

Dual circulation period in Cyprus

Analytical report

Fieldwork: January 2008

Report: April 2008

This survey was requested by DG ECFIN-R-4: External Communication and coordinated by Directorate General Communication

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.

Flash EB Series #220

Dual circulation period in Cyprus

Conducted by
The Gallup Organization, Hungary
upon the request of the DG ECFIN-R-4:
External Communication



Coordinated by Directorate-General
Communication

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THE GALLUP ORGANIZATION

Introduction

The European Commission commissioned a Flash Eurobarometer study to monitor the procedure of the currency changeover in Cyprus during the dual circulation period. Nine waves of measurements were carried out in the relevant period, with short questionnaires asking the following six questions only:

Q1. What kind of banknotes do you have with you today (in your wallet, in your pocket etc...)?

only pounds / mostly pounds / mostly euro / only euro? / [DK/NA]

Q2. What kind of coins do you have with you today (in your wallet, in your pocket etc...)?

only Cypriot coins / mostly Cypriot coins / mostly euro/cent / only euro/cent? / [DK/NA]

[IF HAS EURO COINS:]

Q3. Regarding the euro coins you have, are they...?

only Cypriot euro coins / mostly Cypriot euro coins / mostly other euro coins / only other euro coins? / [DK/NA]

Q4. Did you buy anything at a store today that you paid for with cash?

Yes / No / [DK/NA]

[IF BOUGHT SOMETHING WITH CASH]

Q5. Which currency did you use for your last cash payment today?

pounds / a mix of pounds and euro / euro / [DK/NA]

[IF BOUGHT SOMETHING WITH CASH]

Q6. In which currency did you receive change in this transaction?

In pounds/ in a mix of pounds and euro / in euro / [did not receive change] / [DK/NA]

The dates of the fieldwork and the respective sample sizes are as follows (we targeted 333 interviews per day):

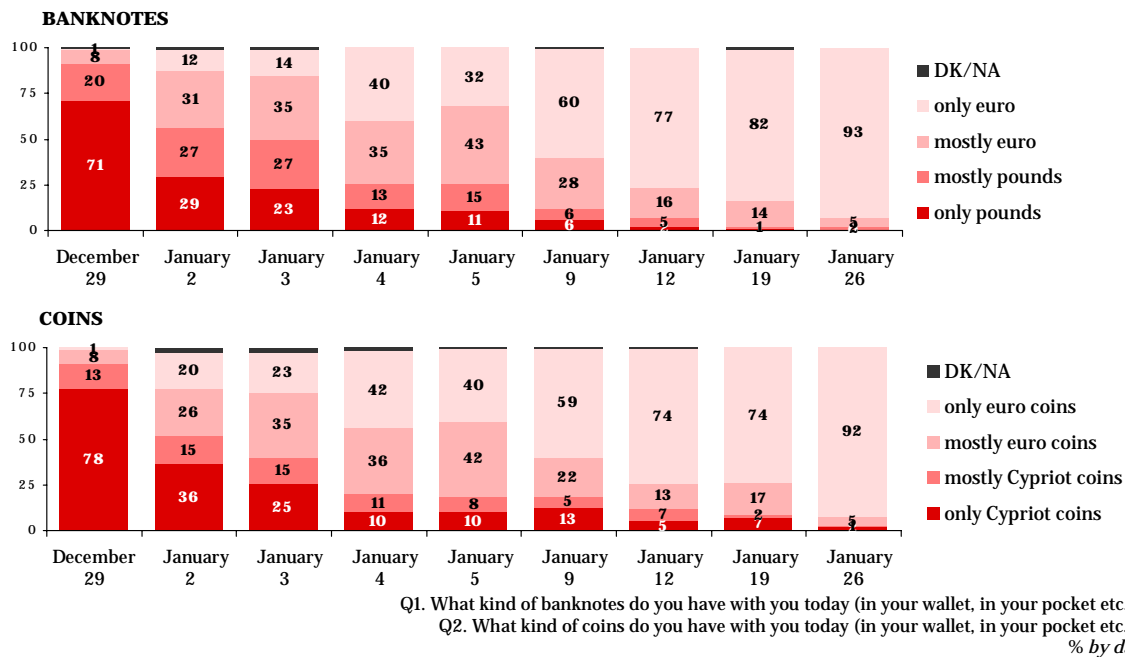
Date	Cyprus N =
29.Dec.07	367
02.jan.08	341
03.jan.08	339
04.jan.08	334
05.jan.08	339
09.jan.08	337
12.jan.08	335
19.jan.08	336
26.jan.08	334

