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EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN
CENTRAL BANK**

Five years of euro banknotes and coins

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Five years of euro banknotes and coins

FACTS AND FIGURES FOR THE EURO AREA

OCTOBER 2006

Total circulation	<u>Banknotes</u>	<u>Coins</u>
Total number in circulation (billion)	10.6	68.5
Total value in circulation (euro billion)	594.7	17.6
Total value as a share of GDP	7.1 %	0.2 %
Increase since January 2002 (in value)	168.5 %	34.8 %
Per capita		
Average number per person	34	218
Average value per person (euro)	1 907	56
Most widely used banknote/coin		
Denomination (share of total number)	€ 50 (35.5 %)	1 cent (22.5 %)
Denomination (share of total value)	€ 500 (34.1 %)	2 euro (39.0 %)
Coin variety*		
Number of different national sides of euro coins**	165	
Number of commemorative euro coins issued	21	
Number of different euro collector coins issued***	587	

* Including issues by Monaco, San Marino and Vatican State that are not members of the EU, but use the euro as their official currency and may issue euro coins by virtue of a monetary agreement with the EU.

** Including the new national side of Monaco due to the change of Head of State in 2006.

*** Collector coins issued also include announced issues for 2006.

1. INTRODUCTION

Five years after the successful replacement of the national currency units of the 12 countries that were the first to adopt the single currency, euro banknotes and coins are a well-established and familiar part of daily life for the residents of the euro area.

The present staff working paper constitutes an annex to the Commission Communication on Five years of euro banknotes and coins. It presents the main factual and statistical developments in relation to euro banknotes and coins that have occurred since the changeover to euro cash in January 2002¹. Section 2 examines statistics on the circulation of euro cash, while section 3 covers the use of euro cash outside the euro area. Section 4 presents relevant developments over the last 5 years related to euro banknotes, notably concerning production, stock management, improved security features and denominational structure, whereas section 5 presents similar evolutions related to euro coins, in particular the new common sides, the evolution of the rules on designs of euro coins, and requirements for countries preparing to adopt the euro. Section 6 describes the situation with respect to the fight against counterfeiting and, finally, section 7 presents data on the perception of the euro among the general public.

2. GENERAL TRENDS OF THE CIRCULATION OF EURO BANKNOTES AND COINS

2.1. Use of cash as a means of payment in the euro area

Cash is by far the dominant payment method at the retail level in the euro area, in spite of the multiplication of electronic means of payment. Different estimations² point to a share of cash of over 80 % in the total number of transactions at the retail level and, at the very least, to a majority share in the total value of retail transactions, although there are considerable variations between countries. Expressed in other terms, it may be estimated that there were around 360 billion cash transactions at the retail level in the EU in 2003, to be compared with some 60 billion non-cash transactions.³ It could be estimated that this corresponds to some 260 billion cash⁴ and some 40 billion non-cash transactions at the euro-area level. This corresponds to some 960 retail payment transactions per capita in the euro area, out of which some 830 were made in cash. Although the use of cash relative to

¹ Additional information can also be found on the European Commission's website of the euro, see: http://ec.europa.eu/economy_finance/euro/our_currency_en.htm

² Since the number of cash transactions, contrary to other payment methods (cheques, debit and credit transfers, debit and credit cards, electronic purses etc) cannot be measured directly, estimations of the number and value of cash transactions have to be estimated indirectly on the basis of surveys etc.

³ See, for example, European Payments Council, Cash Working Group, 'Summary of Findings and Recommendations', 28.3.2003, 'Substitution of Noncash Payment Instruments for Cash in Europe', Bank of Finland Discussion Papers 1/2000, 1.3.2000, 'Costs, advantages and disadvantages of different payment methods', National Bank of Belgium, December 2005, 'The costs of payments', Working group on costs of POS payment products, Dutch National Forum on the Payments System, March 2004 'The costs of payments', ECB Blue book, March 2006.

⁴ Assuming that there is the same relation between the number of cash transactions at EU and at euro-area level as for the number of non-cash transactions.

other means of payments may decrease in the future, this is likely to be a very gradual process.

Like any other payment instrument, cash has advantages and drawbacks. It is currently the only universally accepted payment method all over the euro area and has the status of legal tender. Furthermore, it does not require any technical equipment, such as point of sales terminals in order to be used. It is seen as guaranteeing confidentiality and anonymity of transactions and therefore providing protection of private life. Contrary to electronic payments, it can also be used for making payments between private individuals without the need for any kind of device.

On the other hand, cash obviously also has drawbacks compared to other means of payment, e.g. the difficulty of tracing cash payments does not contribute to the fight against the underground economy. The possession of large amounts of cash may represent a higher risk of theft. Furthermore, the logistical costs⁵ of cash (accounting, storage, transport, banknote and coin verification, time spent on withdrawing cash etc) increase considerably in relation to the amounts involved, whereas for an electronic payment instrument like the debit card⁶, the cost of the transaction is in principle unrelated to the amount. Cash is therefore generally more suited for lower value transactions.

Since cash and electronic payment methods both have their own distinct advantages and disadvantages, they are likely to continue to be used side by side, depending *inter alia* on the preferences of users and the specific payment situation.

2.2. Evolution of the circulation level of euro cash

Close to 11 billion euro banknotes worth almost euro 595 billion and over 68 billion euro coins worth almost euro 18 billion were in circulation⁷ in October 2006. These figures are to be compared with the 312 million people living in the euro area. On average, the total volume per capita of euro cash in circulation in October 2006 corresponds to 34 euro banknotes (worth around 1900 euro) and 218 euro coins (worth around 56 euro).

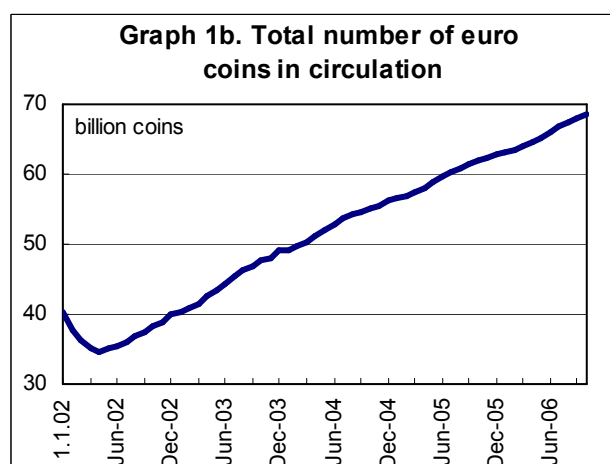
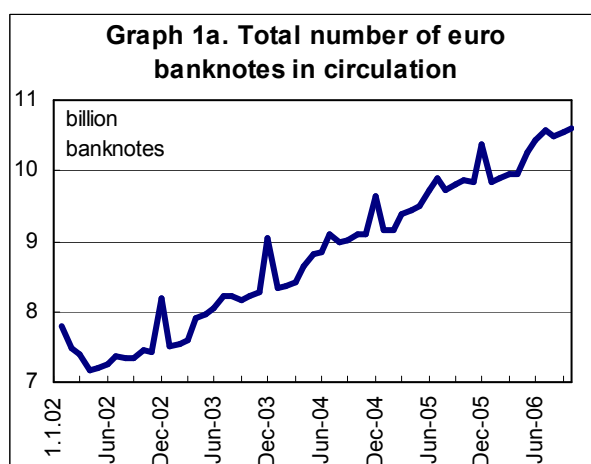
The demand for cash is made up of several components. Private consumption constitutes the primary one since cash is used to pay for various purchases and at least the demand for low-denomination banknotes appears to be primarily linked to retail payment transactions. However, other demand factors are more of a precautionary nature, such as currency being held for hoarding purposes, e.g. as a "store of value". Furthermore, part of the demand for euro cash originates from outside the euro area, notably from countries or regions where the euro is used for payment transactions and/or for savings purposes (see also section 3 'Use of euro cash outside the euro area').

⁵ By costs is understood the internal costs incurred by the parties in the payment chain and not costs in the sense of fees etc.

⁶ I.e. a card enabling the holder to have his purchases directly charged to his account at a deposit-taking institution.

⁷ The circulation figures given in this section are based on data provided by national central banks to the European Central Bank and correspond to the cumulative net issuance of euro banknotes and coins (volumes issued less volumes returned). Euro cash that has migrated outside the euro area is therefore included in these figures.

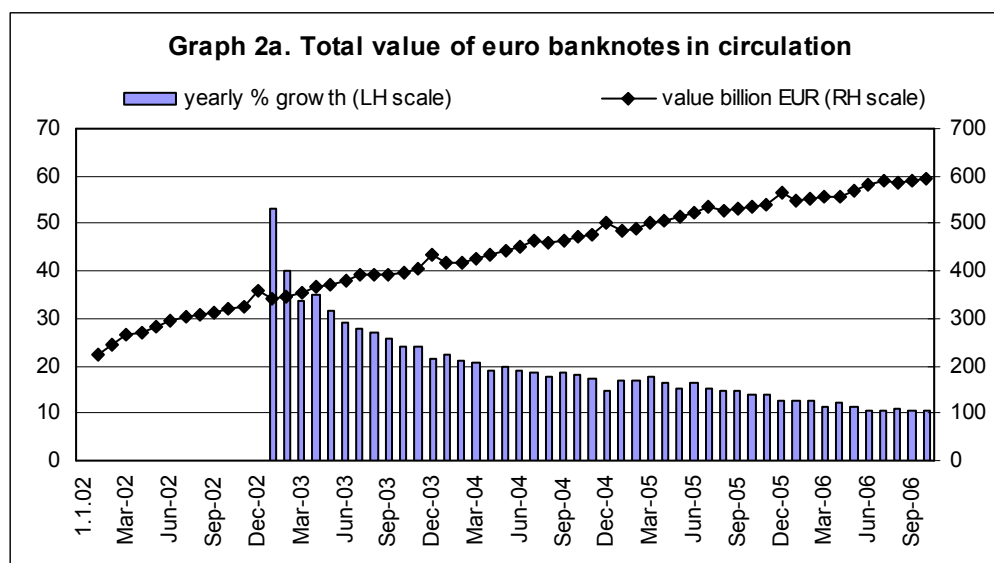
Graphs 1a-b below show the evolution of the number of banknotes and coins in circulation from the introduction of euro cash in January 2002 until October 2006.

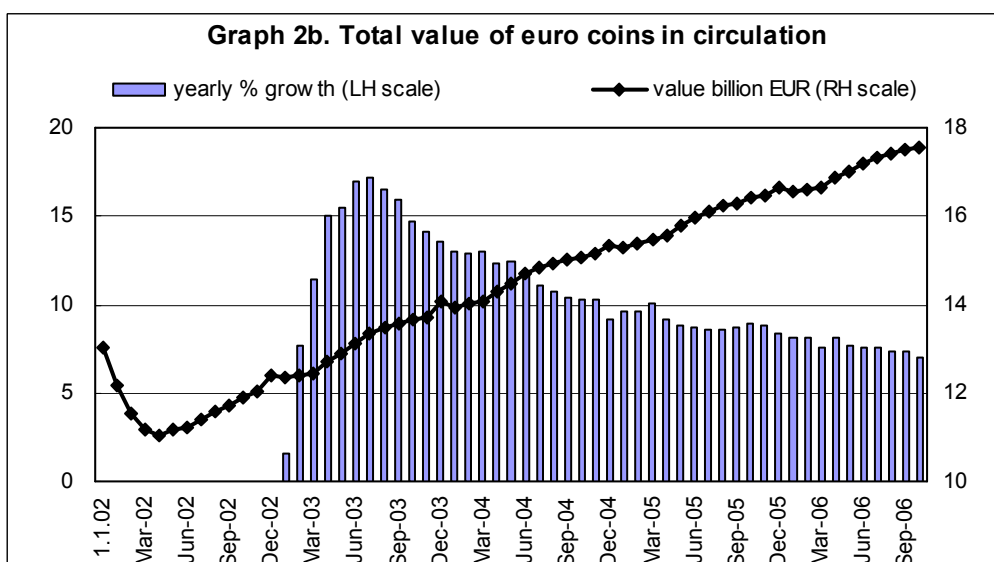


The number of both euro banknotes and coins initially decreased during the first months of the changeover period. This was due to the return to the national central banks of parts of the euro cash issued to the commercial sector during the front-/sub-frontloading process that preceded the changeover to euro cash on 1 January 2002. As from May 2002, however, there has been a continuing rise in the total number of euro banknotes and coins in circulation.

