknotes/ coins have partly different designs from country to country
- DK/NA

... and coins



Q3-Q4. What do you think, which of the following statements is correct?
%, all respondents

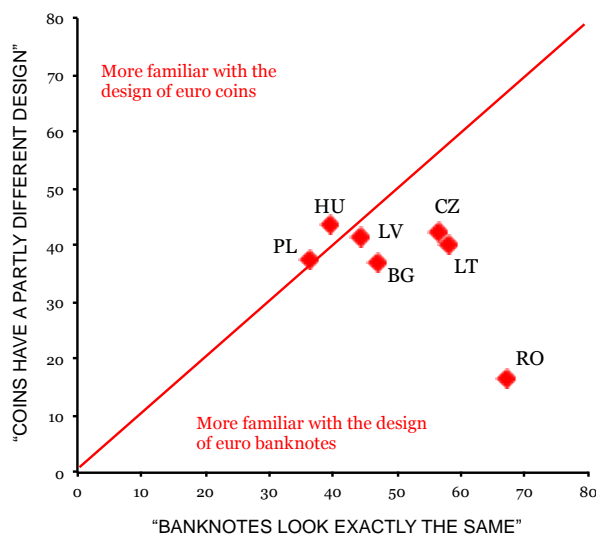
In Poland, Hungary and Latvia, similar shares of respondents were familiar with the design of euro banknotes and the design of euro coins. In the remaining countries, however, respondents were more likely to be familiar with the design of euro banknotes than with the design of euro coins.

The most striking difference was seen in Romania, where respondents were more likely than their counterparts in the other NMS7 countries to be familiar with the design of euro banknotes (67%), while they were by far the least familiar with the actual design of euro coins (17%).

Experience with euro cash

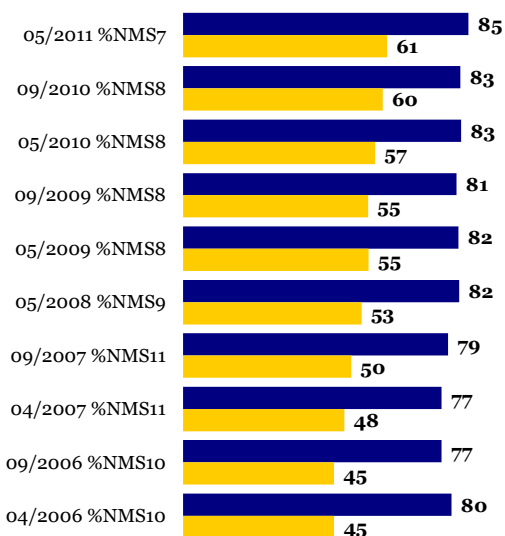
The current round of the survey also showed again that, in the NMS7 countries, euro coins were less known and less widely used than euro banknotes. About 8 in 10 (79%) respondents had seen euro coins and a **slim majority (54%) said they have used euro coins**. The corresponding proportions for euro banknotes were 85% and 61%, respectively.

The design of the euro money

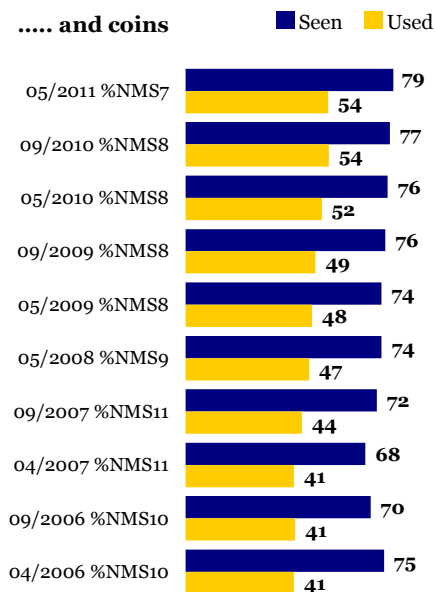


Q3-Q4. What do you think, which of the following statements is correct? % by country

Seen and used euro banknotes



..... and coins



Q1a/b. Have you already seen euro banknotes/coins?
Q2a/b. Have you already used euro banknote/coins? % , all respondents

The proportion of respondents who had already seen euro banknotes ranged from 79% in Bulgaria to 89% in Romania (a difference of 10 percentage points). As in previous rounds, larger differences between NMS7 countries were seen when looking at the proportions of respondents who had already used these banknotes: this proportion ranged from 51% in Lithuania to 70% in the Czech Republic (a difference of 19 percentage points).

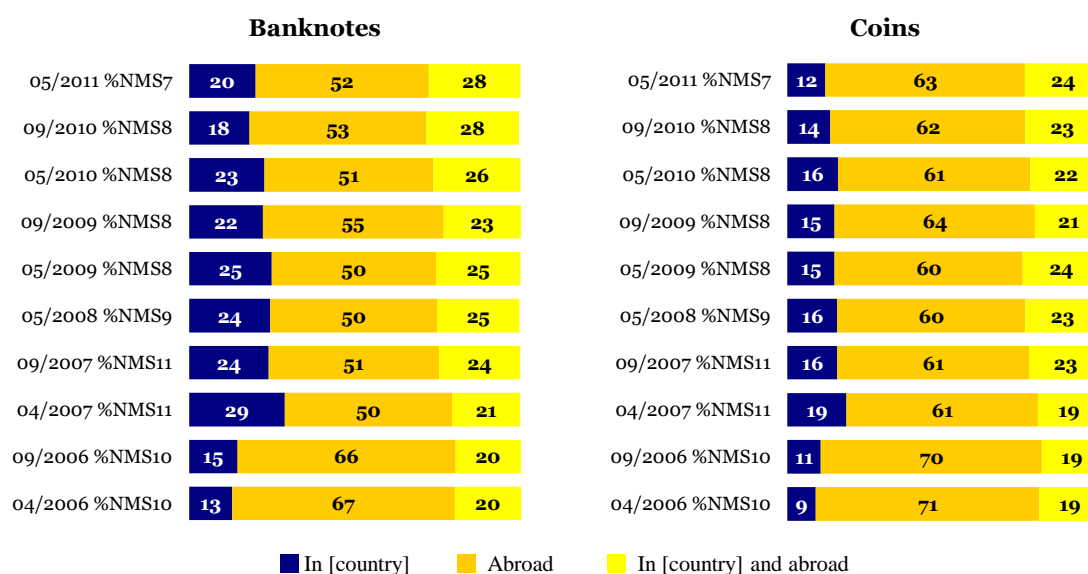
Comparing the current results with those obtained in September 2010, the most notable changes were observed in Hungary, Lithuania and Latvia. These countries have seen an increase of more than five percentage points in the proportion of respondents who had seen euro coins; in addition, more citizens in these countries had used euro coins when compared to the previous round. Furthermore, in Hungary

and Lithuania, both the proportion of respondents who mentioned having seen euro banknotes and the proportion who mentioned having used these banknotes have significantly increased from September 2010 to May 2011.

Where do people use the euro?

As in previous rounds, **payments in euros in foreign countries were said to be more widespread than those made in the respondents' home countries**. A slim majority (52%) of respondents – who had already used euros – had *only* used euro banknotes *abroad*, 20% had *only* used euro banknotes *in their home country* and 28% had used them *both at home and abroad*. The corresponding proportions for euro coins were 63% for “only abroad”, 12% for “only in their home country” and 24% for “both at home and abroad”. No significant changes were seen in the usage of euro banknotes and coins, compared to the findings of the previous round.

Where do people use the euro ...?



Q2bis. /Q2ter. You said you already used euro banknotes/coins. Was it ..?
Base: those, who have already used euro banknotes/coins

In almost all countries, there was a wide gap between a large majority of respondents who had *only* used euros *abroad* compared to a minority who had (also) used them *at home*. For example, 67% of Hungarians had *only* used euro banknotes *in a foreign country*, while only half as many (33%) had used them *both abroad and at home* or *only at home*; the corresponding proportions for euro coins were 70% vs. 30% (a gap of 40 points).