The daily results were weighted to control socio-demographic composition of the samples for age, sex, region, and economic activity.

1. Cash in possession

Three days before launching their new money, some 30% of Cypriots were in the possession of some euro cash, mostly banknotes. Before the changeover date only 9% had mostly or only euro banknotes and coins in their wallets, pockets, etc. On the 29th of December only 31% had at least *some* euro banknotes and 22% had at least some euro coins in their wallets or pockets – this is much less compared to Slovenians a year ago when they introduced the euro¹ and somewhat less compared to Malta this year².

Cash in possession - Cyprus



By the 2nd of January, 29% of Cypriots had only euro banknotes and 36% had only euro coins in their possession. But it was only two days after, on the 4th of January, that the euro started to dominate wallets in Cyprus. By then, the vast majority had only or mostly euro banknotes (75%) and coins (76%) in their possession. On the same day, only a few citizens had banknotes (12%) or coins (10%) only in the old national currency.

The proportion of those having only or mostly the outgoing cash dropped very sharply in the first 4 days of circulation, but remained steady for the next five days: almost as many as on the 4th (21%) reported on the 9th (18%) that they predominantly have Pounds in their wallets. The changeover was quite far from being complete up until the very end of the changeover period when over nine in ten respondents had only euro – banknote or coins – in their possession. However, already on the 4th of January about three quarters of the Cypriots had dominantly euro banknotes and coins. And this proportion gradually climbed to the 92%-93% detected at the end of the measurement period, just days before dual circulation ended.

¹ see Flash Eurobarometer 204, http://ec.europa.eu/public_opinion/flash/fl_204_en.pdf

² see Flash Eurobarometer 221, http://ec.europa.eu/public_opinion/flash/fl_221_en.pdf

The tables shed some light on the slight differences in how fast the various socio-demographic segments adapted to the change. Obviously, the relatively low daily sample sizes make these analyses susceptible to sampling error, but the data still provide some interesting indications.

The demography of change I.- Cyprus

% possessing mostly or only euro banknotes

		Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
Age	16-29	3	37	48	81	76	94	94	99	98
	30-49	10	48	53	77	73	89	95	97	99
	50+	10	41	45	65	74	77	87	94	99
Urbanisation	in an urban area: Nicosia/Lefkosia, Limassol/Lemesos, Larnaka, Paphos	9	45	52	77	74	88	94	97	98
	in the rest of the country	8	37	43	71	75	86	89	96	98

The demography of change II.- Cyprus

% possessing mostly or only euro coins

		Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
Age	16-29	2	47	53	84	81	86	79	88	96
	30-49	11	49	64	80	85	82	92	93	97
	50+	11	42	51	68	75	71	89	89	98
Urbanisation	in an urban area: Nicosia/Lefkosia, Limassol/Lemesos, Larnaka, Paphos	7	49	61	77	83	82	87	90	97
	in the rest of the country	11	41	50	78	80	79	87	94	97

