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cc:

Subject: Minecor Additional Information

Apologies to those who have already received this e-mail.

Dear Minecor Officials,

Please find attached 2 documents of additional information provided by Britain in Europe and forwarded to us by the DTI, giving an update on companies accepting euros and what the banks are doing.

The next Minecor meeting will be on 17th January 2002 at 2pm in the Locarno Conference Room on the theme of Barcelona and economic reform. A senior business leader will give a presentation.

I would be most grateful if anyone planning to attend the Minecor Officials meeting on Tuesday 8th January 2002, in the India Office at 14.00, and who has not already done so, could please let me know.

Regards,

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<<Banks & Charities.doc>> <<EXCHANGE(SE).RA-ATT>>

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Frequently asked questions about the Eur Banks & Charities.d EXCHANGE(SE).RA-

Frequently asked questions about the euro

1. What is the euro?

The euro is a single currency that is replacing the currencies of 12 of the 15 Member States of the European Union. It has existed on the currency markets and electronically since 1 January 1999 and notes and coins will be in people's hands on 1 January 2002 when notes and coins are introduced.

2. Which countries are in the eurozone?

12 of the 15 Member States of the EU have joined the euro. The member countries are Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. Collectively these countries are known by their official name of the 'euro area' or more formally the 'eurozone'. Denmark, Sweden, and the United Kingdom are the three remaining members of the EU who have not joined.

3. Why have a single currency?

The members of the eurozone decided that it would be in their economic and political interest to create a single currency to replace their own existing currencies, a decision fully endorsed by the countries that decided not to participate.

4. What will happen to old national currencies like Francs and Deutschmarks?

The changeover to the euro will take place between January and February. From 1st of January you will be able to use both euro. There will then follow a period, varying from country to country, when people will be able to use either the euro or the old currency, but by 28 February the old currencies will be withdrawn and only the euro will be accepted.¹

5. What will happen to the old notes and coins then?

This is up to the countries concerned but it is likely that, in the case of the old coinage, they will be recycled.

6. What do I do with any Francs or Deutschmarks, etc I have at home or have brought back with me from holiday?

A recent survey by Barclays Bank showed that Britons have £540 million, an average of £35 per household, of loose foreign currency lying around their houses. Most banks will be exchanging the old currency notes until the end of February. Barclays are collecting for MacMillan Cancer Relief, NatWest will be collecting for Save the Children, Halifax and Bank of Scotland for Age Concern's 'Fight the Freeze' campaign, Lloyds TSB for Imperial Cancer Research, Co-operative Bank for Christian Aid, the Alliance & Leicester in association with *The Sun* for the NSPCC's 'Change for Kids' campaign and Thomas Cook are collecting for Children in Need.

7. Can I use euro notes and coins before 1st January 2002?

No. Special 'starter packs' are being made available in some eurozone countries to familiarise people with the new currency but you will not be allowed to use euro notes or coins before 1 January 2002.

8. Who sets interest rates in the eurozone?

The independent European Central Bank based in Frankfurt sets interest rates in the eurozone, its primary objective is to keep inflation low.

9. What is the role of national central banks, like the Bank of England, in the eurozone? What would happen to the Bank of England if we joined?

The national central banks of the eurozone no longer set interest rates; their primary role is to deal with the distribution and flow of notes and coins. British interest rates are set independently by the Bank of England. If Britain joined the euro, interest rates would still be set independently, but by the European Central Bank.

10. What will the euro notes and coins look like?

There are seven new banknotes, €5, €10, €20, €50, €100, €200 and €500. Each banknote has a different colour, size and design, and are the same across the eurozone.

A euro is made up of 100 cents. There are eight new coins, worth one and two euros, and one, two, five, 10, 20, and 50 cents. Each coin has a common side and a country specific side showing where they were issued. If Britain were to join we could choose to have the Queen's head on the back of our coins. All coins may be used throughout the eurozone.

11. Where will I be able to use euros?

You can use the euro anywhere in the eurozone, in some territories of countries in the eurozone and also in many places across Britain (see 19 below)

12. Will I be able to use euros in all shops and stores in the eurozone?

Yes and all of the eurozone's 3.5 million vending machines and coin and note operating machines will be converted to accept euros.

13. Will the euro make prices go up?

In the short term, conversion to the euro may mean that some retailers may round their prices up, although some could round them down. However, in the long term, the euro will create competitive pressure, as it will be easier to compare prices across borders and for firms to find cheaper suppliers, which should keep prices down.

14. Who chose the design of the euro notes and coins?

The designs for the euro were chosen in 1996 as part of a design competition run by the Council of the European Monetary Institute, the forerunner to the European Central Banks. The euro notes were designed by the Austrian artist Robert Kalina and represent styles and periods of European architecture rather than any specific landmarks.