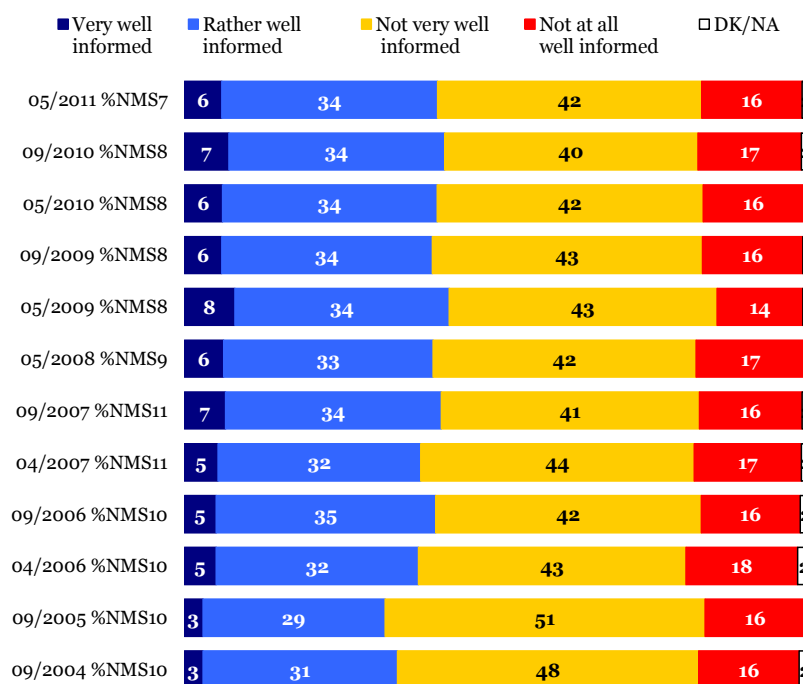
Romania's results were also characterised by a wide gap, but in the opposite direction: while just 18% of Romanians had *only* used euro banknotes *abroad* and 27% had only used euro coins outside of Romania; 82% of Romanians said they had (also) used euro banknotes *in their home country* and 72% said they had done the same in regard to euro coins (a gap of 64 points for euro banknotes and a gap of 45 points for euro coins).

Informing citizens about the euro

Self-perceived level of information

A majority of citizens in the NMS7 did not feel well informed about the euro: 42% said they were *not very well informed* and 16% *did not feel well informed at all*. Focusing on respondents who felt informed about the euro, 34% answered that they felt *rather well informed* and 6% said they were *very well informed*. These results were practically unchanged compared to those in the previous round.

Evolution of self-perceived information level regarding the euro, %



Q6. To what extent do you feel informed about the euro? Do you feel...:

In Romania, Hungary, Poland, Latvia and Bulgaria, roughly 6 in 10 respondents felt *not very well or not well informed at all* about the euro (57%-61%), while roughly 4 in 10 respondents said they felt *very well or rather well informed* (38%-41%). In Lithuania, respondents who felt not well informed also outnumbered those feeling well informed – but the difference between these two groups was somewhat smaller (54% vs. 43%; a difference of 11 percentage points). **In the Czech Republic, on the other hand, equal shares of respondents felt either well informed or not well informed about the euro (48% and 51%, respectively).**

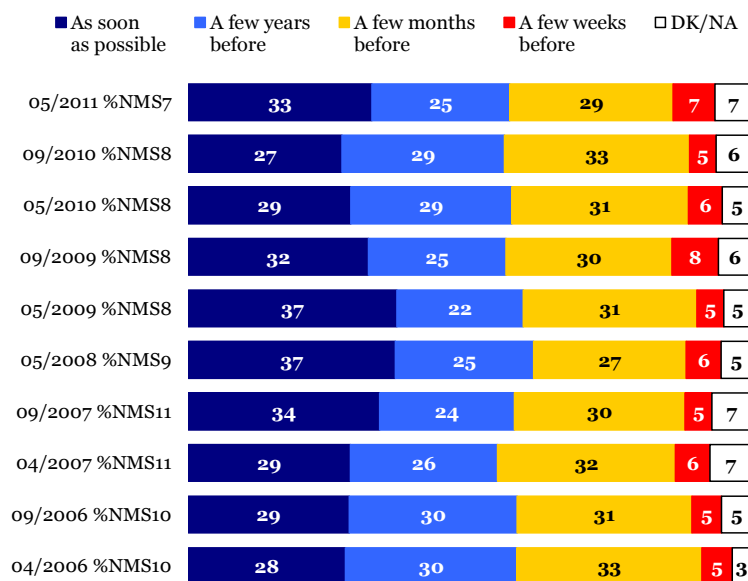
Focusing on changes that have occurred since the previous round of the survey, it was noted that the proportion of citizens who felt *not very well or not well informed at all* about the euro has decreased in the Czech Republic (from 56% in September 2010 to 51% in May 2011, -5 percentage points) and in Latvia (from 68% to 61%; -7 points), but has increased in Romania (from 49% to 57%; +8 points).

Timing for the receipt of information about the euro

As in previous rounds of this survey, a majority of respondents – who did not feel well informed about the euro – would like to receive information about the introduction of the euro well in advance of the changeover: 33% would like to be informed *as soon as possible* (+6 percentage points compared to September 2010) and 25% would like to receive information at least *a few years before* the introduction of the euro (-4 points).

Roughly 3 in 10 (29%; -4 points) respondents said that they would like to receive information about the euro *a few months before* the introduction of the currency, while a small number of interviewees preferred to be informed *a few weeks before* the changeover (7%; +2 points). Finally, 7% of respondents did not answer this question.

The proportion of survey participants who wanted to be informed *as soon as possible* about the introduction of the common currency ranged from 12% in Hungary to 40% in Romania. Similarly, between 22% of respondents in Bulgaria and 34% of those in Latvia and Lithuania would like to be informed *at least a few years* before the introduction of the euro.

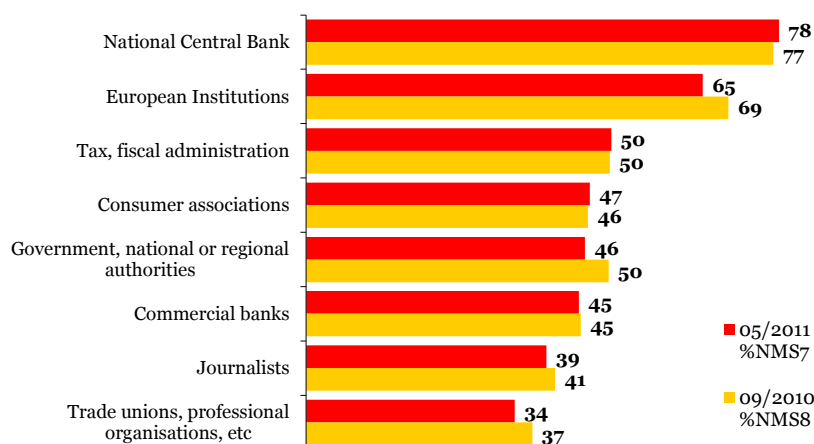
Desired timeframe for being informed about the euro

Q7. When would you like to be informed about the introduction of euro in [COUNTRY]?
Base: who are not informed

Trusted distributors of information on the euro

Trust is a key factor in the provision of information: citizens tend to differentiate between possible sources based on an assessment of their trustworthiness. More than **three-quarters (78%) of respondents said they would trust information regarding the euro and issues related to the changeover provided by their national central bank and almost two-thirds (65%) said the same about information from the European institutions.** Compared to the previous round, the trustworthiness of euro-related information provided by European institutions has decreased by four percentage points (from 69% in September 2010 to 65% in May 2011).

Half of respondents would trust information about the euro changeover from tax and fiscal administrations (50%; unchanged) and somewhat less than one in two respondents had faith in information provided by consumer associations (47%; + 1 point), governments, national or regional authorities (46%; - 4 points) or commercial banks (45%; unchanged). The sources that respondents had the least confidence in, for information about the euro and issues related to the changeover, were journalists (39%; -2 points) and trade unions or professional organisations (34%; -3 points).

Trusted distributors of information campaigns (% "trust")

Q8. For each of the following institutions or groups, please tell me if you would trust information they provide on the changeover to the euro, or not?

In all but one of the NMS7 countries, the national central bank was the institution that respondents were the most likely to trust when it came to receiving information about the euro and its introduction. Czech respondents most frequently answered that they would trust euro-related information provided by their national central bank (89%); they were followed by respondents in Romania (82%) and Hungary (80%).

