

# MINT EDITION

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MINT INDUSTRY  
AUTHENTICITY



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## EXECUTIVE DIRECTOR'S MESSAGE

### ➔ CASH IN THE CHALLENGED WORLD ECONOMY

2022 closes with a world economy struggling to deal with heightened geopolitical uncertainty and with growth rates for 2023 at best challenged and potentially in decline. The inflation 'genie', generally under control over the past decade or so, is now out of the bottle and as Central Banks attempt to reign it in, the impact of a rapidly increasing interest rate response is placing households and consumers under serious strain.

As consumers feel the pressure of interest rate increases on their mortgages and more immediately through credit card debt, many will need to adopt weekly budgeting and tight financial management to help with what is shaping up to be a potentially difficult new year.

As we have previously discussed, cash is a very effective facilitator in helping to manage the weekly budget, let alone its use being free of interest rate increases.

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## CALL FOR RSVPS – WORLD MONEY FAIR 3-5 FEBRUARY 2023

Please indicate your intention to attend the Forums and the IMDA/IMDN Meetings by email to [paula.matthewson@mintindustry.com](mailto:paula.matthewson@mintindustry.com) by 22 December 2022.

### Friday 3 February

#### Minting Industry Forums

2.30pm to 5.30pm – Antibes Room

- 2.30pm to 3.30pm: Visitor Experience – TBC subject to sufficient interest
- 3.45pm to 5.30pm: Creativity and the Future of Collecting – TBC

### Saturday 4 February

#### International Mint Directors Association (IMDA) – for IMDA Member Mints only

8.30am to 10.15am – Paris Room

#### International Mint Directors Network (IMDN) – for all previous members of MDC

10.30am to 12.00pm – Paris Room

## MINT DIRECTORS CONFERENCE 2023 CANADA 15-18 OCTOBER 2023

Founded in 1962, the next Mint Directors Conference (MDC) takes place in Ottawa, Canada, hosted by the Royal Canadian Mint. Join us as we meet in person for the first time in five years.

Come together with over 300 delegates from the minting and related industries to discuss the future of circulation coins, collector coins and bullion, as well as Industry contribution to the sustainability agenda.

Discussion topics include:

- The social inclusion – the role of cash in an increasing digital payment environment
- How mints can and do contribute to the sustainability agenda
- Coexistence of cash and digital currency – myth or reality?
- How can mints play a part in the

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## HOLIDAY & NEW YEAR WISHES



The IMDN Secretariat sends its best wishes to all readers for a happy and safe holiday season.

The next edition of Mint Edition will be published in February 2023.

## SUSTAINABILITY – A CASE STUDY

### John Winchcombe

Currency & Payment Consultant  
Reconnaissance International

At the recent Coin Conference environmental sustainability was prominent with both a seminar and a main agenda session. Both were well attended but the content proved to be varied and wide-ranging. In the seminar the request to the speakers was that they would focus on changes made and the results achieved.

#### ➔ THE US MINT SUSTAINABILITY WORK

David Croft, Associate Director of Manufacturing at the US Mint, summarised actions taken by the US Mint at Denver, Philadelphia, San Francisco and West Point, along with the Washington DC site, to reduce the environmental impact of its work.

**Renewable energy** - Two mints, Denver and Philadelphia, are moving to using 100 per cent renewable energy. Denver is already there, and Philadelphia is in the process of switching to it.

**Energy reduction** - The current vehicle fleet is being replaced with electric vehicles and charging points are being installed at all sites. West Point and San Francisco are converting all lighting to LED.

**Chrome plating** - The US Mint has moved completely to Physical Vapor Deposition coated dies for hexavalent chrome plating. One benefit is that the Philadelphia, West Point and San Francisco mints no longer need Title 5 operating permits for the use of lead chromate.

#### Manufacturing investment

- New, more efficient blanking and stamping presses have been installed at all the mints.
- A contract has been awarded to upgrade the existing blank furnaces with more efficient burners and heat capture technology. In addition, the furnace atmosphere will be changed to eliminate any potential emission



of carbon monoxide gas. An initial prototype is being installed in the Denver Mint.

- While not available outside the US, the US Mint has successfully applied for Energy Saving Performance Contracts (ESPC) for electrical and water saving projects at Denver and Philadelphia. ESPCs are an alternative financing mechanism authorized by the United States Congress designed to accelerate investment in cost effective energy conservation measures in existing federal buildings. The Denver projects will generate \$18.4 million and the Philadelphia projects \$22 million over the next 22 years.
- All mints have installed low-flow water devices and replaced burnishing equipment with equipment that uses less water. Denver and San Francisco have added xeriscape landscaping so that their gardens and grounds do not need irrigation.

**Recycling** - When it comes to recycling raw materials, all the base metals are recyclable, and all the mints' current suppliers are able to do this.

