



Evro-za vse nas

Republic of Slovenia

THE CHANGEOVER TO THE EURO
The most important FACTS

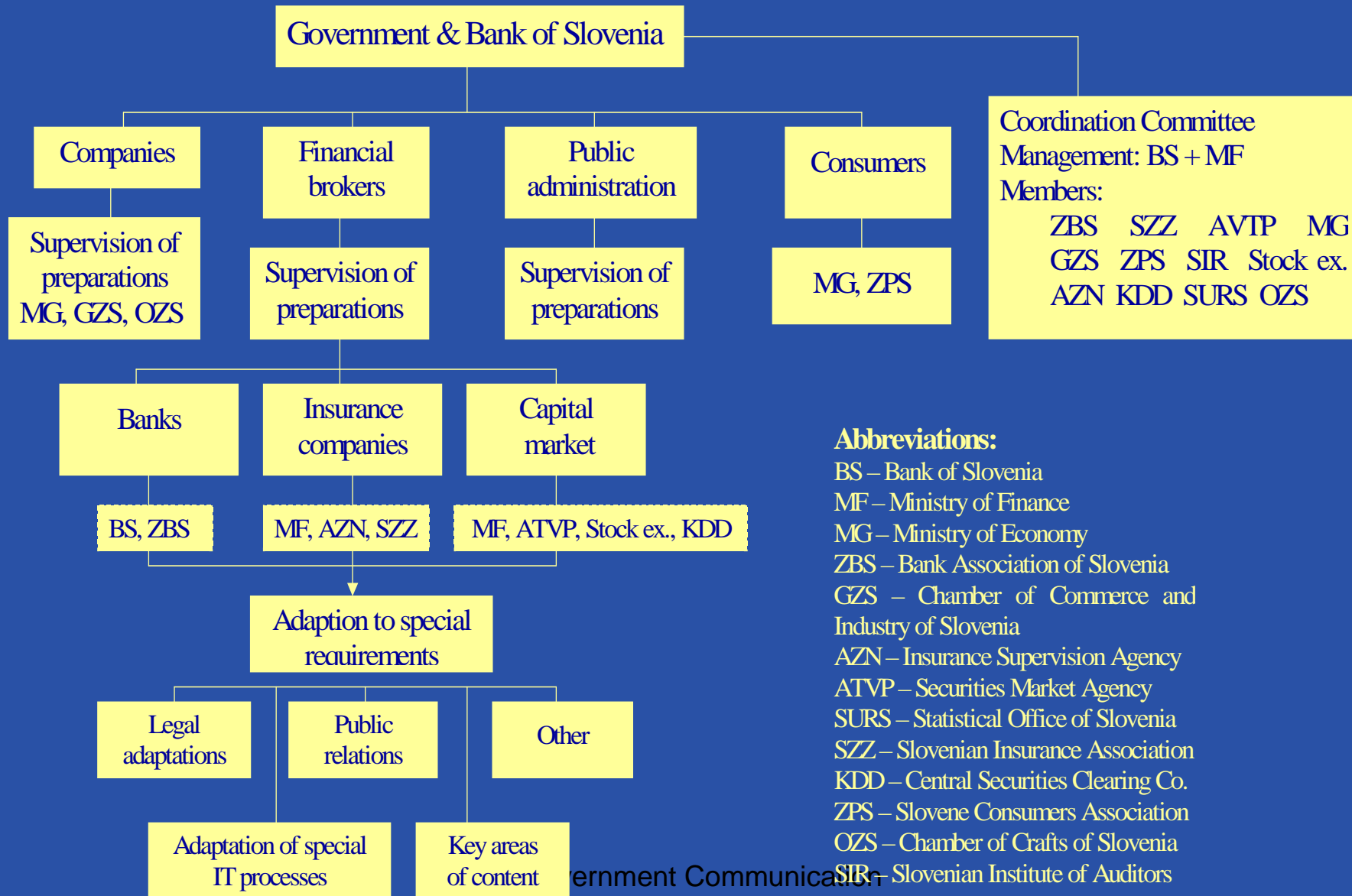
PRAGUE, March 28 2009
Mag. MARJAN CERAR
RC LJUBLJANA, SLOVENIA

© Government Communication Office

MOST IMPORTANT GUIDELINES

1. Changeover is a national project
2. Careful and pro-active preparations pay off
3. Everyone counts!
4. Communication is the essential part of changeover
5. Share good practices, but respect your local situation
6. Beware of mental switch! Give people enough time
7. Take measures to prevent impact on prices

