

S Budi Rochadi: Currency operations and management

Opening address by Dr. S. Budi Rochadi, Deputy Governor of Bank Indonesia, at the SEACEN Seminar on Currency Operations and Management, Bali, 12 August 2009.

* * *

Distinguished Speakers,
Honourable Guests,
Respected Participants,
Ladies and Gentlemen,
Assalamu'alaikum wr. wb.and Good Morning.

I am delighted to be here this morning to welcome all of you to the SEACEN seminar on Currency Operations and Management on this beautiful island of Bali. Before I begin, I would like to ask you all to join our hands together and thank the Almighty because it is only due to His blessings that we could gather here to attend the seminar in good health and excellent condition. This Seminar is intended to further enhance knowledge sharing among SEACEN members as well as between central bankers and industry in all pertinent issues of currency operation and management.

Ladies and Gentlemen

As we are all aware, the very traditional responsibility of a central bank is to issue and distribute currency to serve the country's economy. It is hardly imaginable a modern economy could function smoothly without any cash transaction. Regardless of our achievement in advancing non-cash payment system, cash still remains a critical payment instrument.

Fulfilling this responsibility is indeed not a simple thing. There are so many challenges in assuring that the society's need of adequate currency in terms of quantity and quality for every denomination is met. This only can be achieved if we have an accurate demand for currency forecasting, a smooth currency procurement, and a reliable currency distribution system, which can cater any geographical condition and public preference for the currency.

I am quite sure that all of the issuing authorities from SEACEN members are facing difficulties in conducting this task. Even though the problems could vary between countries, there is one thing among others that we share in common that is the accompanying problem with the rise in the number of population. In our case, this task is not made any easier by the fact that the Indonesia's estimated population of around 240 million at the end of 2008 is spreading in almost a thousand inhibited islands.

Another important issue that the central bank and issuing authority have to deal with considering its severe impact on the economy is the counterfeiting activity. Nowadays counterfeiters are becoming more advanced. To cope with that the central bank needs to increase their vigilance by continuously improving the security features of the currency to give protection and assurance to the public holding the currency.

Ladies and Gentlemen,

To achieve the goals mentioned above, the cooperation among issuing authorities and currency industries should be further deepened. This cooperation will provide safeguard to the proprietary techniques solely used to produce national currencies amidst the development of many security features and printing techniques today. Therefore, governments and security businesses involved, must constantly adjust their whole range of currency operation and management system from design, production, distribution, and destruction process.

In this dynamic situation, communication and information sharing will help all members of the currency community to better understand and respond to the ever changing environment. Communication brings knowledge, which in turn means greater understanding for the community as a whole. However, communication does not necessarily mean revealing information that should be kept confidential nor does it mean disclosing commercial secrets or proprietary information.

Ladies and Gentlemen,

In this spirit of communication, I believe that the presence of our fellows from banknote security industry and other related institutions in this seminar will provide us an opportunity to obtain more valuable information that can broaden our perspective. In addition, information sharing among central bankers regarding experiences in managing our respective currencies could help each of us to improve efficiency and effectiveness in our daily job.

Finally, may I now take a great pleasure in declaring the Seminar open and wishing this event a great success. Have a pleasant stay in Bali.

Wassalamu'alaikum wr. Wb. Thank you.