The Euro and the consumer

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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 ans 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.