The number of banknotes in circulation shows seasonal variation and typically reaches temporary peaks around Easter, during the summer holiday period and in late-December of each year, which stems from increased demand and use of cash during these periods.

Graphs 2a-b below shows the evolution of the total value of euro banknotes and coins in circulation from the introduction of euro cash in January 2002 until October 2006 (right hand scale). The percentage growth rate (measured on a yearly basis) is shown in the form of bars (left hand scale).





As can be seen from graph 2a there has been a continuing rise in the total value of euro banknotes in circulation, which has almost tripled (from euro 221 billion to euro 595 billion) since January 2002. As for euro coins, the total circulation value (see graph 2b above) has increased more moderately (from euro 13.0 billion to euro 17.6 billion) since mid 2003, when the value in circulation again reached the initial level at the time of the changeover. The typical seasonal peaks are also clearly visible for both banknotes and coins in value terms. In October 2006 the total value of euro banknotes had increased by 168.5 % and that of euro coins by 34.8 % compared to the changeover value.

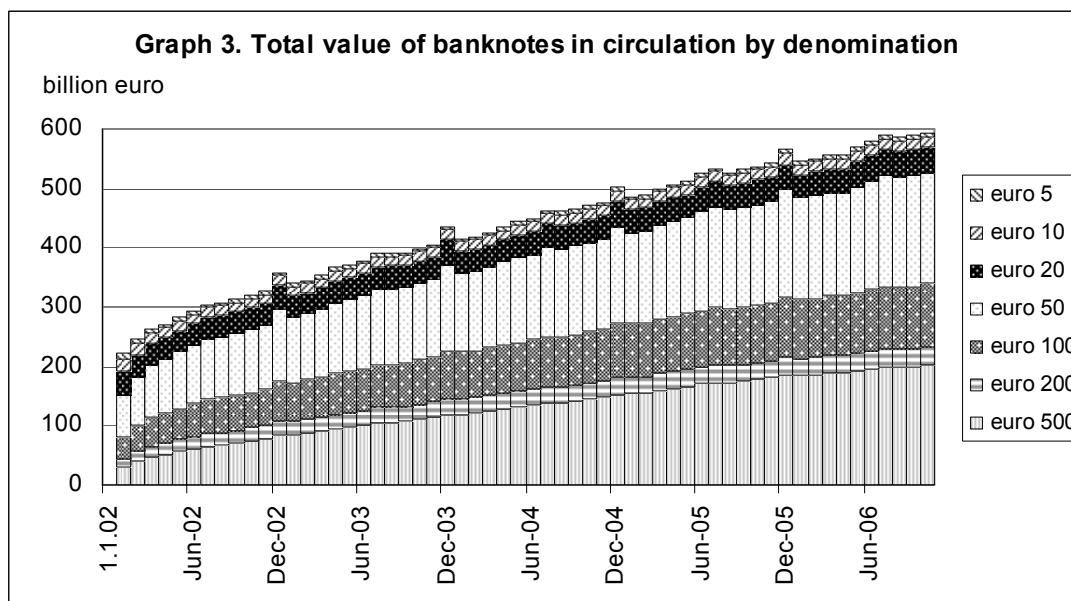
The graphs above illustrate that the growth rates (measured on a yearly basis) are slowing down. The annual growth rate of the total value of banknotes in circulation has decreased steadily from a peak of 50 % in January 2003 to 10.7 % in October 2006 and seems to be declining further. As regards euro coins, after having peaked at 17.2 % in July 2003, annual growth rates have fallen steadily to a level of 7.1 % in October 2006 and are still on a declining trend. The strong initial growth rates of euro cash are partially explained by the replenishment of money hoarded in the previous national currencies by euro cash following the changeover to the euro, i.e. money held outside the banking system as a store of value, small change kept at home, in jars etc., as well as all cash 'buffers' held in various parts of the payments chain, such as the commercial banking sector, the retail sector, in vending machines and by cash-in-transit companies.

The share of euro cash in total euro-area gross domestic product (GDP) has also been rising since the changeover, but at a diminishing rate. Euro cash in circulation currently corresponds to 7.4 % of euro-area GDP.

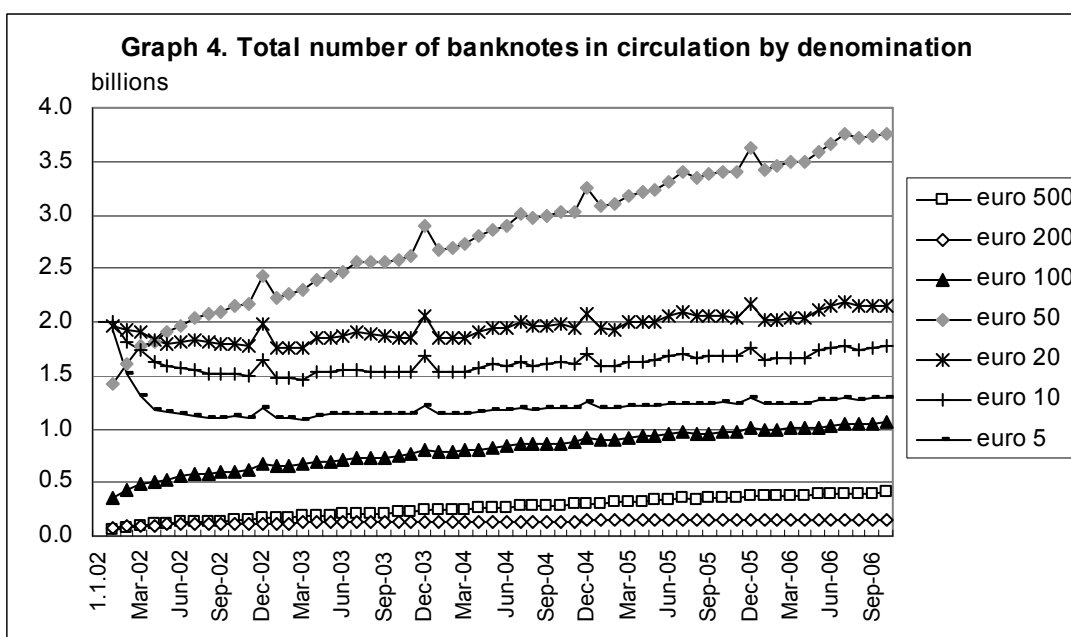
While euro banknotes have grown more rapidly in value than in numbers, the opposite is true of euro coins. The main reason is the strong growth of the 500 euro banknote denomination and, as regards coins, of the 1- and 2-cent denominations. The denominational evolution is further analysed below.

2.3. Evolution of the circulation level by denomination

Graphs 3-4 below illustrate the evolution of the total value and quantity of euro banknotes by denomination.

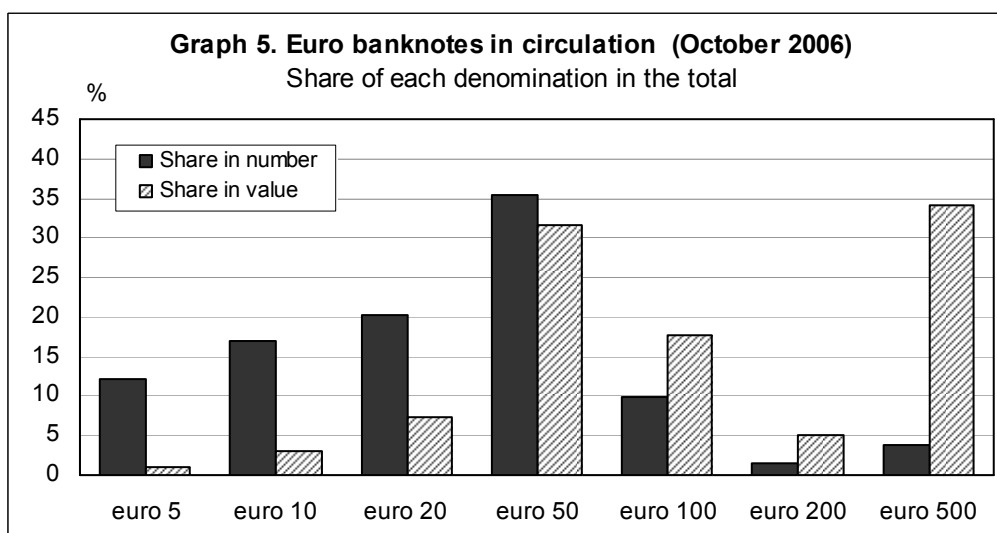


In value terms, the 500-euro denomination represents the highest share of banknotes in circulation, followed by the 50-euro denomination. It is also the denomination that has shown the highest growth rates since the changeover in value terms (and by numbers), followed by the 100-euro, the 50-euro and the 200-euro denomination. The smaller denominations have a low share in the total value and have also shown low (the 20-euro banknote) or even negative growth rates (the 10- and 5-euro banknotes) since the changeover.



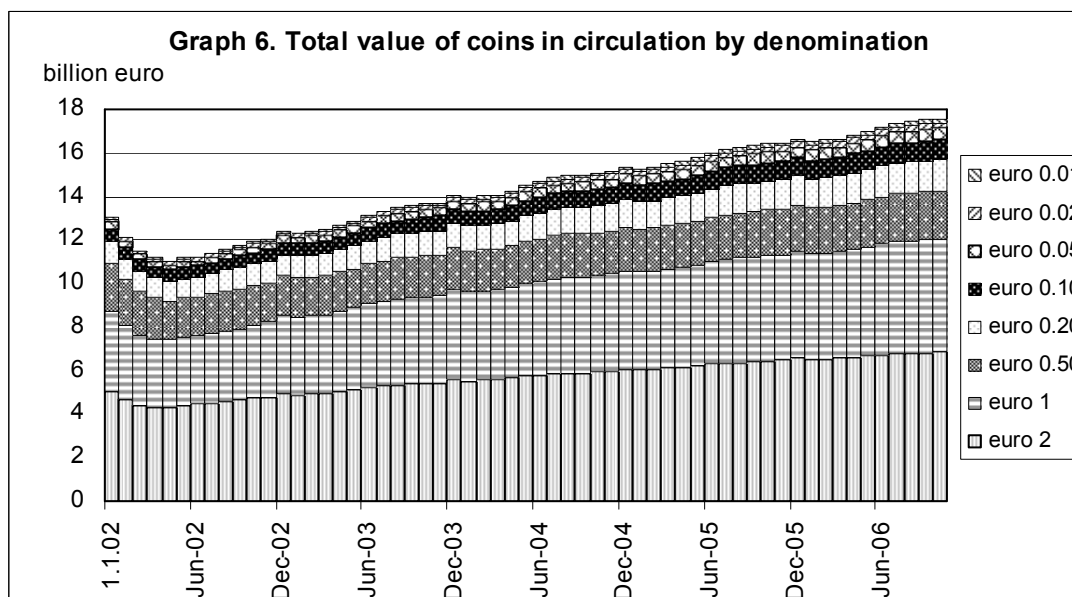
In quantitative terms, the 50-euro banknote is by far the most widely used denomination, followed by the smaller-value banknotes of 20, 10 and 5 euros. One reason for the high share of the 50-euro banknote stems from the fact that banks often prefer to reload their automated teller machines (ATMs) with this denomination, since it is a note which has a sufficiently high value but is still widely accepted by the public. Since an ATM will need to be reloaded more often the lower the denominations, using the smallest denominations may be considered too costly. It can be noted that the 5- and 10-euro banknotes are still below their initial changeover level. During the front-loading process preceding the introduction of the euro cash, as well as during the initial stage of the changeover, a high share of low-value banknotes were supplied so as to ensure that consumers could readily pay with small denominations and the retail sector would not have to return too much change. A large part of these small denomination notes subsequently returned to the central banks via the banking system. The seasonal peaks due to increased cash use are clearly visible for the denominations commonly used in payment transactions (50, 20, 10 and 5 euro and, to some degree, the 100 euro).

