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THE VOICE OF BUSINESS IN EUROPE

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Contact:

Pedro SOLBES MIRA
Member of the European Commission

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B 1049 Bruxelles

Dear Commissioner,

Introduction of the euro

Thank you for your recent letter on business preparations for the euro changeover. Your appeal to raise awareness about "e-day" is timely and welcome, and will be relayed further through our members.

There are other aspects of the changeover scenarios which our members increasingly feel are problematic.

Firstly, as a general comment, the diversity of elements and timetables in the national cash changeover plans is in itself a major source of confusion and of potentially unnecessary costs. It seems to us that greater consistency and simplicity are needed and may still be possible to achieve if the Commission could review, together with member states, the main features of each plan.

Whilst it is accepted that it is for member states to fine-tune these plans to take account of national specificities, the Commission could usefully take a more prominent role to ensure clear and accurate information about, for instance, what is legal and what is not, from which date and according to which implementing provisions. As you point out in your letter, failure to communicate clearly about legal obligations for companies to operate in euros from 1 January 2002 could be very disruptive and costly, particularly for SMEs.

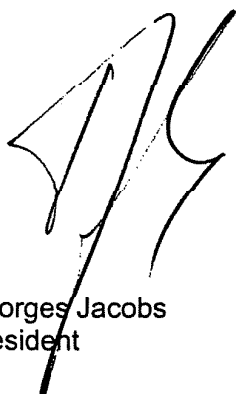
Secondly, the European Commission needs to play a more active leadership role in information and communication campaigns. Your own surveys highlight an alarming trend of lack of awareness, preparedness and confidence in the single currency, across the board of all the target groups. While it is true that interested parties can access information if they so desire, it is equally clear that the main messages about the benefits and the implications of the euro are not getting through. In particular, confidence among the public at large needs to be boosted, notably to counter widespread perceptions and fears notably about price effects, impacts on values of incomes and savings, and the general complexity of dealing with a new currency.

Thirdly, the current plan to issue euro notes and coins before 1 January only to financial institutions and retailers, but not to consumers, will place a very large burden upon the cash system, leading both to security risks and additional costs. If anything, this will reinforce the need for more effective information and communication campaigns aimed at consumers and the general public.

Should there be a realistic prospect of reviewing the original decision of the Council and the ECB not to allow "front-loading" of notes to the general public, we feel it is essential that such a review should take place as soon as possible in order to allow economic operators to plan on a concrete and certain basis.

UNICE feels that these suggestions are necessary steps if confusion is to be kept to a minimum when euro notes and coins are introduced next January. Although time is now running short, it is not too late to take the necessary action.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'G. Jacobs', written over a printed name and title.

Georges Jacobs
President

Copy to: Messrs. Ravasio, Carré – DG ECFIN