

# A PAN-EUROPEAN PERSPECTIVE



This month's Spotlight focuses on the major issues facing corporate treasurers in the wider European EU, and examines the economies, banking systems, and cash management issues countries such as France, Germany and the Benelux region. Payment systems also feature prominently, and we investigate the extent to which having a single currency has simplified cross-border transactions between EU member states.

**Pierre Poncet**, the new Chairman of the Euro-Association of Corporate Treasurers, starts this month's Spotlight by looking at the wider European Union (EU), and how the euro has impacted on corporate treasurers' activities. What does the future hold for countries looking to enter the Economic Monetary Union (EMU)?

**Friedrich Philipps** and **Andreas Nestele** of Deutsche Bank describe how, after several tough years, German economy has fought back. They look at the cash management, taxation and banking issues facing Germany's corporate treasurers. The German recovery is slower than in other countries that have joined the EMU, but the outlook is positive, with German companies capitalising on strong export growth and EU expansion.

**Roger Heibrink** of KBC Bank examines the Benelux region and how countries like Belgium are reaping the benefits from new EU directives governing payment costs and the withholding of taxes. The region is also a popular hunting ground for corporates looking to set up Shared Service Centres (co-ordination centres), many of which are now taking advantage of the new generation of web-based electronic banking systems and payment solutions.

**HM Treasury** asks whether the UK is on the right track for entry into the EMU. While the euro would no doubt benefit UK corporates in the shape of increased trade, access to cheaper capital and investment opportunities overseas, it must first pass the 'five test' criteria which gauges its readiness for entry. The impact on the British economy, its financial services industry, the labour market and investment must be assessed before a conclusion is reached. Signs are that the UK is nearer to passing the tests, but it is doubtful a decision will be made until after the Budget in 2005.

Finally, **Martine Goubert** of BNP Paribas Cash Management, investigates the dramatic change in corporate strategies in France brought about by the advent of electronic business and regulation. With economic recovery stronger than other countries in the euro zone, led by an upturn in domestic demand, corporate treasurers are making the most of opportunities presented by e-business and working in a real-time and interactive environment.

**MICK WATKINS**  
Production Editor, *The Treasurer*