Changeover is a National Project



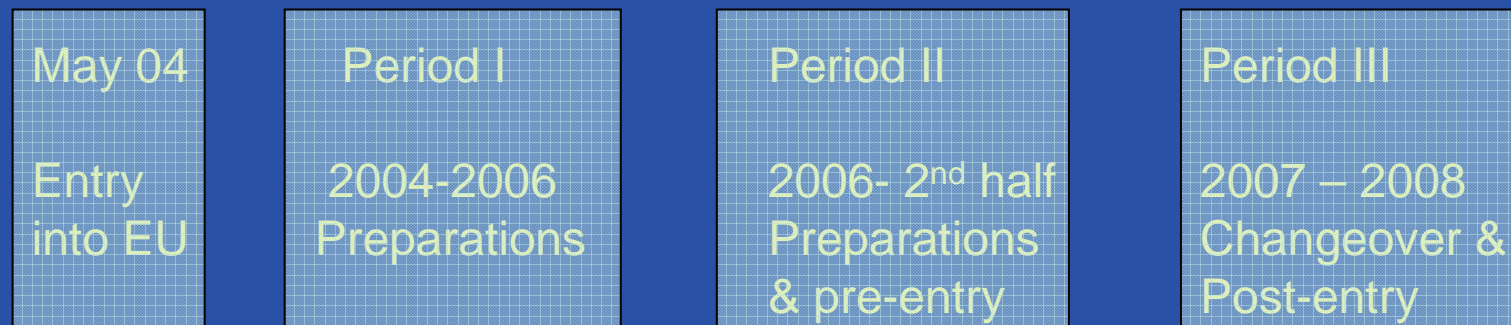
Abbreviations:

- BS – Bank of Slovenia
- MF – Ministry of Finance
- MG – Ministry of Economy
- ZBS – Bank Association of Slovenia
- GZS – Chamber of Commerce and Industry of Slovenia
- AZN – Insurance Supervision Agency
- ATVP – Securities Market Agency
- SURS – Statistical Office of Slovenia
- SZZ – Slovenian Insurance Association
- KDD – Central Securities Clearing Co.
- ZPS – Slovene Consumers Association
- OZS – Chamber of Crafts of Slovenia
- SIR – Slovenian Institute of Auditors

€-Changeover - Milestones and Scenarios

- 28 June 2004: Slovenia joined ERM II (Exchange-Rate Mechanism)
- January 2005 - “Plan for the introduction of the euro” adopted by the Government and the Bank of Slovenia
- June 2006- final stage of the **two-year** participation in ERM II and fixing of the rate of exchange
- January 1, 2007 - first possible date of CHANGEOVER

Big Bang Scenarios (3 PERIODS)



Careful and Pro-active Preparations

- Changeover board = national € co- ordination
- All relevant institutions included
- National changeover master plan, revisions
- **Specific** areas: legal framework, IT, consumers, payment system, information campaign – special attention, regular co-operation, consultations
- **Regular monitoring**
- Changeover **process**: frontloading, starter kits, exchange of cash, changeover of accounts

Everyone counts !



Evro-za vse nas

- ❑ **Slovene public-at-large:** not only SLO-citizens, but **ALL residents**
- ❑ **professional** communities (**business** community, **trade** community, **SME**,...)
- ❑ **youth**, old, elderly, women,
- ❑ **media**,
- ❑ **civil society**,
- ❑ **persons beyond easy reach:**
 - **less** informed and **less** educated persons,
 - persons with **special needs**
 - **minorities** (Italian, Hungarian minorities, Roma community) and **national communities** (Croats, Serbs, Bosniacs, Albanians, Macedonians).

Use Diverse Communication Channels & Tools

1. Media relations

- daily relations: press conferences, briefings, press releases,
- topical relations: radio call-in, topical supplements to newspapers and specialist **magazines**, topical TV shows)

2. Direct communication

- **free-of-charge** telephone line (Q & A) (*1000 calls/month!*)
- joint **website** www.evro.si (*2 mio visits!*)
- issue of special **publications, leaflets, posters** etc.
- round-table **discussions, conferences, lectures**, training events
business conferences for the **specialists** public
- special **events**: visits to **trade fairs, schools**(*multipliable effect!*)
hospitals, **commercial** centres, **military** barracks...

