

CITIZENS' SUMMARY

Communication on the introduction of the euro in Slovakia

The European Commission adopted on 20 April 2009 a Communication on the introduction of the euro in Slovakia. Slovakia joined the group of countries using the euro on 1 January 2009. All available data confirm that the changeover in Slovakia was smooth and perceived by the citizens as successful.

Why did the Commission issue this Communication?

This Communication covers the most important aspects of the changeover process in Slovakia, in particular the introduction of euro banknotes and coins (see Section 2), the measures taken by the Slovak authorities to fight citizens' fears of price increases (see Section 3), the price developments in the changeover period (see Section 4), the information campaign on the euro and the citizens' opinion on the smoothness of the changeover (see Section 5). The aim of this Communication is to provide summary information on the running of the changeover in Slovakia and draw some conclusions which may be of value for other countries introducing the euro.

Slovakia opted for a so called "big bang" scenario, i.e. the euro banknotes and coins replaced Slovak koruna cash on the same day as the euro became Slovakia's currency. The period of dual circulation, during which payments were accepted both in euro and Slovak koruna, lasted for two weeks (1 to 16 January 2009). According to a Commission survey a large majority of Slovak citizens (91%) perceived the changeover as smooth and efficient.

What's the issue?

- **Introduction of euro banknotes and coins**

The National Bank of Slovakia (NBS) together with commercial banks launched the preparations for the cash changeover (e.g. exchange of Slovak koruna banknotes and coins against euro cash) long before the 1 January 2009. In the last weeks of 2008, the NBS distributed euro notes and coins to commercial banks, which in turn supplied them to businesses and citizens. During the 16 days of the dual circulation period, the clients could come to banks to exchange Slovak korunas for euro virtually every day. In the first hours of January 2009, the cash dispensers (ATMs) and point-of-sales terminals were adapted to functioning in euro. Banks trained their staff in advance for working with the new currency and providing advice to clients.

- **Use of the euro for cash payments**

The use of the euro for payments in the first days progressed slower than in the previous changeovers. In Slovakia, 45% of shoppers paid in euro on 5 January while it was 78% in Slovenia on the same day. In Cyprus and in Malta where citizens could pay with their old national currencies until the end of January, the share of payments in euro breached 70% on 4 January already. On 7 January when most Slovaks came back from holidays, the speed of the changeover caught up somewhat on the other

countries which have recently introduced the euro. The retailers who had to accept payments in two currencies from 1 to 16 January generally coped well with this challenge.

- **Protection of consumers against unfair price increases**

The Slovak authorities have adopted a set of measures with a view to contributing to price stability and enhancing consumer confidence in the changeover period. The 'Ethical Code' which bounds its adherents to respect the rules of the changeover and not to abuse it for their own profit had some 20 000 subscribers. Prices must be displayed in both Slovak koruna and in euro until the end of 2009. The Slovak Trade Inspection monitors carefully whether the prices were converted and displayed according to the law. The prices of selected goods are regularly monitored by the Association of Slovak Consumers.

- **Communication activities**

The communication campaign focused on the most important aspects of the practical preparations (e.g. the dual display of prices, the 'Ethical Code') as well as on the benefits of the euro. The media campaign and various information materials were helping people to prepare for the cash changeover and to increase their confidence in the new currency.