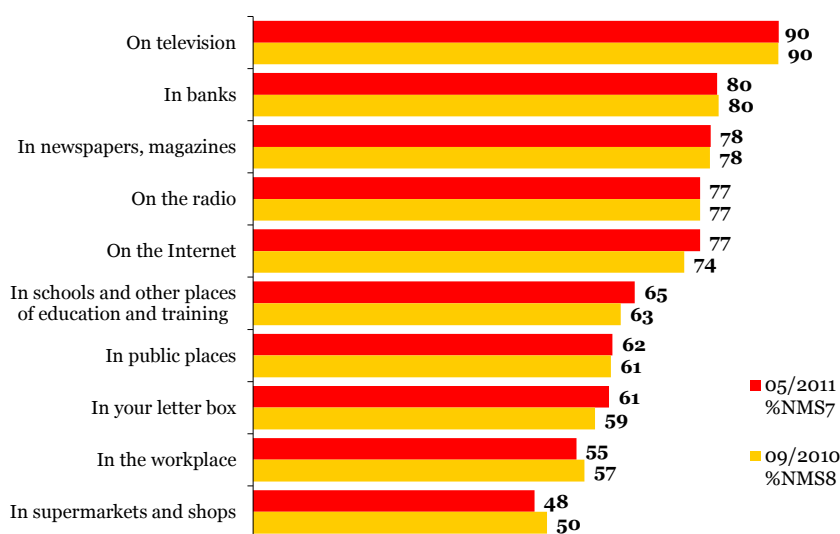
In Lithuania, on the other hand, the largest proportion of respondents placed trust in European institutions (66%), with the central bank ranking second (62%). In a further five NMS7 countries, the second most trusted source of information about the euro were the European institutions, while in the Czech Republic they were the third most trusted (between 57% of respondents in Latvia and 75% in Bulgaria considered the European institutions trustful sources of information).

Commercial banks appeared among the top three of the most trusted sources in the Czech Republic only (77%, second most trusted). In all other countries but Romania (57%), less than half of respondents had faith in information provided by banks (ranging from 29% in Poland to 49% in Hungary).

Preferred channels of information

The ranking of preferred channels remained the same between the last two rounds of the survey. Television remained the most preferred source of information (90%); other popular channels for information about the introduction of the euro were banks (80%), newspapers and magazines (78%), the radio and the Internet (both 77%). Information provided in supermarkets and shops was once again selected by the lowest proportion of respondents (48%).

Preferred channels for information campaigns, %



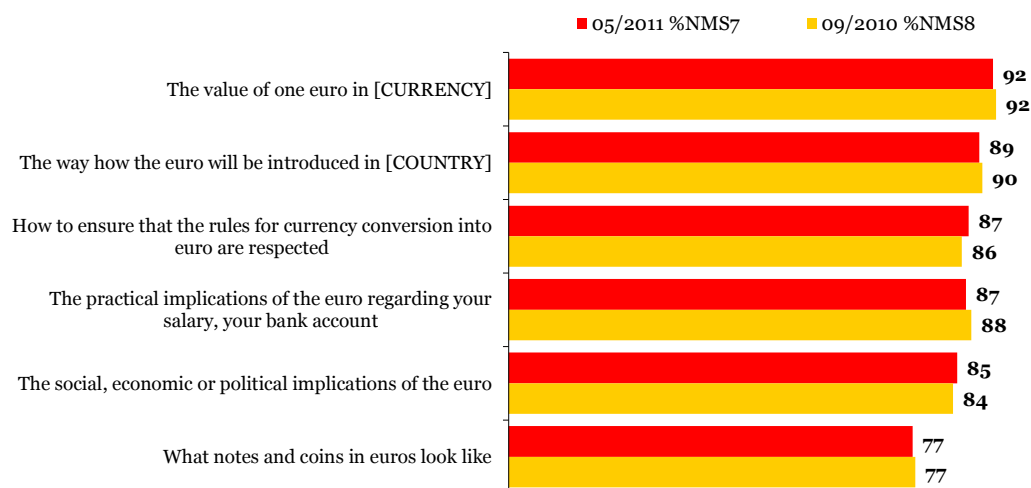
Q9. Where would you like to receive useful information on the euro and the changeover?
multiple answer

Television was the most preferred channel of information in each of the NMS7 countries, ranging from 78% in Hungary to 95% in Poland. Banks were placed second in the Czech Republic (82%), Bulgaria (75%) and Hungary (61%) and were in third place in Latvia (82%) and Lithuania (74%). In Romania and Poland, banks did not rank among the first three preferred channels of information.

Most favoured topics of information campaigns

As for respondents' views about the content of the euro information campaign, most respondents felt that all of the suggested topics were important: the proportion of "essential" items ranged from 77% for information on the appearance of euro banknotes and coins to 92% for the value of the national currency in euros. These results were virtually unchanged since the previous survey round.

Preferred topics for information campaigns (% "essential")



Q10. In your view, which of the following issues about the euro are essential to be covered in priority by the information campaign?

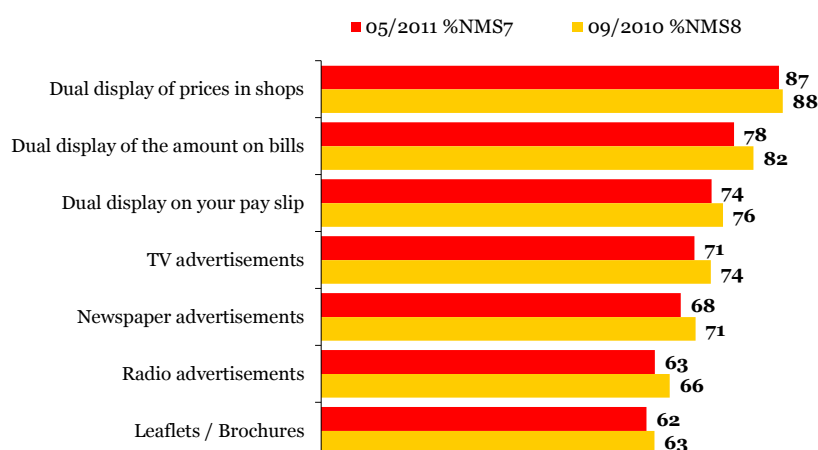
In six of the NMS7 countries, *the value of the euro in the local currency* was listed as an essential topic for an information campaign by the largest proportion of respondents (ranging from 89% in Romania to 95% in Hungary). In the Czech Republic, on the other hand, the largest proportion of respondents selected the changeover scenario, i.e. *the way the euro would be introduced* (94%), with *the value of the euro in the local currency* ranking second (91%).

Main activities and events essential to be included in an information campaign

Respondents were also asked which campaign activities and tools – that had actually been used in other countries prior to introduction of the euro – were essential if they were to be well prepared for the changeover.

Across the NMS7 countries, for each of the activities listed in the survey, a majority of respondents considered it was an indispensable information tool. The proportion of “essential” items ranged from 62% for *leaflets and brochures* to 87% for the *dual display of prices in shops*.

Preferred tools of the information campaigns (% "essential")



Q11. Here is a list of various information campaign actions. Could you tell me for each of them whether you would find it essential or not essential to prepare yourself for the euro?

Across all NMS7 countries, the *dual display of prices* was seen as an essential tool that would provide vital information about the introduction of the euro. In each country, the dual display of prices *in shops* appeared in first place with proportions ranging from 82% in the Czech Republic to 95% in Hungary. Furthermore, the dual display of prices *on utility bills* appeared in second place in six

countries (ranging from 77% in the Czech Republic and Lithuania to 91% in Hungary), while the dual display of prices *on pay slips* appeared in third place in five countries (ranging from 71% in the Czech Republic and Lithuania to 87% in Hungary).