Graph 5 below presents the denominational break-down of euro banknotes as a snap-shot of the situation in October 2006 in terms both of value and number.

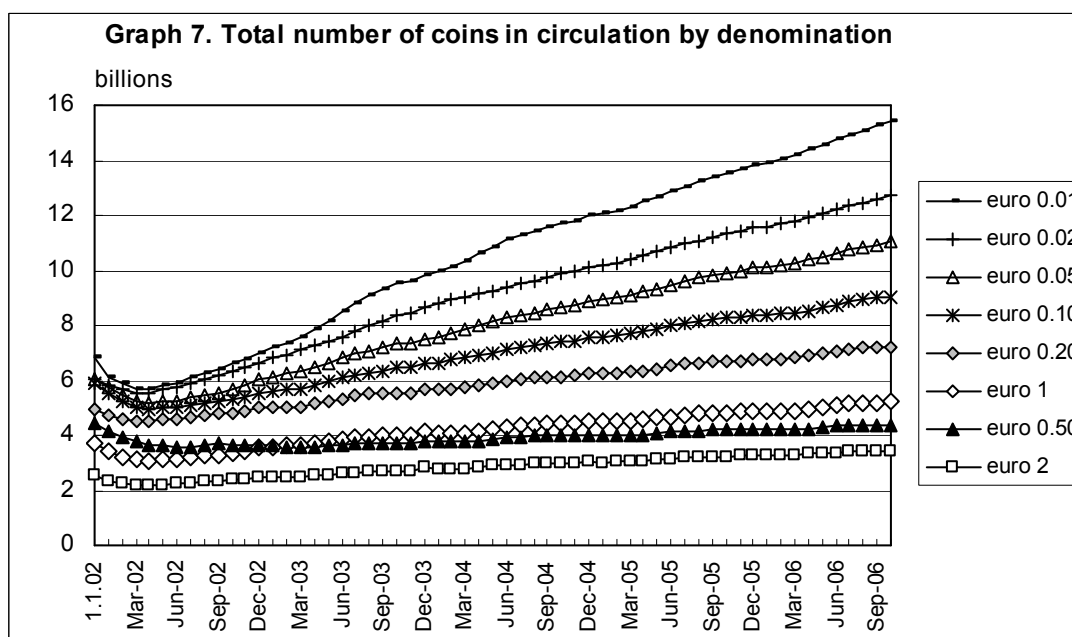


The graph shows the weight of the 500-euro denomination in value terms and of the 50-euro denomination in terms of both value and numbers. The former represents 34 % of the total value, which is an indication that it is popular for hoarding purposes, closely followed by the 50-euro note at almost 32 % of the total. The high-value banknotes of 500, 200 and 100 euro collectively represent 57 % of the total value of euro banknotes in circulation. The share of the 200-euro denomination is much inferior to both the 500- and the 100-euro denomination.

Measured in numbers the most widely used denomination is the 50-euro banknote, which represents over 35 % of the total number of banknotes. The lower denominations have a high share in the total number of banknotes, but represent only a small part of the total value. The opposite is true of the 100- and 500-euro banknote, whereas the 200-euro banknote has a low share measured both in numbers and in value.

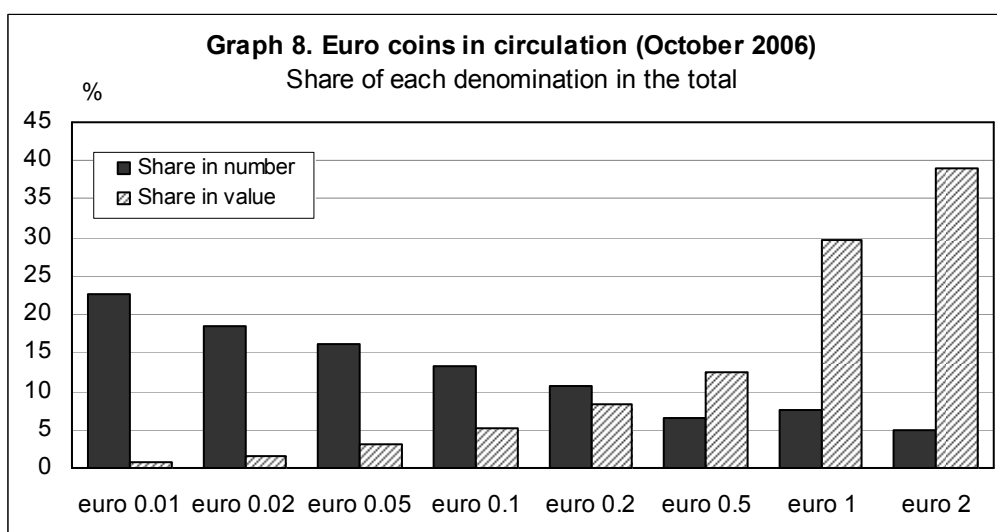


Compared to the total value of euro coins in circulation, the share of each coin denomination is higher the higher the face value of the denomination, as shown by graph 6 above. The growth rates since the introduction of euro cash, on the other hand, show a completely opposite picture since they are inversely related to the face value of the denomination. The only exception from this pattern is the 50-cent coin, which has shown the lowest growth rates of all denominations and is still slightly below its changeover value.



Conversely, when looking at euro coins by numbers, the share of each denomination is higher the lower the value of the denomination. The only exception from this pattern is once again the 50-cent coin, which has a lower share than the 1-euro coin. The growth rates by denomination are the same in number as in value and, as already mentioned above, the lower denominations have shown the higher growth rates.

Graph 8 below presents the denominational break-down of euro coins as a snap-shot of the situation in October 2006 in terms of both value and number.



The graph clearly illustrates that the share in the outstanding value of euro coins is higher the higher the face value and, conversely, that the share in the total number of euro coins is higher the lower the face value, with the exception of the 50 cent coin. In value terms, the 2-euro coin represents 39 % of the total, but only 5 % of the total number of coins. The 1-cent coin, on the other hand, represents less than 1 % of the total value of euro coins, but almost 23 % of the total number.

3. USE OF EURO CASH OUTSIDE THE EURO AREA

3.1. General

Euro banknotes, and to a lesser extent also euro coins, are widely used outside the euro area. For example, euro cash is widely accepted in many tourist areas, even outside the European continent. In certain countries and regions, the euro is being used as a regular means of payment, as is for example the case in Monaco, San Marino and Vatican City, all three of which have concluded a monetary agreement with the Community which recognises their use of the euro as official currency and gives them the right to issue euro coins. In Andorra, Montenegro and Kosovo, the euro is also used as official currency, although on a unilateral basis.

In other countries and regions, notably in currency areas with less stable monetary regimes, euro cash appears to be widely used by the population as a parallel currency, either as a store of value for their financial assets, or for transaction purposes, in addition to their domestic currency. In the period before the introduction of euro cash, the Deutsche mark was widely held abroad, notably in central and eastern Europe, former Yugoslavia and the Western Balkans and Turkey. A Bundesbank study⁸ estimated that around 30 to

⁸ F. Seitz, Circulation of Deutsche Mark Abroad, Discussion Paper 1/95, Deutsche Bundesbank, 1995.

40 % of DM banknotes were circulating outside Germany in the mid-1990s, although this figure somewhat declined later on. ECB estimates indicate that between 10 and 20 % of the total value of euro banknotes in circulation is currently held outside the euro area.

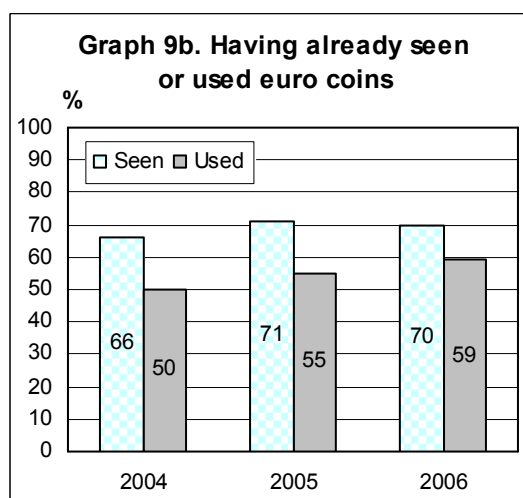
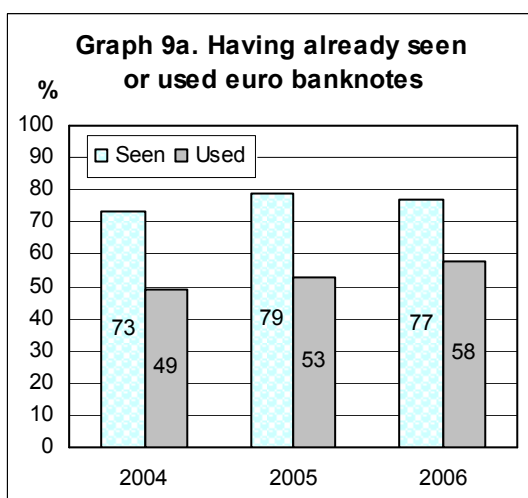
3.2. The euro in the recently acceded Member States

While Slovenia is part of the euro area already as from 1 January 2007, all recently acceded Member States will adopt the euro in due time.⁹

Information¹⁰ collected through surveys in a number of recently acceded EU Member States confirm that euro cash holdings by citizens are quite common among the population: Slovenia (49 % of respondents), Czech Republic (35 %), Slovakia (26 %) and Hungary (10 %), while the evolution over time points to a steady increase.

According to recent Eurobarometer results¹¹ on people's usage of euro cash in the ten Member States that acceded to the EU in May 2004 (see graphs 9a-b below), 58 % of respondents on average indicate that they have already used euro banknotes while 59 % have already used euro coins. The figures appear to be the highest in Cyprus, Slovenia and Malta (88 %, 85 % and 71 % respectively for euro banknotes and 87 %, 83 % and 70 % for euro coins). The lowest levels are recorded in Lithuania and Latvia (47 % and 53 % for banknotes, 47 % and 45 % for euro coins).

