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**The year of 2007 will be a very important one if we want to accomplish full membership in the Eurozone in January 2009. However, this will not only be a matter to be dealt with by the government and the National Bank of Slovakia, but also by all private and public sector organizations.**



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*It is the beginning of 2007; however, the euro is planned to be introduced in 2009. What is ahead on the road to the introduction of the euro?*

The entire procedure to introduce the euro began in 2003, when the government of the SR adopted the Strategy of implementation of the Euro currency in the SR. The date of November 25, 2005 became a significant milestone, as the Slovak Republic entered the ERM II (Exchange Rate Mechanism) to begin fulfilling the obligatory criterion of its two year participation in the system. Since January 1, 2006, the work to carry out the national plan on euro implementation has begun to shift into top gear. These are, however, activities of the government that seek to enable Slovak citizens to make payments in the single European currency as early as January 1, 2009.

*What still must be done in practical terms?*

The use of the euro is preceded by the all-important dual pricing structure that will have to be introduced in the month after the exchange rate will have been fixed, which is scheduled for June 2008. Dual circulation of the euro and Slovak crown will only be for 16 days – from January 1 to January 16, 2009. During this time, citizens will also be able to pay in crowns, but retailers will give the value back only in euros. When the dual circulation ends, it will be possible to change crown banknotes for euros in banks for free until the end of 2009 - for coins, until June 2009.

*Who should prepare? Is it only companies from the private sector?*

It is natural that companies from the private sector should prepare. Some of them, in fact, have already started preparations. However, the most challenging issue will be for the

public sector, including regions and municipalities that are in charge of institutions providing health and social care and education, and all of them will have to make similar preparations that private companies are doing. In fact, our Slovenian partners warned us that it was the public sector and SME's that absolutely neglected the preparation and are now facing some problems.

*What are some of the aspects that we have to prepare for?*

First, it is important to prepare dual pricing. However, if we take a sample of areas that have to be dealt with, these include, for example, accounting and invoicing systems, financial planning, costs monitoring, strategic management, marketing and sales, information systems, human resources, supply chains, etc. It is not only about implementing changes into IT systems, but also about changing strategies about pricing, marketing, etc.

*How do you help your clients and where do you get the necessary expertise?*

What we do for our clients is provide them with a complex project of the analysis of processes that have to be adopted due to the euro, give practical recommendations on what to do, and help implement all changes. Our expertise comes from our specialized consultants who were involved in such projects in Austria and Slovenia.

*What does such a project for a client look like?*

The implementation of a project in preparation for a company for the euro is divided into two parts: euroaudit and framework program. Euroaudit identifies cross-section fields and provides an in-depth analysis of the state of internal and external environments. Euroaudit is a primary step that

allows a company to draft a strategy for euro adoption. Framework programs then define specific measures, activities and responsibilities of the individual employers and formulate working procedures to put specific measures into practice.

*Can individual institutions and companies prepare themselves on their own, or do they need outside assistance?*

The main problem in this process is not the question of whether it is possible to for the company to manage it by itself, but the fact that the preparation must be done along with all of the company's ordinary activities, and there is no possibility to postpone this project until later. The entire process should be finished by June 2008. For example, companies in Slovenia started with their preparation one and half years ago, and it was just about enough time to prepare.

*You can hear voices saying that it might happen that Slovakia will be ready for the euro, but the EU will be hesitant to admit us, as we may be the only country ready to do so in the region, and we will have to wait until our neighbors are ready. Lithuania is used as an example to support this argument. What is your opinion of this?*

I think the most important issue for us is to fulfill all of the technical criteria. Of course, our country must possess a stable political position within the EU, which means that the issue of the introduction of the euro must be adequately communicated at the EU level in Brussels and eurozone member states. This is where political lobbying comes in, and it is an indispensable part of the entire process for the preparation of the country.

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