



# **How to communicate with SMEs on euro issues**

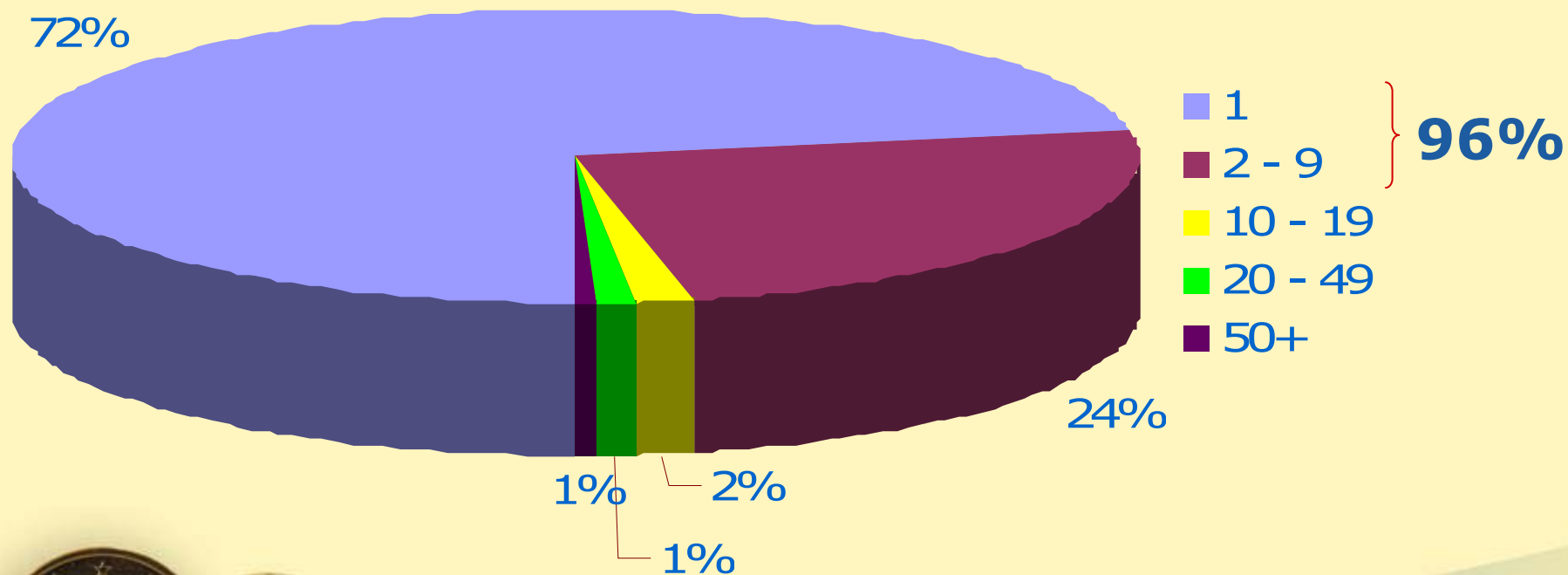
**Alan CAMILLERI**  
**Executive Director, NECC (Malta)**  
**18<sup>th</sup> October 2007, Brussels**

# Agenda

- The Maltese SME topology
- The Policy Framework
- Communication Strategy
- Progress so far
- Remaining challenges



# The Maltese SME topology



# The Policy Framework

## Obligations by law

### Euro Adoption Act: LN4 of 2007 (in force from Jan 07)

L.N. 4 of 2007

EURO ADOPTION ACT  
(CAP. 485)

Euro Adoption (Dual Display and Euro Pricing) Regulations,  
2007

IN EXERCISE of the powers conferred by article 3 of the Euro Adoption Act, the Prime Minister and Minister of Finance has made the following regulations:-

- Voluntary and mandatory period of dual display
- Euro price rises are illegal
- Euro payments accepted only at 0.4293
- Establishment of FAIR and the Euro Observatory
- Schedule of administrative fines



# The Policy Framework

## Fiscal and Practical Incentives

Removal of deposit charges: Euro notes into euro accounts

Waiver on exchange charges of euro note deposits into Lm accounts

Availability of low denomination euro notes to businesses (at IFCR) in December 07



Tax deduction scheme on euro related costs (200% up to Lm1,000 deduction)



Deposits registration scheme for undeclared income



# Communication Strategy

## Key messages (September 2006)

### 1. Euro is in your interest

- Benefits of the euro for SMEs (i.e. removal of charges, global currency etc..)