#### ➔ ARTAZN – 'PRACTICAL SUSTAINABILITY'

Artazn, who produce zinc-based coin blanks, started by giving the context of their parent company, Jadex, which has signed up to the 'circular economy framework' which commits them to designing out waste and pollution, keeping products and solutions in use and regenerating natural systems.

The implications of this commitment are seen in the creation of product

where the emphasis is on using less material, recycled content and bio-based materials. When products are being used working out how to reduce space in transport, reduce labelling and reduce energy used. At the end of a product's life, trying to find ways to reuse it or, failing that, repurpose it. If it is not possible, then to compost it and to ensure that it is marine degradable. Life Cycle Assessments (LCAs) are key because they allow the lowest waste, emissions and composite to be quantified and then determined.

Although recycling is the desired goal, the cost of transporting, sorting, cleaning and converting polymer waste back to pellets is many times the cost of using virgin polymer. In the US only two plastic types are recycled at a rate greater than 8 per cent, HDPE (primarily from milk jugs) and PET (used in water and soft drink bottles). Even for these materials the cost of recycling is about five times more than using virgin material. The choice of type of plastic you use is, therefore, critical.

Artazn used examples from its other industries to illustrate how this can help and explained the advantages of choosing zinc rather than steel for coins. Over 95 per cent of Artazn's zinc comes from recycled zinc. Zinc itself has lower shipping costs because it is 10 per cent less dense than steel and it is easier to recycle, which is why its scrap value is two to five times higher than that of steel.

The recommendations were to focus on efficiency and transport by developing light weight packaging, using

## SUSTAINABILITY – A CASE STUDY

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standardised packaging sleeves, enable local collection and eliminate PVC and PS from the collectible market.

### ➔ BDP'S SUSTAINABILITY WORK

The Bank of Portugal (BdP) gave a central bank perspective by outlining its coin related environmental sustainability activities. It is pursuing three streams of work, optimisation of the coin lifecycle, recycling materials and renewable energies.

#### Coin life cycle

- The ECB requires euro coin processing through sampling. Since 2014 all coins lodged at the BdP are required to have already been checked for authenticity and fitness, using the predefined packaging by those sending them in. As a result, the BdP only checks those coins on a sample basis. For low denomination coins (1 cent to 20 cents), the quantity declared is checked by weighing the bags or boxes. For 50 cents to €2, the procedure includes individual authenticity and quality checks. If anomalies following the referred checks are identified, the entire lodgement is checked. This approach significantly reduces the work and resources involved.
- The ECB encourages central banks to exchange coins between themselves. In 2016, the BdP created to option for credit institutions and CIT companies to register coins surpluses using the BdP's IT platform for withdrawals

and lodgements. The platform can then be used by participants to arrange swaps without the BdP's intermediation. This makes the coin cycle more efficient and allows a reduction in the number of coin transfers.

- In 2017, the BdP started a strategy to gradually reduce its euro coins surplus through bilateral agreements with other member-states to send euro coins of excess coin stocks in Portugal abroad and to receive euro coins in greater demand in return. The benefits being the avoidance of destroying fit euro coins and minting fewer new coins, and all the transportation and other costs this would involve.
- The BdP has also delivered coins directly to a private cash centre rather than going through a branch of the BdP first. This happened in Funchal in the Madeira islands, where a CIT company cash centre required a large volume of euro coins. This approach saved 20 movements between the BdP's branch and the CIT company.

**Recycling** - In 2021 the BdP determined that the packaging materials used in the delivery of euro banknotes and coins to the central bank should be recyclable and, preferably, reusable.

**Procurement** - The BdP is studying the possibility of including the need to present an environmental certificate for suppliers of cash packaging materials.



## EXECUTIVE DIRECTOR'S MESSAGE

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Cash continues to play a very helpful role in difficult economic times.

### ➔ SEASONS GREETINGS & THANK YOU

On behalf of the IMDN (ex MDC) Secretariat, I wish you all Seasons Greetings and a happy, healthy and successful 2023.

I also wish to thank a number of the Mint CEOs and Directors for their advice, engagement, encouragement and support, and finally to Paula Matthewson a big thank you for her very helpful admin and coordinating assistance in 2022.

## MINT DIRECTORS CONFERENCE 2023 CANADA 15-18 OCTOBER 2023

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- payment ecosystem of the future?
- Unprecedented world events and their impact on the industry - Sharing of experiences around the world
- What are the new trends in numismatics that could increase revenues?
- Do we need to rethink the numismatic ecosystem?
- How can we engage with the younger generation? How can we interest them in coin buying? In fact, let's ask younger mint employees to join us at the conference to tell us.
- The bullion market insights?
- The bullion/collectible coin boundary?
- As an industry, where will we be in 10 years' time... and more importantly is this where we want to be?

[More information available here](#) (with online registrations opening soon).

