

Willem F Duisenberg: The EURO. OUR money

Speech delivered by Dr Willem F Duisenberg, President of the European Central Bank, at the Euro 2002 Information Campaign hosted by Suomen Pankki (Bank of Finland) in Helsinki on 17 September 2001.

* * *

Ladies and Gentlemen,

Thank you for inviting me here today. Before I proceed with my speech, I would like to express my sincere condolences and those of the Governing Council of the European Central Bank to all those whose lives were touched by last week's terrorist attacks in the United States of America. The attacks were so horrific – and tragic – that we are talking about the world being a different place now. That may be so. But life – and that includes business life – has to, and will, go on.

I would like to emphasise that the Eurosystem stands ready to support the normal functioning of markets and relevant operational systems if the need arises. The Governing Council reaffirmed its support at its meeting last Thursday. In this context, the Eurosystem conducted liquidity-providing fine tuning operations last week. The ECB also agreed last week on a swap arrangement with the Federal Reserve System to facilitate the functioning of the financial markets and to provide liquidity in dollars. The Eurosystem is co-ordinating its activity with the Federal Reserve of the United States and the world's other major central banks.

Furthermore, as a mark of respect, the European Union held a day of mourning last Friday. And as a gesture of solidarity, we withdrew all TV commercials and print advertisements by the Euro 2002 Information Campaign from the media on that day.

Let me now turn to the subject of this conference, the Euro 2002 Information Campaign. The conference is being hosted by Suomen Pankki and it is one of the last ones in the campaign being conducted by the European Central Bank (ECB) and the twelve national central banks of the euro area. Tomorrow, the Banca d'Italia, and in one month's time, the Bank of Greece will conclude this series of conferences, which has brought together more than 5,000 key actors in the euro cash changeover process. They have benefited from the exchange of views and information, for they have been able to enhance their own preparations for the cash changeover. Moreover, the media attending these conferences have made the public more aware of the impending introduction of the euro banknotes and coins. My colleagues on the Executive Board and myself have been pleased to actively contribute to these conferences.

In just over 100 days, *the EURO.OUR money*, will be in our pockets, and will finally become an everyday reality for all of us. In just over 100 days, we will be able to travel from one euro area country to another, from Helsinki to the Mediterranean and the Atlantic, without having to change our money. We will be able to compare prices for products and services much more easily; it's an enormous step that will give a major boost to competition and price transparency. In just over 100 days, companies and organisations will be able to expand their markets and pursue their activities without having the cost and inconvenience of dealing with several currencies. In just over 100 days, Europeans will feel at home in many parts of Europe because, for the very first time, they will share the same banknotes and coins.

The general public sometimes does not realise that the euro has existed as a currency since 1 January 1999. The euro is already *OUR money*. Whenever we buy something with current national banknotes of the euro area, we are in fact already paying in euro.

The introduction of the banknotes and coins represents an unprecedented logistical challenge for all parties involved; almost 15 billion banknotes and around 50 billion coins are being produced and the major part will be distributed, first to the banking sector and then to the retail sector before reaching the public. These two steps, known respectively as frontloading and sub-frontloading, started on 1 September and entail a gradual supply of euro banknotes and coins to different sectors of the economy in order to make the process as smooth as possible. Of course, there will be a considerable demand for euro banknotes from outside the euro area and therefore we have adopted general principles and a guideline for the frontloading of euro banknotes to non-euro area residents. Mr. Antti Heinonen, Director Banknotes at the ECB, will review the production and distribution of the euro banknotes in more detail later this afternoon.

On 30 August, I unveiled the seven euro banknotes and their security features at a press conference in Frankfurt. The banknotes show windows, gateways and bridges – symbols of openness and communication. They reflect Europe's artistic and architectural heritage and, at the same time, will help to promote a feeling of solidarity, to bring about new opportunities and to strengthen ties and transactions between the nations of Europe.

But transactions need to be trustworthy. The new banknotes include state-of-the-art security features, which will make the euro one of the world's safest currencies. These features will provide reassurance: they will enable both the public and professional cash handlers to check the banknotes quickly and easily. The needs of blind and partially sighted people have also been carefully considered: they will be able to identify the banknotes with confidence. The seven euro banknotes differ in size and colour, and the value of the banknote is printed in large, bold numbers. This will make it easier for all of us to recognise the banknotes when they enter into circulation on 1 January 2002.

Ladies and gentlemen, this will be a watershed in Europe's history; it will be a unique event that requires our fullest support.

It is crucial that we, the European Central Bank and the twelve national central banks of the euro area, do our utmost to ensure that euro banknotes and coins are well received by the public. A rapid acceptance will very much depend on how well we communicate about OUR *money* with "our" public. The more effectively we communicate, the more we will convince Europeans that Europe is not some abstract and remote idea, but an immediate and dynamic reality. The quality of the information we provide will determine how well the public copes with the cash changeover and gets used to denominations that may differ from national ones.

