

Dual circulation period in Malta

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 #221

Dual circulation period in Malta

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 Malta 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 Lira / mostly Lira / 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 Maltese coins / mostly Maltese coins / mostly euro/cent / only euro/cent? / [DK/NA]

[IF HAS EURO COINS:]

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

only Maltese euro coins / mostly Maltese 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?

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

[IF BOUGHT SOMETHING WITH CASH]

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

In Lira/ in a mix of Lira 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):

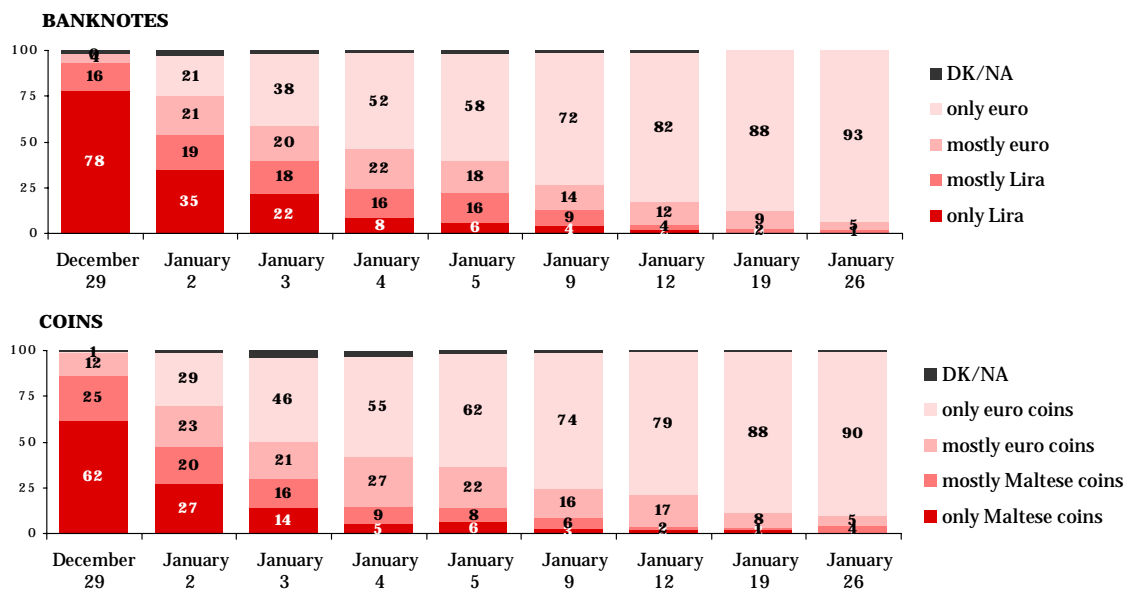
Date	N =
29.Dec.07	344
02.jan.08	337
03.jan.08	341
04.jan.08	341
05.jan.08	342
09.jan.08	336
12.jan.08	341
19.jan.08	341
26.jan.08	341

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

1. Cash in possession

The Maltese public did not carry euro cash ahead of changeover. Three days before €day, some of them were in the possession of some euro cash. Before the changeover date only 6% had mostly or only euro banknotes and coins in their wallets, pockets, etc. On the 29th of December only 22% had at least *some* euro banknotes and 38% 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.

Cash in possession - Malta



Q1. What kind of banknotes do you have with you today (in your wallet, in your pocket etc.)?
 Q2. What kind of coins do you have with you today (in your wallet, in your pocket etc.)?
 % by day

By the 2nd of January, 21% of Maltese had only euro banknotes and 29% 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 Malta. By then, the majority had only or mostly euro banknotes (52%) and coins (55%) in their possession. On the same day, only a few citizens had banknotes (8%) or coins (5%) 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 the changeover was far from complete up until nine days passed in the new year. On the 9th of January, although some ten percent (depending whether we talk about banknotes or coins) still had only or mostly liri in their wallets, about nine in ten Maltese had dominantly euro banknotes and coins. The proportion of those having euro only increased gradually; nearing the expiry of the dual circulation period, only 6% had any banknotes and 9% some coins left in their wallets.

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

The tables below give some background 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. While there is no clear pattern in the progress measured in the various age segments, changeover took place more rapidly on the main island, with the satellite islands were trailing behind about “one day”.

The demography of change I.

% 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	0	41	68	79	70	84	93	98	98
	30-49	6	39	61	74	83	85	93	97	100
	50+	6	44	48	72	75	89	94	96	97
Urbanisation	on the island of Malta	5	42	57	76	78	86	95	97	98
	on one of the other islands (Gozo, Comino, Manoel)	0	38	71	61	56	80	83	92	95

The demography of change II.

