

MINT EDITION

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MI
MINT INDUSTRY
AUTHENTICITY



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EXECUTIVE DIRECTOR'S MESSAGE

HOW TO HELP CONTROL EXPENDITURE - A ROLE FOR CASH

In many countries during COVID and now post COVID we have seen an increase in the demand for cash – notes and coins – which is counter to the forecasts of some central banks and policy makers.

Against a backdrop of aggressive promotion of cashless technology and exaggerated misinformation about the transmissibility of COVID on coins and banknotes, many consumers have reverted to cash or at least partly returned to using cash for transacting purposes. Some central banks will suggest that demand for high denomination notes has been a risk mitigation reaction from consumers who use cash as a 'store' of value i.e. holding money for 'saving', particularly in times of fear and uncertainty such as during the COVID pandemic.

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MINT DIRECTORS CONFERENCE 2023 MINTING FOR THE FUTURE

OTTOWA, CANADA 15-18 OCTOBER 2023

Founded in 1962, the next 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 the Mint Industry contribution to the sustainability agenda.

Discussion topics include:

- 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 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?
- 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?

**REGISTRATIONS
ARE NOW OPEN**

MDA SUSTAINABILITY SURVEY

Thank you very much to the 14 Mints that responded to the Sustainability survey that was conducted in January, who gave us a 74% response rate. The survey was completed anonymously using Survey Monkey and the data will be held for 13 months.

The objectives of the survey were to:

- Find out where members are in developing and implementing their sustainability strategy
- Ask what would help with regard to making more/faster progress
- Understand what role the Sustainability Sub-Committee (SSC) could have in supporting this.

The respondents said that the SSC should focus on five areas to provide support to members on their ESG journey:

- Circular Economy
- Packaging & Plastic Use
- ESG Reporting
- Waste Management
- Skills & Training

We also asked what would help develop or further improve your organisation's sustainability strategy:

- 75% would find Case Studies that demonstrate industry best practice helpful
- 50% would find upskilling of staff a help
- 42% would find specific expertise related to one or more ESG topics helpful

- 25% would find supporting information on customer and/or market expectations a help
- 42% would be helped by more ESG content at conferences or industry webinars

➔ WHAT HAPPENS NEXT?

The SSC will act on the results and start by publishing a roadmap that shows how it will provide the help that you have asked for leading up to the Mint Directors Conference in Ottawa this October.

We had a whopping response rate of 67% of participants willing to share a case study of a sustainability (E, S or G) success story that other Mints could learn and benefit from.

We are planning to start adding the case studies to the Sustainability section of the members-only area of the Mint Industry website (mintindustry.com/member-login/).

One of the case studies being developed is by the Royal Australian Mint and will be under the 'Social' stream of the Sustainability Framework. Each year the Royal Australian Mint partners with the Children's Book Council of Australia to promote literacy.

If you would like to share your Mint's sustainability best practice case study, we encourage you to send these through as soon as you are able to the Secretariat at info@mintindustry.com.

The full results of the survey will also be available in the members-only Sustainability section.

EXECUTIVE DIRECTOR'S MESSAGE

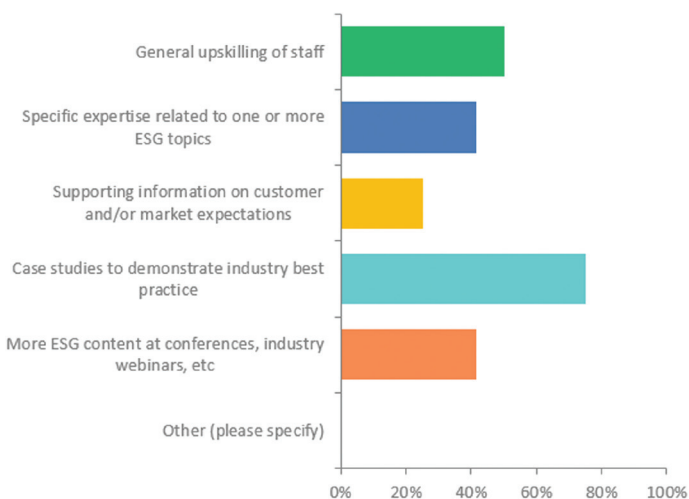
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But in this challenging economic environment cash has been more than that. Many consumers have preferred to use cash because it helps them budget and control expenditure by preventing over spending. These are benefits that don't accrue from the use of credit cards with high credit limits and high interest rates or the Buy Now Pay Later sector.

