



*Ministero dello Sviluppo  
Economico*



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The Italian case

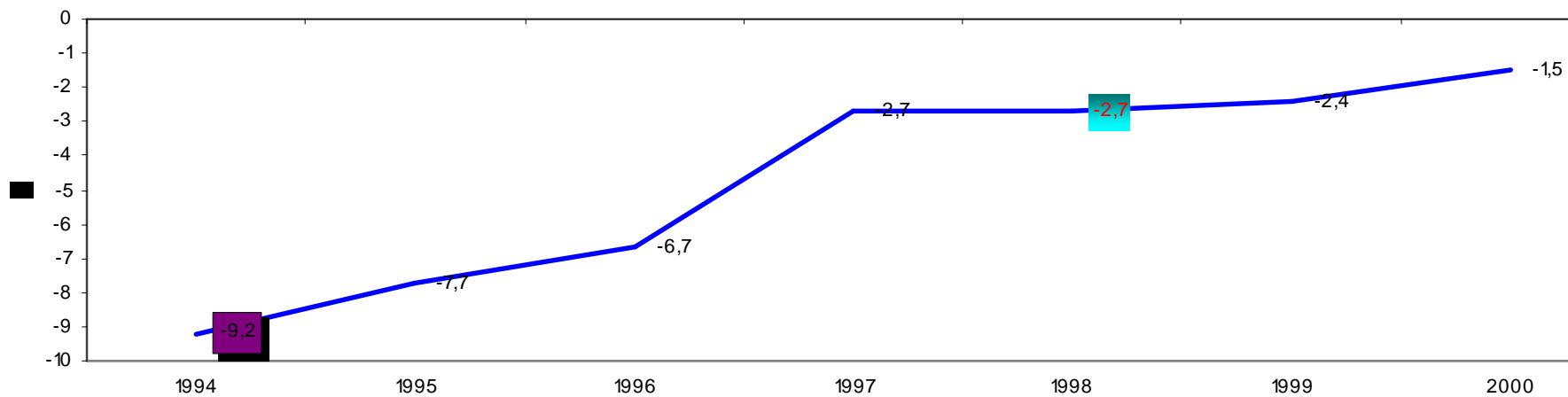
# The EURO convergence criteria

- The relationship between the Public deficit and GDP: must not exceed 3%
- The relationship between the Public debt and GDP: must not exceed 60%
- The inflation rate can't be higher than the lowest positive inflation average of the three best performing countries plus 1.5%
- Long term interest rates can't be higher 2% than in the three lowest inflation Member States