3. Advertising campaign and promotional material

Campaign Infrastructure is Important

2 LEADING AUTHORITIES : 2 Co-chairmen

1. Government of Slovenia: Director of Finance Min.

(on its behalf: the Public Relations and Media Office)

2. Bank of Slovenia : *Vicegovernor*

Assisting partners: Ministry of Finance and Economy, Statistical Office, Chamber of Commerce and Industry, Chamber of Crafts of Slovenia, Banker's Association, Consumers' Association

Multiplicators:

government offices, financial and banking institutions, NGO'S, Representation Office of the European Commission in Slovenia

All partners carry out their own activities, **except** :
www.evro.si, advertising campaign, main publications, open telephone and visits to fairs and other public events.

Share good practices, respect local situation

- STRATEGIC PARTNERSHIP with EU Commission:
 - share past practices
 - cooperation with DG ECOFIN on new activities
- TWINNING PROJECT with the Netherlands and Lithuania
- COOPERATION with *Bank of Slovenia* and *European Central Bank*

Public Opinion (Eurobarometer)

EUROBAROMETER	Oct '04	Nov '05	June '06	Oct '06
Supported	57 %		64 %	68 %
Informed	63 %	60 %		83 %
Satisfied	64 %	58 %	66 %	72 %
Positive attitude	56 %	46 %	58 %	61 %
Fears	57 %	39 %	70 %	66 %

Government Communication
Office

Take measures to prevent impact on prices

1. Dual display of prices
2. Price watch - protection of consumers(*Black List*)
3. Law on €
4. Cooperation of Consumers' Association
5. Euro Price Commitment

First COMMENTS after CHANGEOVER

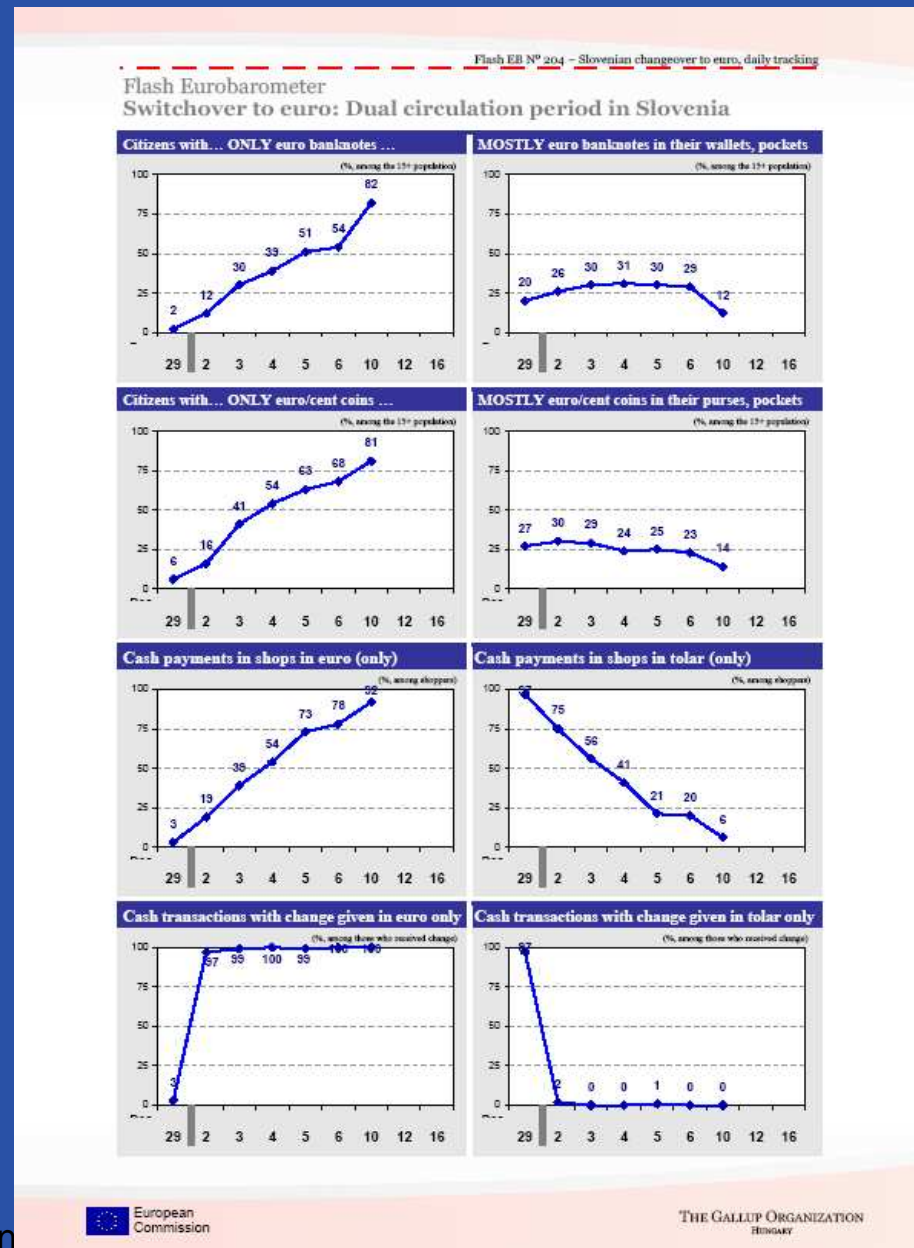
- Smooth changeover
- Minor technical problems
- **Quick switch** to €- cash payments and cash transactions
- Great domestic and international publicity
 - Increase of prices, but active reactions AGAINST IT of Consumers' Association and consumers
(1800 complaints!)
- *Inflation perception* similar to 2002 changeover *in the first €-area*