The public's familiarity with euro cash in these countries is illustrated by the fact that 77 % of respondents on average have already seen euro banknotes, while 70 % have already seen euro coins. The figures appear to be highest in Slovenia (95 % for euro banknotes and 93 % for euro coins) and lowest in Latvia and Hungary for banknotes and in Latvia and Lithuania for coins.



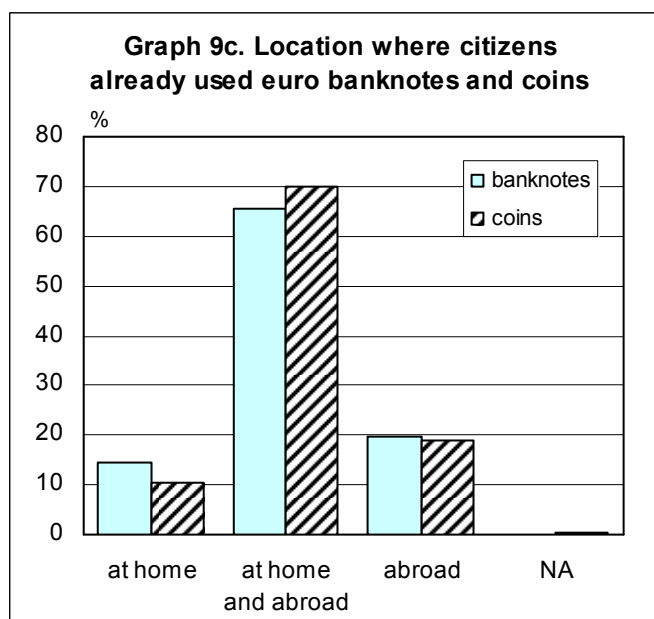
Question: Have you already seen/used euro banknotes/coins?

⁹ For more information see 'Fourth report on the practical preparations for the future enlargement of the euro area', COM(2006)671 final, 10.11.2006.

¹⁰ 'Foreign currency demand since 2002 – Evidence from five Central and Eastern European Countries' by Helmut Stix, CESifo Forum 4/2004.

¹¹ Flash Eurobarometer 191, published in November 2006.

A large majority (80 %) of those respondents that had already used euro banknotes indicated, according to the same survey, that they had used the euro banknotes either in their own country (15 %) or both in their own country and abroad (66 %), whereas 20 % had only used them abroad (see graph 9c below). The figures for coins are broadly the same.



Question: You said you already used euro banknotes/coins. Was it ...?

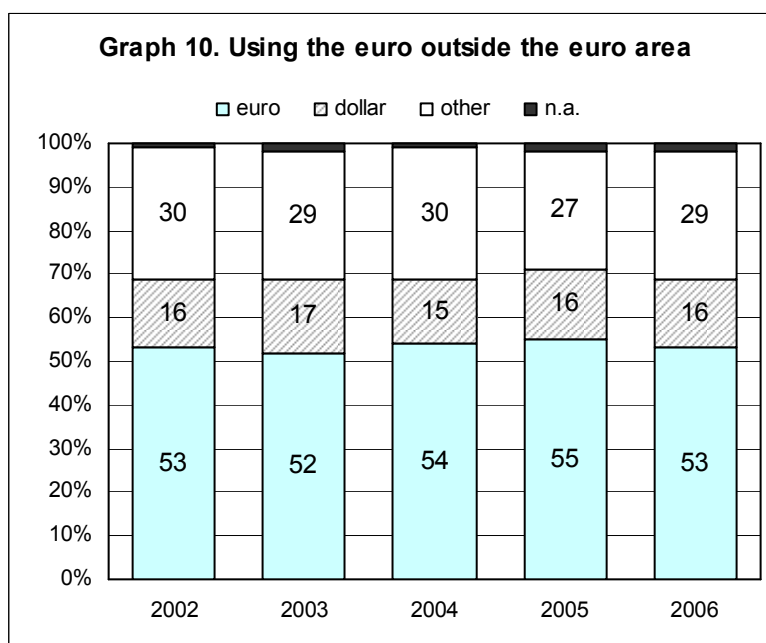
3.3. Use of the euro in the world

Estimating the amount of euro cash detained or circulating outside the euro area is obviously not possible in a direct and straightforward manner. The shipment of euro banknotes by euro-area financial institutions to counterparts outside the euro area provides some indication. Since the introduction of euro cash in 2002 and up to June 2005, a total amount of euro 55 billion has been shipped abroad, corresponding to somewhat more than 10 % of total banknote circulation at the time.

Further use outside the euro area stems from (mainly euro-area) tourists taking euro cash with them when visiting countries outside the euro area. Around one fifth of euro area residents travel to a country outside the euro area each year. As can be seen from graph 10 below, the euro is the currency most travellers from the euro area bring as their main currency.

The continuing popularity of the euro as a travel currency could be explained in part by its stable international status, but also by the ease of using the euro in many countries, and particularly in tourist areas.

More generally, the euro is perceived as an international currency comparable to the US-dollar and the Japanese yen by three quarters (74 %) of euro-area respondents.



Question: During your trip or trips to a country outside the euro zone, what was the main currency that you took with you?

Source: Flash Eurobarometer 193, published in December 2006.

4. EURO BANKNOTES - DEVELOPMENTS OVER THE LAST 5 YEARS¹²

4.1. Introduction

The European Monetary Institute (EMI), the forerunner of the European Central Bank (ECB) launched a competition in February 1996 among national central banks (NCBs) for the design of a series of seven euro banknotes. The winning designs, prepared by Robert Kalina, a banknote designer at the Austrian central bank, were selected in December 1996 and the technical specifications for the euro banknotes were approved in February 1998, thus paving the way for the production of the pilot series, and the subsequent start of mass production in early 1999.

4.2. Banknote production and stock management

Before the introduction of euro banknotes in 2002, each euro-area NCB was responsible for covering its domestic needs for the cash changeover and production was thus organised on a fully decentralised basis.

Around 15 billion banknotes, representing a value of some euro 635 billion, were produced on this basis by 15 different printing works, with some 5 billion notes serving as a central reserve stock. The NCBs procured their respective launch requirements either by

¹² Apart from sources explicitly mentioned, this section is also based on information made available by the ECB in its Annual Report as well as by various articles in its Monthly Bulletins (notably 10.2001, 01.2002, 05.2002, 01.2003, 07.2003, 08.2004 and 08.2005).

producing themselves or by commissioning the production to privately or publicly owned printing works.

The Eurosystem (i.e. the ECB and the national central banks of the euro area) continues to produce significant yearly volumes of new banknotes (see table below). New production is not only necessary to cope with the continuing growth in banknote circulation, but also to replace banknotes which have become unfit for circulation. Banknotes return to the NCBs at regular intervals, where they are sorted, and checked for quality and authenticity (absence of counterfeits). Finally, part of new banknote production serves to compensate for stock depletion and/or the build-up of larger stocks.

Table 1: Production of euro banknotes

Year	Total euro banknote production (in numbers)
2002	4.8 billion
2003	3.1 billion
2004	1.6 billion
2005	3.6 billion
2006	7.0 billion

As from 2002, the ECB has decided to organise banknote production on a decentralised basis with pooling in order to enhance efficiency (economies of scale) while ensuring consistently high quality. Each denomination is produced by a limited number of printing works, with each individual NCB being responsible for procuring a small number of denominations.

In September 2004, the ECB adopted a guideline on banknote procurement¹³, setting up a single Eurosystem tender procedure (SETP) for procurement of banknotes, which will start at the latest in 2012. It will be preceded by a transitional period, starting no earlier than 2008, in order to allow NCBs and printing works to prepare themselves for the new procedure. NCBs with in-house printing works, or using public printing works, may decide not to participate in the SETP.

The ECB furthermore decided to strengthen co-ordination of the management of the Eurosystem's logistical stocks by establishing a Eurosystem Strategic Stock (ESS), which is intended for exceptional circumstances and which amounts to some two billion banknotes, equivalent to 30 % of the total face value of all the euro banknotes in circulation (held in the three highest denominations) plus 20 % of the total number of each of the four lowest denomination banknotes in circulation (held in these same denominations). The ESS is notably used for supplying the necessary quantities of euro banknotes to countries joining the euro area.

¹³ ECB Guideline of 16.9.2004 on the procurement of euro banknotes (ECB/2004/18).

4.3. Low-denomination banknotes

In a few countries, particularly those where national currency banknotes with very low denominations were used in the past, interest arose in favour of introducing low-denomination euro banknotes (1-euro and/or 2-euro). After careful consideration, the ECB's Governing Council decided on 18 November 2004 not to revise its earlier decision on the denominations of the euro banknotes and consequently not to issue 1- or 2-euro banknotes.

The Governing Council has assessed all arguments put forward in the debate and concluded that, on balance, the negative aspects of introducing very low-denomination banknotes outweigh the positive aspects. In particular, the insufficient demand for very low-denomination banknotes by the majority of euro-area citizens, the increased inefficiency the introduction would imply for most of the affected third parties (for instance the retail sector and the vending machine industry) and the high costs of printing and processing such banknotes support the Governing Council's decision on this issue.

4.4. The second series of euro banknotes

The ECB has announced its intention to start issuing a second series of euro banknotes. This forms part of its policy to continuously improve security features and hence to ensure that euro banknotes benefit from a high level of protection against counterfeiting. A precise issue date has not been announced, although it is expected that the first banknote in the new series will be issued towards the end of this decade.

The second-series banknotes will be issued denomination by denomination, implying that the process will take several years. The current range of denominations will remain unchanged and the designs will be based on the "ages and styles" theme of the present series.

4.5. Level-playing field for NCB cash services

In view of differing national traditions and practices in the field of cash logistics and services, the ECB has decided to implement a level playing field for the Eurosystem's cash services offered to professional clients. This covers in particular issues such as the fee policy, opening hours, debiting/crediting rules, etc. The ECB furthermore established terms of reference for the re-circulation of euro banknotes by commercial banks and other professional cash handlers in the euro area.

5. EURO COINS - DEVELOPMENTS OVER THE LAST 5 YEARS

5.1. Introduction

The informal Ecofin Council in Verona agreed in spring 1996 that euro coins would have a national side and a common European side.

The common designs of the different denominations were selected through a competition. The winning series was chosen by the Ministers of Finance and subsequently confirmed by the Heads of State at the European Council of Amsterdam in January 1997. The designer was Mr Luc Luycx from the Royal Belgian Mint.

The selection of the national designs is a matter of national responsibility. There is, however, a common understanding among Member States that all national sides should display the 12 stars of the European flag as a common element and that the national side should also systematically bear the year mark. It was agreed in 1998 that there should be a moratorium on issues of commemorative coins in the early years of the new notes and coins¹⁴. Commemorative coins bearing a different design in order to commemorate a particular event were a tradition in several euro-area countries. The moratorium was meant to avoid any confusion among the public in the early stages of the circulation of euro cash.

Based on the preparatory work carried out by the European Mint Directors, the Council formally laid down the denominational structure of the euro coinage system (eight different coin denominations ranging from 1 cent to 2 euro) as well as on the technical specifications of the euro coins.¹⁵ It was furthermore agreed that euro circulation coins would have legal tender status in all euro-area countries.¹⁶

The production and issuance of euro coins is a matter of national competence, while the Ecofin Council has confirmed that the ECB shall provide specific assistance in implementing and running the quality management system of euro coin production. This notably includes annual audits of the quality systems of euro coin producing mints and analyses of mints' monthly quality reports.