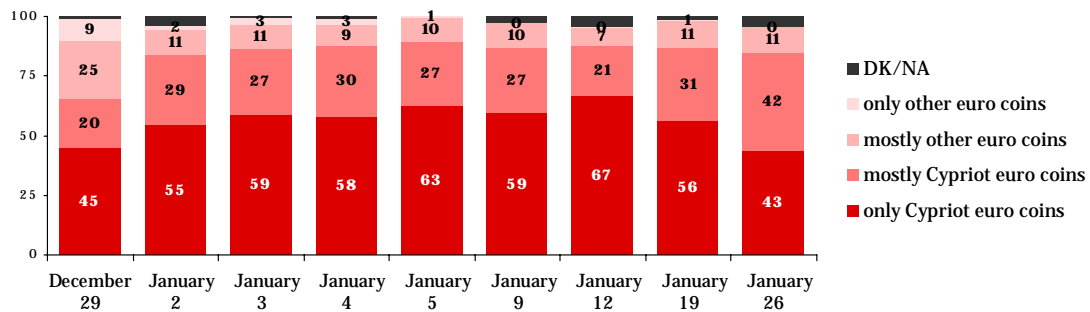
Regarding the major age groups, young persons seemed to be take a slower start, especially as far as banknote conversion is concerned, but caught up just after a couple of days, and for a short period after the fourth day of dual circulation they became even the most likely to have mostly or only the new currency with them, especially with regard to banknotes. But most quickly were to adapt those in the most active ages (30-49 years of age), on average (considering both forms of the money) they were the most equipped with the new money, while those over fifty the least.

Certainly, level of urbanisation was a key factor in preparedness: those living in the key urban centres were clearly ahead in adjusting their wallets especially in the first three days of the changeover period. On longer term, such differences vanished and the likeliness to possess mostly or only euro banknotes or coins was more or less equal regardless of urbanisation.

National euro coins

Clearly it wasn't only the mini kits that provided Cypriot citizens with euro coins prior to the changeover, but this played a significantly lesser role compared to the Slovenian changeover last year. While a noteworthy minority had coins from other countries of the euro area, still, before the switchover, 45% had only Cypriot coins in their wallets, and 20% had mostly these. (It is also true that much less Cypriots had *any* euro money at that time.) The proportion of those holding national euro coins increased significantly after the changeover, reaching 67% in the 12th of January. From that date onwards, the proportion of those who said that they had *mostly Cypriot* euro coins (implying that they had some other ones as well) increased dynamically. At the end of the measurement period an equal proportion of Cypriots selected this category (42%) and that of having national euro coins *only* (43%), meaning that by that time most Cypriots in fact had non-Cypriot euro coins in their wallets – something that has not been true since before the changeover.

