

MINT INDUSTRY COMMUNIQUÉ

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MINT INDUSTRY
AUTHENTICITY



IN THIS ISSUE:

1 2 3 4

EXECUTIVE DIRECTOR'S MESSAGE

As the world slowly emerges from the COVID pandemic and there is a point of 'review and reflection', there will be a realisation that some consumer behaviours, work patterns and business practices have potentially changed forever. We live in a time of significant disruption, much of it – pre COVID – created by technology, with the typical justification being that *'it is what the consumer wants'*, even if the consumer hasn't actually been consulted.

There are many technologists who have taken advantage of the pandemic situation to push their solutions and argue that, in the case of cash, it was a potential carrier of the virus even if there were little or no real-life examples to prove their case.

The consequence of this opportunism has been to raise fear in consumers and encourage the use of alternatives, even if some of those alternatives eg. cards and keypad transaction initiation has as much if not greater potential to transmit the virus than coins and notes.

The reality is that change has occurred and even though demand for coins has risen, particularly low denominations, with many people choosing to withdraw and transact in cash, receiving coins in their change, so has the use of cashless technology – in some countries exponentially.

In our industry where many of the Mints are government owned and operated we

Continued page **4**

FEATURE: MINTS OF THE WORLD – ROYAL DUTCH MINT

History

The Royal Dutch Mint, founded in 1567, is one of the oldest businesses in the Netherlands. After years of being part of the government, the Royal Dutch Mint was incorporated as an independent commercial company in 1994, with the Dutch state as sole shareholder. In 1999, the Dutch Mint obtained the prestigious designation 'Royal' and could use the name 'Royal Dutch Mint'. In 2016, the government sold its shares to Heylen Group. This privatization enabled the Royal Dutch Mint to further develop and expand its commercial activities.

After the introduction of the euro in 2001, and capacity that became available, the Royal Dutch Mint's export business grew significantly. The Mint has now produced circulation and commemorative coins for over 70 central banks on all continents. The Mint also serves the international collectors' market by producing coins, medals and coin-related products.

In 2020, the Royal Dutch Mint moved to an ultramodern, gilt-coloured building in Houten, Utrecht. The design of this new facility is perfectly aligned to the innovative identity of today's Mint. Its beautiful and eye-catching architecture was also inspired by the portrait of King Willem-Alexander featured on the Dutch one-euro coins designed by renowned photographer Erwin Olaf.

Continued page **2**



In 2011, the Royal Dutch Mint won the Coin of The Year award for using its patented laser engraving technique to make the first coin with a QR-code readable with a smartphone.

NEXT MDC WEBINAR – SEPTEMBER 2021

MDC will hold its next webinar in September. Details including date and time will be provided in the July Communique.



In 2020, the Royal Dutch Mint moved to 'The Dutch Vault', an ultramodern, gilt-coloured building in Houten, Utrecht.

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Continued from page **1**

This iconic structure offers sufficient space for expansion in the decades ahead and makes use of the latest technologies in terms of security and energy efficiency.

For security reasons, the building was designed windowless and daylight enters via an interior garden in the offices and see-through roofing in the warehouse. The security scans are automated and rules out human errors, the building is enclosed by water, with heat cameras on the roof detecting trespassers before they can even arrive at the building. The new location will be among the most secure facilities in

the Netherlands, rightfully earning it the nickname of 'The Dutch Vault'.

The building does not consume fossil fuels and is heated with electricity only. The heat exhausted by the presses can be reused and cold night air is used to cool the building in the summer. In December 2020 the installation of a solar park on the roof was finalized. The production is now 100 per cent energy neutral.

► Challenges

Royal Dutch Mint's biggest challenge is to continue innovating at a high pace every year.

► Focus

The key focus in all the divisions at the Royal Dutch Mint is value innovation for customers.

Even though Mints are primarily production companies, they add very little value in coin production. They simply strike a blank and package coins with machinery that is widely available in the market. They can all strike a million coins on one press in 24 hours and one minting die can last millions of strokes. Therefore, in production, a difference can only be made in quality, innovation and efficiency. Not surprisingly, these are three important cornerstones of Royal Dutch Mint's production strategy.

