



# **Practical aspects of the changeover: main lessons from the first-wave experience**

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- 1. Careful and pro-active preparations pay off**
- 2. The introduction of euro notes and coins needs to be swift**
- 3. The withdrawal of national currency needs to be carefully prepared**
- 4. The impact on prices (or the perception thereof) needs to be closely monitored**
- 5. The mental changeover takes considerably more time than the physical changeover**
- 6. The cash changeover constitutes the tip of the iceberg**



# 1. Careful and pro-active preparations pay off

**First –wave countries which have invested in timely, comprehensive and thorough preparations were rewarded in many respects:**

- **Speed of the changeover**
- **Public acceptance of the new currency**
- **Smoothness of the transition**



## **2. The Introduction of euro notes and coins needs to be swift (1)**

**All parties involved have a common interest in keeping the cash changeover as short as possible. In concrete terms, this requires:**

- **that major stakeholders need to be supplied with euro cash well before €-day:**
  - **frontloading of banks**
  - **sub-frontloading of retailers and other enterprises**
  - **sub-frontloading of citizens (notably coins)**
  
- **that euro cash becomes easily and widely available as from €-day:**
  - **ATMs are fully switched over to euro**
  - **banks extend their opening hours**
  - **retailers give change in euro only**

# The Introduction of euro notes and coins needs to be swift – (2)



- that a maximum of national currency has been withdrawn before €-day:
  - ‘piggy coin’ campaigns (to collect hoarded coins)
  - major cash holdings which are not necessary for daily operations should be returned to banks in advance
- that national cash is being quickly withdrawn (and not recycled):
  - retailers give change in euro only
  - ATMs stop issuing national currency as from €-day
  - consumer spend residual (and small) amounts of legacy cash in shops (rather than bothering banks)



### **3. The withdrawal of national currency needs to be carefully prepared**

**The main focus in the past was put on the introduction of the euro.**

**The massive backflow of national cash came as a surprise and caused considerable logistical and other problems:**

- **shortage of CIT transport capacity;**
- **delays in the counting, sorting and processing of coins;**
- **late crediting of accounts and financial difficulties for certain companies.**



#### **4. Any impact on prices (or the perception thereof) needs to be closely monitored**

- **Prior agreements with the retail sector need to be negotiated, widely publicised and also visualised (sticker, etc.).**
- **Public authorities should act, and should be seen to act.**
- **Consumer organisations need to be actively involved in the monitoring process and consumers need to be assertive.**
- **The quality of preparations (and therefore the easiness of the changeover) affects people's future perception of the euro.**

## **5. The mental changeover takes considerable more time than the physical changeover**



- **Survey results show that many citizens in the euro area still think in national currency when doing day-to-day shopping.**
- **A majority still thinks in national currency for large-value purchases (house, car, etc.)**
- **Dual displays facilitate the mental changeover but become counterproductive at some stage.**



## **6. The cash changeover constitutes the tip of the iceberg (1)**



**The cash changeover (rightly) receives considerable attention in national changeover plans:**

- **it concerns all stakeholders (consumers, retailers, companies, public administrations, etc.)**
- **it constitutes the most visible and “spectacular” part of the changeover**

**However:**



## **The cash changeover constitutes the tip of the iceberg – (2)**

**The changeover of different systems in the public and private sector absorbs considerable resources and requires timely preparation, e.g.**

- **financial and administrative systems**
- **accounting systems**
- **invoicing and billing systems**
- **payment systems**
- **administrative systems in general**
- **cash registers, ticketing systems**
- **vending machines**
- **etc. etc.**

**The challenge will be even more important in countries adopting a “Big Bang” approach for joining the euro area.**