National euro coins - Cyprus

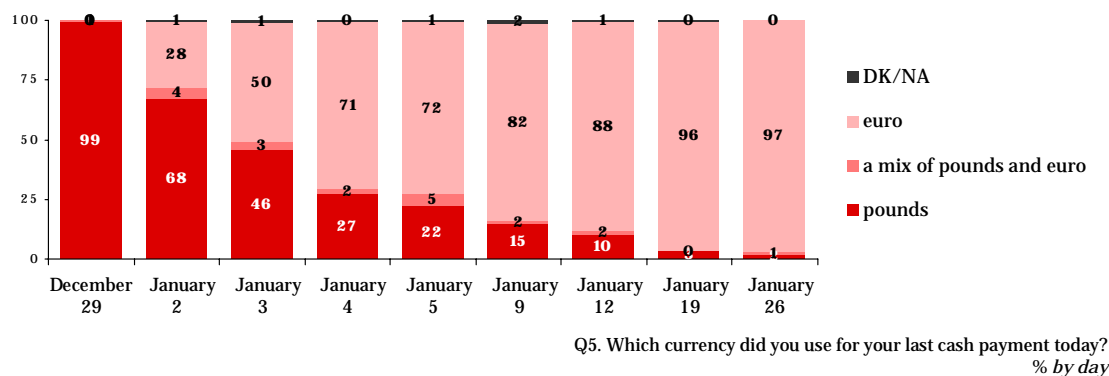


Q3. Regarding the euro coins you have, are they... ?
% by day

2. Cash purchases

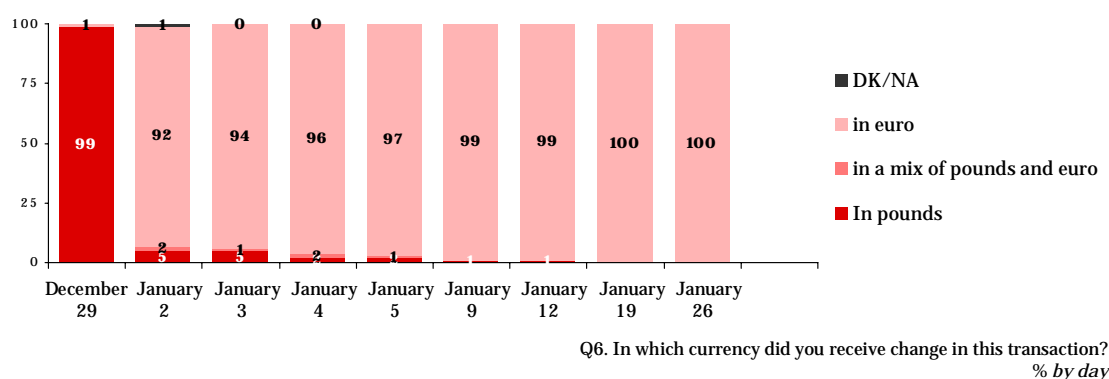
Apart from the 29th of December, when only 16% in Cyprus shopped, the proportion of those making purchases on each day of the measurement was between 43% and 60%, providing a sample size of shoppers of 144 to 201 persons each day in January.

Cash payments - Cyprus



The survey witnessed a very clear linear and sharp downward trend of Pound payments with a parallel increase of euro payments at the cashier. Already on the third day of the dual circulation period, the majority of purchases were paid for with euro. It was only after two weeks, when payments in the outgoing currency became really rare, with over 90% of purchases having been made in euro. Already on the 19th, the changeover was nearly completed: 97% of Cypriots used euro to pay in retail outlets. As experienced elsewhere too, payments in mixed currencies (Pounds and euro combined) were extremely infrequent. Possibly due to the difficulty of the calculation, or to the lack of awareness of such a possibility, no more than 5% of all purchases were made with mixed currencies on any given day throughout the entire dual circulation period.

Change received - Cyprus



Despite the lower level of sub-frontloading (e.g. compared to Slovenia in 2006) – with only a very minimal “learning curve” – the Cypriot retail sector immediately changed to the new currency, and practically all change was given in euro. As soon as after about a week, giving change in Pounds became virtually nonexistent (while to a limited extent it took place in the very first days). Apparently, nearly all shops were prepared by the changeover date to serve their customers using the new legal tender of the country, thereby absorbing a large amount of the outgoing currency.

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**Dual circulation
period in Cyprus**

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THE GALLUP ORGANIZATION

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Table 1. Banknotes in possession

Question Q1. What kind of banknotes do you have with you today (in your wallet, in your pocket etc.)?

Basis: Total sample



CYPRUS	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
N=	367	341	339	334	339	337	335	336	334
only pounds, %	71,4	29,0	23,0	11,8	10,7	5,8	2,2	1,3	0,0
mostly pounds, %	19,5	27,3	26,7	13,4	14,9	6,3	5,0	0,8	1,6
mostly euro, %	7,8	30,9	35,3	34,5	42,5	27,9	16,1	14,4	5,4
only euro, %	0,5	11,5	13,8	40,1	31,6	59,6	76,7	82,4	92,9
DK/NA, %	0,8	1,3	1,2	0,2	0,2	0,3	0,0	1,1	0,1

Table 2. Coins in possession

Question Q2. What kind of coins do you have with you today (in your wallet, in your pocket etc.)?

