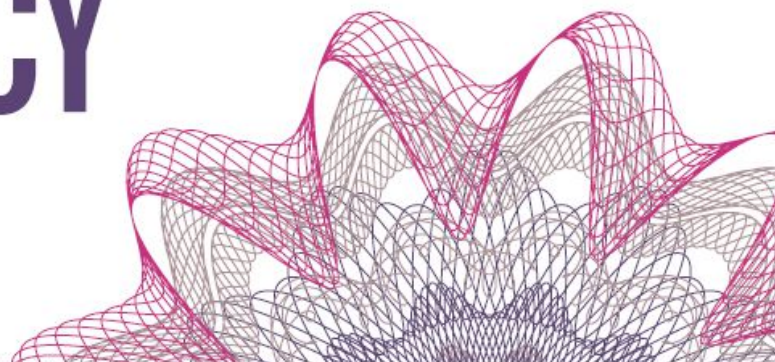


CURRENCY NEWS™

VOLUME 15 – NO 3 / MARCH 2017



New Printworks Opens in Abu Dhabi



H.H. Highness Sheikh Mohammed bin Rashid Al Maktoum together with Dr Jürgen Gaudiger, Dürscheid's Managing Director

As a special ceremony this month, the world's new state-of-the-art printing works – and the first in the GCC and the Levant area – was formally opened, at Khalifa Industrial Zone, Abu Dhabi.

The ceremony took place in the presence of Sheikh Mohammed bin Rashid Al Maktoum, Prime Minister and Vice President of the UAE and Ruler of Dubai. Honours given a tour of the new facility by Mr. Mubarak Rahwan Al Marzouqi, Governor of the UAE Central Bank and Chief Executive Officer of the Emirates Investment Authority and presented with the first 1,000 dirham (AED) note printed there, bearing the number 1, by Sheikh Mubarak bin Jiyad, Deputy Prime Minister and Minister of Presidential Affairs.

The new printworks has been on the drawing board for six and a half years now, with construction starting in 2011. It is operated by Dürscheid Security Printing (Dürscheid) in a modern Arabic word and locally translated into 'fortress', a company set up and wholly owned by the Emirates Investment Authority.

The original plan had been to locate the printworks near to the Central Bank of the UAE. However, the decision was then taken to set it up as an independent and fully commercial operation that will, in due course, provide printing services for central banks across the Middle East and beyond. Hence the decision to choose a greenfield site at the Khalifa Industrial Zone, which is near to Khalifa port, equidistant between Abu Dhabi and Dubai, and close to three international airports.

The new facility is equipped with pre-press and a full printing line – which includes a 12 colour offset press and a 6 colour in-press from Komori, an additional 6 colour in-press from KIP, Neosprint, a 1200 cutting unit, a KSA Neosprint's in-press and CNP system.

All of the machines have the latest integrated technology for inspection and verification, and the product is controlled through a complete stock and trace solution installed on all printing equipment, supplemented by a fully automated storage system.

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SNB Makes the Case for Cash

In stark contrast to the many central banks around the world attempting to suppress the use of cash, Dr Fritz Zurbrugg, Vice Chairman of the Swiss National Bank (SNB) has stated that the reports of the death of cash are not only, in the words of Mark Twain, 'greatly exaggerated' – they are also unfounded.

He made these remarks in his keynote address at the recent World Banknote Summit, pointing out the SNB does not share the view that the use of cash restricts monetary policy, can be exploited for criminal activity and will, in any case, be rendered obsolete in due course by other payments methods. On the contrary, he said, cash is more reliable than cashless payments, ensures privacy and enjoys low opportunity cost.

He noted that there remains a continuing robust demand for cash on the part of the general public and that, in many countries, the value of cash in circulation relative to GDP has increased over the last few years.

He attributed this in part to lingering uncertainty about the stability of banks in the wake of the financial crisis and also the low level of interest rates, and hence the low opportunity cost of holding cash.

On a more personal note, he added, people like to use cash because it allows more effective budget control or because it does not require technical know-how. It is also reliable, not being dependent on a functioning technical infrastructure and, because it is visible and tangible, is psychologically imbued with a greater value than non-cash.

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SNB Makes the Case for Cash^(continued)

He also referred to the current debate on high value banknotes, and the ECB's decision to stop producing €500 notes.

Switzerland has come under pressure to do away with the CHF 1,000 – the highest value banknote in the world – which has been firmly resisted. According to Dr Zurbrügg, 'in Switzerland, we have no indication that large denominations present a specific risk in this regard. Our legislation, especially the law and the associated ordinance on money laundering, help prevent cash being used for criminal purposes'.

Dr Zurbrügg further said the SNB is mandated by law to ensure the supply and distribution of cash as well as to facilitate and secure the smooth functioning of cashless payment systems. But, he added, 'this freedom of choice between payment methods exists only if the public has confidence in both cashless payments and cash.'

'Prerequisites for public confidence in cash are, first, a monetary policy which is geared towards stability and ensures that banknotes and coins retain their value over the long term.'

'Second, banknotes need to be of the highest quality and have the best possible protection against counterfeiting. Switzerland's new banknote series is a case in point. After all, banknotes are also a symbol for the quality and stability of our currency, as well as one of Switzerland's calling cards', he noted.

Cash also popular in Japan

Another country that appears to be bucking the 'cashless' trend is Japan, which is one of the most cash-dependent countries in the world, according to a recent Bank of Japan report.

The report, based on Bank for International Settlements data for 2015, said the ratio of cash in circulation to nominal gross domestic product was 19.4% in 2015, the highest among 18 major countries and regions studied.

Japan's high dependency on cash reflects a tendency to pay in cash rather than by credit card, as well as an increase in the amount of money kept at home amid exceptionally low interest rates.

According to a past BOJ questionnaire, many people who prefer to use cash for shopping said they feel uneasy about other payment methods and worry that they may spend too much if they pay for things other than by cash.

Moreover, Japanese find cash highly reliable as they see only a small risk of becoming victims of counterfeit money and theft, the Bank noted.

And many also favour the anonymity of cash, which does not require users to expose personal information – such as credit card numbers – when making payments.