The euro: perceptions and support for its introduction

Consequences of the euro's introduction – at a national and personal level

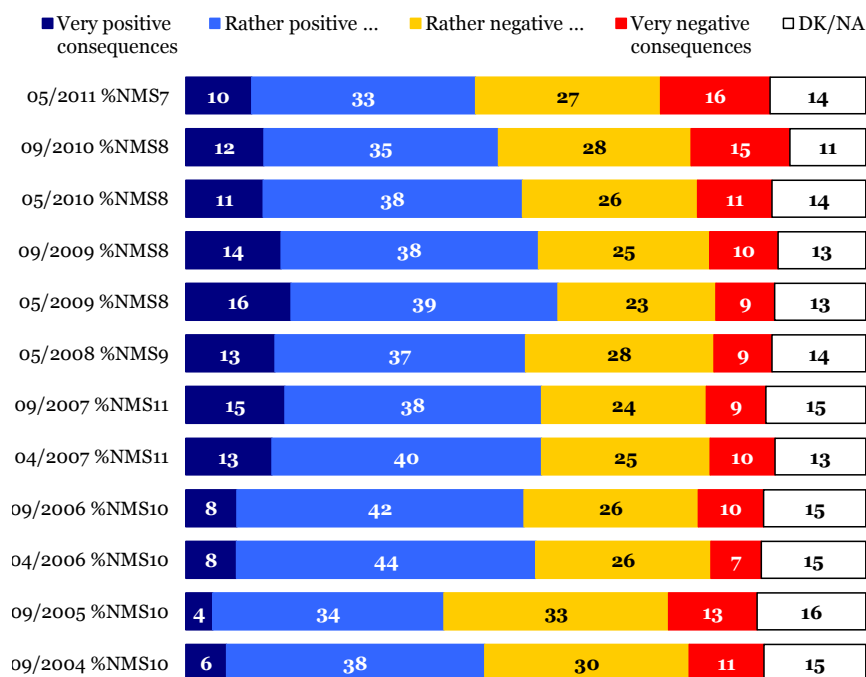
Equal shares of respondents in the NMS7 thought that the euro would either have *positive* or *negative* consequences for their country (both 43%). The figures showed a **constant decrease – since May 2009 – in the proportion of respondents who believed that the euro's introduction would have a positive impact at a national level.** In May 2009, 55% expected a positive outcome; this proportion decreased to 49% in May 2010 and to 43% in May 2011 (-12 percentage points compared to May 2009).

Respondents in the Czech Republic were the most likely to think **that the introduction of the euro would have negative consequences for their country** (67%, compared to 26% “positive consequences”). Other countries where respondents expecting negative consequences at a national level outnumbered those expecting a positive outcome were Latvia (55% vs. 31%), Lithuania (51% vs. 37%) and Bulgaria (50% vs. 40%).

In Hungary and Poland, on the other hand, almost equal shares of respondents believed that the euro's introduction would have either a *positive* or *negative* impact in their country (all 41%-43%). Romania was the only country where more than half of the interviewees expected positive consequences for their country in the event that it joined the euro area (54%, compared to 30% “negative consequences”).

Compared to September 2010, the Czech Republic, Hungary and Bulgaria have seen a large increase in the ratio of those who expected negative outcomes for their country following the changeover to the euro.

Consequences of the euro's introduction at a national level



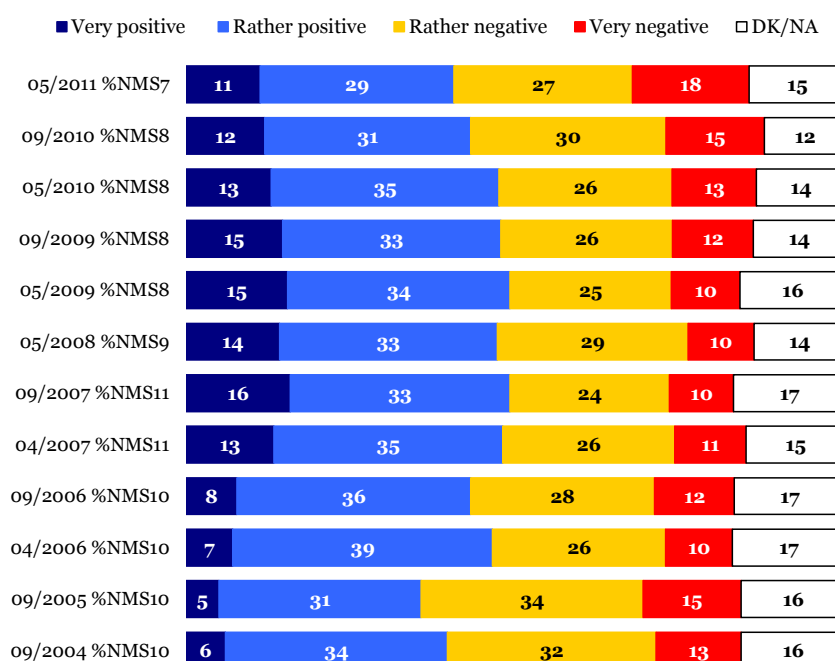
Q13.(2007-2010)/Q12(2006). Do you think the introduction of the euro would have positive or negative consequences for [COUNTRY]...?

The proportion of NMS7 citizens expecting positive *personal consequences* from the introduction of the euro in their country also continued to decrease: in May 2011, **40% of respondents thought there would be positive outcomes at a personal level** (compared to 43% in September 2010), while 45% believed in negative consequences (unchanged compared to September 2010).

Similar to the results for attitudes about the introduction of the euro at a national level, **only one country – Romania – had an absolute majority of respondents who expected positive personal consequences** from the changeover (57%). **In all other countries, however, there were more respondents who expected negative personal consequences than positive ones.** This gap was – once again – most noticeable in the Czech Republic where 68% of respondents thought they would personally suffer disadvantages after the euro's introduction, compared to 26% who envisaged positive outcomes for themselves.

A comparison across the two most recent rounds of the survey showed – once again – that the Czech Republic, Hungary and Bulgaria were characterised by a significant increase in the proportion of respondents who expected a negative personal impact from the changeover.

Consequences of the euro's introduction at a personal level



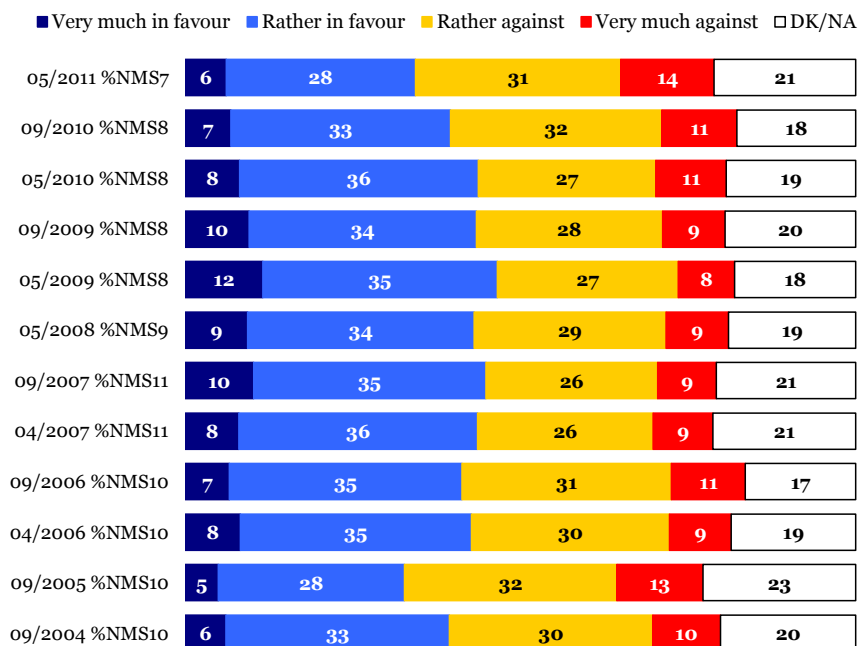
Q14.(2007-2010)/Q13.(2006) And for you personally, do you think that it would be positive or negative if the euro would be introduced?

Support for the single currency

While 34% of interviewees thought that their fellow citizens were *very much or rather in favour* of the euro's introduction, 45% of respondents believed that people they knew were *against (very much or rather)* this idea.

Compared to previous rounds, the current results indicated **some worsening in the climate of opinion concerning the euro**: in May 2009, 47% of interviewees thought that public opinion was *in favour of* joining the euro area; this proportion decreased to 44% in May 2010 and to 34% in the present round (-13 percentage points since May 2009).

Climate of opinion regarding the euro's introduction



Q15.(2007-2010)/Q14.(2006) Generally speaking, are most people you personally know more in favour or against the idea of introducing the euro in [COUNTRY]?