Basis: Total sample



CYPRUS	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
N=	367	341	339	334	339	337	335	336	334
only Cypriot coins, %	77,8	36,0	25,2	9,9	9,9	13,0	4,8	6,7	1,7
mostly Cypriot coins, %	13,4	15,4	14,7	10,7	8,3	5,4	7,4	2,2	1,0
mostly euro coins, %	7,5	26,3	35,0	35,5	41,5	21,9	13,2	17,1	5,1
only euro coins, %	1,4	19,9	22,6	41,8	39,8	59,0	74,0	73,8	92,1
DK/NA, %	0,0	2,5	2,4	2,0	0,5	0,7	0,5	0,2	0,1

Table 3. Euro coins

Question Q3. Regarding the euro coins you have, are they. ?

Basis: : among those who has euro coins

CYPRUS	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
N=	82	210	245	294	304	291	317	313	328
only Cypriot euro coins, %	45,1	54,6	59,0	57,9	62,5	59,3	67,0	56,3	43,3
mostly Cypriot euro coins, %	20,1	29,3	27,2	29,7	26,8	27,3	20,8	30,6	41,5
mostly other euro coins, %	24,5	10,5	10,6	8,9	10,0	10,4	7,4	11,0	10,6
only other euro coins, %	9,2	1,9	2,6	2,5	0,5	0,3	0,4	0,6	0,1
DK/NA, %	1,1	3,6	0,5	1,0	0,1	2,6	4,3	1,5	4,4

Table 4. Shopping with cash

Question Q4. Did you buy anything in a shop today that you paid cash?

Basis: Total sample



CYPRUS	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
N=	367	341	339	334	339	337	335	336	334
Yes, %	16,4	50,0	50,9	54,1	57,6	42,9	60,1	51,2	60,1
No, %	83,6	50,0	49,1	45,0	42,1	56,8	39,9	48,8	39,9
DK/NA, %	0,0	0,0	0,0	0,9	0,2	0,3	0,0	0,0	0,0

Table 5. Currency of cash payments

Question Q5. Which currency did you use for your last cash payment today?

Basis: Shoppers



CYPRUS	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
N=	60	171	173	181	195	144	201	172	201
pounds, %	99,4	67,5	46,0	27,4	22,3	14,5	10,2	3,2	1,8
a mix of pounds and euro, %	0,6	4,0	3,4	1,8	4,9	1,6	1,6	0,4	0,9
euro, %	0,0	27,8	49,5	70,5	72,4	82,3	87,8	95,9	97,3
DK/NA	0,0	0,8	1,1	0,3	0,5	1,6	0,5	0,4	0,0

Table 6. Currency of change received payments

Question Q6. In which currency did you receive change in this transaction?

Basis: Shoppers



CYPRUS	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
N=	60	171	173	181	195	144	201	172	201
In pounds, %	96,3	5,2	4,1	1,7	1,9	0,7	0,8	0,0	0,0
in a mix of pounds and euro, %	0,0	1,6	1,2	2,0	0,8	0,0	0,0	0,0	0,0
in euro, %	0,6	87,0	83,1	88,8	94,0	93,4	96,0	97,9	97,8
did not receive change, %	3,1	5,5	11,4	7,3	3,3	6,0	3,2	2,1	2,2
DK/NA, %	0,0	0,8	0,2	0,3	0,0	0,0	0,0	0,0	0,0

Table 7. Age of respondent

Question D1. How old are you?

Basis: Total sample

CYPRUS	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
N=	367	341	339	334	339	337	335	336	334
16-29 years old, %	25,3	25,3	25,3	25,3	25,3	25,3	25,3	25,3	25,3
30-49 years old, %	46,1	46,1	46,1	46,1	46,1	46,1	46,1	46,1	46,1
50-64 years old, %	13,0	12,9	13,6	15,3	14,2	9,8	15,1	13,2	14,3
over 65 years, %	15,3	15,1	15,0	12,6	13,8	15,8	11,6	13,7	13,8
DK/NA, %	0,2	0,5	0,0	0,6	0,6	3,0	1,8	1,5	0,5

Table 8. Level of urbanisation

Question D2. Where do you live?