5.2. The new common sides

While the common side of the three smallest denominations (1-, 2- and 5-cent) depict "Europe in the world" on a globe, both the bi-metallic coins (1- and 2-euro) and the "Nordic gold" coins (10-, 20- and 50-cent), however, bear maps of Europe on the common side depicting the then 15 countries of the EU (see Annex 1). After the Union's enlargement by ten countries on 1 May 2004, it became clear that the common side of five denominations would need to be amended.

The matter became particularly relevant in the light of the enlargement of the euro area, in order to avoid a situation whereby a country would need to produce and issue euro coins without being represented on the common side. It was therefore agreed in June 2005¹⁷ to amend the common side of five of the euro coin denominations, thereby allowing future euro-area entrants, possibly already as from 2007, to mint coins with the new common side. The designs of the five new common sides were modified by Mr Luc Luycx. These designs will not be affected by future EU enlargements as they represent the European continent rather than the European Union.

Slovenia will be the first country to introduce coins with the new common side as from 1 January 2007. Most euro-area countries plan to change over to the new side for new coin production in the course of 2007, or otherwise in 2008 at the latest. All euro coins already in circulation obviously remain perfectly valid and will not be replaced. The technical

¹⁴ Council conclusions of 23.11.1998 on euro collector coins.

¹⁵ Council Regulation (EC) 975/98 of 3.5.1998, last amended by Council Regulation 423/99 of 22.2.1999.

¹⁶ Article 11 of Council Regulation 974/98 as amended.

¹⁷ Ecofin Council conclusions of 7.6.2005 on the change to the common side of the euro circulation coins.

specifications of coins with the new common side are identical to those struck with the original common side.

5.3. Changes to the national sides

Euro commemorative coins

The moratorium preventing euro-area Member States from issuing commemorative euro coins showing a national design which is different from the normal euro circulation coin design, was lifted as from 2004, subject to a few conditions.¹⁸ Firstly, only 2-euro coins can be used for commemorative issues. Secondly, Member States are only allowed to issue one such commemorative coin per year. Finally, certain volume constraints¹⁹ apply in order to avoid that commemorative coins "crowd out" the coins with the standard national side. Greece was the first country to issue a euro commemorative coin, on the occasion of the 2004 Olympic Games in Athens. Since then, several countries²⁰ have followed the example as illustrated in the table below.

Table 2: Issuance of 2-euro commemorative coins

Year	Number of commemorative euro coin issues
2004	6
2005	8
2006	7
2007 ^(*)	15

^(*) Provisional data; including 'Treaty of Rome' commemoratives.

Moratorium on other changes to the national sides

At the same occasion, it was furthermore decided that, with the exception of 2-euro commemorative coin issues or in the event that the Head of State depicted on a coin changes, the national side of the euro circulation coin would otherwise remain unchanged until the end of 2008. The current policy with respect to changes to the national sides will be reviewed in the course of 2007.

¹⁸ Council Conclusions of 8 December 2003, based on Commission Recommendation of 29 September 2003 on a common practice for changes in the design of national obverse sides of euro circulation coins.

¹⁹ The "normal" ceiling for an individual issue of a commemorative coin by a Member State is the higher of the following ceilings: (i) 0.1% of the total number of 2-euro coins brought into circulation by all issuing States up to the beginning of the year preceding the year of issuance of the commemorative coin or (ii) 5.0% of the total number of 2-euro coins brought into circulation by the issuing State concerned up to the beginning of the year preceding the year of issuance of the commemorative coin. The "special" ceiling corresponds to 2.0% of all 2-euro coins in circulation and is only allowed for truly global and highly symbolic events.

²⁰ Including the two non-EU countries San Marino and Vatican State (Monaco has not issued any commemorative euro coin).

Euro commemorative coins celebrating the 50th anniversary of the Treaty of Rome

The Treaty of Rome, which established the European Economic Community and, following the amendments introduced by the Maastricht Treaty, also Economic and Monetary Union (EMU) and the euro, was signed on 25 March 1957. In order to celebrate the 50th anniversary of this important event on 25 March 2007, all 13 Member States of the euro area decided to issue a "joint" 2-euro commemorative coin on that date, which will be based on a common design for the national side depicting the Treaty signed by the six founding countries on a background evoking the paving (designed by Michelangelo) of the Piazza del Campidoglio in Rome, where the Treaty was signed on 25 March 1957 (see Annex 2). Only the indication of the country of issue, the mint mark and the language(s) used for the description of the depicted theme will differ from country to country. The common design was selected by a panel composed of Mrs Berès, representing the European Parliament, Mr Juncker, representing the Eurogroup, and Commissioner Almunia, following a design competition among all EU Mints under the auspices of the Mint Directors Working Group (MDWG).

Further rules on the national sides

The number of national sides of euro circulation coins will continue to increase, notably because of new euro commemorative coin issues and the enlargement of the euro area. Table 1 below shows the number of different national sides issued by the individual countries until the end of 2006. The 12 euro-area countries have issued one set of the national sides each (covering the 8 denominations). Including the 15 commemorative coins issued so far, this brings the total number of national sides issued by euro area countries to 111. Following the change of Head of State in 2006, Monaco is currently preparing to issue a new national side, whereas the Vatican City State has issued two new national sides following the decease of Pope John Paul II. Together, the three countries outside the EU area have so far issued 54 different national sides. In 2007, apart from the commemorative issues, the entry of Slovenia into the euro area will add 8 new national sides.

Table 3: Number of different national sides (including projects for 2006)

Country	Circulation coins	Commemorative coins	Total
Euro area (12 countries)	96	15	111
Monaco, San Marino and Vatican City	48	6	54
Total	144	21	165

Member States agreed in 2005 on a number of common guidelines for their future national sides, in order to ensure the continued coherence of the euro coinage system.²¹

²¹ ECOFIN Council conclusions of 7.6.2005, based on a Commission Recommendation of 3.6.2005 on common guidelines for the national sides of euro circulation coins, OJ L186 of 18.7.2005 p.12.

The first guideline specifies that Member States shall systematically put a clear indication of the issuing country on the national side, either by mentioning the country's name or an abbreviation of it. This practice was already applied by several countries and now becomes systematic for all future designs. The second guideline provides that the denomination of the coin, or the currency name or the subdivision (cent) should not be mentioned on the national side. Indeed, all such elements already appear on the common side and should therefore not be repeated, unless a different alphabet is used. Finally, Member States agreed to inform each other on new designs for their national sides before formally approving such designs.

The abovementioned guidelines only apply to future designs and therefore have no implications for coin production using earlier designs, which can continue to be used even for new coin production.

5.4. Countries preparing themselves to adopt the euro

Member States with a derogation are expected to prepare themselves for the adoption of the euro.²² While Member States joining the euro area are initially being supplied with euro banknotes borrowed from the Eurosystem, they have to cater for their national coin production. With respect to euro coins, they are however not allowed to start the mass production of their national coins until the date at which the Council has authorised the country concerned to adopt the euro. The same rule applied to the eleven Member States which joined the euro area in 1999 and to Greece which followed two years later.

Future euro-area entrants are, however, encouraged to launch preparatory work on a timely basis. They can, in particular, start the selection of the national sides of their future euro coins, prepare practical and contractual arrangement with coin and blank producers, etc. Subject to the signing of a memorandum of understanding, they are also authorised to strike limited quantities of test euro coins with their national side and are provided with the necessary minting tools to this effect. Once the Council has formally lifted a country's derogation, actual coin production can start and the Commission furthermore proceeds with the publication of the country's future national sides in the Official Journal of the EU.

5.5. The use of 1- and 2-cent coins

Two countries have implemented a rounding rule to the nearest 5 cent, thereby limiting the use of the smallest euro coin denominations (1- and 2-cent), namely Finland (where the rounding of cash payments is laid down in national law) and the Netherlands (where rounding has been practiced on a voluntary basis from September 2004 onwards, following a recommendation from the retail sector and the consumer organisations). In both countries, rounding of the national currency units was already applied before the introduction of the euro. 1- and 2-cent euro coins however continue to have legal tender status in accordance with Community law.²³

²² Ongoing preparatory work is monitored by the Commission, which issues regular reports on the state of practical preparations for the future enlargement of the euro area. See in particular COM(2004) 748 of 10.11.2004, COM(2005) 357 of 4.11.2005, COM(2006) 322 of 22.6.2006 and COM(2006) 671 of 10.11.2006.

²³ Article 11 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro (OJ L139, 11.5.1998, p. 1.)

Small value coins existed in many euro-area countries before the introduction of the euro, and are also used in most of the Member States which joined the European Union in 2004. The new 1- and 2-cent euro coins are actively used and appreciated by consumers in many countries, since they allow them to pay the exact amount up to the last cent. Retailers also contribute to their use by setting prices at psychological levels, e.g. € 0.99. The small coins moreover allow the precise conversion of prices from the previous national currency units into euro during the changeover period.

Survey results show that a majority of euro-area residents (58.0 %) are satisfied with the present situation and do not request any change (see section 7.2 below). The evolution of survey results moreover indicates that consumers need some time to get accustomed and fully familiar with the euro's denominational structure. Statistics on euro coin production and circulation show that demand for small denominations remains very high in most countries. Growth rates generally exceed the average, which demonstrates that there continues to be an important demand for the smallest denominations in most countries.

5.6. Euro collector coins

Collector coins, which are not intended for circulation, were recognised by the Council as giving "expression to cultural and local values and traditions" and therefore explicitly welcomed.²⁴ Contrary to euro circulation coins, which are legal tender throughout the euro area, euro collector coins are only legal tender in the issuing country. Collector coins need to be readily distinguishable from euro circulation coins and therefore differ from the latter in several respects. Their face value differs from the eight denominations used for circulation coins, their designs are different from the common side of euro circulation coins and should also at least slightly differ from the national designs. Finally, at least two out of three technical characteristics (colour, diameter, weight) differ from circulation coins.

Since 1 January 2002, all euro-area Member States have started issuing collector coins, although to a different extent. Towards the end of 2006, the number of such coin issues by euro-area Member States has reached 580 in total, to which can be added 7 euro collector coin issues by San Marino and Vatican State. Most collector coins were produced in silver or gold.

6. THE PROTECTION OF THE EURO AGAINST COUNTERFEITING

6.1. Clearly defined responsibilities

The introduction of euro banknotes and coins, circulating in twelve EU Member States and in a number of third countries meant that efforts to protect the currency against counterfeiting could no longer remain at national level: closer collaboration among Member States and with third countries became necessary, as well as the involvement of the institutions and bodies of the European Union. While Member States continue to be primarily responsible for the protection of the euro, through law enforcement and justice, a number of duties are performed by the European Central Bank, the European Commission, Europol, Eurojust and Interpol.

²⁴ Council conclusions of 23.11.1998 on euro collector coins.