### 2. Get fit for euro

- Start preparations early

### 3. Join FAIR

- Secures adequate and timely preparations;
- Promotes best practice





# Communication Channels

- One to One Outreach
  - 70 euro assistants
- Garner support of SME representative bodies
- Regional/Sectoral initiatives
- Traditional Media



# Communication Strategy

## The problem of motivating SMEs

**Three main issues that make it difficult to get SMEs 'kick-started':**

1. They don't think it is a priority yet
2. They have a business to run!
3. There's not much to it





# Communication Strategy

## How to reach SMEs

### Attract them

- Free price gun & euro converter
- Their own Euro Assistant
- Their FAIR commitment publicised
- Free training, support, conversion charts
- Sector specific seminars
- Involve constituted bodies
- Articles/case studies in business publications



# Communication Strategy

## How to reach SMEs

### Provide relevant publications

- Supply of conversion charts
- Easy to read booklet
- Business checklist
- Fit for euro
- Fit for FAIR
- All for free, and on-demand!
- Euro Times monthly supplement



# Print Media Campaign (1)

**Bl-ewro jaqbillek!**



“...hena jkoll nseifer hanna huz nsegrozzu falka rimpporta f-aktiva b'anzwa appawez għajja. Bl-ewro i vevvqgħat għal kull akkord ta' kien qad ruqhu rokku morozz imqiegħablu ta' muniti b'orrenni. Minzomb q'itaku, taq nseifer spejjez kull darba li naghmal pagamenti b'banka.

Bl-introduzzjoni ta' l-ewro ser oqgħa l-impjegħa ta' l-oqgħer li nseifer akbar l-ukoll kull darba li naghmal pagamenti f'kwalunkwe munita ta' l-ewro. Nseifer akbar l-ukoll kull darba li naghmal pagamenti f'kwalunkwe munita ta' l-ewro. Nseifer akbar l-ukoll kull darba li naghmal pagamenti f'kwalunkwe munita ta' l-ewro. Nseifer akbar l-ukoll kull darba li naghmal pagamenti f'kwalunkwe munita ta' l-ewro.

Bl-ewro papari. Jkoll b'ha ma wa ta' hanz, set ukoll jekk int torp, muniti, jkoll b'ha ukoll.

**Mariela Smani**  
Direttrix - Stazzjonewi Oqgħer

**LIRJA EWRO 154**  
www.euro.gov.mt

L-ewro... il-interess tagħna ikoll!

**Are you fit for the €uro?**



...registers do not need to be changed by the euro changeover process.

**No need to change your cash register.**

With the introduction of the euro Maltese retailers do not have to change their cash registers. While it is desirable to do dual display on weights, there is no need to upgrade your cash register that we utilize to display the dual prices on the fiscal receipt. In such cases, retailers will have to provide their clients with conversion table along with the fiscal receipt.

The National Euro Changeover Committee (NECC) is pleased to assist you and facilitate the euro changeover process. If you need further information call the NECC's national helpline Line 154 or email us at euro@euro.gov.mt. You can read about the latest developments on the euro changeover by logging on www.euro.gov.mt

**LIRJA EWRO 154**  
www.euro.gov.mt

**According to new regulations on the introduction of the euro, dual display of prices in Maltese lira and euro should be carried out using the central parity rate of €1 = Lm0.4293**

**Lm € FAIR**  
Fair Pricing Agreement in Retail

**FAIR is an opportunity to strengthen your corporate reputation and gain consumer confidence during the euro changeover.**

**Did you apply to join FAIR?**

Call Lirja Euro 154 for more information or send an email on euro@gov.mt






# Print Media Campaign (2)



**Retailing in euro**  
How to benefit early from euro adoption

GRTU Exchange Building, Republic Street, Valletta  
Wednesday, 4 April 2007 > 1330 – 1600hrs