Basis: Total sample

CYPRUS	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
<i>N</i> =	367	341	339	334	339	337	335	336	334
in an urban area: Nicosia/Lefkosia, Limassol/Lemesos, Larnaka, Paphos, %	66,4	62,1	72,6	64,8	66,0	68,0	68,6	66,4	66,5
in the rest of the country, %	33,6	37,9	27,4	34,9	34,0	30,2	31,0	33,0	33,4
DK/NA, %	0,0	0,0	0,0	0,3	0,0	1,8	0,4	0,5	0,1

Table 9. Activity of respondents

Question D3. Regarding your current occupation, are you ...

Basis: Total sample

CYPRUS	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
N=	367	341	339	334	339	337	335	336	334
self-employed, %	15,8	14,3	17,0	11,7	12,7	14,7	14,0	9,7	19,3
employee, %	38,1	41,7	36,4	41,2	43,1	40,5	40,8	44,8	35,2
manual worker, %	3,5	1,3	3,8	4,5	1,4	2,1	2,5	2,8	2,8
without a professional activity (looking after the home, student, seeking a job, retired etc), %	42,4	42,7	42,7	42,5	42,7	41,8	41,9	40,6	42,6
DK/NA, %	0,3	0,0	0,0	0,2	0,0	0,9	0,8	2,1	0,1

Table 10. Sex of respondent

Question D4. RECORD RESPONDENT'S SEX

Basis: Total sample



CYPRUS	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
N=	367	341	339	334	339	337	335	336	334
Male, %	47,8	47,8	47,8	47,8	47,8	47,8	47,8	47,8	47,8
Female, %	52,2	52,2	52,2	52,2	52,2	52,2	52,2	52,2	52,2

Survey details

The survey *"Dual circulation period in Cyprus – Daily monitoring of the cash changeover process among the general public"* was conducted for the European Commission, Directorate-General Economic and Financial Affairs.

Telephone interviews were conducted between the 29/12/2007 and the 26/01/2008 by CYMAR survey company.

The three waves of fieldwork were conducted as follows:

1st wave of fieldwork	29 Dec 2007/ 2 Jan 2008/ 3 Jan 2008
2nd wave of fieldwork	4/5/9 Jan 2008
3rd wave of fieldwork	12/19/26 Jan 2008

Representativeness of the results

Each daily subsample was representative of the Cypriot population aged 15 years and above.

Sizes of the sample

The sample sizes amount to approximately 1000 respondents in each wave, and 333 interviews per day.

A weighting factor justifies the national demographic results to the known population demographic distributions.

The table below presents the number of interviews actually carried out on each day.

TOTAL INTERVIEWS

Total interviews			
Cyprus	Conducted	% of daily total	% of Total
Days	3073	300	100
29 December	367	35.1	12.0
2 January	341	32.6	11.1
3 January	339	32.4	11.1
Wave 1	1047	100	
4 January	334	33.1	10.9
5 January	339	33.6	11.1
9 January	337	33.4	11.0
Wave 2	1010	100	
12 January	335	33.3	10.9
19 January	336	33.4	11.0
26 January	334	33.2	10.9
Wave 3	1005	100	

Questionnaires

1. The questionnaire prepared for this survey is reproduced at the end of this results volume, in English (see hereafter).
2. The partner companies translated the questionnaire in their national language.

Tables of results

The VOLUME table presents the results day by day.

Statistical significance of the results

The results in a survey are valid only between the limits of a statistical margin caused by the sampling process. This margin varies with three factors:

1. The sample size (or the size of the analysed part in the sample): the greater the number of respondents is, the smaller the statistical margin will be;
2. The result in itself: the closer the result approaches 50%, the wider the statistical margin will be;
3. The desired degree of confidence: the more "strict" we are, the wider the statistical margin will be.