The proportion of respondents who thought that the general climate of opinion surrounding the euro's introduction in their country was negative (i.e. they thought their fellow citizens were against the changeover) ranged from 24% in Romania to 67% in the Czech Republic.

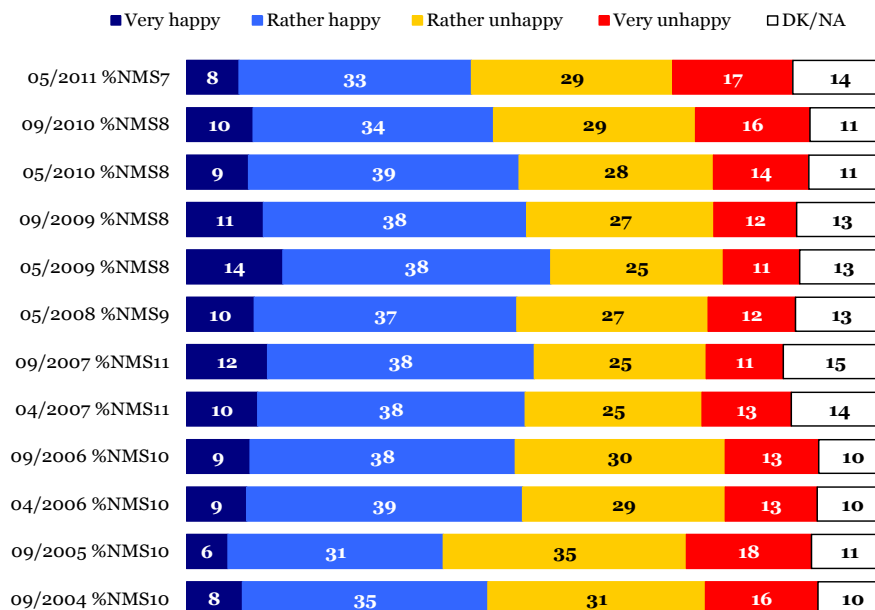
Compared to May 2010, individual country results showed a worsening climate of opinion concerning the euro's introduction in four of the NMS7 countries: the Czech Republic (from 53% to 67%; +14 percentage points), Bulgaria (from 40% to 49%; +9 points), Hungary (from 26% to 38%; +12 points) and Romania (from 17% to 24%; +7 points).

Support for replacing the national currency by the euro

While 46% of respondents said they were *unhappy* that the euro could replace their national currency, a smaller proportion (41%) said the opposite. Furthermore, looking at those who had strong views, a higher ratio of interviewees declared themselves *very unhappy* (17%) with the changeover than respondents who were *very happy* (8%). About one in seven (14%) respondents said they "did not know" how to answer.

Changes in respondents' support for the fact that the euro could replace their national currency were similar to those observed in regard to the general climate of opinion surrounding the euro's introduction, with a negative trend observed in May 2011 compared to May 2010. While in May 2010, 48% of respondents were *very* or *rather happy* that the euro could replace their national currency, this proportion decreased to 41% in the current round (-7 percentage points).

In accordance with the results about the general climate of opinion surrounding the euro's introduction, 51% of Romanians said they were *very* or *rather happy* that the euro could replace their national currency, while significantly fewer (29%) said the opposite. Furthermore, consistent with past rounds of the survey, respondents in the **Czech Republic and Latvia** were **the most liable to say that they were personally unhappy that the euro could replace their national currency** (69% and 58%, respectively).

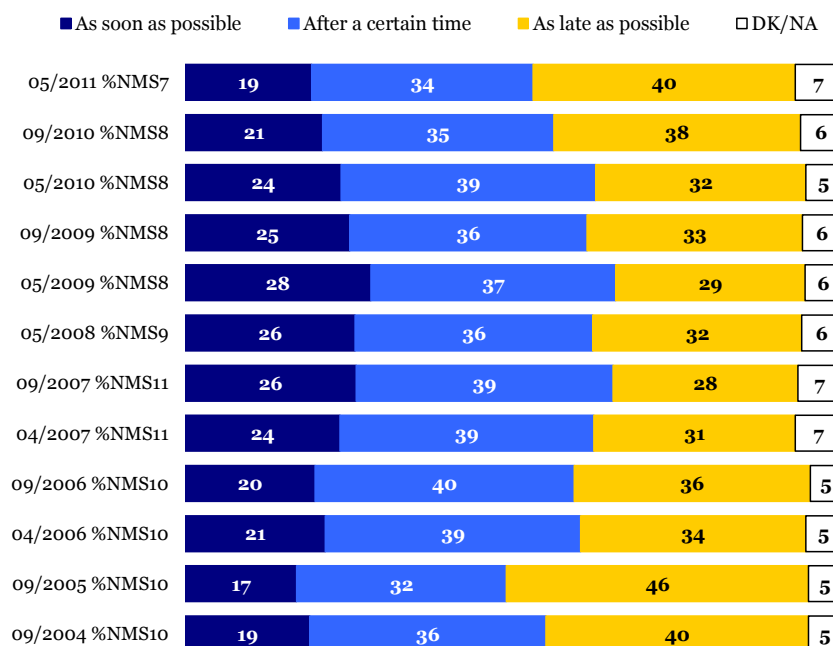
Are people happy that the euro will replace their national currency?

Q12. (2007-2010)/Q15. (2006) Are you personally happy or not that the euro could replace the [CURRENCY]?

A comparison across the last two survey rounds in the Czech Republic and Hungary showed that, in the current round, more respondents said they were *unhappy* that the euro could replace their national currency. In the Czech Republic, this figure increased from 61% in September 2010 to 69% in May 2011 (+8 points); in Hungary, this increase was from 41% to 47% (+6 points).

The most desired timeframe for the adoption of the euro

A relative majority of NMS7 citizens would like to see the euro introduced *as late as possible* (40%). Roughly one-third (34%) of interviewees wanted the changeover to happen *after a certain time*, while **approximately one-fifth (19%) opted for as soon as possible**. The share of respondents who “did not know” when they would like to have the euro introduced was 7%.

Desired timeframe for adopting the euro

Q16. When would you like the euro to become your currency?

In line with the findings of previous rounds, **Romania was the only country where those opting for an early introduction of the euro outnumbered those wanting this to happen as late as possible**: 38% would like the euro to be introduced *as soon as possible* and 22% *as late as possible*.

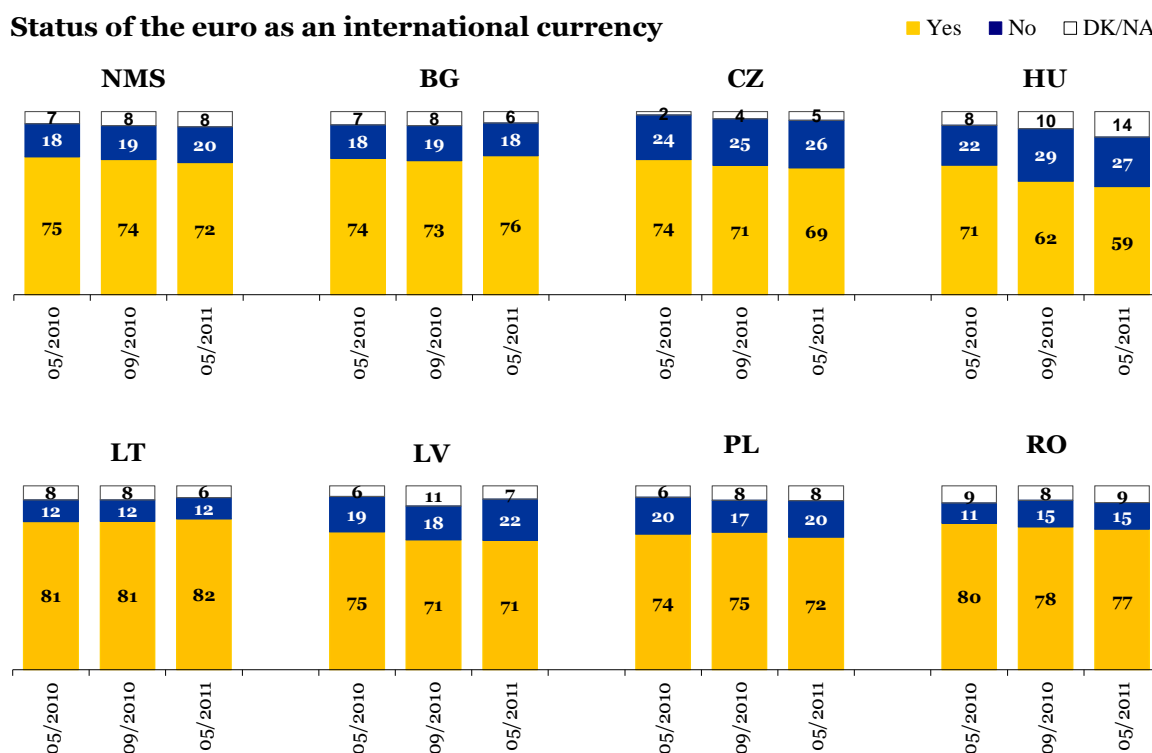
In all other NMS7 countries, respondents were more likely to want the euro to be introduced later rather than sooner. **The proportion of respondents who wanted the euro to be introduced *as late as possible* was the highest in the Czech Republic (58%)**; in this country, just 7% of interviewees thought that an early accession to the euro area was preferable.