**Introduction**  
Mr Vince Farrugia, Director General  
Malta Chamber of Small and Medium Sized Enterprises

**Retailing retailer competitiveness**  
Mr Richard Bouteq, Adviser to Chairman  
Federation of Commercial  
and Retailing Enterprises, France

**Getting ready for the euro: 10 golden tips**  
Mr Joe FX Zahra, Chairman  
Mr Alan Camilleri, Executive Director  
National Euro Changeover Committee

**Concluding Remarks**  
Mr Tonio Fenech, Parliamentary Secretary  
Ministry of Finance

*The seminar will be followed by refreshments.  
For bookings, please contact Carmen Borg on 21220459  
or email carmen.borg@grtu.net*



**Fit for euro  
SEMINARS**

Are businesses in France better off with the euro?  
Has it increased their competitiveness?  
Has it led to price stability?  
What are the effects on price transparency?  
Can businesses look only at their short term costs of adoption  
and overlook the longer term benefits of the euro?

Get your questions answered during a seminar targeted for businesses organised by the National Euro Changeover Committee and the Malta Chamber of Commerce and Enterprise.

**DATE:** Tuesday, 13th February, 2007  
**TIME:** 17:30 hrs  
**VENUE:** Chamber of Commerce and Enterprise,  
The Exchange, Republic Street, Valletta

Mr Victor Galea  
President, Chamber of Commerce and Enterprise

**Speaker:** Mr Martin Forst  
Director International & Europe from Linogel, France

**Subject:** Business preparations and euro adoption benefits in France

For reservations please contact:  
Ms. Doriane Boreana  
e-mail: [db@chamber.org.mt](mailto:db@chamber.org.mt)  
tel: (+356) 21 231 873  
fax: (+356) 21 245 223



## > Euro Changeover Considerations for Sage Application Vendors and users

A Q&A seminar by the NECC



(date) Tuesday, October 2

(time) 13:30 – 15:30

(venue) GRTU, Exchange Building,  
Republic Street, Valletta

Both Sage euro conversion tool vendors, as well as Sage users are being invited to attend, so that:

- Each vendor gets a chance to promote offering,
- The business community is aware of the various options open to them,
- an interactive Q&A can take place.

Any interested parties are requested to contact Ms Marcella Zahra on 21232881 or email [admin@grtu.net](mailto:admin@grtu.net) by Monday 1st October to confirm attendance, specifying their name, role and company.



# Print Media Campaign (3)



**MOVING TO EURO**  
euro our money  
Helping Malta to Euro

## Train your staff — it pays you!

With the euro very soon becoming your trading currency, the National Euro Changeover Committee (NECC) is organising various training courses to familiarise yourself and your staff with the changeover. Your organization and your customers can only experience a smooth and seamless changeover if the necessary training has been obtained before the actual changeover takes place. Specific courses are being organized to reach the different needs of different businesses and the self-employed.

**RETAILERS**  
If you are a retailer you should get in touch with your Euro Assistant and book your training. The Euro Assistant will train you and your staff at your own place of work or your shop.

**SELF-EMPLOYED**  
If you are self-employed or self-occupied call your Local Council to get more information on the next Training Course being organised specifically for those like you who work on their own and on the move.

**COMPANIES**  
If your firm or company employs more than 10 persons, specialised training courses are being organised by NECC Trainers. Call Linja Ewro 154 or send an email to euro.gov.mt to book your place for the upcoming training course.

The changeover will be easy as much as you make it. Training is key! Adapting your information systems, your menus and your price lists is important, but training yourself and your staff members is crucial.

www.euro.gov.mt  
Linja Ewro 154




**MOVING TO EURO**  
euro our money  
Helping Malta to Euro

## The changeover needs change... *in your till!*

Are you in business? Do you handle cash in your normal business transactions? Have you started thinking on how much change in euro currency you would require in the initial days of the changeover process?

Whether you are a large firm, a little corner shop or a self-employed person, it is about time that you estimate the amount of euro cash you would require to be able to give change in euro to your customers as from January 1, 2008.

Remember that your clients can pay either in euro or in Maltese Lira but you always need to give change in euro.

To be able to estimate your cash requirements it is important to start as from now monitoring the amount of change you keep on a daily basis over a period of time. There are specific ways how to calculate your cash requirements. Don't leave any more time to contact your local bank branch or manager to help you out.

