

15 January 2014

## PRESS RELEASE

### EURO BANKNOTES AND COINS HAVE BEEN SUCCESSFULLY INTRODUCED IN LATVIA

- The dual circulation period of lats and euro ended on 14 January 2014.
- Lats banknotes and coins can be exchanged for an indefinite period at Latvijas Banka.

Latvia's dual circulation period, when payments could still be made in lats but change was given in euro, came to an end yesterday. The euro is now the sole legal tender in Latvia, which, on 1 January 2014, became the 18th Member State of the European Union to join the euro area.

"The introduction of the euro in Latvia marks yet another milestone in the country's successful integration into the European project", said Yves Mersch, member of the Executive Board of the European Central Bank. "And it highlights the continuing attractiveness of the euro and the euro area."

"The smooth changeover results from excellent cooperation between all stakeholders involved – be they Latvian or pan-European", he added. "But the long-lasting success of the euro in Latvia will depend on the commitment of the people."

The introduction of euro banknotes and coins has brought to a close months of preparation for the cash changeover by the Latvian authorities. The changeover has progressed smoothly and in line with the national changeover plan devised by a commission of government experts, involving Latvijas Banka and chaired by the Latvian Ministry of Finance. Major private-sector stakeholders in the cash life cycle have played an essential part too. A public campaign providing information about euro banknotes and coins, their design and security features, key dates and other details of the changeover is under way. According to an opinion poll conducted in December 2013 by TNS, a market research group, on behalf of the ECB, 71% of Latvians said they felt prepared for the introduction of the euro.

From a logistical point of view, one of the key elements of the cash changeover plan was the distribution, starting last November, of euro banknotes and coins to banks as well as to retailers and other businesses. It ensured that euro banknotes and coins were widely available in automated teller machines and shops' cash registers, for instance. By the end of 2013, 17.4 million euro banknotes worth €246.7 million and 125.4 million euro coins worth €36.5 million had been supplied to banks, of which 6 million banknotes and 66 million coins had been passed on to retailers and others. In December last year, banks and post offices also offered some 700,000 coin starter kits containing euro coins with a combined face value of €14.23. The kits

enabled people to pay exact amounts in shops and thus reduced the amount of change needed by shopkeepers.

To cover the initial requirements – including the amounts needed for supplying euro cash to banks – and the likely demand in 2014 and beyond, Latvijas Banka has borrowed 110.30 million euro banknotes with a face value of €3.12 billion from the Eurosystem's stocks. 400 million Latvian euro coins with a face value of €98.80 million have been produced by the State Mints of Baden-Württemberg in Germany.

Latvijas Banka will exchange lats banknotes and coins free of charge at the official conversion rate of EUR 1 = LVL 0.702804 for an indefinite period. 302 post offices in Latvia will do the same until 31 March 2014. Latvian banks will likewise offer this service, free of charge, until 30 June 2014.

Outside Latvia, the national central banks of the euro area will exchange lats banknotes for euro at the official rate until 28 February 2014, free of charge. The amount that can be exchanged is limited to €1,000 for any given party/transaction on any one day.

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