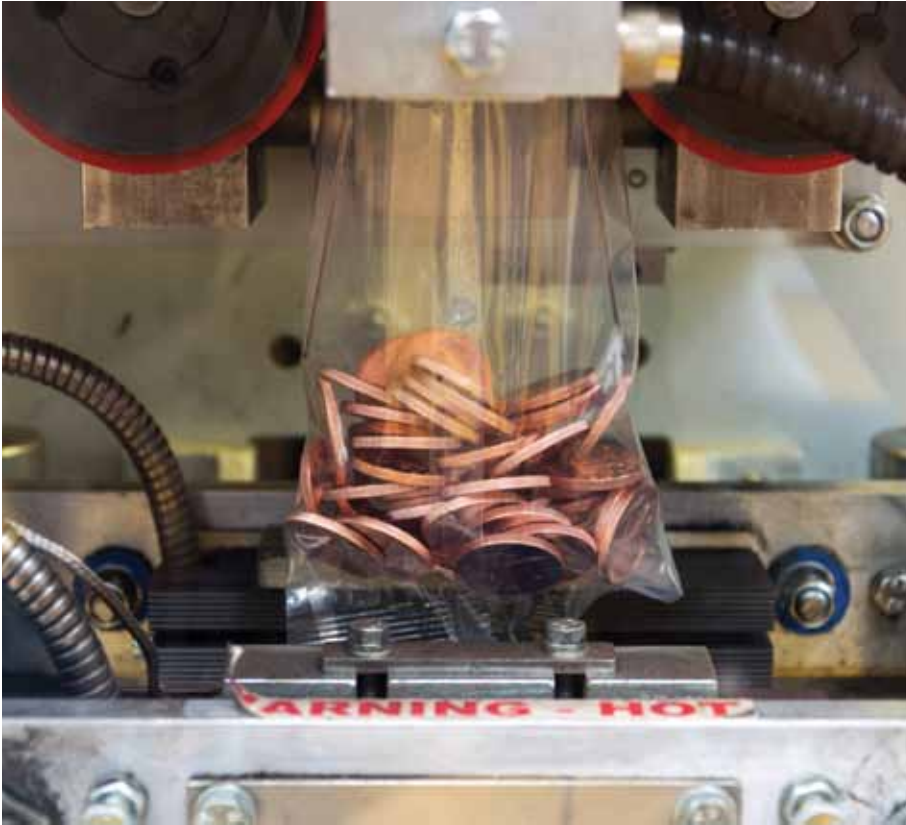
More importantly, the Royal Dutch Mint adds value elsewhere in the value chain. This added value ranges from customer service, distribution innovations, logistics efficiencies, ecofriendly production and security.

► Greatest innovation

The Royal Dutch Mint invented laser engraving for the coin industry. In the 1990s, long before Acsys and others had ready solutions for our industry, the Mint built its own laser engraving machine with



Continued page **3**



MDC TECHNICAL COMMITTEE (MDC-TC) – 33RD PLENARY MEETING, 19-20 MAY 2021

Report by MDC-TC Chairman, Manfred Matzinger-Leopold

First things first: The professional presentations, the high interest and the participation of 69 members of the Technical Committee of the Mint Directors Conference was simply great! There was a very good reason for this – all the planned 16 presentations were prepared and performed very professionally by our convenors and their teams.

This resulted in two days with over seven hours of excellent performance for our minting community. Our friends from the US started at 4:00 am in the morning and at the end it was already 1:10 pm for the Royal Australian Mint.

Our content covered many interesting, state-of-the-art topics from technology (Alternative Methods to Produce Dies, Anti-Counterfeiting, Anti-Viral Coins, Blanking Tools, Colourization, New Materials, Sensor Sensitivity, Surface Coating, Three Component Coins) and management (Benchmarking, Customer Task Force, Environmental Best Practice, Industry 4.0).

Do you want to know more details? Then, please, get in touch with your MDC-TC representative or myself.

Another highlight was the re-election of Mike Gradwell from the South African Mint as our Deputy Chairman. I'd like to use this opportunity to thank Mike for his great, continuous support of our group. We performed the voting in a virtual process with clear governance rules.

The virtual format also made it possible for us to host guests at the meeting, such as the three representatives of the South African Reserve Bank, who would have had no chance to participate in a physical meeting.

On top of our successful virtual meeting, we all eagerly look forward to returning to physical meetings as soon as possible.