Starting from 1 December 2007 you can redeem the notes for € without any additional charges from your bank. You can also obtain euro coin starter kits from Lm56.24 (€131).

www.euro.gov.mt  
Linja Ewro 154




**MOVING TO EURO**  
euro our money  
Helping Malta to Euro

## Learn to work in euro > training courses

- Are you self-employed?
- Do you own a small business concern?
- Do you work from home?
- Are you a member or treasurer of an Association or group?

On the 1st January 2008 the euro will become Malta's national currency. You should, therefore, be prepared well and in time for the changeover.

The National Euro Changeover Committee is planning a set of courses to help you handle the euro and inform you on how the euro will affect your work. The course will also help you recognize the euro notes and coins and how they should be used. Every course will be spread over a week in the following local councils. You can attend the course at the Local Council nearest to you. To book your participation please call your chosen Local Council directly.

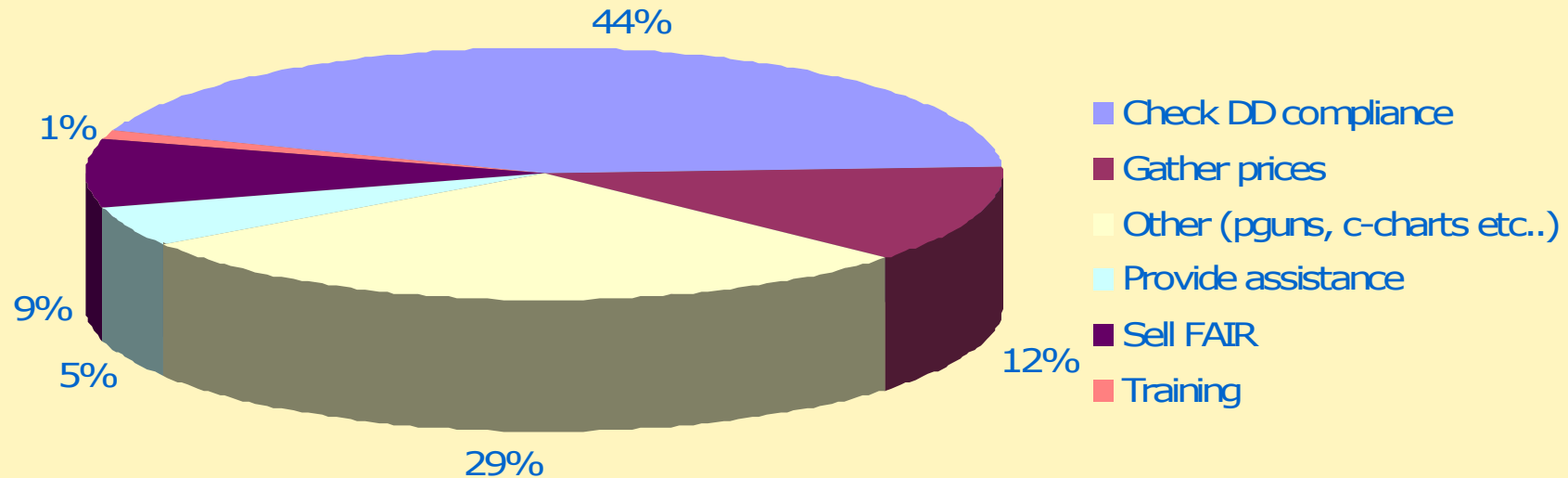
Starting	Till	Location	Venue	From	To
10th October	16th October	Zejtun	Local Council	3.00pm	4.30pm
12th October	16th October	Zurriq	Local Council	6.30pm	8.00pm
12th October	16th October	Qormi	Local Council	6.30pm	8.00pm
15th October	19th October	San Gwann	Local Council	1.00pm	3.00pm
17th October	22nd October	Paola	Local Council	1.00pm	3.00pm
29th October	2nd November	St Paul's Bay	Local Council	6.30pm	8.00pm
5th November	9th November	Rabat	Local Council	7.00pm	8.30pm
30th November		Rabat Gozo	Local Council	9.00am	2.00pm

www.euro.gov.mt  
Linja Ewro 154



# Visits done by Euro Assistants

Visit count by objective (Jun-Oct 2007)



