

The year of preparation for the EURO

- 2007 -

From the perspective of the country's efforts to become a full member of the Euro zone in two years, this year will be very important for Slovakia. However, meeting this objective will not only be a task for the Slovak government and National Bank of Slovakia, but also be one for all organizations in the private and public sectors.

Even though the intention is to introduce the Euro in Slovakia at the beginning of 2009, the implementation of the new currency has already started. The whole procedure started in 2003 when the government of Slovakia adopted the "Strategy of Implementation of Euro in the Slovak Republic." The 25th of November 2005 became an important milestone when the Slovak Republic joined ERM II (Exchange Rate Mechanism), which started the obligatory two-year participation in the system. Since the beginning of 2006, the Strategy has been carried out at full speed. In this way we can define the main activities of the government, whose objective is to enable the citizens of the Slovak Republic to use the single European currency from the beginning of 2009.

The introduction of the single European currency will undoubtedly bring many changes that should be thoroughly anticipated. Certainly this does not relate just to common citizens, whose daily habits will significantly change, but also to companies from the private sector. In practice it is obvious that some of them have already started getting ready. However, preparation for a new currency will be a bigger challenge for the public sector, including regions and self-governments, which are in charge of institutions providing health and social care, education etc. All of them will have to undergo a preparation process similar to that for private companies. The experience of Slovenia, which adopted the Euro at the beginning of this year show, showed a public sector and small and medium size enterprises that completely neglected to prepare, and therefore they are facing some difficult issues at the moment.

If we look at just a small sample of the areas that we will have to deal with, it will include accounting and invoicing systems, financial planning, cost monitoring, strategic management, marketing and sales, information systems, human resources, supplier's networks etc. In these as well as other areas, it will not be just implementing changes into the information systems, but it will also be changes in strategy for appreciation, marketing etc.

The government of Slovakia and the National Bank of Slovakia realize that for a successful transition it is necessary to evoke trust and sufficiently inform both business-people and consumers. However, it is already clear that similar to the preaccession period or the current phase of searching for a stable place in the EU, many organizations will have to or choose to use the services of external consultants. With the help of a specialist with international contacts and experience with the introduction of the Euro in Austria or Slovenia, they will be able to make a complex analysis of processes that will have to be carried out. Practical recommendations relating to procedures will help them smoothly and painlessly implement all the changes.

The implementation of projects to prepare society for the European currency is usually divided into two parts: the Euro-audit and the framework program. The Euro-audit provides a deep analysis of the status of the internal and external environments. Framework programs then define particular activities and liabilities of individual employees and formulate procedures for their implementation into the practice.

Of course, individual institutions and companies can get ready on their own; however it is more efficient to use some professional support. The main issue is not a question of whether or not it is possible for society to control this process on its own, but the fact that preparation has to be carried out along with all common activities and that it is impossible to postpone these activities until later. The whole process should be completed by June 2008, especially if we again look at the example of Slovenia, where the companies started getting ready only one and a half years ago and are now suffering because of it.

At the moment we can hear voices saying that even if Slovakia is perfectly ready to adopt the Euro, the EU may hesitate to let us join the Euro zone because we will be the only country in the Central and East European Region, and that we should wait for our neighbors. Latvia is an example that illustrates



Patrik Zoltvány
Partner of AJG - Amrop Jenewein Group
Member of the European Economic
and Social Committee

 Slovenskú verziu nájdete na www.bratislavamagazine.sk