# Italian macroeconomic situation

## Public deficit/GDP

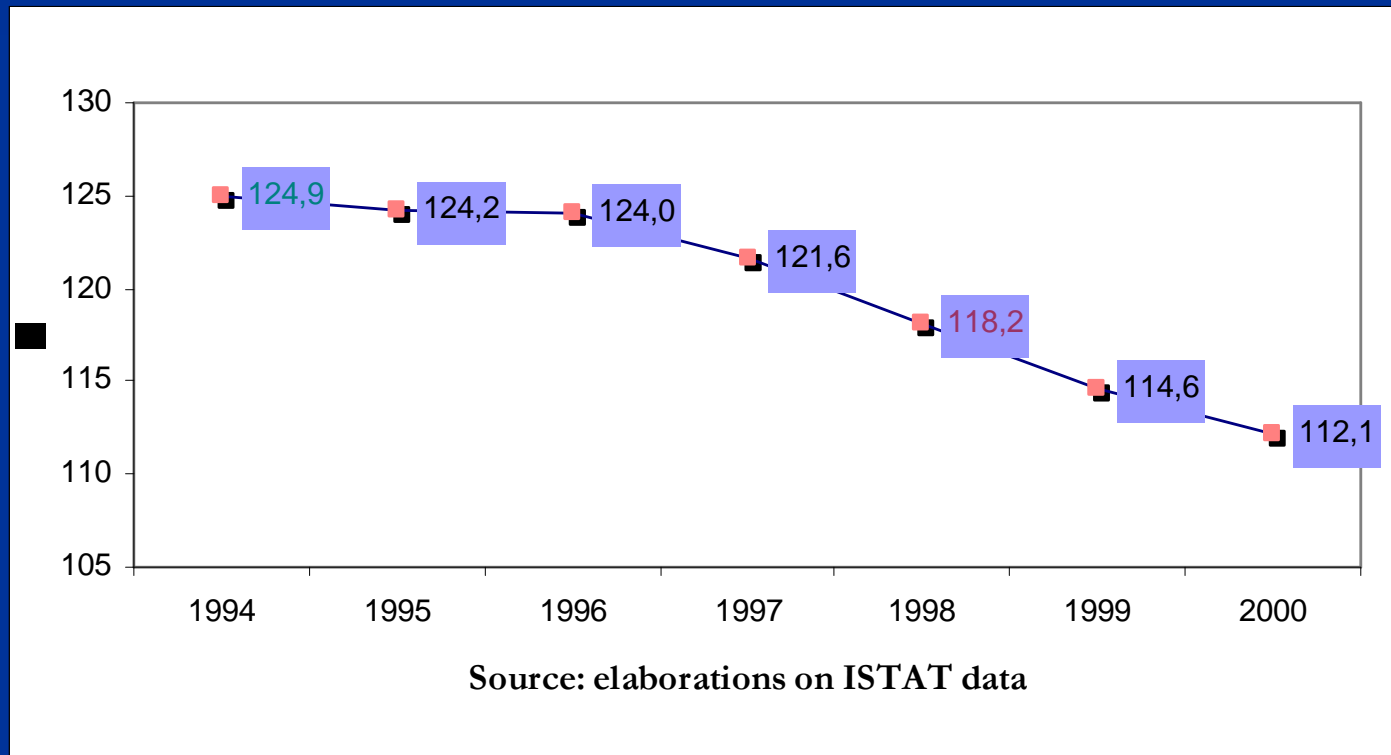
max 3%



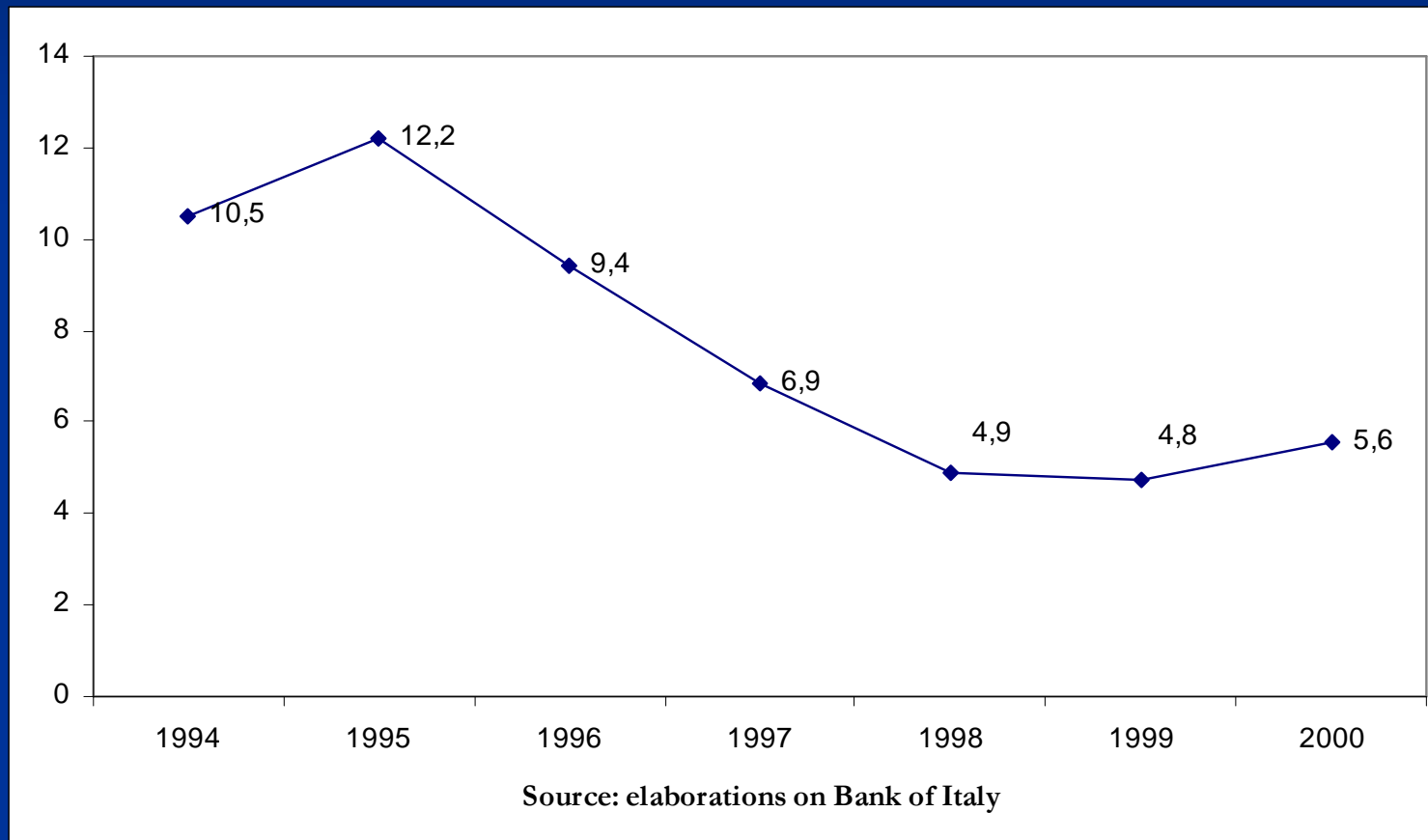
Source: elaborations on ISTAT data

# Public debt/GDP

max 60%



# Long term interest rates



# The Italian productive structure

Dimension enterprises	UE 27 %	Italy %
Micro enterprises	91.8	94.6
Small enterprises	6.9	4.8
Medium enterprises	1.1	0.5
MSME	99.8	99.9
Big enterprises	0.2	0.1
Total	100.0	100.0