- o Over 34,000 visits done in total
- o 20,000 visits Nov 06 – Jun 07: FAIR related
- o Almost 15,000 from Jun 07 (see above chart)





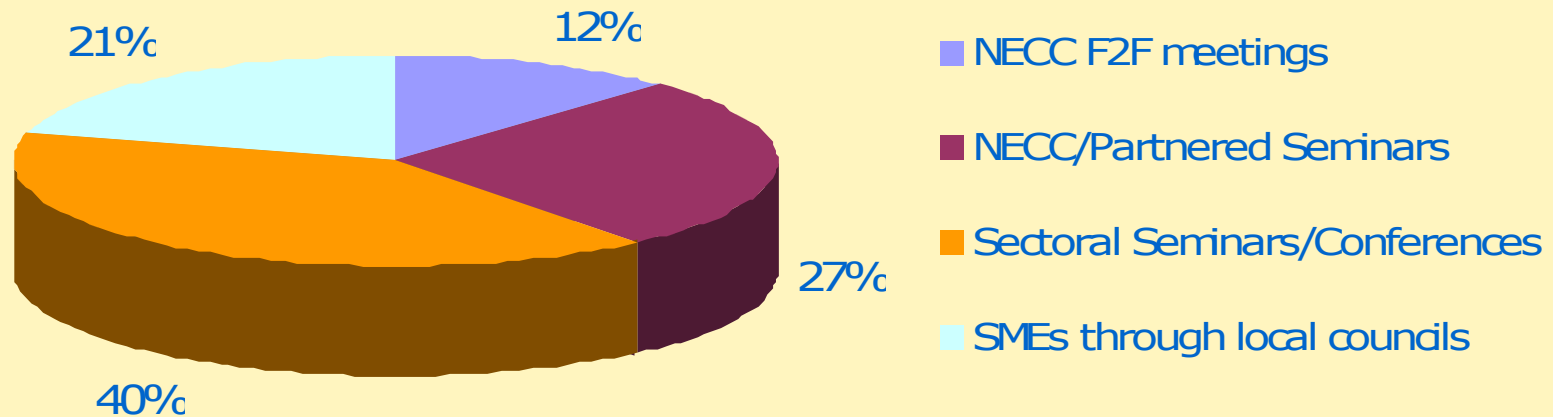
# Involvement of Stakeholders

- SME union (GRTU): Partner seminars
- SME sector conferences: e.g. Banking, Accountancy, Co-ops, Hairdressing, Retail, Catering, Pharmacies
- BOV: NECC partner bank
- ICT application vendors
- Parliamentary Secretariat for the SMEs

*"It is in **your** interest that these businesses are not adversely affected by the changeover"*



# Business Participation



Almost 2,300 businesses participated in total

- Involving/partnering with multipliers resulted in more business participation
- Some businesses want to discuss issues 1:1 (i.e. not to publicise their position!)



# Expert Assistance

- Austrian price commission (through twinning):
  - Setting up legal framework
  - Training on macro-economic price analysis
  - Seminar on EU legislation for businesses
  - University lecture on international price movements over the 2002 changeover (Dr Pollan)
- French/Slovenian experts (through twinning):
  - Numerous seminars on marketing, importation, strategic pricing, ICT migration relating to euro changeover



# Business Preparations Survey

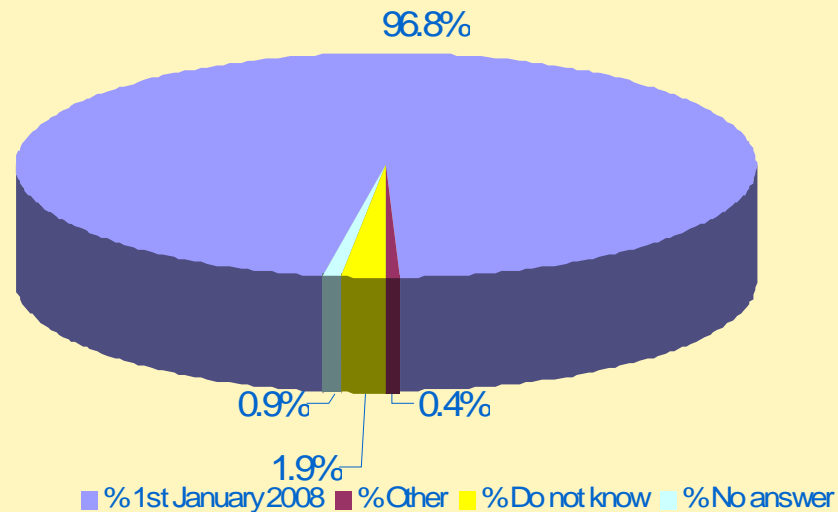
- 908 businesses sampled (representative of total population)
- Conducted by Euro Observatory during end August/early September
- Data entry and analysis by National Statistics Office
- The following key results are restricted to the SME (i.e. between 2-9 person businesses)



