

# The euro

Is your business prepared for 1 January 2002?



Do you know how the euro will affect your:

- cash flow?
- profits?
- European business?



# Did you know?



- Cheques dated after **31 December 2001** in any of the legacy currencies will be invalid and you should not issue or accept invoices or make electronic payments in legacy currencies.
- From **1 January 2002**, euro cash comes into circulation in the 12 euro area countries.
- The legacy currencies will cease to be legal tender by **28 February 2002**, at the latest (see inside).
- The euro is not a legal currency in the UK, although many businesses have chosen to deal in it as a foreign currency and some retailers will accept payments in euro.
- One currency could open new business opportunities in a market of some 300 million people.
- Price transparency and pricing points may become real marketing issues.

## For more information

The Treasury's Euro Web Site [www.euro.gov.uk](http://www.euro.gov.uk)

Call the Euro Helpline on **08456 01 01 99**

# Will the euro affect your business?

By taking just a few minutes to complete the self-assessment chart below you will have a good idea if your business is likely to be impacted, and whether you should be thinking about the steps to take to deal with the euro.

	Factors to consider	Yes
10	Do you have customers in the euro area?	<input type="checkbox"/>
9	Do you have suppliers in the euro area?	<input type="checkbox"/>
8	Are you unable to make or receive payments in euro if asked?	<input type="checkbox"/>
7	Do you have outlets in euro area countries?	<input type="checkbox"/>
6	Do you carry out much business in existing European currencies? (eg marks, francs, lira)	<input type="checkbox"/>
5	Are you unable to take advantage of the business opportunities arising from the changeover process in the euro area?	<input type="checkbox"/>
4	Do you apply different prices in different euro area countries?	<input type="checkbox"/>
3	Are any of your competitors based in the euro area?	<input type="checkbox"/>
2	When introduced in 2002 will euro notes and coins have an effect on your business?	<input type="checkbox"/>
1	Are you in a supply chain with a multi-national?	<input type="checkbox"/>
0	<b>Total</b>	<input type="checkbox"/>

Total the number of 'Yes' ticks and measure against the thermometer. If your score registers in the red or amber then you need to think now about taking action, if you have not already done so.

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From 1 January 2002 the existing national (legacy) currencies in 12 euro area countries will be replaced by the euro.

Country	End date of legal tender of legacy currency	1 euro =
Austria	28 February 2002	13.7603 schillings
Belgium	28 February 2002	40.3399 francs
Finland	28 February 2002	5.94573 markka
France	17 February 2002	6.55957 francs
Germany	31 December 2001	1.95583 marks
Greece	28 February 2002	340.750 drachmas
Ireland	9 February 2002	0.787564 punts
Italy	28 February 2002	1936.27 lire
Luxembourg	28 February 2002	40.3399 francs
Netherlands	28 January 2002	2.20371 guilders
Portugal	28 February 2002	200.482 escudos
Spain	28 February 2002	166.386 pesetas

# What help is available?

## Using the euro (Competing in Europe)

This booklet provides practical advice to help companies move from using legacy currencies to the euro. Issues covered include: pricing; invoicing; banking and cash handling; information systems; legal and tax; retailing and training.

## Factsheets

A set of nine factsheets which provide practical information for businesses that: import from or export to the euro area; form part of a UK supply chain; have outlets or competitors in the euro area and/or carry out business in euro area currencies.

## Case studies

Covering a range of sectors, they show how real firms have prepared for the euro.

## Where can I get this information?

The Treasury's Euro Web Site at [www.euro.gov.uk](http://www.euro.gov.uk)

Call the Euro Helpline on **08456 01 01 99**

# Where can I go for further advice?

**Twelve Regional Euro Forums** provide local advice and support for businesses that have trading links with the euro area.

Contact your local Regional Euro Forum on the telephone number below or visit their web site through [www.euroforums.org.uk](http://www.euroforums.org.uk)

East of England	0800 085 0373
East Midlands	0845 601 2327
London	020 7203 1818
North East	0800 096 3355
North West	0151 288 5137
South East	023 8083 2866
South West	0117 900 1700
West Midlands	024 7623 6593
Yorks & Humber	0845 140 2222
Northern Ireland	028 9052 9266
Scotland	0800 917 8699
Wales	0800 917 9879

## **Other sources of information include:**

Business Link at [www.businesslink.gov.uk](http://www.businesslink.gov.uk) or on **0845 600 9006**.

Your local BCC accredited Chamber of Commerce at [www.britishchambers.org.uk](http://www.britishchambers.org.uk) or on **020 7565 2000**.

## [UK Trade & Investment \(UKTI\)](#)

Your bank and accountant should be able to offer advice.