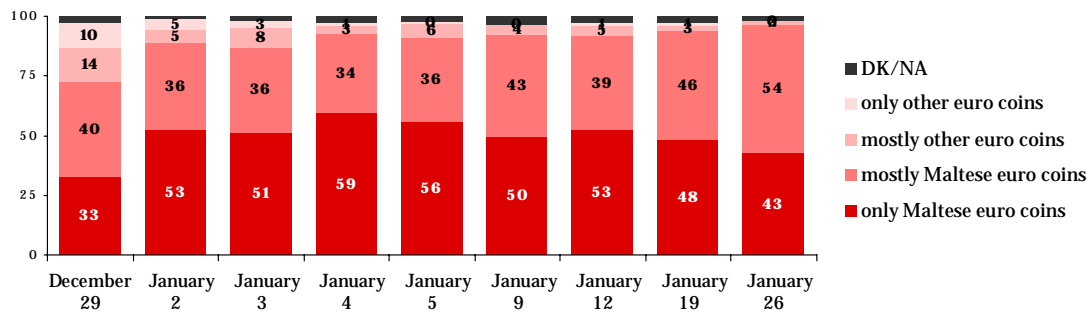
% possessing mostly or only euro coins

		Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
Age	16-29	11	48	65	89	72	88	96	93	98
	30-49	16	47	68	80	90	89	97	98	93
	50+	13	58	66	80	87	92	94	96	95
Urbanisation	on the island of Malta	13	52	66	83	86	90	96	97	95
	on one of the other islands (Gozo, Comino, Manoel)	7	38	79	61	63	80	83	88	96

National euro coins

Clearly it wasn't only the mini-kits that provided Maltese 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, 33% had only Maltese coins in their wallets, and 40% had mostly these. The proportion of those holding Maltese euro coins increased after the changeover, however a significant number of Maltese kept having non-Maltese coins in their possession (somewhat more than four in ten during the first week). From the first week onwards, the proportion of those who said that they had *mostly Maltese* euro coins increased continuously. At the end of the measurement period the absolute majority of Maltese respondents selected this category, indicating that they possessed dominantly national euro coins, but also had some coins from other countries.

National euro coins - Malta

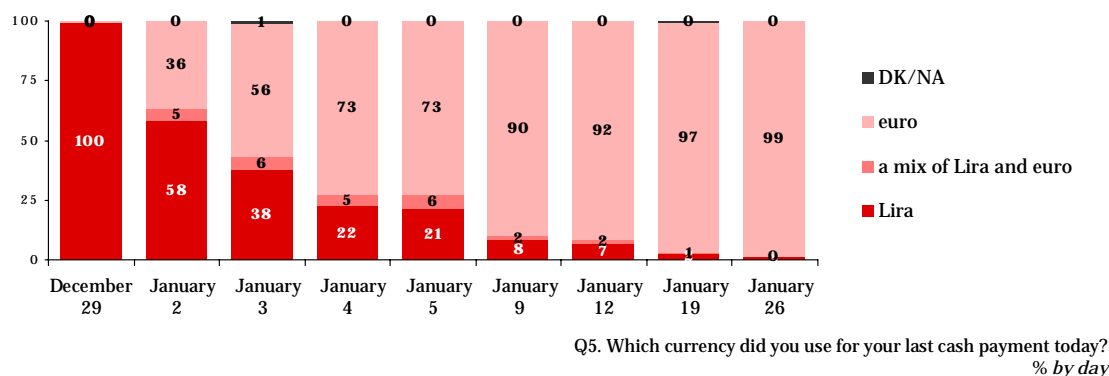


Q3. Regarding the euro coins you have, are they... ?
% by day

2. Cash purchases

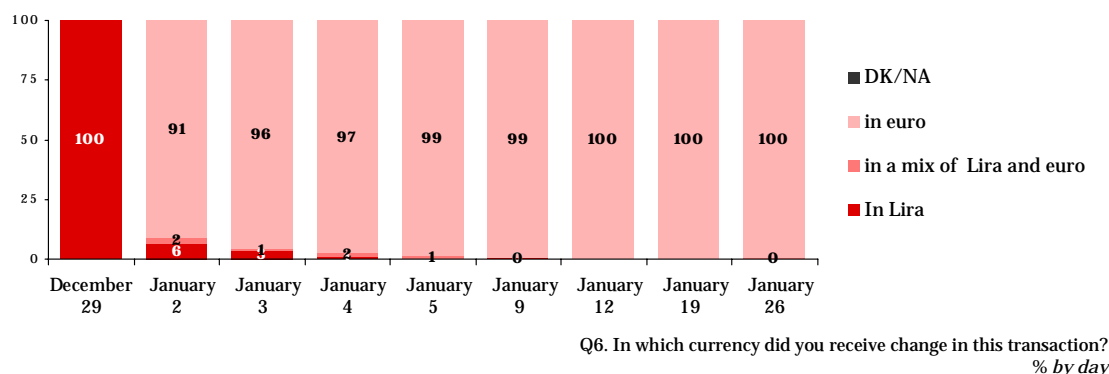
December 29th as well as the 2nd of January were part of the holiday season with somewhat lower proportion of Maltese having made a purchase those days (56% and 59% respectively). On all other days, about 70% of the people interviewed made a cash purchase (for daily details see Table 4. in the Annex).