STATISTICAL MARGINS DUE TO THE SAMPLING PROCESS (AT THE 95 % LEVEL OF CONFIDENCE)

Various sample sizes are in rows;

Various observed results are in columns:

	5%	10%	15%	20%	25%	30%	35%	40%	45%	50%
N=50	6,0	8,3	9,9	11,1	12,0	12,7	13,2	13,6	13,8	13,9
N=500	1,9	2,6	3,1	3,5	3,8	4,0	4,2	4,3	4,4	4,4
N=1000	1,4	1,9	2,2	2,5	2,7	2,8	3,0	3,0	3,1	3,1
N=1500	1,1	1,5	1,8	2,0	2,2	2,3	2,4	2,5	2,5	2,5
N=2000	1,0	1,3	1,6	1,8	1,9	2,0	2,1	2,1	2,2	2,2
N=3000	0,8	1,1	1,3	1,4	1,5	1,6	1,7	1,8	1,8	1,8
N=4000	0,7	0,9	1,1	1,2	1,3	1,4	1,5	1,5	1,5	1,5
N=5000	0,6	0,8	1,0	1,1	1,2	1,3	1,3	1,4	1,4	1,4
N=6000	0,6	0,8	0,9	1,0	1,1	1,2	1,2	1,2	1,3	1,3

Survey questionnaire- Cyprus

Questionnaire for daily telephone interviews during the dual circulation period in CYPRUS:

Q1. **What kind of banknotes do you have with you today (in your wallet, in your pocket etc.)?**

[READ OUT – ONE ANSWER ONLY]

- only pounds1
- mostly pounds.....2
- mostly euro3
- only euro?4
- [DK/NA].....9

Q2. **What kind of coins do you have with you today (in your wallet, in your pocket etc.)?**

[READ OUT – ONE ANSWER ONLY]

- only Cypriot coins.....1
- mostly Cypriot coins.....2
- mostly euro coins3
- only euro coins?.....4
- [DK/NA].....9

[IF HAS EURO COINS: Q2 = "2", "3, OR "4"]

Q3. **Regarding the euro coins you have, are they... ?**

[READ OUT – ONE ANSWER ONLY]

- only Cypriot euro coins1
- mostly Cypriot euro coins.....2
- mostly other euro coins.....3
- only other euro coins?.....4
- [DK/NA].....9

Q4. **Did you buy anything in a shop today that you paid cash?**

[READ OUT – ONE ANSWER ONLY]

- Yes1
- No2
- [DK/NA].....9

[IF BOUGHT SOMETHING WITH CASH: Q4 = 1]

Q5. **Which currency did you use for your last cash payment today?**

[READ OUT – ONE ANSWER ONLY]

- pounds 1
- a mix of pounds and euro2
- euro3

- [DK/NA].....9

Q6. [IF BOUGHT SOMETHING WITH CASH: Q4 = 1]
In which currency did you receive change in this transaction?
 [READ OUT – ONE ANSWER ONLY]

- In pounds 1
- in a mix of pounds and euro2
- in euro3
- [did not receive change].....4
- [DK/NA].....9

D1. **How old are you?**

- 16-29 years old1
- 30-49 years old2
- 50-64 years old3
- over 65 years4
- [DK/NA].....9

D2. **Where do you live?**

- in an urban area³: Nicosia/Lefkosia, Limassol/Lemesos, Larnaka, Paphos .1
- in the rest of the country2
- [DK/NA].....9

D3. **Regarding your current occupation, are you ...**

- self-employed.....1
- employee2
- manual worker3
- without a professional activity
 (looking after the home, student, seeking a job, retired etc)4
- [DK/NA].....5

D4. **RECORD RESPONDENT'S SEX**

- male1
- female2

³ According to the Statistical service of the Republic of Cyprus