The next MDC-TC Plenary Meeting will take place – again in a virtual format – on 3-4 November 2021. So fasten your seat belts and, please, stay tuned...

Kind regards from Vienna, Manfred

FEATURE: MINTS OF THE WORLD – ROYAL DUTCH MINT

Continued from page 2

hardware of coherent and proprietary engraving software. In 2001, the Royal Dutch Mint patented the first laser engraving technique that automatically converted pictures into an engraving. In 2011, the Mint won the Coin of The Year award using this technique to make the first coin with a QR-code readable with a smartphone. Still today, the Royal Dutch Mint feels it is light years ahead of the industry in terms of modelling techniques for laser engraving.

► Best learning for others

At the Royal Dutch Mint, decision making starts from an outside-in perspective, and strategy and organization are built accordingly. This allows the Mint to embrace progress rather than fight it.

CONFERENCE UPDATE – MDC 2023

For readers who missed the conference update in last month's Communique, the next MDC has been postponed until 2023. As we noted last month, this necessary decision is incredibly disappointing for both the hosts and of course for many of our members who were so looking forward to meeting in person to discuss how to respond to the challenging world we now operate in.

The Royal Canadian Mint, after seeking advice from their travel and tourism industry, has offered to host the event in October 2023. We aim to conduct another MDC in November 2024 (13 or 14 months later), which will be hosted by the South African Mint.

FEATURE: MINT INDUSTRY SUPPLIER PROFILE

In the absence of a specific case study this month on a supplier to the Mint industry, we take this opportunity to acknowledge the critical role suppliers play in helping to improve the efficiency of the industry as well as address supply chain issues.

From the supply of sheet metal or bar to the accurate supply of blanks, the highly-toleranced and very detailed minting process for circulating coin or numismatic and bullion, to the distribution of coins to the market and the information systems that surround all of that, there are many suppliers who play a critical part.

MDC Technical Committee (MDC-TC) has some of these suppliers as associate members and observers. As has been stated previously by the Chairman of MDC-TC Manfred Matzinger – Leopold, the involvement of suppliers in that forum is highly valued.

To continue to be part of the transaction process, in the face of the ever-increasing challenge of cashless technology, we need to address a range of issues be they related to: cost – along the entire supply chain, utility – in function and form, security and environmental impact.

To our many supplier colleagues whose businesses rely on the Mint industry either in part or entirely, I encourage you to join MDC-TC, if you have not already done so, to help us address these vitally important issues. Please contact Manfred Matzinger-Leopold of the Austrian Mint at manfred.matzinger-leopold@austrian-mint.at for information on how you can join.

Our intention in profiling specific industry suppliers is not only to remind our own industry of their contribution but also to have them present their latest technologies and innovations, which demonstrates not only to us but to other interested stakeholders (such as the central banks and policy makers) that the broader Minting industry is not standing still.

On behalf of the MDC, thank you to our suppliers – we value your interest, engagement and support.

Next month we will resume the supplier profile – any Mint industry supplier that wishes to provide a case study please contact me at ross.macdiarmid@mintindustry.com or the secretariat at paula.matthewson@mintindustry.com.



EXECUTIVE DIRECTOR'S MESSAGE

Continued from page 1

haven't been as vocal as perhaps we could be in presenting and prosecuting the argument for cash, particularly for the use of coins in low-value transactions.

What was not indicated to consumers and small business as they were 'encouraged' to use cashless technology was in some countries there has been the imposition of a small fee for some transactions. Is this the portent of what is to come, and if in the future there was no alternative to cashless what might that fee become?

The ability to secure the details of a transaction for \$5 – such as name, bank account details etc – is likely to be the same as it is for a retail transaction for \$500. Do we really believe that as financial institutions incur the ever and significantly increasing costs of security and customer data protection that they won't look to recover that cost?

This is only one of the issues we need to raise, not only as an argument as to why cash must continue to be part of the transaction environment, but also so that consumers and small businesses in particular are made aware (AND consulted) as to what the consequences might/will be from the change that is occurring.

In future Communiques the MDC will raise the other specific issues that consumers and society need to be made aware of, or misconceptions that must be addressed.

COIN AWARDS UPDATE

A proposal has been received to conduct a virtual event in the second half of 2021 and is currently being evaluated. To take place, the event will require support from the industry and it is this support that the Secretariat is currently seeking. An announcement will be made in the July edition of the Communique.

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