Cash payments - Malta



The graph above shows a very clear linear downward trend of lira 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. Essentially after a week, payments in the outgoing currency were rather exceptional phenomena, with over 90% of purchases having been made in euro. Already on the 19th, the changeover was essentially completed: 99% of Maltese used euro to pay in stores. It is noteworthy that payments in mixed currencies (lira and euro combined) were infrequent. Possibly due to the difficulty of the calculation, or to the lack of awareness of such a possibility, no more than 6% of all purchases were made with mixed currencies on any given day throughout the entire dual circulation period.

Change received - Malta



Although sub-frontloading was relatively limited in both countries that entered the euro area in 2008, (e.g. only 134 businesses were sub-frontloaded in Malta), after only a very minimal “learning curve” the Maltese retail sector immediately changed to the new currency, and practically all change was given in euro after a few days of dual circulation. Within five days, giving change in lira became nonexistent (while to an extremely 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 Malta**

**Annex
Tables &
Survey
Details**

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


MALTA 	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
N=	344	337	341	341	342	336	341	341	341
only Lira, %	78,2	35,1	21,7	8,0	5,9	4,3	1,7	0,4	0,5
mostly Lira, %	15,7	19,2	18,3	15,9	16,2	8,7	3,5	2,2	1,2
mostly euro, %	4,3	21,0	19,5	22,3	17,8	13,7	12,3	9,4	4,9
only euro, %	0,0	21,2	38,3	52,4	58,4	72,3	81,5	87,8	93,4
DK/NA, %	1,8	3,5	2,3	1,3	1,7	1,0	1,0	0,2	0,0

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

MALTA	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
N=	344	337	341	341	342	336	341	341	341
only Maltese coins, %	62,0	27,2	14,2	5,1	6,1	2,7	2,0	1,7	0,7
mostly Maltese coins, %	24,5	19,7	15,6	9,4	8,1	6,3	1,9	1,3	3,9
mostly euro coins, %	12,0	22,9	20,5	27,3	22,0	15,8	17,1	8,2	4,9
only euro coins, %	1,1	28,8	45,7	54,8	62,2	74,1	78,5	88,1	90,1
DK/NA, %	0,4	1,5	4,1	3,3	1,6	1,1	0,5	0,7	0,5

Table 3. Euro coins

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

Basis: among those who has euro coins

MALTA	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
N=	129	240	279	312	316	323	332	333	337
only Maltese euro coins, %	32,9	52,5	51,4	59,3	55,6	49,6	52,9	48,1	42,7
mostly Maltese euro coins, %	39,9	36,3	35,5	33,5	35,6	42,8	38,8	45,5	53,7
mostly other euro coins, %	14,0	5,3	8,4	3,3	5,9	4,0	4,5	2,5	1,7
only other euro coins, %	10,2	4,7	2,9	1,2	0,4	0,2	0,9	1,0	0,0
DK/NA, %	3,0	1,3	1,8	2,6	2,5	3,4	2,9	3,0	1,9

Table 4. Shopping with cash

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

Basis: Total sample

MALTA	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
N=	344	337	341	341	342	336	341	341	341
Yes, %	56,1	58,9	65,5	75,2	66,8	66,9	69,1	70,4	65,5
No, %	43,9	41,1	34,5	24,8	33,2	33,1	30,9	29,6	34,5
DK/NA, %	0,0	0,0	0,0	0,0	0,0	0,0	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



MALTA	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
N=	193	199	223	256	228	225	236	240	223
lira, %	99,6	58,2	37,5	22,2	21,3	8,1	6,6	2,2	1,5
a mix of lira and euro, %	0,0	5,4	5,5	5,0	5,9	2,3	1,7	0,7	0,0
euro, %	0,4	36,4	56,1	72,8	72,8	89,6	91,7	96,6	98,5
DK/NA, %	0,0	0,0	0,9	0,0	0,0	0,0	0,0	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



MALTA	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
N=	193	199	223	256	228	225	236	240	223
In Lira, %	98,6	5,1	2,9	0,9	0,0	0,2	0,0	0,0	0,0
in a mix of Lira and euro, %	0,0	1,9	0,8	1,6	1,4	0,2	0,0	0,0	0,3
in euro, %	0,0	75,0	84,9	93,1	91,2	94,7	96,4	96,1	96,3
did not receive change, %	1,4	18,0	11,4	4,4	7,4	4,9	3,6	3,9	3,4
DK/NA, %	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0

Table 7. Age of respondent

Question D1. How old are you?