Changeover to Euro:

Dual circulation period 1 to 15 January 2007

After 10 days:

- 82% Slov. keep only €-banknotes&coins
- 92% Slov. pay only €-banknotes&coins
- 6% Slov. pay in tolaras
- 100% cash transactions



OPINION POLLS - 4 months *after changeover*

RECOGNITION & FAMILIARITY:

- ❖ 95 % feel well informed (no need for further informations)
- ❖ 91 % of Slovenes do not have any tolars left
- ❖ the majority can easily distinguish between banknotes & coins
7 % difficult to differentiate banknotes, 18 % within coins)
- ❖ 81 % find easy to convert tolar to euros (13 % difficult)
- ❖ 77 % understand the values in euros (16 % difficult)

PRACTICAL CONSEQUENCES:

- ❑ For day-to-day shopping people calculate in €,
- ❑ 47 % for greater value purchases calculate still in tolar
- ❑ 49 % find dual display of prices useful (to control the conversion)
- ❑ 51 % would prefer that dual display continue **after June 30 2007**
- ❑ **fears**: introduction contributes to rise of prices (81 %)

Slovene Consumer Association-SCA(1)

PRICEWATCH: *basket of 68 goods&36 services*

Prices rise in

- *Restaurants: lunches, drinks (coffee, tea), beverages(beer, wine)*
- *Banks: payments, e-banking, cash withdrawal (sic!!)*
- *Goods sector:*
 - *vending machines (prepacked food, soft drinks)*
 - *food, bread, cigarettes, newspapers, magazines*

BLACKLIST, 1.group 6-10% pr.rise, 2.gr. >10% pr.rise

SCA(2): PRICE ANALYSIS, SCA-basket

SCA - basket	Lower price(%)	Same price(%)	Higher price(%)
Feb. 06 – Feb. 07	25	39	36
Nov. 06 – Feb.07	25	56	19

SCA (3): Statistics vs. Public Perception

Statistics:

Deflation in Jan.+Febr. 2007

Public Perception:

- **83% think, *PRICES HAVE RISEN after €-day***
- **57% think, retailers are guilty**

Convergence criteria for SLO , 16.5.2006

	Inflation in past 12 months (%)	Long term Interest rate for 12 month (%)	Deficite in 2005 as %BDP	Public debth In 2005 as % BDP
€-area	2.3	3.4	-2,4	70,8
<i>Convergence criteria</i>	2,6	5,9	-3,0	60,0
SLOVENIA	2,3	3,8	-1,8	29,1

Relevant **Internet Adresses**

- **<http://www.bsi.si>** (*Bank of Slovenia*)
- **<http://www.euro.si>** (*Governement of Slovenia*)
- **<http://www.zps.si>** (*Slovene Consumers' Association*)

Deloitte Recommendations to Other Countries

1. Stable, well staffed Changeover Board 3 years in advance:
Government, NGO-s, private sector, civil society
2. Price Watch is a good practice
3. Fair Pricing Agreements better than Dual Price Display
4. Slovenia Inc. approach, with well defined tasks
5. Project Management approach: *critical paths, activities, dead lines, target dates*
6. **Communication Strategy:** *website, publications of plans, legislation*