- The European Central Bank (ECB) performs technical analyses of new types of counterfeit euro banknotes, stores the technical and statistical data on counterfeit banknotes and coins in the central database, Counterfeit Monitoring System, co-ordinates the actions of National Central Banks and disseminates information and communication on euro banknotes.
- In the European Commission, the European Anti-Fraud Office (OLAF) prepares legislative initiatives, organises training and provides financial support for technical assistance, responds to questions and other requests for information by the European Parliament, assists the Member States, in particular in the implementation of the law, co-ordinates the technical action of the Member States with regard to the protection of the euro coins and manages the European Technical and Scientific Centre (ETSC) for the analysis of new types of counterfeit coins.
- Europol’s Mission is to improve the effectiveness and the co-operation of the competent authorities in the Member States; it obtains, collates, analyses and disseminates information through the Europol Information System, Early Warning System, situation reports, threat assessment and training and it finances certain police activities. Europol has been designated the Central Office for combating euro counterfeiting.²⁵
- Eurojust is an EU body designed to improve co-ordination between various agencies in the fight against serious organized crime by aiding investigations and prosecutions between competent authorities in Member States dealing with serious cross-border crime. It also facilitates the execution of international mutual legal assistance and the implementation of extradition requests.
- Interpol facilitates cross-border police co-operation and supports and assists all organisations, authorities and services whose mission is to prevent or combat international crime. Interpol’s activities are based on the following three core functions: secure global police communication services, operational data services and databases for police and operational police support services. It supports law enforcement officials in the field with emergency support and operational activities.

6.2. A complete and efficient legal framework

With a view to increasing the level of protection of the euro against counterfeiting and harmonizing national legislation, a number of legal acts were adopted at European Community level.²⁶ These establish procedures for gathering, storing and exchanging information on counterfeits; require credit establishments to withdraw counterfeits from

²⁵ Council Decision 2005/511/JHA of 12 July 2005 on protecting the euro against counterfeiting, by designating Europol as the Central Office for combating euro counterfeiting, OJ L 185, 16.7.2005, p. 35.

²⁶ The most prominent acts are Council Regulations 1338/2001 and 1339/2001, of 28 June 2001, laying down measures necessary for the protection of the euro against counterfeiting, OJ L 181, 4.7.2001, pp. 6–11.

circulation and hand them over to the relevant national authorities; and organise national and EU co-operation, as well as co-operation with non-member countries and international organisations in the protection against counterfeiting.

The Member States have implemented the technical aspects of the Regulation. They have established national analysis centres for counterfeit banknotes (NAC) and for counterfeit coins (CNAC), responsible for the initial analysis of suspect counterfeit notes and coins. The ECB has set up a Counterfeiting Analysis Centre (CAC) responsible for the full treatment of counterfeit euro notes. For counterfeit euro coins, a European Technical and Scientific Centre (ETSC) has been set up and is managed by the Commission/OLAF.

Another important act is the Council Framework Decision of 29 May 2000²⁷, on increasing the penal protection of the euro in the Member States through substantive criminal law provisions. It amplifies the international Convention of 20 April 1929 for the suppression of currency counterfeiting and aims to improve the protection of the euro beyond what is provided for by the Convention. It defines the punishable acts and determines a threshold for the maximum penalties. This Decision contains provisions on jurisdiction and on the liability of bodies corporate and requires all the Member States to accede to the Convention of 1929.

In order to ensure that the euro banknotes in circulation are genuine and in good condition, the ECB published, in January 2005, the “Framework for the detection of counterfeits and fitness sorting” by credit institutions and other professional cash handlers. The framework sets out a common policy for the recycling of banknotes received by credit institutions and other professional cash handlers from their customers. In addition, it provides these institutions with assistance in fulfilling their obligations regarding the detection and withdrawal of counterfeit banknotes.

The European Technical and Scientific Centre (ETSC) was formally established by a Commission Decision in October 2004²⁸. On the basis of an exchange of letters between the President of the Council and the French Minister of Finance, the ETSC uses the French Mint’s premises in Paris and its laboratory at Pessac, manned by OLAF officials. The main task of the ETSC is the analysis and classification of the categories of counterfeit euro coins, which present higher risk for the citizens (common types). Other tasks include direct technical assistance to Coin National Analysis Centres and to police authorities; contributions to the development of the database for counterfeits established at the European Central Bank.

Two Council Regulations were adopted on 12 December 2004²⁹, which aim at preventing fraud and confusion from medals and tokens similar to euro coins. Given an increasing risk that medals and tokens having an appearance, size and metal properties similar to euro

²⁷ Council framework Decision of 29 May 2000 on increasing protection by criminal penalties and other sanctions against counterfeiting in connection with the introduction of the euro, OJ L 140, 14.6.2000, p. 1.

²⁸ 2005/37/EC: Commission Decision of 29 October 2004 establishing the European Technical and Scientific Centre (ETSC) and providing for coordination of technical actions to protect euro coins against counterfeiting, OJ L.19, 21.1.2005, p. 73.

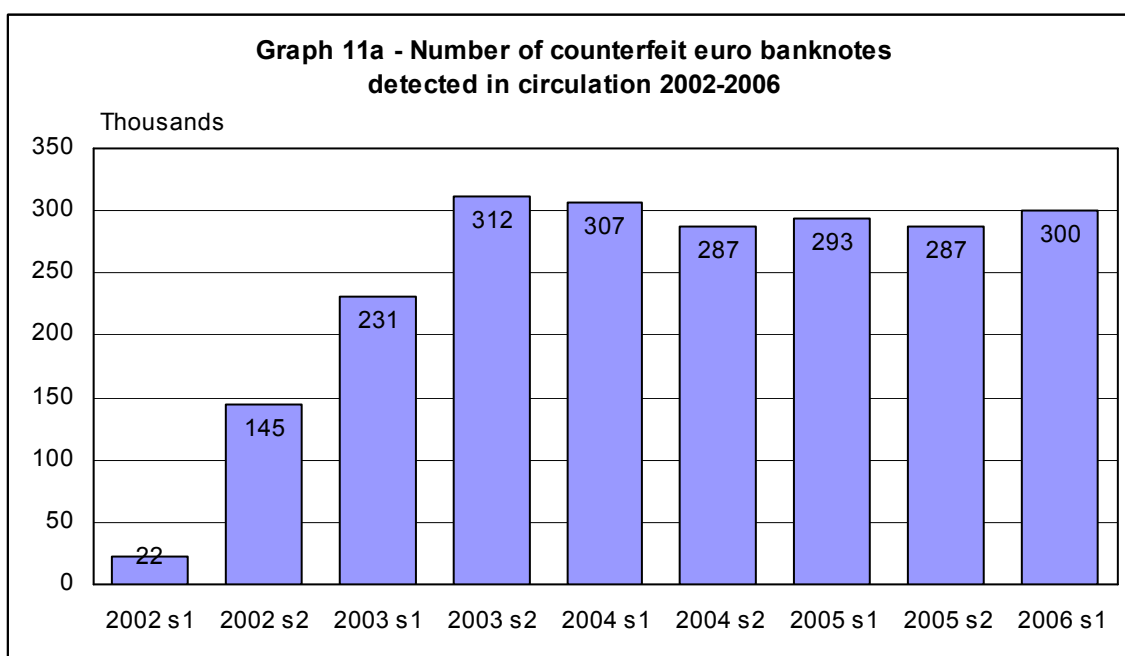
²⁹ Council Regulation (EC) No 2182/2004 and 2183/2004 of 6 December 2004 concerning medals and tokens similar to euro coins, OJ L 373, 21.12. 2004, pp. 1-7.

coins may be fraudulently used in the place of euro coins, these Regulations make it unlawful to sell, produce, import and distribute such medals and tokens.

A Commission Recommendation concerning authentication of euro coins and handling of euro coins unfit for circulation was adopted in May 2005³⁰. It aims at ensuring that the circulating coins are authentic and at removing counterfeits from circulation and outlines procedures for adjusting sorting machines at the relevant institutions. The Commission invites Member States to carry out or supervise authentication of euro coins through verification of reports and on site visits. The Recommendation also provides for the reimbursement and replacement of unfit coins together with provisions for handling fees.

6.3. Successful protection of the euro

The number of counterfeit euro banknotes detected in circulation has been stable, since mid-2003, at approximately 600 000 banknotes a year (see graph 11a below) corresponding to a face value of about euro 30 million. This number is extremely low considering the 10.6 billion genuine euro banknotes in circulation. Overall counterfeiting of the euro is lower than that of the US dollar.

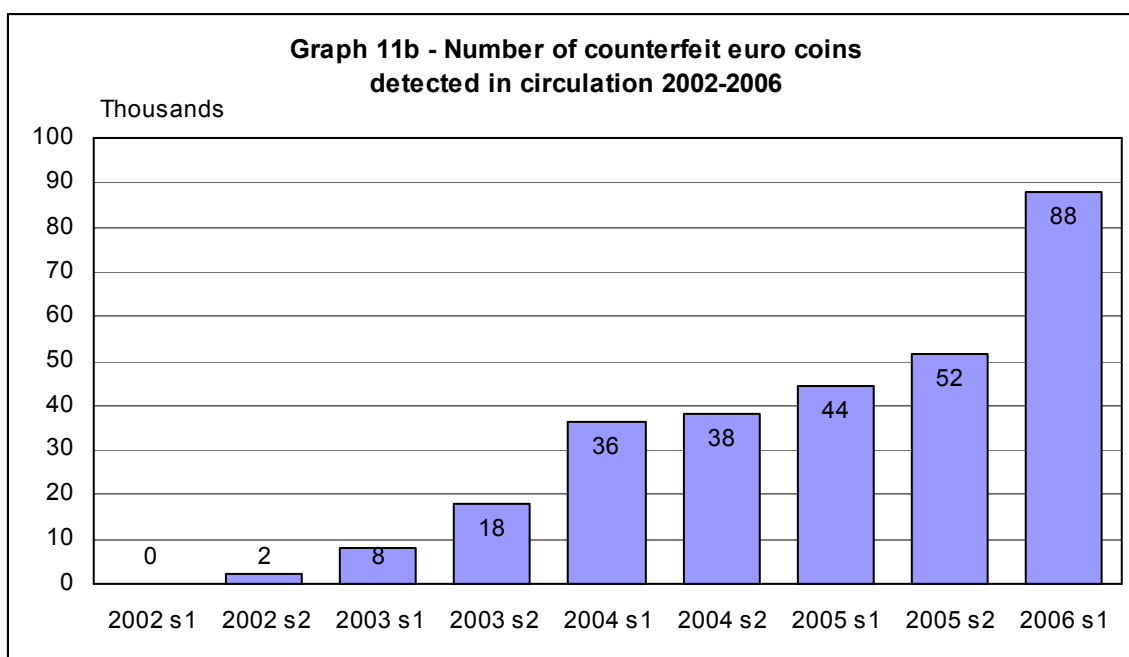


NB: s = semester.

The number of counterfeit euro coins remains low, though on a rising trend. In the five years of the euro, over 500 000 counterfeit euro coins were removed from or seized before circulation. In the first half of 2006, 88 000 counterfeit euro coins were removed from circulation (see graph 11b below). These numbers are very small considering the 68 billion circulating genuine euro coins. In total, euro coin counterfeiting is lower than counterfeiting of legacy currency i.e. before the introduction of the euro.

³⁰ Commission Recommendation of 27 May 2005 concerning authentication of euro coins and handling of euro coins unfit for circulation, OJ L 184, 15.7.2005, p. 60.

Overall, the euro is successfully protected against counterfeiting. This is the successful result of a timely and thorough preparation at legislative and institutional levels.



NB: s = semester.