15. How can I tell whether the euro notes and coins are genuine or fake?

The euro notes and coins incorporate the latest security features. On bank notes these include a watermark, a security thread, and a holographic foil strip. The euro coins also include a number of security features.

The European Central Bank and the countries of the eurozone have launched a series of campaigns to raise public recognition of the euro to stop people being fooled by fakes. There are also special euro 'starter packs' to familiarise people with the new currency.

16. How much is each euro note and coin worth?

The values of the currencies of the original participants of the euro were locked together on the 1 January 1999. These varied from country to country with, for example, 1 euro being equivalent to around 2 German Deutschmarks and around 20 Luxembourg Francs. At present 1 euro is worth around 63p.

17. Why is the UK not joining the euro?

The British Government has stated that it is in favour in principle of membership of the euro. It sees no constitutional impediment to Britain joining but has laid down five economic tests that need to be satisfied before this is possible. It has pledged to assess whether these conditions are met within the first two years of the current parliament. If these are met they will then recommend to Parliament that Britain joins and put the decision before the British people in a national referendum.

18. What are the five economic tests?

They are whether Britain's economy had converged with that of the eurozone; whether there would be enough flexibility to cope with membership; what effect the euro would have on investment; the effect the euro would have on the City of London; and what effect it would have on growth and jobs.

19. Will shops and stores in this country be accepting euros?

Despite Britain's non-membership, the euro will be highly visible in day-to-day life. Every year 13 million tourists from the euro-zone visit Britain, and they spend over £4 billion a year. To remain competitive, many British firms and tourist attractions have said that they will accept euros either from the 1 January or as soon as there is sufficient demand. Shops in Northern Ireland are particularly well prepared for the euro. **Tourists and British people who have euros left after their holidays will be able to spend their euros in some or all stores of the following retailers:**

BHS	Dorothy Perkins	Safeway
Body Shop	HMV	Selfridges
Books etc	John Lewis	The Link
Burtons	Marks & Spencer	Tie Rack
Currys	New Look	Virgin
Debenhams	Niketown	Waterstones
Dixons	PC World	WH Smith

In addition, Asda, B&Q, Kwik Save, Safeway, Somerfields and Sainsbury's have introduced trolleys with coin slots that accept euros.

Restaurants, Hotels, Pubs and Tourist Attractions where you can spend euros include:

Althorp
Chester Zoo
Drayton Manor Park
Hampton Court
Hilton Hotels
J D Wetherspoons
Kensington Palace
Lanmark Hotel
Laurel Pub Company (2500 pubs)
Leeds Castle
London Planetarium
Madame Tussauds
Sheraton Hotels
Tate Britain
Tate Modern
Tower of London

WHERE TO GO FOR MORE INFORMATION

European Union

www.europa.eu.int/euro

HM Treasury

Euro Preparations Unit

HM Treasury

Parliament Street

London SW1P 3AG

Tel: 08456 01 01 99

www.euro.gov.uk

Euro information - the official Treasury SME euro resource

Department of Trade and Industry

www.dti.gov.uk/europe

Tel: 020 7215 5000

ECAS

European Citizens Action Service

www.ecas.org

Tel: 00 32 2 548 0494

Email: ecas@ecas.org

Business Links

www.businesslink.org

Tel: 0845 6009006

Forum for Private Business

Tel: 0565 634467

Bank of England

Public Enquiries Group

Bank of England

London EC2R 8AH

Tel: 020 7601 4878

www.bankofengland.co.uk

British Bankers' Association

Pinners Hall

105-108 Old Broad Street

London EC2N 1EX

Tel: 020 7216 8800

www.bba.org.uk

Foreign and Commonwealth Office

www.fco.gov.uk

European Central Bank

www.euro.ecb.int/en

Travelex Bureaux de Change hotline

Tel: 0870 0100 421

www.travelex.com/euro

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Country	End of dual circulation*
Austria	28 February 2002
Belgium	28 February 2002
Finland	28 February 2002
France	17 February 2002
Germany	28 February 2002
Greece	28 February 2002
Ireland	9 February 2002
Italy	28 February 2002
Luxembourg	28 February 2002
Netherlands	28 January 2002
Portugal	28 February 2002
Spain	28 February 2002

*Last date when you can spend 'legacy' currency notes and coins in shops and outlets.

The introduction of euro notes and coins: Services and information provided by banks

On 1 January 2002 euro notes and coins will be available in twelve European countries.

British banks are providing the following information for their customers:

- information about the euro and euro services in the new currency.
- Information on what customers should do with the 'legacy' currencies being replaced by the euro.

