

MINT INDUSTRY
AUTHENTICITY

MINT INDUSTRY COMMUNIQUÉ

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EXECUTIVE DIRECTOR'S MESSAGE

The year 2021 has commenced in much the same way it concluded – with emerging opportunities for the Mint industry as well as considerable challenges.

Last year brought unexpected and unplanned demand for circulating coin, particularly low denomination coins, extraordinary demand for bullion and strong interest in numismatics. However, for some countries the continuing negative impact from cashless technology, heightened by the reports of the possible but unconfirmed transmissibility of the COVID virus on cash and coins, meant a further decline in demand for cash, of which coins of course is part.

In response, the industry demonstrated yet again not only its extraordinary resilience and responsiveness but also the critical role that circulating coins play in the world economy.

In many of the countries that experienced extraordinary demand it was a stark reminder of how cash becomes a medium of 'certainty' and 'comfort'. Not only was there a flight to high-value denomination notes but many consumers, particularly those on low incomes, chose to transact in cash with the resultant strong and unforeseen demand for circulating coins.

With the world in 2021 becoming more 'conditioned' to the COVID environment, we may however see a strengthening or reemergence of the impact of the cashless

technology and so must continue to remind policy makers that banknotes and coins are a vital part of the economy. People on low incomes and those who either don't have access to technology or continue to be fearful of its use must not be disadvantaged by the drive to a less cash environment.

MDC Members met this month to receive updates on this complex operating environment and agree on a 2021 work plan that focuses not only on presenting the case for coins but also identifying how Mints can adapt and change in response to the inevitable shared transactional environment.

This monthly Communique and a series of MDC position papers will not only keep the industry informed but ensure that those who influence the transactional supply chain environment are made aware of the consequences of a continuing move to a cashless environment. **To broaden our audience, please feel free to distribute this Communique to your own decision makers and stakeholders.**

While the core business of the Mint industry is circulating coin, it provides much more than that. In these uncertain times there is strong demand for precious metal and a continuing interest in collectable numismatics. MDC will not only help promote these programs but also work to enhance the functions that ensure the

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MR JAHNG-SHICK BAHN

NEW KOMSCO CEO AND MDC CHAIR

Mr Jahng-Shick Bahn has been appointed the new CEO/President of Korea Minting, Security Printing and ID Card Operating Corporation (KOMSCO), replacing Mr Yong-Man Cho who has stepped down upon the expiration of his three-year term.

In taking up this appointment, Mr Bahn has also become the new MDC Chair. We had the opportunity to welcome Mr Bahn at the February 2021 meeting of MDC Members.

Mr Bahn has significant public sector experience for more than 40 years, served as senior presidential secretary for job creation, dean of the Graduate School of Management of Technology at Sogang University and former vice minister of the Ministry of Economy and Finance.

Until recently, he was a professor of the Graduate School of Management of Technology at Sogang University.



HOW TO GROW THE MARKET IN A TIME OF CHANGE

As the world continues to battle the COVID pandemic so does the Mint industry struggle against the multiple challenges of:

- cashless technology
- unjustified fear of the transmissibility of the COVID virus from cash, particularly coins
- the risk of low denomination coins being withdrawn from circulation due to their low utility.

Against this backdrop, Simon Lake from the British Royal Mint used his latest presentation to the MDC Internal Affairs meeting in February to challenge the industry to find ways to grow the market.

The Royal Mint's Director of Sales, Mr Lake identified that in the past 12 months there have been some notable successes in converting low denomination notes to coins, providing examples of what these have been.

The greatest opportunity exists in converting countries where there are no coins at all. Mr Lake used a specific country-

orientated case study to demonstrate the extraordinary net benefit that a Central Bank could derive from replacing their lowest denomination notes with coins.

The case study was compelling and the potential opportunity significant. While it may make commercial sense for individual Mints to pursue the conversion of low-value notes in each country, Mr Lake encouraged the exporting Mints to work together in presenting a 10-point benefits statement that explains how coins can provide a significant net positive return over notes.

The Internal Affairs committee endorsed this approach and an update to the 10-point Benefits statement.

A copy of Simon's presentation and the updated Benefits statement will be available via the Members' Portal on the MDC website at mintindustry.com/member-login/

Thank you to Simon and the members of the sub-committee for their work in creating the Benefits statement.