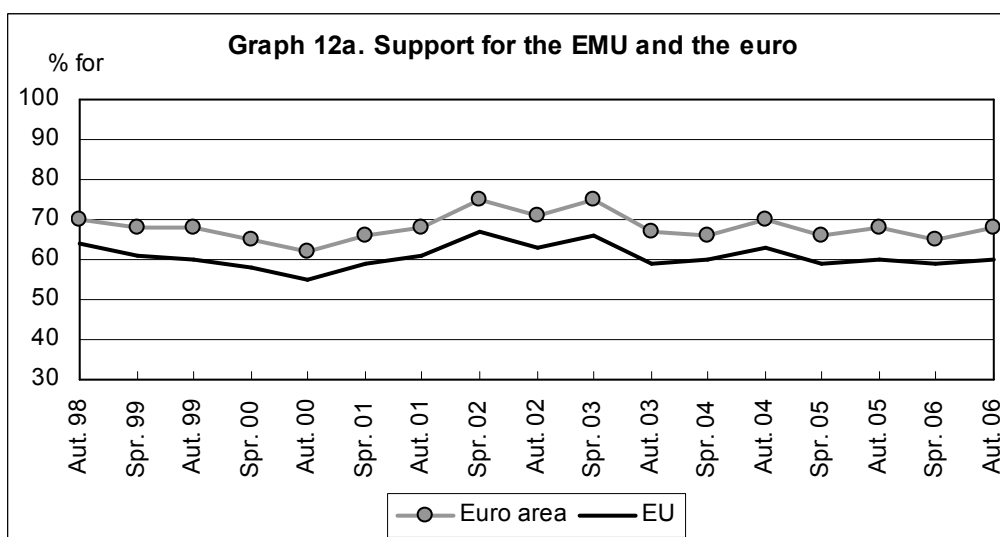
7. PUBLIC PERCEPTION OF THE EURO

7.1. General attitudes in the EU towards the euro

The analysis of public perception presented in this section is based on the data in the Eurobarometer surveys that are commissioned regularly by the European Commission³¹.

In the framework of the Standard Eurobarometer, the Commission has regularly examined the public's general support for the euro since autumn 1998. The latest results (Autumn 2006) show that 68 % of citizens in the euro area support the idea of EMU and a single currency. In the EU as a whole, there is a majority of 60 % in favour (see graph 12a below).

³¹ The results of the Eurobarometer surveys, including detailed figures by country, are published at: http://ec.europa.eu/public_opinion/index_en.htm. The *Standard Eurobarometer* is conducted twice a year in spring and autumn and examines, *inter alia*, the general attitude towards EMU. In addition, there are three regular *Flash Eurobarometer* surveys each year exclusively dedicated to the euro; one focusing on the euro area and two on the new Member States (spring and autumn). If not otherwise indicated, the data in this document comes from the Flash Eurobarometer on the euro area. The latest results were published in the Flash Eurobarometer 193 in December 2006.



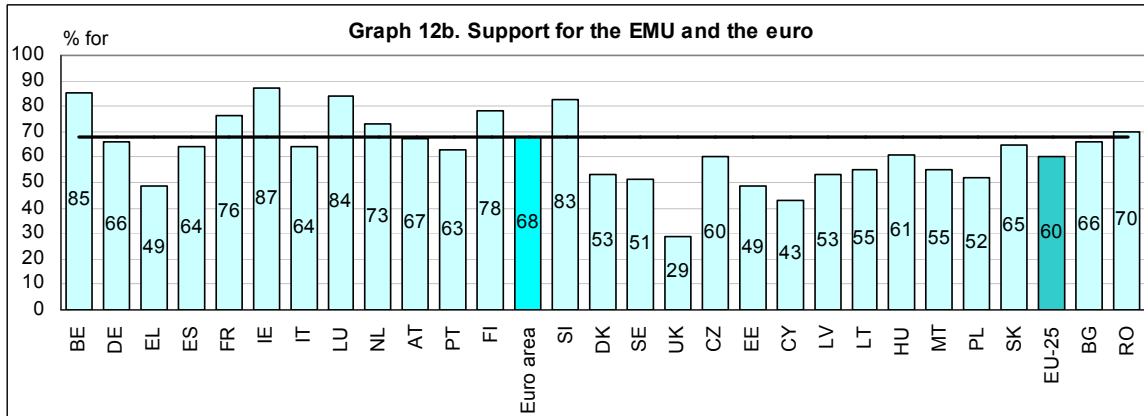
*Question: Please tell me for each statement, whether you are for it or against it.
A European Monetary Union with one single currency, the euro.*

Source: Standard Eurobarometers (EB). Latest results published in EB 66 in December 2006.

N.B. In this graph, EU refers to EU-15 until spring 2004 and EU-25 as from autumn 2004. As from autumn 2000, the euro area figure includes the 12 countries that were members in 2006 (Greece, which adopted the euro on 1 January 2001, is not included in the earlier figures).

The rate of general support has remained broadly stable in both the euro area and the EU, with a peak of support coinciding with the introduction of euro cash in January 2002 that lasted for around 1 ½ year, when support rates were back at the same level as before the changeover. The increase until the beginning of 2002 was no doubt to a large extent due to the strong EU-wide communication activities on the euro undertaken by Member States and the Commission. After the successful changeover to the euro, these activities were largely discontinued in most euro-area Member States, which probably to a large extent explains the fall in support since then.

At the individual Member State level (see graph 12b below), current support (Autumn 2006) is generally strong in the euro area, particularly in Belgium, Ireland and Luxembourg where over 80 % is supporting EMU and the euro. Slovenia, which is part of the euro area as from 1 January 2007, also shows a support rate of over 80 %. Finland, France and the Netherlands also show support levels above the euro-area average, whereas support is below the average in Austria, Germany, Spain, Italy, Portugal and finally in Greece, where only 49 % of the respondents currently indicate that they support the euro, with 50 % indicating that they are opposed.



*Question: Please tell me for each statement, whether you are for it or against it.
A European Monetary Union with one single currency, the euro.*

Source: Standard Eurobarometer 66, published in December 2006.

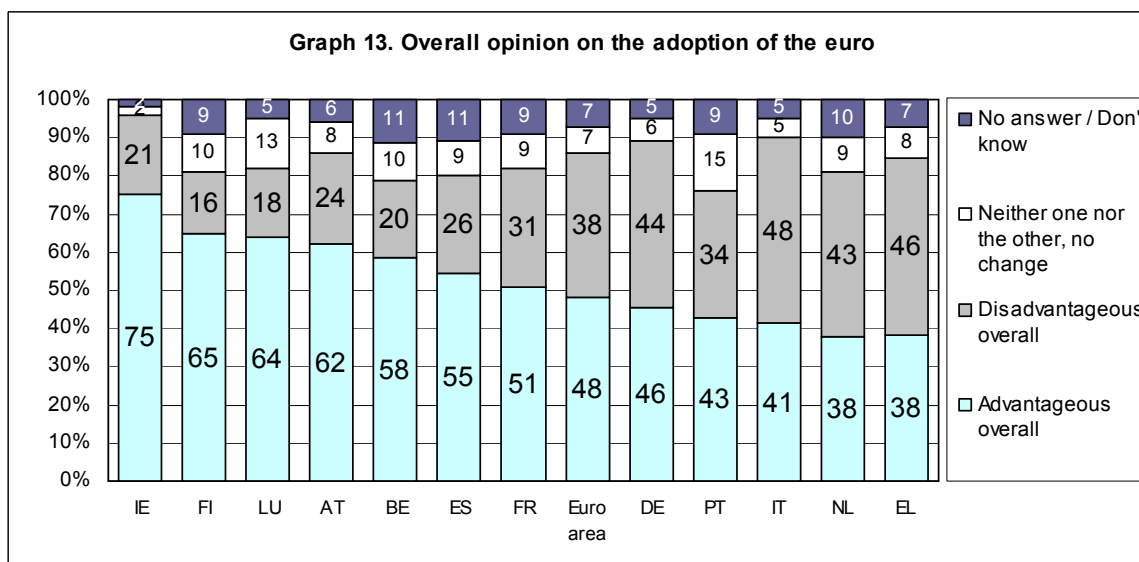
Among the remaining nine Member States that acceded to the Union in 2004, support ranges from 43 % (in Cyprus) to 65 % (in Slovakia).

Citizens in the UK show the lowest level of support, with only 29 % supporting the euro (and 62 % opposing it). In Denmark, 53 % support the euro and in Sweden 51 % currently indicate that they are in favour of the euro.

7.2. Perceptions in the euro area

Perceived advantages/disadvantages of the euro

When asked if they considered the adoption of the euro advantageous overall, 48 % of euro area respondents believed this to be the case (against 38 % believing it to be disadvantageous). Although many more people see the adoption of the euro as a positive development than vice versa, the trend has been declining since 2002, when 59 % considered the euro to be advantageous for their country (against 29 % seeing it as disadvantageous). As can be seen from graph 13 below, approval is highest in Ireland (75 %), Finland (65 %) and Luxembourg (64 %) and lowest in Greece and the Netherlands (38 %) and Italy (41 %). The latter three countries are, furthermore, the only countries in which more people believe that the introduction of the euro has brought more disadvantages than benefits.



Question: In your opinion, for [country name], is the adoption of the euro advantageous overall and will strengthen us for the future, or rather the opposite, disadvantageous overall and will weaken us?

On the positive side, the euro is credited with facilitating people's life when travelling abroad (46 %) or comparing prices (30 %). On the downside, a large majority (81 %) of respondents believes that prices have increased due to the euro. Regular survey data,³² which covers the ten recently acceded Member States, indicates that this belief has spilled over to the future euro-area entrants, as 73 % of respondents on average believe that the introduction of the euro will give rise to price abuses. More generally, only 28 % of the population on average believe that the future introduction of the euro in their country will be conducive to price stability while 45 % believe that the euro will lead to higher inflation.

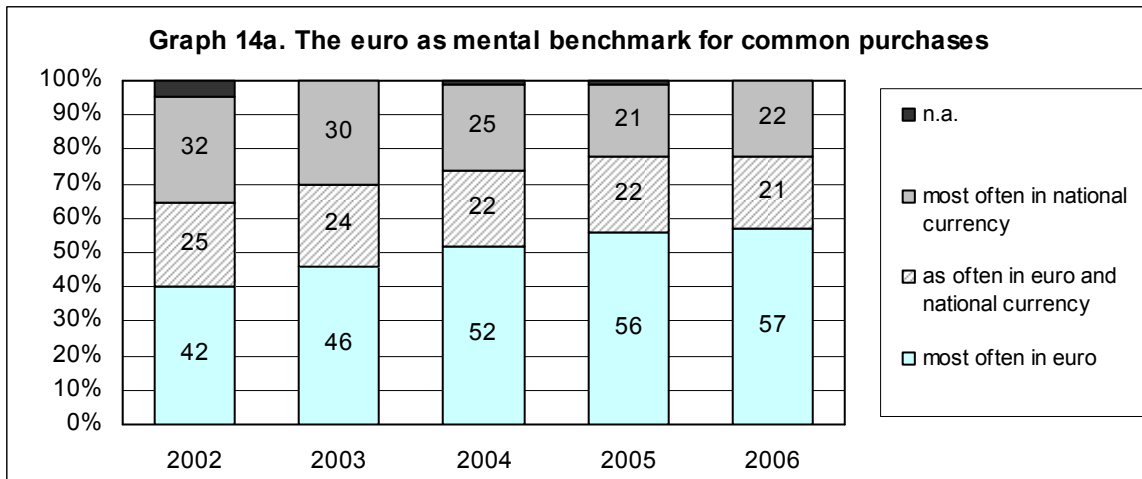
This is a clear misperception compared to the ECB's track record, as annual inflation in the euro area has been below 2.4 % since the introduction of the euro in 1999.

Moreover, some of the specific advantages of the euro are ignored by a majority of euro-area citizens. For example, only around a quarter or less of euro-area citizens is aware that no extra costs or charges apply when withdrawing money in another country of the euro area (23 %), or when paying with a bank card (27 %) or executing a bank transfer within the euro area (16 %).