# Progress so far

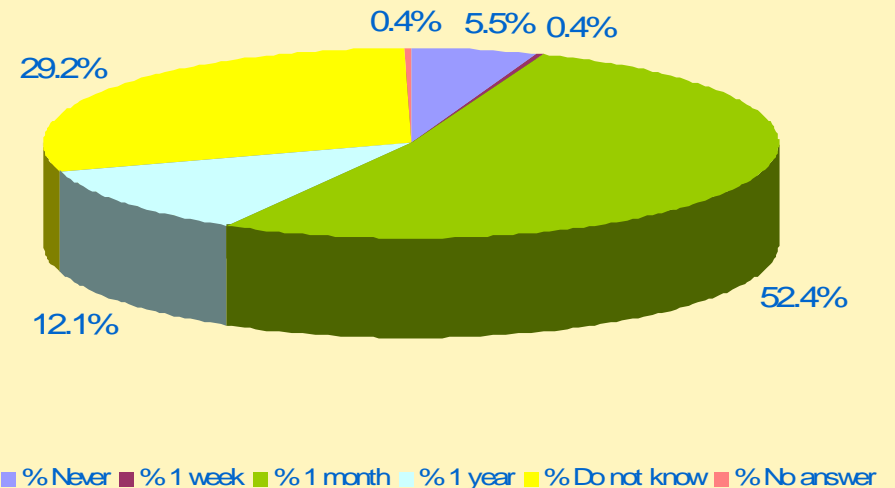
## Results of our business survey

When will Malta adopt the euro?



96.8% versus overall average of 97.5%

How long is the dual circulation period?