As governments around the world attempt to address burgeoning debt and deficits, particularly the aggregated value of consumer debt, it is well worth reflecting on why and how this situation has arisen.

Prior to the introduction of consumer spending technologies and debt creating vehicles, people could spend only what cash they had. While no-one is suggesting that we revert to cash as the primary means of transacting, it is important that policy makers and central banks accommodate those who so heavily rely on cash to limit their spending and avoid being in default.

We remind policy makers that cash on hand is the most effective vehicle for limiting spending – *if you don't have it you can't spend it* – and in times of economic hardship, when rising interest rates are contributing to increasing cost of living, the use of cash helps consumers to manage their finances.



MINTS OF THE WORLD – TURKISH MINT

➔ DIRECTORATE GENERAL OF MINT AND SECURITY PRINTING OF REPUBLIC TÜRKİYE

The first mint in history was established in these lands considering that the first coin was minted in Lydia in the seventh century BC. During the Seljuk period, which was one of the most important states established by the Turks entering Anatolia after the Malazgirt Victory, mainly silver and copper coins were minted in cities like Konya, Sivas, Malatya, Kayseri, Tokat, Erzurum and Erzincan. Although states have minted coins due to economic and financial reasons, coins have also been a symbol of sovereignty and power.

It is known that major mint centers of the Ottoman Empire were in Istanbul, Bursa, Edirne, Amasya, Erzurum, Konya, Izmir, Serres, Sofia, Damascus, Baghdad, Tbilisi, Egypt, Tunisia and Algeria. The Mint founded by Sultan Mehmet the Conqueror near Beyazit Mosque has been considered as the first establishment of the Turkish Mint. Although the exact date of the first establishment cannot be documented, the year 1467 when Sultan Mehmet the Conqueror minted the very first gold coin in honor of his name, is considered to be the date of the first establishment of the Turkish Mint. This Mint was expanded later and moved to a building named Simkeshhane in Beyazit in 1596 and then took its regular form.

In the early periods of the Ottomans coins were produced by minting with a hammer. Although this system changed to a certain extent, it continued until the end of the seventeenth century. In the 1680s, the Ottoman kurus was put into circulation, a new production system was established, instead of hammer minting system, production with machines and tools was launched. In 1723, the Mint building (AKA Darphane-i Amire) moved from Simkeshhane to the garden of Topkapi Palace. The Ottoman Empire decided to shift to the bimetallic monetary system in the 1840s. In this context, the Mint building was expanded in order



Headquarters Building, Beşiktaş in İstanbul/Türkiye.

to manufacture the new gold lira and silver kurus coins. In addition, the Mint was renovated with new machinery and equipment imported from England. In 1843 all other mints were closed, and since then the money was printed only in the Mint in Istanbul.

The production of new coins started in 1843-1844. These coins were called "mecidiye" after the sovereign of that period Sultan Abdulmecid. Until 1922, gold and silver coins were produced in accordance with the standards set in this period. In 1933, the State Mint merged with the Department of Printing, which printed security papers. Due to the expectation that the demand for coins might rise, preliminary works for the establishment of a new mint began in 1953. The construction of the new mint building began in 1961 in Besiktas, new machinery was bought and this new Mint was put into service in 1967 and has been operating since then.

The printing house was moved from the Mint buildings inside of the Topkapi Palace garden to a new additional service building in Kartal Cevizli in 2012. Directorate General of Mint and Security Printing was joined to the Undersecretariat of Treasury of

Türkiye in 1983, and since 15 July 2018 continues its activities as an affiliated institution of the Ministry of Treasury and Finance.