The Czech Republic’s current results – once again – illustrate a significant deterioration in support for the euro: in September 2010, 47% of Czech citizens desired a delayed timeframe for adopting the euro; in the current round, however, 58% wanted this changeover *as late as possible* (+11 percentage points). Hungary has seen a similar large increase in the proportion of respondents who wanted to switch to the euro *as late as possible*: from 29% in September 2010 to 39% in May 2011 (+10 points).

Status of the euro as an international currency

Somewhat more than 7 in 10 (72%) respondents agreed that the euro had the status of an international currency, similar to the US dollar or the Japanese yen; one in five respondents disagreed with this proposition. Since the first round of the survey, there has been a solid and broad consensus among respondents in the surveyed countries that the euro had the status of a major international currency. Nonetheless, this belief seemed to have somewhat decreased since May 2009 (from 79% in May 2009 to 72% in the current round; -7 percentage points).

The proportion of respondents who thought that the euro had the status of a major international currency ranged from 59% in Hungary to 82% in Lithuania. Conversely, the proportion disagreeing with this idea ranged from 12% in Lithuania to 27% in Hungary.



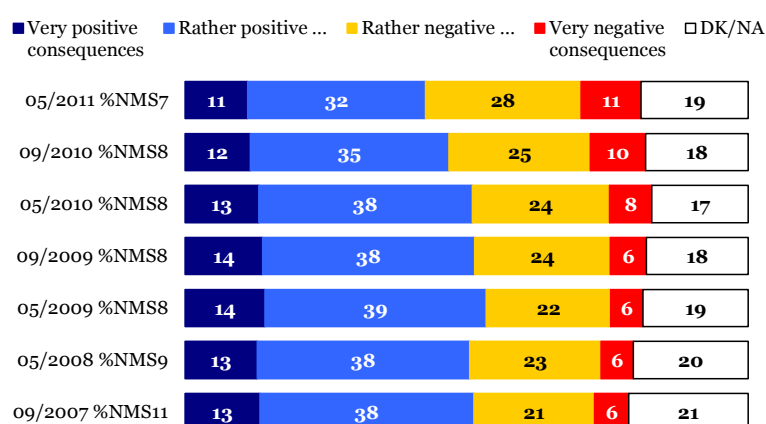
Q19.(2007-2010)/Q18.(2006) Do you think that the euro is an international currency like the US dollar or the Japanese Yen?

Consequences of adopting the euro

Somewhat more than 4 in 10 respondents in the NMS7 believed that the changeover to the euro had had positive consequences in the countries that were already members of the euro area (11% “very positive” and 32% “rather positive”), while a somewhat lower proportion thought that the consequences had been negative (11% “very negative” and 28% “rather negative”). Roughly a fifth (19%) of respondents could not or would not answer this question.

Compared to September 2010, the public has become more sceptical about the consequences of the euro in the countries that were already using the euro: for example, the proportion thinking that the introduction of the euro had had negative consequences in the euro area countries increased by four percentage points (from 35% in September 2010 to 39% in May 2011).

Consequences of the introduction of the euro in those countries already using the euro



Q17. Do you think the introduction of the euro has had positive or negative consequences in those countries that are using the euro already?

In Romania, Hungary and Latvia, respondents who thought the euro’s impact had been positive in the euro area countries outnumbered those who believed that its impact had been negative. **Respondents in Romania were – once again – the most confident about the positive effects of the euro:** 58% thought that the changeover had had positive consequences in the euro area countries, compared to 22% who believed that the consequences had been negative.

As in the previous round of this survey, **respondents in the Czech Republic were the most pessimistic** about the consequences of the euro in the countries that were already using the euro: more than 6 in 10 Czech respondents thought that euro area countries had seen negative consequences after the changeover (63%; +12 percentage points compared to September 2010), compared to less than 3 in 10 who held an optimistic view (28%; -9 points).

Political and economic consequences of introducing the euro

A majority (70%) of NMS7 citizens expected that the euro’s introduction would *increase prices in their country*; roughly one in five (19%) thought that it would *contribute to price stability*. Few respondents (4%) expected *no impact* and almost a tenth (8%) gave a “don’t know” response.

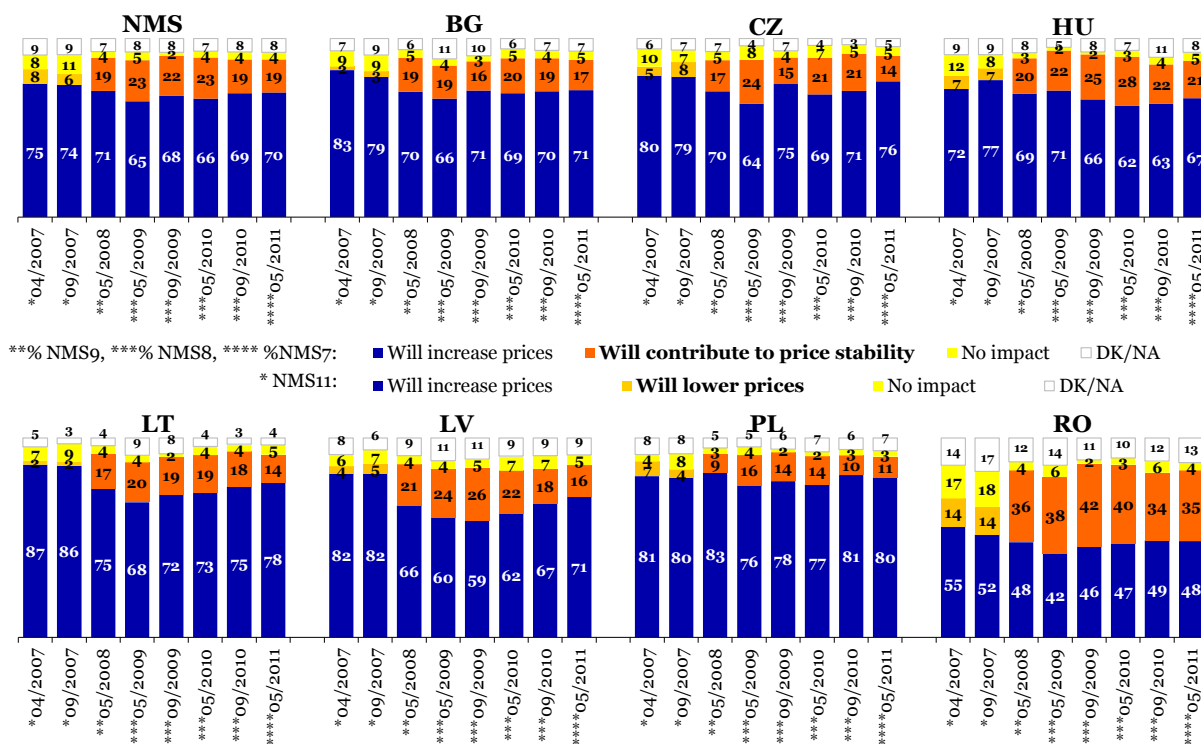
Romanians showed the least concern about price increases due to the euro’s introduction: less than half (48%) expected that goods and services would be more expensive once the euro was introduced, while more than a third (35%) thought that the euro would contribute to *price stability* and 4% expected *no impact*.