Thinking in euro

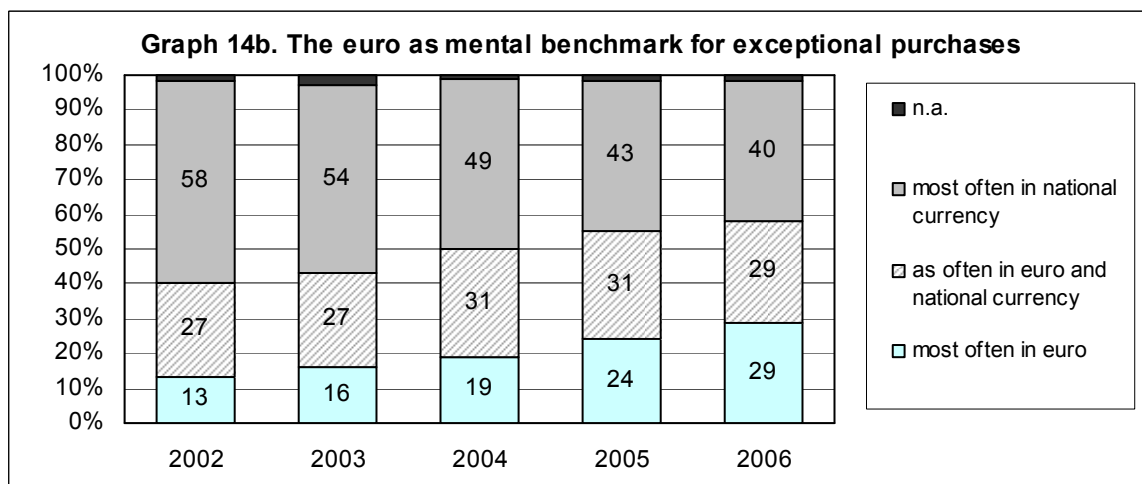
Well over half of the respondents in the euro area indicate that they are calculating in euro when doing common day-to-day purchases (see graph 14a below), whereas one in five still counts in the previous national currency. In all countries, respondents thinking in euro clearly outnumber those still thinking in the old national currency. The graph shows a continuous, although rather slow, development towards thinking in euro, which suggests that the mental conversion into thinking in the new currency is a long process.

³² The Flash Eurobarometer 191, 'Introduction of the euro in the new Member States', carried out in September 2006, constitutes the most recent version.



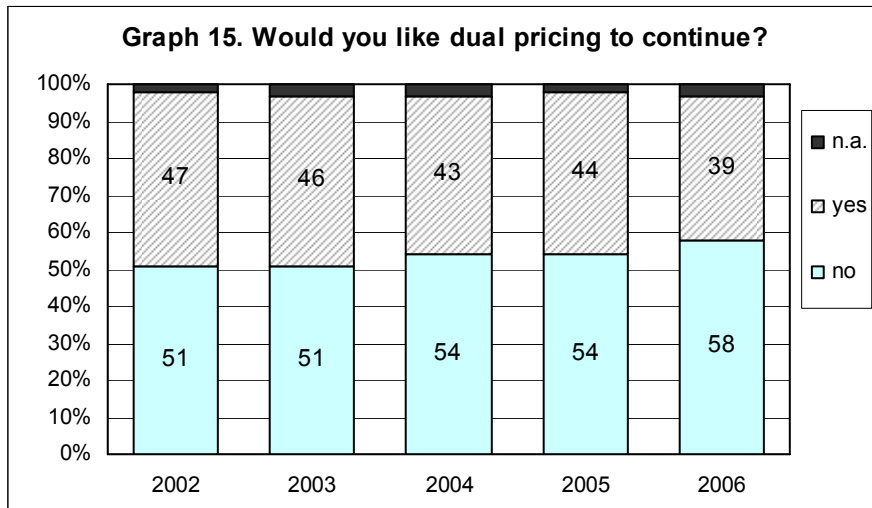
Question: Today, when purchasing, do you count mentally: most often in euro, most often in [NATIONAL CURRENCY], or as often in euro as in [NATIONAL CURRENCY] when it concerns common purchases such as day-to-day shopping?

As for exceptional purchases, graph 14b below shows that more people still count in the previous national currency than in euro, but that the euro is slowly progressing towards becoming the benchmark currency in this area as well.



Question: Today, when purchasing, do you count mentally: most often in euro, most often in [NATIONAL CURRENCY], or as often in euro as in [NATIONAL CURRENCY] when it concerns exceptional purchases such as the purchase of a car or a house for example?

Against this background it is interesting to look at the general public's attitude towards the practice of continued dual display of prices in both euro and the previous national currency in question, see graph 15 below.



Question: It is five years since all purchases have been made in euro and no longer in [NATIONAL CURRENCY]. Would you like shopkeepers to continue dual price displays?

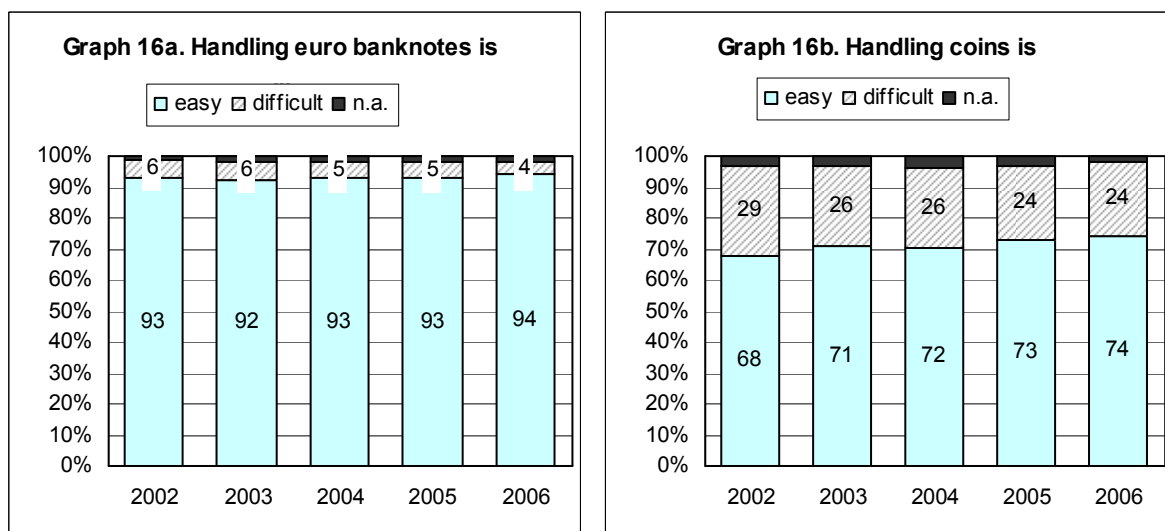
As can be seen from the graph, a clear and increasing majority of euro-area respondents would like the practice of dual price displays to be discontinued. At the individual country level, there is a clear majority against the continuation of dual prices in 10 out of 12 countries. However, a (decreasing) majority of respondents in France and Spain still favours keeping the dual displays. The purpose behind the dual price displays was to help citizens adapt to the new currency, but on the other hand it also delays the mental conversion to thinking in the new currency. For this reason, and in agreement with EuroCommerce³³, the Commission recommended already in its Communication on one year of euro banknotes and coins³⁴, that the retail sector should discontinue dual displays by 30 June 2003 at the latest. By now, the public has had five years to adapt to the new currency, which by any standards must be considered a long adaptation period. In order not to hamper the full mental conversion to the new currency, any residual dual display practices in the euro-area (except for Slovenia) should be discontinued as soon as possible.

³³ EuroCommerce represents the retail, wholesale and international trade sectors in Europe.

³⁴ The introduction of euro banknotes and coins – one year after, COM(2202) 747 final of 19.12.2002.

Attitudes towards the use of euro cash

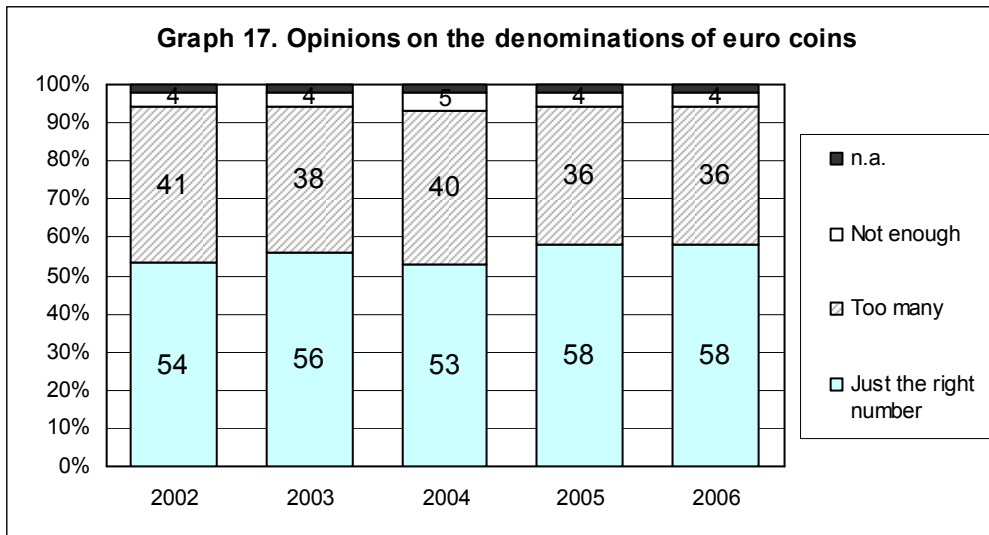
Euro cash is generally appreciated by its users, as can be seen from graphs 16a-b below.



Question: When you pay cash, would you say that it is: very easy, rather easy, rather difficult or very difficult to distinguish and to manipulate banknotes/ coins?

Almost all (94 %) users consider it easy to handle euro banknotes. The degree of satisfaction is lower for coins, but three out of four (74 %) still consider them easy to use and satisfaction is clearly (although slowly) rising. Over 80 % of citizens in Spain, Greece, Ireland, Portugal and Finland perceived euro coins to be very easy or rather easy to use, whereas relatively fewer (ranging between 61 % and 68 %) perceived them to be easy to use in Germany, the Netherlands and Austria.

As shown by graph 17, a majority of users seems to be satisfied with the current selection of values of euro coins, although there is a significant minority that would prefer fewer denominations.



Question: Having used euro coins for five years, do you consider that there are too many or, on the contrary, not enough coins with different values or do you consider that there are just the right number?

Against the general trend, there are four countries where a majority of respondents believe that there are too many coins with different values: Italy, Belgium, Luxembourg and Ireland. A large majority of those thinking that there are too many coins would like to suppress the 1 and 2 cent coins. On the other hand, 64 % of euro-area respondents fear that a removal of these denominations would lead to higher prices.

In general terms, a clear majority of respondents (59 %, up from 51 % three years earlier) considers itself fully at ease with the single currency and reports no difficulty at all in using it, against 26 % still reporting some difficulty (against 35 % three years earlier).

ANNEX 1

**Design of the current common sides
of euro coins ***



**Design of the new common sides
of euro coins ***



* Excluding the 1-, 2- and 5-cent denominations that depict 'Europe in the world' on a globe and remain unchanged.

ANNEX 2

**Design of the joint commemorative coin
celebrating the 50th anniversary of the Treaty of Rome**