The duties and responsibilities of the Directorate General of Mint and Security Printing are to:

- Mint and distribute circulating coins and commemorative coins
- Mint Republic gold coins and golden jewellery
- Produce medals which are not of commemorative quality but released to distribute to certain people in line with certain goals
- Identify standards to control and regulate the trade of ornaments and jewellery produced from precious metal and gemstone
- Manufacture official seals and to issue official seal certificates and keep registry of official seals
- Print and distribute all kinds of visa and fee stamps, banderol products and valuable papers such as passports and ID car
- Preserve the archives of coins, medallions and medals of the Treasury.

For more information:

www.darphane.gov.tr



1 Turkish Lira.

THE DIFFERENCE BETWEEN STAMPS & COINS: NOT AS TRIVIAL AS YOU'D THINK!

BY URSULA KAMPMANN

There was a time when many people bought freshly printed stamps to put in their collector's album. I'm talking about the 1970s. Back then, the collector's market for stamps was an excellent field of business that offered wonderful financial gains.

We all know that collecting for investment purposes became a popular pastime in the 1970s. It was not only stamps that were selling like hot cakes, but also commemorative coins – especially circulating commemorative coins. But since then, many state mints couldn't keep up with demand for commemorative coins, the result being more private Mints entered the market. They produced what's known as non-circulating legal tender. Their target group was similar to those who were interested in stamps: people who were new in the field and had no collecting experience.

The impact – as many experts could have anticipated – was that the sale of many 'oversupplied' and overpriced collectibles would ultimately result in financial loss.

➔ THE SLUMP OF CONTEMPORARY COLLECTIBLES IN THE 1980s

That's exactly what happened. A drop in inflation combined with falling precious metal prices and an economic boom made it attractive again to store money at the bank or to invest in shares. Coin and stamp collections were sold – and, very much

to the surprise of some owners, at a substantial loss.

But not to the surprise of genuine collectors. They knew what collectibles issued at significant mintage figures were worth; at least their material or face value. Coin collectors were a bit better off than stamp collectors; at least, even non-circulating legal tender had a material value (although it was rather low). Those who had been clever enough to put their money in circulation commemorative coins could even sell their objects at face value.

➔ STAMPS LOST IN CREDIBILITY

Stamps, however, were made of paper and therefore practically unsaleable. That's why contemporary commemorative coins enjoy a better image than contemporary stamps. This is proven by the fact that the value of modern stamps doesn't benefit in the slightest from the current collecting hype.

➔ WILL COMMEMORATIVE COINS PRODUCED TODAY RETAIN THEIR VALUE AFTER THE BOOM?

Those who have not yet experienced a boom to 'bust' cannot imagine that even the most beautiful boom will eventually come to an end. In other words: the coin industry must prepare itself for the fact that the strong demand for its products will eventually diminish. Nobody knows when that will be. It could just as easily be in 12 months as in five years. But one thing's for sure: no boom lasts forever.

As soon as the fear of inflation subsides, and life returns to 'normal', interest in commemorative coins may lose their appeal as an investment object. I currently assume that out of 10 buyers of contemporary commemorative coins, one and maybe two is likely to be a genuine collector in the traditional sense of the word.

➔ COLLECTOR VERSUS INVESTOR

What will happen after the end of the 'boom'? Actually, that's quite easy to predict by referring to the experience of the coin crash of the 1980s. Only those commemorative coins as opposed to the non-circulating legal tender were still worth more than face value for which there was a collector's market – through the mechanism of what is called the "secondary market" – which is to be distinguished from the investor's market.

Unlike investors and many other gift 'customers' of Mints, who are encouraged to buy through bold marketing campaigns, collectors are people who buy coins primarily for intrinsic reasons. To inspire a collector, you don't need extensive advertising, you need to provide them with information.

Collectors are people who buy coins without immediately thinking of their resale value. In short, a collector will also remain loyal to coins when investors have long since moved on.

