

### Not all coins are the same

We will have more coins in our wallets – eight denominations instead of five. However, it is essential to understand that the euro coins will have higher value compared to the present koruna coins. For instance, imagine shopping in a common grocery store. At present, you would buy a box of matches for two korunas there. However, for a two-euro coin you would receive 5 to 6 yogurts or two loaves of bread. Thus, the following will be applicable: Every cent counts!



Total **Sk 18.50**

Total approx. **Sk 137.50\***

### What to do with korunas?

Should any Slovak korunas remain in our pockets after 31 December 2008, we will be able to spend them during the dual circulation period (ending 16 January 2009), or to exchange them for the euro in banks or in the central bank, Národná banka Slovenska. In standard cases, the exchange will be free of charge. Banks will be allowed to demand a fee from a customer only if he wishes to exchange more than 100 pieces of banknotes or coins in one operation. Banks will exchange koruna coins for the euro until 30 June 2009 and koruna banknotes even for further six months. Národná banka Slovenska will exchange koruna coins for five years, i.e. until 31 December 2013, and banknotes and commemorative coins without any time limit.

Deadlines for the exchange	Coins	Banknotes
At banks	30 June 2009	31 December 2009
At Národná banka Slovenska	31 December 2013	without limit

\*For conversion, the SKK 35.4424 exchange rate per 1 euro is used, which is the value of central parity in ERM II as of April 2008.

### Benefits of the introduction of the euro:

- € **Easier travel**  
When travelling to the euro area countries, it will not be necessary for us to stop only at the borders, but also at the exchange offices. And when travelling to any place in the world, we will be able to exchange the euro for any national legal tender, since the euro is a major world currency.
- € **Easier comparison of prices**  
After the euro introduction, it will be very easy to compare prices in shops in Slovakia with prices in other euro area countries, and to buy e.g. clothes, cars, electronics, etc., where it is more favourable. The ability to compare prices easily will support the competition and contribute to keeping prices low.
- € **Stable economy**  
The euro as a strong major world currency would bring about higher economic stability: stable and low inflation and interest rates, and stable exchange rates. This will reduce risks and uncertainty in planning for both businesses and citizens. Since the Slovak economy depends on imports of raw materials and exports of goods, and the trade with the euro area countries represents about a half of the total foreign trade, the adoption of the euro will be a stabilizing anchor.
- € **Growth in the standard of living**  
The euro is a guarantee for stable business environment, which along with the removal of a large portion of exchange rate risks and transaction costs represents a chance for companies to stabilize and extend their activities. Thriving businesses contribute to the economic growth of the entire country, wage growth and creation of new jobs, which leads to increases in the standard of living.
- € **The euro is a symbol of European identity**  
The adoption of the euro in Slovakia will be the final step in the full integration of our country into the European Union.

[www.euromena.sk](http://www.euromena.sk)

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NÁRODNÁ BANKA SLOVENSKA



# The euro comes to Slovakia

In May 2004, Slovakia became a Member State of the European Union. By joining the EU, our country undertook to become a member of the euro area upon meeting the required Maastricht criteria, and to introduce the single European currency. The adoption of the euro in Slovakia is expected on 1 January 2009. The euro will boost up foreign trade and strengthen the attractiveness of Slovakia for foreign investment, which will bring about faster economic growth and a higher standard of living.

### New Year 2009 – euro, welcome!

The euro will be introduced in Slovakia under “Big Bang” scenario. It means that it will become valid at the same time both in cash and scriptural circulation – for payments in shops and for bank account transfers. From 1 to 16 January 2009 it will be possible to pay in cash both in euro and in korunas. However, in this short period of time, change will be given in euro only.

### The exchange rate will be fixed

All koruna values will be converted on the basis of a fixed rate, the so called conversion rate. It will be set by the Council of the European Union, probably in July 2008. Nevertheless, the rate becomes



Purchased goods	Price in Sk	Conversion price*	Price in €
Yogurt	Sk 13.00	0.3668	€ 0.37
Bread	Sk 34.50	0.9734	€ 0.97
Milk	Sk 26.80	0.7562	€ 0.76
In total	Sk 74.00	2.0879	€ 2.09

\*For conversion, the SKK 35.4424 exchange rate per 1 euro is used, which is the value of central parity in ERM II as of April 2008.

### Rounding of the prices

The conversion rate will be set as a coefficient with six digits in the form of 1 EUR = XX.XXXX SKK. It will not be permitted to use fewer decimal places or to round this rate. To calculate prices in the euro, the exact rate must be used, and only the final price will be rounded to the closest eurocent. In a sum of several items, only the total price is to be rounded. Such a calculation procedure was already applied in Slovakia in the past. After the cancellation of 10- and 20-halier coins, the final amount was rounded off to the closest 50 haliers.

July  
2008

Conversion rate fixing

effective from 1 January 2009. A proposal on the conversion rate will be made by the European Commission, and the Council of the European Union will discuss it with the European Central Bank. A unilateral consent of all the euro area countries and Slovakia on the level of the rate will be necessary.

### To be ready for the new currency

In particular, dual display of prices will help us to be prepared for the new currency. It means that the prices will be shown both in Slovak korunas and in euros. Dual display of prices will be mandatory from August 2008 to December 2009; this period of time is considered to be long enough to get used to prices in euro. Before introducing the euro, in December 2008, so called starter kits will be available to the public; they will contain euro coins in a value of 500 korunas. These will help us to become familiar with the euro and to manage the first days with the new currency.

August  
2008

The dual display of prices becomes mandatory

### Banks and automated teller machines

As at 1 January 2009, accounts at banks will be converted to the euro at the exact conversion rate. The conversion will be automatic; customers will not have to visit the bank or to pay for this procedure. It will be the simplest method of the koruna exchange for the euro. Therefore, it is recommended to deposit money into bank accounts, which is in line with the experience of the countries that have already introduced the euro. Most automated teller machines will have only a short technical break during the New Year's night, and in the following morning you will be able to withdraw the euro using your ATM card. The lowest banknote that you will be able to withdraw from automated teller machines will be 10 euro.

### Control

Inspectors of the Slovak Trade Inspection (STI) will monitor the dual display of prices in shops. In addition to the STI, dual price displays will be checked also by towns and municipalities, which have to monitor the dual display of prices, e.g. in market-places.

1 January  
2009

Planned introduction of the euro in Slovakia

17 January  
2009

End of the validity of Slovak korunas

31 December  
2009

End of the dual display of prices

The introduction of the euro must not harm the citizens. Therefore, any fees and taxes paid by citizens to state bodies and institutions will be rounded down and any payments received from the government will be rounded up. A so called Ethical Code should also help to stimulate confidence in the new currency among people. For instance, the Code contains a principle, according to which euro introduction must not be abused for unreasonable price increases, which involves also correct price rounding in the euro.

