

Brussels, 14 January 2008

The Cypriot and Maltese changeover are almost complete

The active phase of the euro changeover is now nearly finished in Cyprus and Malta. Thanks to intensive and systematic preparations and to the active and enthusiastic participation of citizens, the euro has been introduced quickly but smoothly into the daily life of the Cypriot and Maltese populations and the former currencies have now nearly vanished from wallets. Drawing the lessons of the 2002, 2007 and 2008 changeovers, the Commission has adopted a new recommendation on the organisation of future euro changeovers.

Two weeks after the beginning of the operation, around 90% of the cash payments in shops in both Cyprus and Malta are now in euro¹. Retailers in Malta gave change exclusively in euro in all cash transactions requiring change and nearly all of them did so in Cyprus (99%).

Returning from the Maltese capital, Valetta, where together with Commission President José Manuel Barroso he attended the official ceremony celebrating the adoption of the euro, Commissioner Joaquín Almunia declared: "*I want to congratulate the Maltese and Cypriot authorities for their excellent preparation and the citizens for the warm welcome they have given to their new currency. The entry of the two islands opens a new chapter in the short but already rich history of the euro area. The authorities must now remain committed to implementing the same sound policies which were needed to join the euro and are needed to reap its full benefits*".

By the evening of 12 January, nine out of ten citizens in both countries were carrying only or mostly euro cash in their wallets and purses (for banknotes: 93% in both Cyprus and Malta; for coins 87% in Cyprus and 96% in Malta). In both countries, most citizens now exclusively carry euro banknotes (77% in Cyprus, 81% in Malta) and euro coins (74% in Cyprus, 79% in Malta) in their wallets.

Maltese and Cypriot citizens have demonstrated during those 2 weeks since euro introduction their eagerness to exchange their national cash holdings into euro and to withdraw euro cash. In only 10 days, there have been nearly 316 000 ATM withdrawals in Malta and more than 250 000 in Cyprus. A huge number have also made use of the possibility to exchange the legacy currency over the counter in banks, with nearly 230 000 operations in Malta and 336 000 operations in Cyprus. Assuming people have made only one visit to their bank, an astounding 70% of Maltese and 54% of Cypriots over the age of 15 have braved the rather long queues to obtain their new currency during only 8 bank opening days. As a comparison, a similar proportion to the one observed in Malta would have brought 70 millions people in Germany to visit their banks!

¹ Surveys are being carried out at regular intervals until the end of the dual circulation period (31 January 2008). The results are available at http://ec.europa.eu/economy_finance/thematic_articles/article10547_en.htm.

Cases of rounding up prices during this period of euro changeover are systematically investigated by the Cypriot and Maltese authorities and/or the consumer associations in both countries. This very close monitoring – carried out even for a 1 cent abnormal increase – has in Malta already led in most cases to a reversion to the former price, failing which the company or service provider concerned could be fined.

Consumers are encouraged to remain vigilant and to report any cases of unfair pricing to the authorities or consumer associations.

Commission President Barroso and Commissioner Almunia will also attend euro adoption celebrations in the Cypriot capital Nicosia on Friday 18 January.

New euro changeover recommendation

Drawing the lessons of the 2002, 2007 and 2008 changeovers, the Commission has adopted a new recommendation on measures to facilitate future changeovers to the euro, which can be found at:

http://ec.europa.eu/economy_finance/thematic_articles/article10547_en.htm

Compared to the previous text adopted in 2000, the main novelties are:

- a clear indication of the duration of the dual display (from 6 months to 1 year after €-day) and of the need to remove the dual display at the end of this period.
- a significant frontloading of the banks and sub-frontloading of the retail sector with euro cash and of the citizens (for coins). Banks and shops should notably be encouraged to participate through financially attractive deferred debiting conditions.
- a delivery of small denomination banknotes for the cash withdrawals made at bank counters in the two weeks before and after the changeover.
- opening of the main bank offices during the first days of the changeover and extended working hours during the changeover period in order to facilitate the exchange.
- a package of measures to prevent abuses and misperceptions about the evolution of prices (fair pricing agreements, close monitoring of prices, name and shame or fines in case of abuses...).

The Commission also recommends to the Member States that the national law should foresee a compulsory dual display of prices after the official adoption of the conversion rate; a separate compulsory display of the possible charges for a payment in euro during the period between the setting of the conversion rate and the official date of the euro introduction; and the compulsory use of the euro as change in transactions in sales outlets from the first day of the changeover.

For more information see DG Ecfm's website

http://ec.europa.eu/economy_finance/the_euro/

http://ec.europa.eu/economy_finance/thematic_articles/article10547_en.htm

http://ec.europa.eu/economy_finance/thematic_articles/article10547_el.htm

(in Greek)

http://ec.europa.eu/economy_finance/thematic_articles/article10547_mt.htm

(in Maltese)

The Cypriot government has established a toll-free telephone line for questions on the euro: 8000 2008; e-mail: info@euro.cy; website:

<http://www.euro.cy>

The Maltese government has set up a national euro helpline: Linja Ewro 154; e-mail: euro@gov.mt; website:

<http://www.euro.gov.mt/>