


Procedure file

Basic information		
INI - Own-initiative procedure	1997/2215(INI)	Procedure completed
The Euro and the consumer		
Subject 4.60.06 Consumers' economic and legal interests 5.20.02 Single currency, euro, euro area		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs, Industrial Policy		18/06/1997
		PSE PÉREZ ROYO Fernando	
	Committee for opinion	Rapporteur for opinion	Appointed
	ENVI Environment, Public Health and Consumer Protection	The committee decided not to give an opinion.	

Key events			
19/09/1997	Committee referral announced in Parliament		
26/11/1997	Vote in committee		Summary
26/11/1997	Committee report tabled for plenary	A4-0415/1997	
13/01/1998	Debate in Parliament		Summary
13/01/1998	Decision by Parliament	T4-0007/1998	Summary
13/01/1998	End of procedure in Parliament		
02/02/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1997/2215(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/09301

Documentation gateway					
Committee report tabled for plenary, single reading		A4-0415/1997 OJ C 034 02.02.1998, p. 0003	26/11/1997	EP	
Text adopted by Parliament, single reading		T4-0007/1998 OJ C 034 02.02.1998, p. 0015-0038	13/01/1998	EP	Summary

The Euro and the consumer

In an own-initiative report by Mr Fernando PÉREZ ROYO (ESP, E) the Committee concludes that the introduction of the Euro will have mostly positive effects for consumers. The Committee notes that consumers will benefit from lower prices on goods and services through increased competition as a result of price transparency between Member States. Consumers buying and travelling in Europe will also benefit as exchange risks and costs disappear, and lower interest rates as a result of a sound euro monetary policy will reduce costs of mortgages and loans, the Committee believes. To prepare consumers for the introduction of the euro, the Committee calls for a range of measures to help shoppers become familiar with the euro as a unit of measure in relation to prices and incomes during the transitional phase. While stressing the need for education and information initiatives, the Committee considers it equally important to introduce the euro in the main aspects of economic life already from 1 January 1999. Big service providers and banks are encouraged to use both national currencies and euro in their bills and statements as are enterprises with regard to the salary slips of their employees. To make people used to "thinking" in euros, the Committee also considers it necessary for dual pricing to be introduced in the retail sector as soon as stage three begins. Should such optional dual pricing prove insufficient, the Commission is called upon to put forward a proposal for a directive on dual pricing for an appropriate period before and after the introduction of notes and coins. As for the costs of the introduction of the euro, the Committee recognises that it is not possible to establish a compulsory rule on who will have to pay for these costs, but that measures should be taken to keep conversion costs at a minimum level in the transitional period. Public authorities in the Member States are therefore called upon monitor the change-over and provide the public with information on the real extra costs for the introduction of the euro thereby ensuring competition between suppliers and preventing possible abuses in the form of unjustified price increases. Finally, the Commission is called upon to put forward a proposal for a regulation laying down the principle that national banknotes and coins are to be converted into euro notes and coins free of charge for citizens.

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The Euro and the consumer

In adopting the report by Mr Fernando PEREZ ROYO (PSE, E), the European Parliament took the view that the introduction of the euro would primarily have positive results from the point of view of consumers: - the euro would facilitate comparisons of the prices of goods and services in the various Member States, which would encourage cross-border purchases, mail order sales and price reductions due to stronger competition; - consumers making purchases or travelling within Europe would cease to incur exchange rate risks and other risks arising from fluctuations; - a sound monetary policy would allow interest rates to fall, with the result that borrowers, including mortgage borrowers, would have lower rates to pay. Parliament stressed the importance of taking the opportunity during the transition period beginning on 01/01/1999 to encourage consumers to get used to the euro both as a unit of measurement for prices and incomes and as a means of payment (cheques, credit cards, etc), without the use of the euro resulting in extra costs. Parliament pointed to the need for training, education and information measures relating to the euro, but it assigned equal importance to the introduction of the euro in the main areas of economic life from the beginning of 1999. Major services suppliers (electricity, water, gas, telephone) and banks were called upon to use national currencies and the euro in parallel for their invoices and accounts, as should enterprises in the salary statements issued to their staff. As regards the costs arising from the introduction of the euro, Parliament called on the Commission to submit a proposal for a Regulation enshrining the principle that conversion of national coins and banknotes into euro should be free of charge to the public. Parliament called on the Commission to draw up a proposal for a Regulation banning banks from making their customers pay for conversion of their accounts or for payments. ?

The Euro and the consumer

The rapporteur underlined that currency was not just an economic concept but was also symbolic and social with the ultimate users being citizens. He also pointed out that the habits of Europeans in terms of money usage varied greatly according to the country and also social class. Commissioner de Silguy indicated that the Commission would hold a round table on 26 February on the issues raised by the rapporteur and that its Green Paper of May 1995 had already stressed that consumers should not in any way be adversely affected by the introduction of the euro. In particular, on dual price displays, he said that the Commission preferred a voluntary and non-bureaucratic approach as no unnecessary disruptive burden should be imposed on small retailers and additional costs should not be passed on to consumers. As for bank charges, the Commission noted the suggestion of an approach based on legislation but, at this stage, was moving towards a more flexible solution, based on a commitment from the professionals. Among the possible options, the Commissioner cited a code of conduct subscribed to by all the credit institutions, on the basis of a recommendation from the Commission, and to which the banks might agree on a voluntary basis.