

Marketplace Article for January 2nd, 2002-

On its first business day, markets pronounced the launch of Europe's single currency a success, with the Euro rising 1.6 percent against the dollar. It's true that some Irish people were rankled when some pubs refused to accept the old currency, because they didn't want to operate separate cash registers during the transition period. But this reaction seems to be exception to the rule so far, as Kyle James reports from Europe's second largest department store.

James: "Berlin's KaDeWe department store is a German institution. It's been a beacon for shoppers looking for luxury goods for more than a century. But this morning, something very untraditional was happening in its hallowed halls.

Customers were paying for their purchases with deutschmarks, but getting shiny new euros as change. It's part of the dual currency system that many European countries are using to make the transition to the euro easier. In Germany, that means customers can pay with deutschmarks or euros for the first two months of this year. A boon for customers -- a headache for retailers. Dagmar Flade is the spokeswoman for KaDeWe."

Flade: "Yes, we are exhausted because it's the first day for us with the euro, and we are just looking how people pay, in euro or in d-mark."

James: "Because if most people keep paying in marks, KaDeWe could quickly run out of euro change. That's despite the fact that the store recently stocked up on 48 tons of new euro coins -- money they stored in old vaults not used since the days of the Kaisers."

Flade: "We never saw so much money at one time. And there is no example for this event. It's the first time and we never have anything similar in German history."

James: "All of KaDeWe's 2,400 employees have undergone special euro training. Cash registers have been programmed to give prices in both currencies and calculate euro change for deutschmark payment. And thanks to those good old German organizational skills, things have gone pretty smoothly -- so far. Still, customer Anke Langer thinks shoppers should be prepared for a little inconvenience."

Langer: "At the end of the day the lines will be much longer I think. They ask you if you'll pay in euro or German marks and so on, and it takes a little bit of time -- and they have to look at the money very long to see if the cash is right or not."

James: "Growing pains, retailers say. And in a week or so, they insist paying with the euro will be second nature. The deutschmark -- a distant memory.

In Berlin, I'm Kyle James for Marketplace."