Basis: Total sample

MALTA	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
N=	344	337	341	341	342	336	341	341	341
16-29 years old, %	27,0	27,0	27,0	27,0	27,0	27,0	27,0	27,0	27,0
30-49 years old, %	33,6	33,6	33,6	33,6	33,6	33,6	33,6	33,6	33,6
50-64 years old, %	22,2	25,4	20,2	23,6	20,7	21,6	25,8	20,5	22,6
over 65 years, %	17,2	13,7	18,6	15,4	18,3	17,4	13,4	18,1	16,5
DK/NA, %	0,0	0,2	0,6	0,4	0,4	0,4	0,2	0,8	0,3

Table 8. Level of urbanisation

Question D2. Where do you live?

Basis: Total sample

MALTA	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
N=	344	337	341	341	342	336	341	341	341
on the island of Malta, %	95,8	96,3	95,9	93,3	92,2	95,3	93,2	92,9	93,5
on one of the other islands (Gozo, Comino, Manoel), %	4,2	3,7	4,1	6,7	7,8	4,7	6,8	7,1	6,5
DK/NA, %	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0

Table 9. Activity of respondents

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

Basis: Total sample

MALTA	DAY OF INTERVIEW									
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26	
N=	344	337	341	341	342	336	341	341	341	
self-employed, %	7,8	8,5	5,0	4,9	9,2	8,5	9,2	6,4	6,8	
employee, %	36,5	35,6	41,7	41,5	37,9	37,2	38,1	40,0	39,9	
manual worker, %	3,5	3,7	1,1	1,3	0,7	2,1	0,5	1,3	1,1	
without a professional activity (looking after the home, student, seeking a job, retired etc), %	51,9	52,2	51,9	52,2	52,2	52,0	51,8	51,8	52,0	
DK/NA, %	0,3	0,0	0,3	0,0	0,0	0,2	0,4	0,4	0,2	

Table 10. Sex of respondent

Question D4. RECORD RESPONDENT'S SEX

Basis: Total sample

MALTA	DAY OF INTERVIEW								
	Dec 29	Jan 2	Jan 3	Jan 4	Jan 5	Jan 9	Jan 12	Jan 19	Jan 26
<i>N</i> =	344	337	341	341	342	336	341	341	341
Male, %	49,1	49,1	49,1	49,1	49,1	49,1	49,1	49,1	49,1
Female, %	50,9	50,9	50,9	50,9	50,9	50,9	50,9	50,9	50,9

Survey details

The survey "*Dual circulation period in Malta – 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 Maltese MISCO company.

The three waves of fieldwork were conducted as follows:

1st wave of fieldwork	29th of Dec 2007/ 2nd Jan 2008/ 3rd of 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 Maltese 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			
	Conducted	% of daily total	% of Total
Days	3064	300	100
29 December	344	33.7	11.2
2 January	337	33.0	11.0
3 January	341	33.4	11.1
Wave 1	1022	100	.
4 January	341	33.5	11.1
5 January	342	33.6	11.2
9 January	336	33.0	11.0
Wave 2	1019	100	
12 January	341	33.3	11.1
19 January	341	33.3	11.1
26 January	341	33.3	11.1
Wave 3	1023	100	

Questionnaires

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

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

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

[READ OUT – ONE ANSWER ONLY]

- only Lira1
- mostly Lira2
- 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 Maltese coins1
- mostly Maltese coins2
- mostly euro coins3
- only euro coins?4
- [DK/NA]9

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

[IF HAS EURO COINS: Q2 = "2", "3, OR "4"]
[READ OUT – ONE ANSWER ONLY]

- only Maltese euro coins1
- mostly Maltese euro coins2
- mostly other euro coins3
- 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

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

[IF BOUGHT SOMETHING WITH CASH: Q4 = 1]
[READ OUT – ONE ANSWER ONLY]

- Lira 1
- a mix of Lira 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 Lira..... 1
- in a mix of Lira 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?**

- on the island of Malta.....1
- on one of the other islands (Gozo, Comino, Manoel).....2
- [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