In all of the other NMS7 countries, a majority of interviewees were concerned that prices would *increase* in their country due to the changeover; this figure ranged from 67% in Hungary to 80% in

Poland. In these countries, between 11% and 21% of respondents expected prices to *remain stable* and a handful (3%-5%) thought there would be *no impact*.

A comparison across the two most recent rounds of the survey showed that four countries have seen an increase in the proportion of interviewees who expected price increases due to euro's introduction: the Czech Republic (from 71% in September 2010 to 76% in May 2011; +5 percentage points), Hungary (from 63% to 67%; +4 points), Latvia (from 67% to 71%; +4 points) and Lithuania (from 75% to 78%; +3 points).

Expected consequences of the changeover to the euro on prices



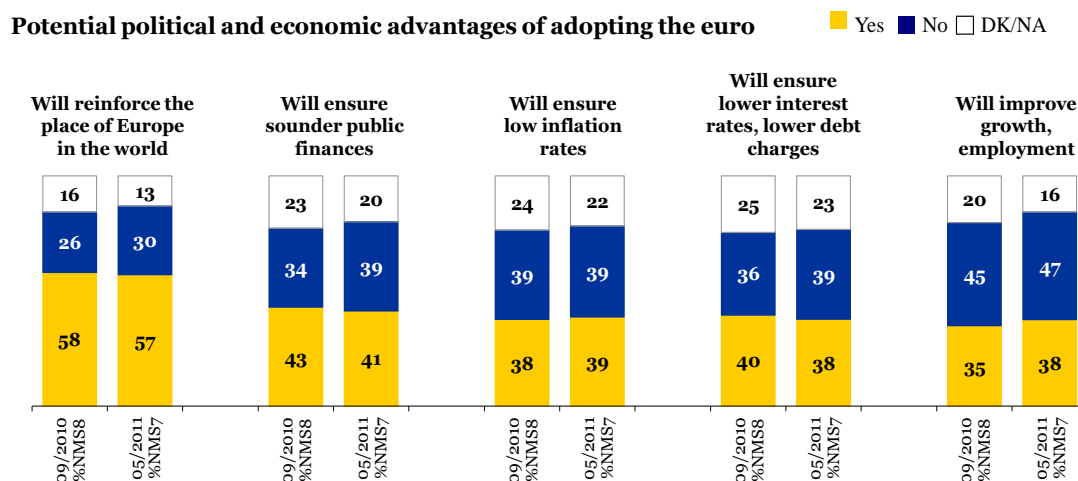
Q18. (2008-2009) Do you think the euro will increase prices in [COUNTRY] when it is first introduced or, on the contrary, it will contribute to price stability?
 Q18. (2007) Do you think the euro will increase prices in [COUNTRY] when it is first introduced or, on the contrary, it will lower prices?
 % by country

Favourable political and economic consequences of the euro

Citizens in the NMS7 most frequently agreed that *Europe's place in the world would be reinforced* when the euro was introduced in their country: 57% expected this outcome and 30% disagreed with this proposition. More than a tenth (13%) of respondents gave a “don't know” response.

Lower shares of respondents believed that adopting the euro would *ensure sounder public finances* (41%), *low inflation rates* (39%), *lower interest rates and debt charges* (38%), and would stimulate *growth and employment* (38%). As in the previous round of the survey, the proportion of respondents who expressed disagreement was highest for the latter statement: **47% of respondents doubted whether the euro would improve growth and employment in their country.** A high proportion of respondents could not – or would not – comment on these four statements (ranging from 16% to 23%).

While in September 2010, 34% of respondents did not think that the changeover to the euro would *ensure sounder public finances*, in May 2011 this proportion has increased to 39% (+5 percentage points).



Q21a-e. In your opinion, what are the main advantages of the adoption of the euro for [COUNTRY]?

Across six out of seven countries, a majority of respondents agreed that Europe would have a *stronger global position* following a further enlargement of the euro area (ranging from 50% in Latvia to 62% in Bulgaria). Respondents in the Czech Republic, on the other hand, were more likely to *disagree* with the statement (50% “disagreed” and 43% “agreed”).

As was seen in the previous round, respondents in Hungary were the most likely to *agree* with most of the statements that suggested a positive impact on the national economy, while those in the Czech Republic were the most likely to *disagree* with each of the statements.

Looking at the results in comparison with the previous round of the survey, it was noted that respondents in the Czech Republic have – once again – become more sceptical about the potential political and economic consequences of adopting the euro. The most significant positive development was registered in Latvia, where the proportion of respondents who agreed that the euro would lead to *low inflation rates* increased by nine percentage points (from 24% in September 2010 to 33% in May 2011).

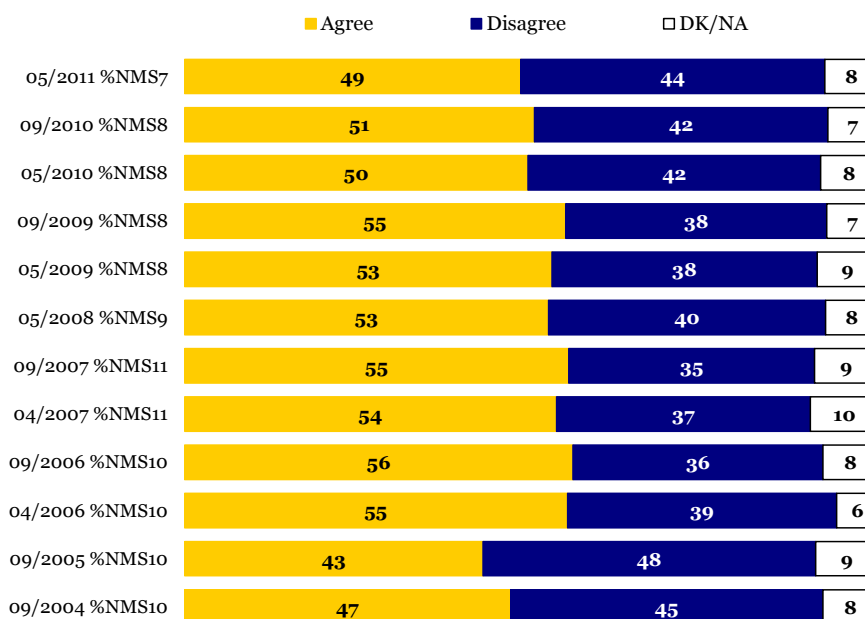
The euro as an ingredient in European identity

About one in two (49%) respondents in the NMS7 countries thought that using the euro *would make people feel more European*; this the lowest level of agreement measured since April 2006. A share of 44% of respondents *disagreed* with the statement and 8% did not answer this question.

In Hungary, just 30% of respondents agreed, while 65% disagreed that using the euro *would make people feel more European*. In the remaining countries, however, between 45% and 52% of respondents agreed with this proposition.

Compared to September 2010, the largest changes in the levels of (dis-)agreement were registered in the Czech Republic: while the proportion of Czech respondents who agreed that the euro would foster a more European identity has declined by eight percentage points (from 59% in September 2010 to 51% in the current round), the proportion disagreeing with the statement has increased by six percentage points (from 38% to 44%). In Latvia and Lithuania, on the other hand, slightly more respondents expressed their agreement than in September 2010.

Using the euro will make people feel more European



Q22e.(2007-2010)/Q21e.(2006) Could you tell me for each of the following statements if you agree or disagree...?
 "The usage of the euro instead of the NATIONAL CURRENCY will make us feel more European than now"

Practical consequences of the euro changeover

Respondents were asked to evaluate some of the practical consequences of belonging to the euro area. As was seen in previous rounds, **an overwhelming majority of NMS7 citizens agreed with statements suggesting that travelling and shopping in countries that use the euro would become easier:**

- 91% agreed that joining the common currency would be *more convenient for those who travel in other countries that use the euro*
- 85% agreed that the euro would make it *easier to shop in other countries using the common currency*
- 79% confirmed that joining the euro area would *allow them to easily compare prices with those in other countries that use the euro* (-3 points since September 2010)
- 75% thought that the euro's introduction would *eliminate any charges relating to currency exchange when, for example, visiting other countries that use the euro.*

As observed in earlier rounds of this trend survey, **respondents were rather pessimistic about the power of the euro to protect their country against the effect of international crises** – about a third of respondents agreed with this statement (34%, -3 percentage points compared to September 2010), while almost half of respondents disagreed (46%, +4 points).

