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Shop owners unfazed by euro

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Some shops are chopping prices well before the traditional January sales. Photo: Noel Bartolo.

Shop owners in Valletta seemed relatively unfazed yesterday by euro adoption with just 48 hours to go, shrugging off fears of major confusion, barring teething problems, when Malta says goodbye to the lira.

The onset of the euro seems, however, to have pushed the sales period forward by one week in a few shops. Most shopowners told The Sunday Times that credit cards were the order of the day - even more than debit cards - meaning consumers continued to live off credit.

One Republic Street retailer said he thought he would see more cash than credit cards. But he had sold most of his stock through Visa, rather than debit cards.

Desmond Vella, owner of Miss Sixty, Killah, Exit, Shu and other clothing franchises, maintained that there was 80-per-cent card use as opposed to cash, going up from the 60-40 ratio throughout the year.

Charles Borg of Zac Shoes agreed, adding that consumers did not seem to be whipping out the liri to get rid of them. Nor was he inundated by the expected flood of Lm20 notes.

"Any increased use of cash would, if anything, be expected after January 1, when change would have to be given in euros. At the moment, customers are still being given change in liri, so it does not really help anyone wanting to get rid of cash," Mr Borg said.

Mango and other Big Bon brands kicked off their sale straight after Christmas - one week earlier than usual - to mitigate the effect of the currency changeover in the sales period when the shops are frenetic, explained manager Shirley Attard.

Ms Attard predicted "slight" confusion mainly due to the timing - the euro was being introduced when the shops had sales on.

While a few outlets were used to others starting their sale earlier, some did not think it made sense to knock down prices just after Christmas.

Mr Vella felt it was unfair on customers, while the owner of another clothes shop said he had reservations about the early sales and stressed the need for regulations on definite sales periods, emulating Italy where dates were fixed for mid-January.

"After all, our winter really starts in late December, compared with some other countries that start selling winter clothes in August. In Malta, sales should start around three weeks after Christmas to give the retailer a chance," he said.

Ascot House managing director Gordon Schembri said it did not help that certain shops had already started their sale the day after Christmas.

"I would never go down that road - it is suicide," he said, explaining that clients would wait for the sales and not buy anything for Christmas.

Across the road, another shop owner felt the public had been well informed, and only envisaged some difficulties for the elderly.

"The National Euro Changeover Committee did such a good job, so I do not feel there should be problems in understanding how to use the currency," he said.

"We have prepared ourselves well. The issue has been discussed with our staff and they have been trained. Of course, changes in perception are expected. If you normally buy jeans that cost Lm30 and now the label says €64, it is bound to have an impact for the first couple of months," Mr Vella said.

Mr Borg, however, expected confusion, saying it would be a "nightmare" - being told how much something costs in both euro and liri, paying for it in one currency and being given change in another.

He had already experienced a similar scenario in July, with dual pricing, while he had a sale on. "Most customers thought we had a 50 per cent discount because they would see an item marked at, for example, Lm10 and €23 and would immediately conclude that it was Lm23 and had been marked down to half the price."

On a positive note though, Mr Borg believed the fact that items would appear more expensive at first glance, when considering the euro price, meant customers would be more aware of the price they were paying and more alert to obtain the right change.

Meanwhile, the streets were as busy as ever and queues formed outside ATMs and banks in the capital's main road - at least until a major downpour at around midday.