Banks have already started informing customers about how the changeover will affect them and have been issuing advice as to what money holiday-makers should take with them to the eurozone, and what they should do with any of the old 'legacy' currencies they have left over.

A recent survey by Barclays Bank showed that Britons have £540 million, an average of £35 per household, of loose foreign currency lying around their houses. Most banks will be exchanging the old currency notes until the end of February and loose change can be donated to a variety of charities.

Barclays are collecting for MacMillan Cancer Relief, NatWest will be collecting for Save the Children, Halifax and Bank of Scotland for Age Concern's 'Fight the Freeze' campaign, Lloyds TSB for Imperial Cancer Research, Co-operative Bank for Christian Aid, the Alliance & Leicester in association with *The Sun* for the NSPCC's 'Change for Kids' campaign and Thomas Cook are collecting for Children in Need.

Details of what the main banks are doing are summarised below:

Bank/Organisation	What they're doing
Abbey National	<ul style="list-style-type: none">• Will change legacy currency until 31 December 2001.• Will change legacy currency travellers' cheques until 31 December 2001. (After that they can be sent on to Citibank)• Information online including informational quiz. (The Abbey National's website is still advising customers that Greece is not a member of EMU, when in fact there are, of course 12 countries within the eurozone)
Alliance & Leicester	<ul style="list-style-type: none">• Information available in branches. Information distributed to customers by post.• Euro investment account available.• Supporting the NSPCC's <i>Change For Kids</i> with the Sun newspaper.

Bank of Scotland	<ul style="list-style-type: none"> • Information leaflets available at branches & information is also available online. International helpdesk with staff trained in euro services. • Encouraging businesses to take part in the "Trading in Euro" scheme. • Offers personal and business accounts in euros. • Offers credit cards and several payment options in euros. Two types of travellers cheques issued in Euros. • Will change legacy currency until 28 February 2002 • Collecting legacy currency for Age Concern's 'Fight the Freeze' campaign.
Barclays	<ul style="list-style-type: none"> • Information leaflets available in branches. Information sent to account owners who have dealings in legacy currencies. Helpline for both customers and non-customers. • Personal and Business accounts available in euro. • Travellers' cheques available in euro. • Will change legacy currency until 28 February 2002 • Collecting legacy currency for MacMillan Cancer Relief.
British Bankers Association	<ul style="list-style-type: none"> • Produced leaflet: "You and the euro" on which some banks have based their own leaflets. Information available online. • Recommends that travellers take euro travellers cheques to the eurozone from now on.
Clydesdale and Yorkshire	<ul style="list-style-type: none"> • Information leaflet available in branches. Customer service helpdesk trained in euro knowledge • Personal and business accounts available in Euros. • Travellers cheques available (and encouraged) in euros. • Will change legacy currency until 28 February 2002
Co-Operative Bank	<ul style="list-style-type: none"> • British Banking Association leaflet available in branches. General helpline staff trained in 'euro knowledge'. • Euro current, chequing, and business accounts available. • Travellers' cheques available in euros. • Will change legacy currency until 28 February 2002. • Collecting legacy currencies for Christian Aid.
Halifax	<ul style="list-style-type: none"> • Information leaflets available at branches and information online. • Travellers' cheques available in euros. • Collecting legacy currency for Age Concern.
HSBC	<ul style="list-style-type: none"> • Information leaflets available at branches and information online. Sending 'euro brochure' to all personal customers with their statement. • Recommend that customers travelling to the eurozone take euro denominated travellers cheques. • Will change legacy currency until 28 February 2002. • Collecting legacy currencies for Unicef.
Lloyds TSB	<ul style="list-style-type: none"> • Information leaflets available at branches and information online. Euro helpline and online travel assistant. • Collection boxes available in branches for unwanted

	<p>legacy currency for Cancer Research Campaign</p> <ul style="list-style-type: none"> • Will change legacy currency until 28 February 2002.
NatWest	<ul style="list-style-type: none"> • Information leaflets available at branches and information online. Multi-lingual customer support. • Travellers cheques available in euros. (No longer issuing travellers cheques in legacy currencies.) • Several accounts available in euros (some include 12 months free banking). • Euro purchasing card available. • All chequebooks are accompanied with informational brochures. • Will change legacy currency until 28 February 2002 • Collecting unwanted legacy currency for Save the Children.
Royal Bank of Scotland	<ul style="list-style-type: none"> • Information leaflets available at branches and information online. Customer euro helpline. • Travellers' cheques available in euros. • Foreign currency accounts available in euros. • Collecting unwanted legacy currencies for Save the Children.