Source: Elaborations on EUROSTAT data

# MSMB manufacturer enterprises in the EU 27 (%)

	Micro	Small	Medium	Big
Germany	61.1	22.6	8.2	8.1
France	83.9	7.2	5.8	3.1
Italy	83.2	10.2	4.7	1.9
Poland	88.8	3.7	4.0	3.5
United Kingdom	75.5	11.1	8.1	5.4
EU 27	81.2	9.4	5.8	3.6

Source: Elaborations on EUROSTAT data

# The project of adoption of Euro

- 1998-1999: Activity of preparation
- 2000-2001: Transitory period
- 2002: Definitive adoption of euro



Two organization levels:

- Regional Committee
- Enterprises Committee

# The Government's organization for the changeover Regional Committee

PREFECT, MAJORS,  
CITY MANAGERS,  
PRIVATE MANAGERS

# The Regional Committee: organization for the changeover

## Working groups

FINANCE	ADMINISTRATION	MARKETING	HUMAN RESOURCES	LEGAL AFFAIRS	INFORMATION SYSTEMS
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# The enterprises' organization for the changeover

(Each firm had an Euro responsible)

	1998-1999 Activity of preparation		2000-2001 Transitory period		2002 Definitive adoption of euro
Accountancy	Lire	Euro	Euro	Euro	Euro
Financial report	Lire	Euro	Euro	Euro	Euro
Equity	Lire	Euro	Euro	Euro	Euro
Treasury	Lire	Euro	Euro	Euro	Euro
Purchases and sellings to societies of the same group	Lire	Euro	Euro	Euro	Euro
Salaries	Lire	Lire = Euro	Lire = Euro	Lire = Euro	Euro

# Some measures adopted by Italian Government to facilitate the introduction of Euro

- In the period before the advent of Euro, the Government organized a “policy” of information (mainly through Tv and Newspapers) trying to explain the future steps to be followed for the passage from Lira to Euro and the impact on consumers and firms.
- The main measure adopted by the Government was the obligation of dual prices which was extended for two months. This didn't allow firms to increase their relative prices; often the “real” exchange Lira Euro was 1 Euro instead of the official rate 1936.27 cents lira (e.g. the price of a pair of shoes was 100.000 Lire=100 euros).

## Some steps carried out by Italian firms to prepare for the changeover

- The majority of firms had prepared to the changeover at least one year before the adoption of the Euro.

All 2002 was devoted to complete the entire process regarding various aspects of the “firms’ life”.

- According to some surveys by the National Institute of Statistics, Italian companies didn’t find relevant difficulties in adjusting their IT systems also because a lot of them were able to organize this process with a certain anticipation. The adoption of Euro was for a lot of them the occasion to build up the IT systems.

# Survey on the impact of Euro on the italian enterprises: some main results

Means of communications	Total enterprises %	Agriculture	Manufacturing	Handicraft	Commerce	Tourism
Tv	85.8	87.0	85.1	90.1	85.1	86.8
Newspapers	72.3	77.6	77.1	64.5	72.1	70.8
Brochures	6.0	6.7	8.3	5.3	5.1	6.2
Workshops	1.7	0.4	2.4	3.3	1.3	1.4
Conferences	1.9	0.9	2.4	2.6	1.3	2.8
Other	4.4	3.6	3.8	3.9	5.1	2.8

Source: survey euro 1998

# Will the euro cash changeover determine advantages for the enterprises?

Yes	46.6%
No	35.9%
I don't know	17.3%



# Will the euro cash changeover facilitate the exports?

Yes	64.9%
No	22.8%
I don't know	12.2%

Source: survey euro 1998

# Will the euro cause a change of the enterprises' prices?

Yes, in increase	23.6%
Yes, in decrease	14.6%
No impact	48.5%
I don't know	13.0%

Source: survey euro 1998

## In the transitory period your enterprise will have an administration:

Only in Lire	19.5%
Only in Euro	11.5%
Double currency	53.9%
I don't know	15.1%

Source: survey euro 1998

# Total opinion on the participation of the Italian economy to Euro

Very positive	8.3%
Positive	62.2%
Neither positive nor negative	18.5%
Negative	6.5%
Very negative	1.1%
I don't know	3.3%

Source: survey: euro 1998

# Some “suggestions” from Italian economy’s experience for the future passage of Zloty to Euro

- Dual circulation of both Zloty and Euro (six months)
- Obligation of dual prices expressed in Zloty and Euro at retail firms (six months)
- Severe process of monitoring of prices’ behaviour by the Government to avoid possible speculative maneuvers by firms (industrial but, mainly, commercial, public and private services) which could have an inflationary impact

- Invite consumers' associations to monitor the behaviour of prices and to indicate eventual anomalies to a specific institutional subject: "Mr Price"
- Pay a particular attention to the prices of main private and public services
- Increase the competition among certain specific sectors in order to avoid/reduce positions of monopoly
- Great attention to the technical parity: Zloty /Euro. An eventual revaluation could have harmful effects on the competitiveness of firms in the international markets

THANK YOU FOR YOUR  
ATTENTION!

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