Respondents in the Czech Republic were not only the most likely to disagree with the statements that suggested a positive impact on their country's economy, they were also **the most likely to disagree with most of the statements about the euro's practical consequences**. For example, the proportion of interviewees who disagreed with the suggestion that having the euro *would be more convenient for those who travel in other countries that use the euro* ranged from just 3% in Bulgaria, Hungary and Poland to 11% in the Czech Republic.

Respondents in Hungary and Poland were the most likely to agree that joining the euro area would make it *easier to travel* (94%-95%) and *to shop* (87%-88%) *in other euro area countries* and that it would *eliminate any charges relating to currency exchange when, for example, visiting other euro area countries* (both 80%). Respondents in Hungary were also more likely than their counterparts in

other NMS7 countries to agree that the euro could made it easier to *compare prices with those in other euro area countries* (85%).

It was the Bulgarians, however, who were the most likely to think that the euro would *protect their country against the effect of international crises* (46% agreed, compared to 35% who disagreed). A comparison across the last two survey rounds showed that the Czech Republic, Lithuania, Hungary and Poland have seen an increase in the proportion of respondents who disagreed that joining the euro would protect their country from the effects of international crises.

Expected positive effects of joining the euro area

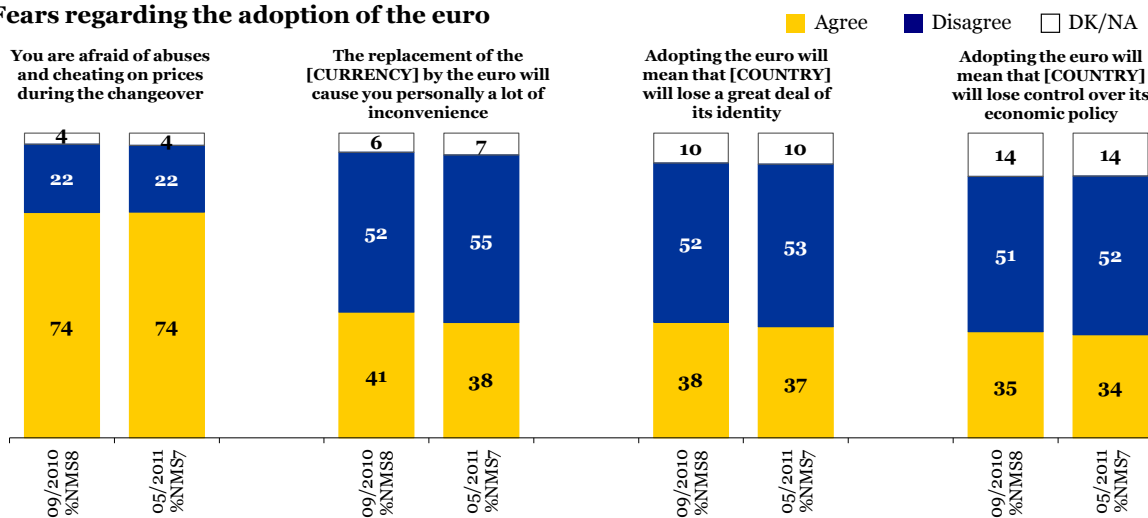
	Will be more convenient for those who travel in other countries that use the euro		Will make it easier to shop in other countries that use the euro		Will make it easier to compare prices with those in other countries that use the euro		Will eliminate currency exchange charges when, for example, visiting other countries that use the euro		Will protect a country from the effects of international crises											
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No										
	09/2010	05/2011	09/2010	05/2011	09/2010	05/2011	09/2010	05/2011	09/2010	05/2011	09/2010	05/2011								
NMS	90	91	5	5	85	85	9	10	82	79	12	14	76	75	13	14	37	34	42	46
BG	93	93	3	3	86	85	8	9	79	77	13	16	75	74	10	14	45	46	32	35
CZ	88	87	10	11	85	82	14	17	82	78	16	19	80	76	18	22	37	28	56	62
LV	92	91	5	6	86	82	9	11	82	75	11	17	79	77	13	13	23	22	58	59
LT	92	92	5	4	80	82	13	11	76	77	14	13	60	54	30	32	31	30	50	54
HU	96	95	2	3	93	87	4	9	89	85	6	10	83	80	11	14	42	35	42	47
PL	92	94	4	3	85	88	10	8	81	79	12	13	79	80	10	10	34	32	41	47
RO	85	88	8	6	83	81	9	10	80	75	13	14	69	67	16	15	39	39	39	37

Q20a-e . Do you think that the euro ...?

Potential inconveniences of the introduction of the euro

Respondents were also asked to evaluate some potentially negative impacts due to the euro's introduction. As in previous rounds, **the only potential inconvenience** (among the statements presented) **that a majority of respondents in the NMS7 countries shared were possible abuses and cases of cheating on prices during the changeover** (74%). Most respondents *did not express concerns* about *personal inconveniences that could be caused by the changeover* (55%), *a negative effect on their country's identity* (53%) or *a loss of their country's control over economic policy* (52%).

Fears regarding the adoption of the euro



Q22a-d. Could you tell me for each of the following statements if you agree or disagree...?

Since the question was first asked in 2006/2007, **across all NMS7 countries, respondents who were concerned about abuses and cheating on prices during the changeover to the euro have outnumbered those who did not share this concern.** In the latest survey round, the proportion of respondents who expressed concerns in this regard ranged from 63% in Romania to 81% in Poland. Conversely, the proportion who did not share this concern ranged from 15% in Poland to 33% in Romania. The most important change between the two most recent rounds of the survey was observed in Lithuania, where the share of respondents who were worried about possible *abuses and cases of cheating on prices during the changeover to the euro* dropped by five percentage points from 77% in September 2010 to 72% in May 2011.

In Romania, 30% of respondents expected personal inconveniences due to the introduction of the euro, while more than twice as many (64%) did not expect such difficulties. Respondents who did not think that the changeover to the euro would cause them a lot of personal inconvenience also outnumbered those who did by 22 percentage points in Poland (58% vs. 36%), 16 percentage points in Latvia (54% vs. 38%), nine percentage points in Lithuania (51% vs. 40%) and six percentage points in Bulgaria (50% vs. 44%) and Hungary (48% vs. 42%). In the Czech Republic, on the other hand, a slim majority (54%) of respondents expected personal inconveniences due to the euro's introduction; just 38% of Czech respondents did not expect such difficulties. The most noteworthy changes in the level of (dis-)agreement – compared to September 2010 – took place in Poland. In the previous round, 53% of Polish respondents did not expect personal inconveniences due to the euro's introduction, this figure increased to 58% in the current round (+5 percentage points).

A majority of respondents in Hungary (61%), Romania (59%), Poland (55%) and Bulgaria (51%) did not believe that using the euro would cause a loss of national identity. In the remaining countries, a majority of respondents agreed that the introduction of the euro would lead to a weakening of national identity; this was the case in Latvia (68% vs. 26% who disagreed), Lithuania (58% vs. 32%) and the Czech Republic (54% vs. 41%). In the Czech Republic, contrary to the generally negative development of public opinion vis-à-vis the euro compared to September 2010, a decrease was seen in the proportion of respondents who agreed that adopting the euro would cause a loss of national identity (from 62% in September 2010 to 54% in May 2011, -8 percentage points).

The proportion of respondents who disagreed with the statement that their country would lose control over its economic policy following the adoption of the euro ranged from 33% in Latvia to 61% in Hungary. In Hungary, Romania, Poland, Bulgaria and Lithuania, interviewees who *disagreed* outnumbered those who *agreed*. Latvia continued to stand out from other NMS7 countries with 55% of respondents who agreed, compared to 33% who disagreed, that their country would lose control over its economic policy if it introduced the euro. Finally, in the Czech Republic, similar shares of respondents either agreed (46%) or disagreed (47%) with this proposition.