FAREWELL AND THANK YOU TO MR YONG-MAN CHO

MDC Members wish to record their thanks and extend best wishes to the former MDC Chair, Mr Yong-Man Cho, who recently stepped down as CEO/President of Korea Minting, Security Printing and ID Card Operating Corporation (KOMSCO) upon the expiration of his three-year term.



DIGITALISATION OF A COLLECTION

At the February MDC Internal Affairs meeting, MDC Member and CEO of Finland Mint, Jonne Hankimaa, presented an update on their work using digital technology to enhance coin collecting.

If the Mint industry is going to appeal to younger, technologically-savvy people as well as enhance the process of collecting we need to find ways to use technology that is not only available but popular. The Mint of Finland is doing just that by creating an interactive digital app, Coiniverse, that helps the collector to analyse and record their collection as well as interact with others who also use the application. Direct links to participating Mints also allow collectors to purchase from their e-stores.

Coiniverse is an exciting program that will grow in value to collectors as more Mints participate. Mr Hankimaa's presentation on the app is available via the Members' Portal on the MDC website at mintindustry.com/member-login/

Mints who wish to participate can contact the MDC Secretariat for Mr Hankimaa's contact details.

Further information about the Coiniverse app is available at coiniverse.app/



FIRST LITHUANIAN MINT COLLECTIBLE COIN IN 2021

The Lithuanian Mint's first collectible coin for 2021 features the mythical Alchemist Nicolas Flamel, who is famed for discovering the Philosopher's stone.

In order to create this 2oz silver coin, technologies such as partial gilding, stone insert and high relief with antique finish were used. The original edge of the coin also features a stylized snake that wraps the whole coin.

Designs on the reverse depict a geometrical

structure that refers to the Flamel searching for the legendary stone, as well as a portrait of the great Alchemist and a collection of magical symbols and animals such as the dragon, lion, bull and mythical snake Uroboros.

The obverse features a portrait of Her Majesty Queen Elizabeth II surrounded by magical symbols for the elements.

For more information visit: <https://kalykla.lt/en/nicolas-flamel-philosophers-stone/>



**2 DOLLAR SILVER COIN
NICOLAS FLAMEL- PHILOSOPHER'S STONE**

METAL	SILVER AG999	QUALITY	ANTIQUÉ FINISH
WEIGHT	62,2 G	MINTAGE	500
DIAMETER	50 MM	DATE OF ISSUE	2021

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EXECUTIVE DIRECTOR'S MESSAGE

integrity of the products supplied as well as exploring ways to ensure the value created in numismatics is as much as possible maintained.

Finally, a focus of MDC through its Technical Committee is to find ways of improving

the efficiency of the coin supply chain and ensuring that the products supplied to consumers are not only to the highest possible quality, creating the lowest possible environmental footprint but also at the lowest possible cost.

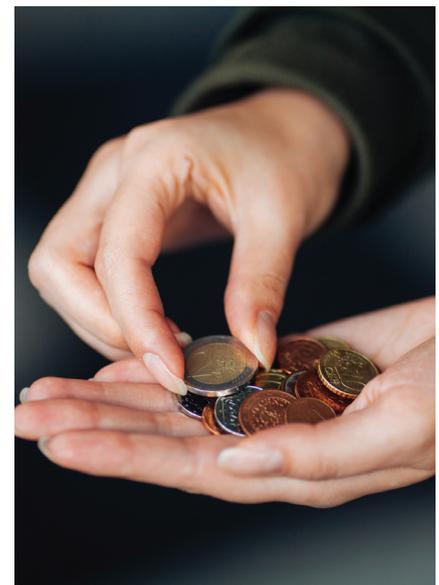
MDC MEMBERS MEETING

The first MDC Internal Affairs meeting for 2021 was held online this month. Industry leaders from almost 30 sovereign mints located around the world gathered virtually to receive updates on MDC activities and discuss the critical issues impacting the supply and use of coins.

Members welcomed the new MDC Chair, Jahng-Shick Bahn, who became CEO/President of Korea Minting, Security Printing and ID Card Operating Corporation (KOMSCO) following the retirement of Yong-man Cho. The other new member to join MDC this month is Leigh Gordon, the new CEO of the Royal Australian Mint.

Presentations were made to the meeting on the benefits of converting low-value banknotes to coins (British Royal Mint) and an exciting digital application for coin collectors (Finland Mint). Read more about the presentations in this edition of the Communique.

All papers and presentations from the meeting can be accessed by MDC Members via the Members' Portal on the MDC website at mintindustry.com/member-login/



Please circulate to relevant staff and interested industry members and help build our collective voice.