That's why the Governing Council of the ECB has launched an information campaign. We have the support of Publicis, a communication agency which we selected for this historic task, and the national central banks of the euro area, which are implementing the information campaign and also supplementing it with their own euro-related communications at the national level.

Our campaign covers the practical aspects of the introduction of the euro banknotes and coins. Moreover, it is aimed not only at people *inside* the euro area, but also at those *outside* it, such as tourists, travellers as well as the citizens of countries where the predecessor currencies to the euro are used widely as parallel currencies. In order to reach such a broad public, the information campaign uses various groups and institutions as partners or "multipliers". They include banks, retailers, educational institutions, the tourism industry and the media.

I would like to highlight the key role these partners have played and are still playing. Here in Finland and in the rest of Europe partners in the Euro 2002 Information Campaign from both the public and private sectors are contributing to this important communication effort by conveying information on euro banknotes and coins to their staff, customers and other target groups. We have over 2,600 organisations which have signed a partnership agreement with the ECB and the 12 national central banks of the euro area.

I would also like to stress that the media are receiving special attention in the campaign. For them, we have produced a total of six media kits, each marking a specific milestone in the countdown to the euro. These have been, and will be, distributed to more than 3000 media companies in the euro area in the course of 2001. The media kit marking today's milestone, is E -100 ["e minus one hundred"], or 100 days to go, and focuses on the final visual appearance of the euro banknotes and their security features. Furthermore, we are paying particular attention in the campaign to vulnerable groups who need and will receive tailor-made information and training.

We have now reached the crucial period in terms of communication on the euro. Our mass media campaign, with TV and print adverts across the euro area and beyond, has just been launched. The communication offensive will continue into the first weeks of 2002, when the changeover will be taking place and people will have the euro banknotes and coins in their hands and pockets. They will then be more receptive to messages about the euro.

In Finland, you can watch our TV commercials for the very first time today, and see our print adverts as from 3 October. The creative concept here focuses on the positive spirit which comes from being part of a broad community with a single currency, and is reflected in the slogan, *the EURO.OUR money*.

Because we cannot afford to miss a single opportunity to inform three hundred million Europeans, two hundred million public information leaflets, in 11 languages, have been produced, enough for every

household in the euro area. The leaflet is entitled *Getting ready for the euro*, and shows the euro banknotes, with details of the security features and of the changeover plan for each country. The leaflet is tailored to the needs and circumstances of each country and will be distributed by the national central banks through a variety of channels.

I would also like to mention our initiative to help the children of the euro area learn about euro banknotes and coins. Seven million posters, each including a competition designed to raise awareness of the euro, will soon be sent to primary schools. The competition, which runs until mid-November, must be one of the largest ever held for children aged between 8 and 12 in Europe. The lucky winners, our 24 “euro superstars”, two from each euro area country, will receive their prizes at an event that will take place in Frankfurt on 31 December.

Finally, let me turn to the ECB itself. It is still a young central bank just 3 years old. Its mandate is to guarantee price stability by conducting a single monetary policy for the 12 countries and 300 million people in the euro area. The public perception of an institution sometimes differs sharply from, and even oversimplifies, the complex reality. This is also the fate of the ECB. Its tasks are indeed complex, involving monetary policy decisions and operations, statistics, payment systems, legal issues, etc. However, its primary objective as laid down in the Treaty of the European Communities is very clear: price stability in the euro area, in other words, safeguarding the value of the euro banknotes and coins and keeping inflation under control. Keeping control of inflation was and remains our main focus. The ECB has so far fulfilled its mandate successfully and aims to do so in the future for the benefit of Europe’s citizens. Of course, the impact of the cash changeover on price developments in the coming months needs to be carefully monitored. Price transparency and market competition are likely to limit inflationary pressures stemming from the cash changeover. Still, I would like to appeal to all economic operators, including governments, to strictly apply the rounding rules. We cannot afford such a momentous event to be overshadowed by unjustified price increases. Any increases would undermine confidence in the euro and damage the credibility of those abusing the cash changeover in such a way. The ECB is also asking the public to keep a close eye on prices during the changeover period and is encouraging consumers and various organisations to follow up any – may I say – abuse of the occasion.

I am repeating myself, but it is important to be aware that on **1 January 2002** we are *not* introducing the euro. The euro has been *OUR money* since **1 January 1999**. What we are doing is introducing the euro banknotes and coins. Then, for the very first time, twelve countries in Europe will be sharing one currency: ***the EURO.OUR money***. Or, as you say in Finnish, **EURO YHTEINEN RAHAMME**.