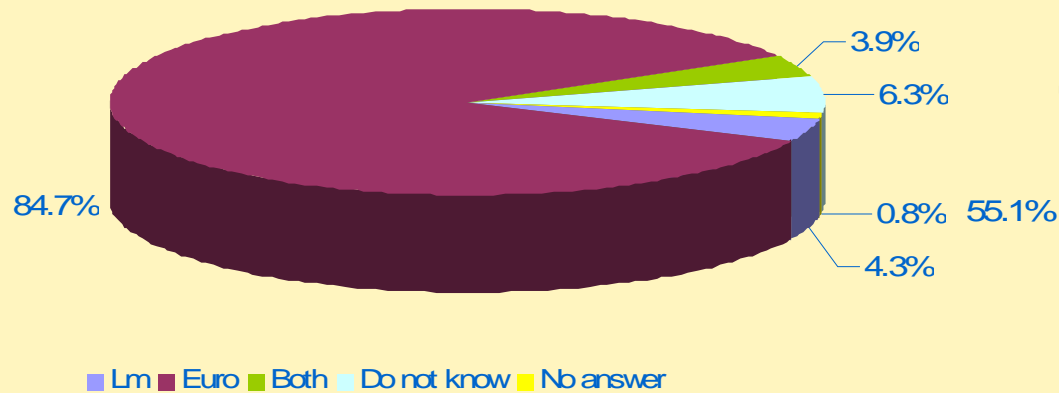
52.4% versus overall average of 55.8%



# Progress so far

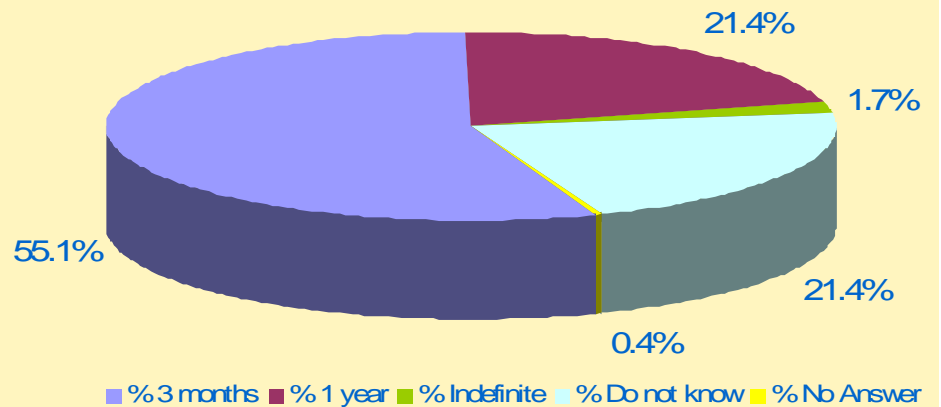
## Results of our business survey

Which currency is change give during the dual circulation period?



84.7% versus overall average of 89.7%

How long can Lm be exchanged for euro at commercial banks?



55.1% versus overall average of 43.0%

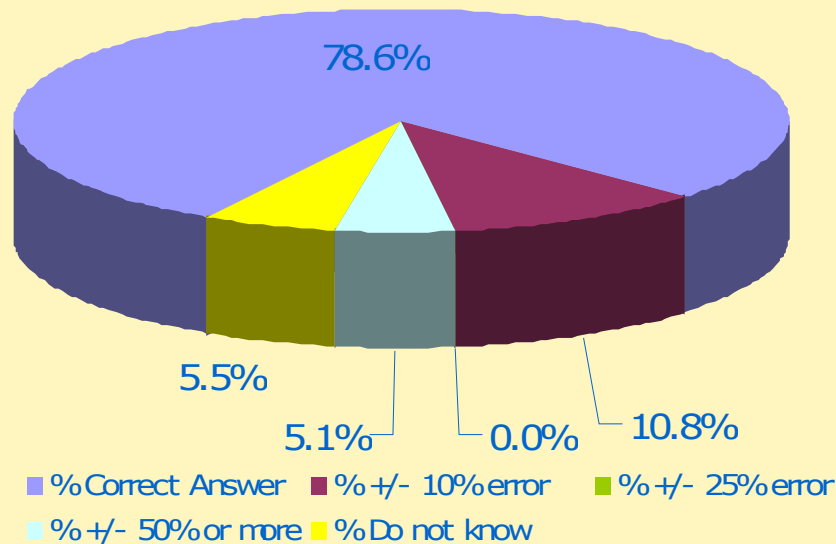




# Progress so far

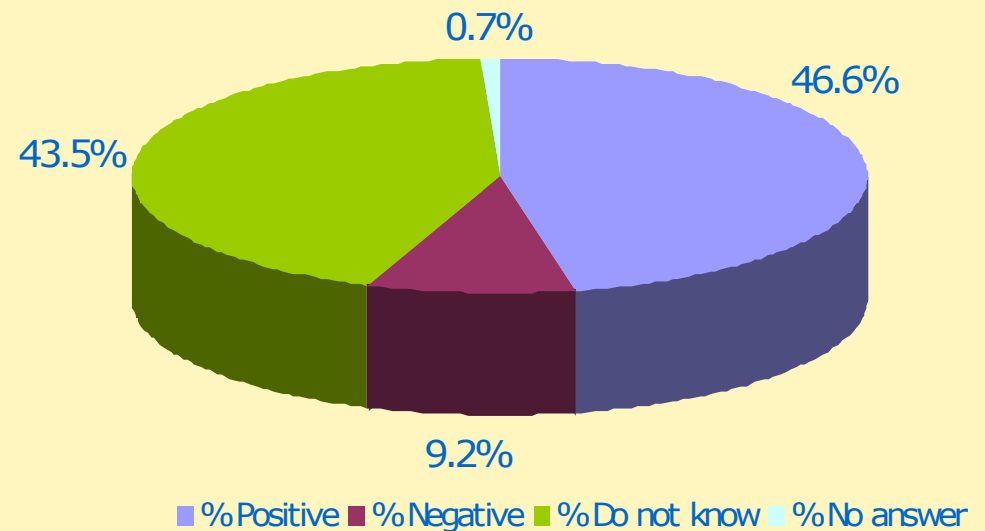
## Results of our business survey

What is the fixed rate between the euro and the Lm?



78.6% versus overall average of 74.2%

What is the impact of the euro on businesses?



46.6% versus overall average of 44.1%



# Remaining challenges

## Intensive training!

- Small businesses directly by Euro Assistants
- Larger businesses through central cascading train-the-trainer programme
- Self-employed through local council/NECC training

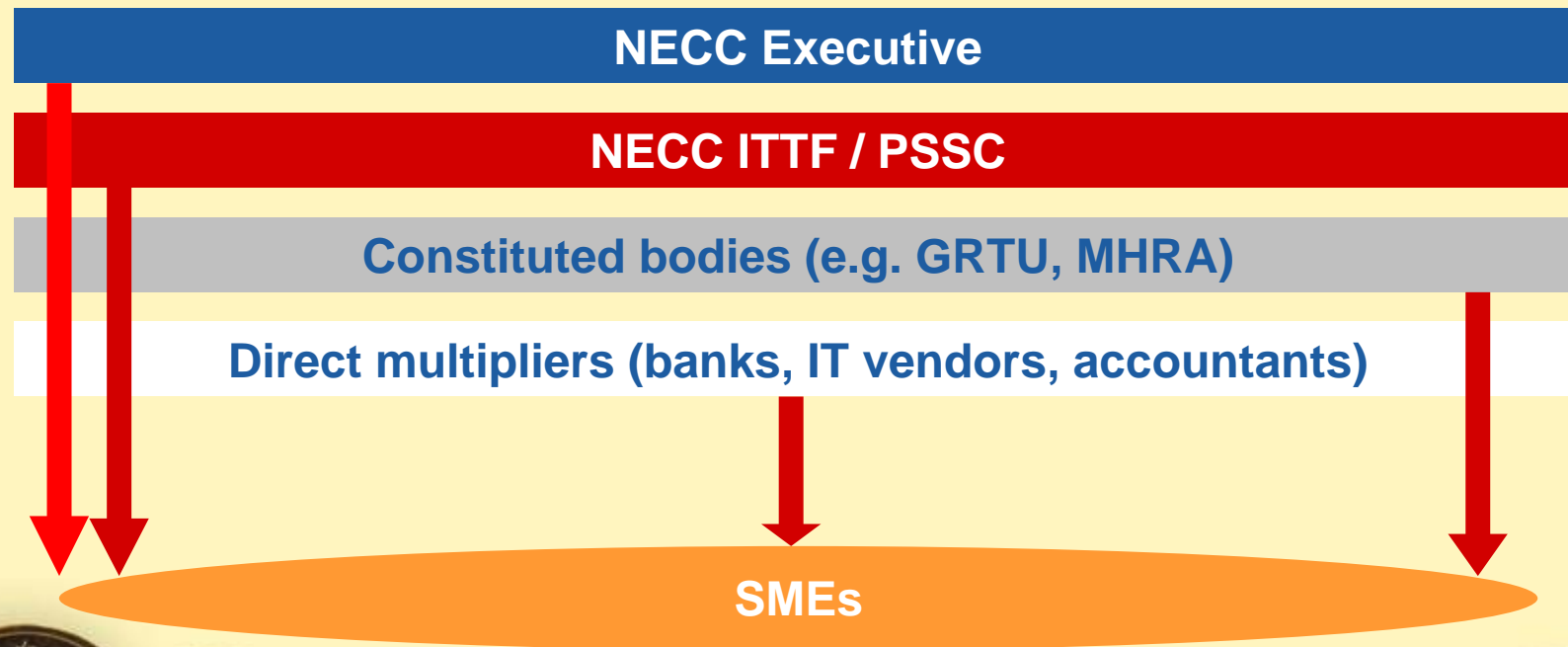


All training covers modules on: Cash handling during the dual circulation period, euro security features & customer care



# Remaining challenges

## Providing ongoing business support





**Thank You!**

