

## **Niklaus Blattner: New banknotes project of the Swiss National Bank**

Speech by Mr Niklaus Blattner, Vice-Chairman of the Governing Board of the Swiss National Bank, at the Media News Conference of the Swiss National Bank, Berne, 2 February 2005.

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### **Introduction**

The Swiss National Bank is obliged by the Constitution and by statute to pursue a monetary policy serving the interests of the country as a whole. This includes ensuring the supply of cash. The National Bank thus has the exclusive right to issue banknotes. Along with this right comes the task of creating new banknote series if necessary.

### **A new banknote series as a precautionary measure**

Why does the National Bank at this point in time start with the preparations for a new banknote series? After all, the current banknotes were introduced not that long ago, between 1995 and 1998. Their design quality is very high and they meet contemporary requirements. In addition, they are still adequately protected against counterfeiting. And last but not least: is it really worth investing in the preparation of a new banknote series for Switzerland at a time when our country is surrounded by a single currency, the euro?

Although our country's accession to the European Union (EU) does not seem to be an issue at the moment, it can by no means be ruled out in the future. An accession would probably also result in the adoption of the euro, ie Swiss banknotes might become obsolete. At the present point in time, however, we know neither if nor when such an accession scenario will become a reality. But even in the event that accession negotiations with the EU were started relatively soon, for example as early as 2008, and proceeded rather swiftly, transition periods would still apply. Even if such negotiations were concluded as early as 2011, for example, and if they entailed the adoption of the euro, Swiss banknotes would remain in circulation at least until 2015. The National Bank is thus compelled to tackle the development of new banknotes as a precautionary measure. This step has become necessary because of the development of new technologies and the typically high demands on the design quality of Swiss banknotes. Both aspects necessitate an adequate preparation period. Our current decision to intensify the preliminary work already under way was decisively influenced by the awareness that the work can be halted at any time, whereas it is impossible to initiate it or catch up on it within a short period. The National Bank's decision must, therefore, not be mistaken for a statement on its European policy; it is solely a precautionary measure.

### **Banknote security**

With progress being made in counterfeiting technology, a note-issuing bank, which has to ensure the security of its banknotes, must always strive to maintain a technological advantage over counterfeiters, or copy machines and scanners. This need is aggravated by the fact that security features previously reserved for banknotes are nowadays increasingly being used to protect such items as security documents, drugs and brand products. As a result, the know-how in security technology at the producer level is becoming trivialised and more prevalent. An increasing number of persons in more and more countries possess some elements of the security know-how that has so far been typically used for banknotes. This also poses a potential risk to the security of banknotes.

It was notably the progress made in counterfeiting technology that, over the decades, lowered the life span of a banknote series from forty to around fifteen years. The life span could become even shorter in the future. Formerly, a counterfeiter mainly had to be a skilful artisan. Nowadays, counterfeits are produced not only by experts, but increasingly by laypersons using colour copy machines, colour printers, and scanners. The dissemination of PCs and low-priced, yet qualitatively excellent scanners and printers today enables virtually anybody to produce good counterfeits at low cost and effort. The six well-known security features on our banknotes are still difficult to counterfeit, though, and the

public can easily verify whether the banknotes are genuine. Moreover, we have updated the currently valid banknote series with regard to security technology as far as this was possible and reasonable. The perforated number (microperforation), for example, which was initially used only for the large denominations of CHF 100, CHF 200 and CHF 1,000, has been applied to all the existing banknote denominations since the 2000 issue. We cannot rule out the possibility, however, that one day - given the progress being made in counterfeiting technology - some of the currently used security features could be imitated. For this reason, we have to resort to state-of-the-art technologies and visual phenomena to protect our banknotes. As it is a long way between the development of such technologies and their readiness for practical application, our decision to develop a new banknote series could not wait any longer.

### **Theme of the new banknote series**

The public is doubtlessly more interested in the theme and design of new banknotes than in the security technology. For one thing, the motifs must be easy to perceive and remember. For another, banknotes serve as a kind of national showcase. The visual appearance of our banknotes must both satisfy aesthetic requirements and convey values that represent our country and that are shared by the Swiss people.

Several design and communications experts were asked already some time ago to consider a theme for the new banknote series, and a number of proposals were submitted. The Governing Board of the National Bank decided on the theme "Switzerland open to the world" ("La Suisse ouverte au Monde"). This theme permits the depiction of a modern and internationally oriented country. Switzerland is to be represented as an entirety, as a country open to the rest of the world and also as a meeting place for the world. The focus should not be on any individuals, inventions or achievements. Much rather, a basic attitude and its manifestations should be conveyed: Switzerland as a platform for dialogue, progress, humanitarian commitment, exciting experiences, creativity and the search for practical approaches to solutions within organisations. It is envisaged that these topics will be dealt with through the lens of economics, education, research and development, human rights, tourism and recreation, culture and, lastly, sports. Six topics have to be depicted, namely the activities of negotiating and exchanging, teaching and researching, helping and mediating, enjoying and relaxing, creating and designing, and deciding and implementing. Each of these topics will be assigned to one denomination of the new banknote series.

The artistic representation must emphasise the topics rather than specific events or institutions. The traditional portrayal of personalities and the depiction of institutions and previous achievements should be dispensed with. The illustration of a university, for example, should not serve as a self-portrayal but could symbolise "progress". As previously, the banknote series should form a "family" both with regard to content and design. In other words, although each banknote type must have its own characteristics, they must at the same time share sufficient features to be easily recognised as part of the new series.

### **Competition for ideas**

For the design of the new banknote series, a competition for ideas will be held this year. Twelve graphic designers fulfilling the following requirements have been invited to participate:

- They are not older than 45 years of age.
- They are professionally active in Switzerland.
- They are familiar with the essential printing procedures.
- They have already demonstrated their creative and graphic skills.
- They dispose of adequate resources in terms of infrastructure and staff to ensure continuity, or are willing to build up such resources.
- They are willing to commit themselves to a long-term engagement.

In April 2005, a banknote seminar will be held for these designers to expand their knowledge of the subject matter. The seminar will also mark the beginning of the competition. The participants have to submit their drafts by 31 October 2005. A jury will assess the drafts and award prizes. At the end of November 2005, the drafts will be presented in a public exhibition. The jury will be chaired by

Jean-Christophe Ammann, an art historian, exhibition organiser and former director of the Museum of Modern Art in Frankfurt/Main, Germany, and will be composed of art and design experts. The National Bank may decide at its own discretion, however, with which designer it wishes to collaborate in the future. He or she may, but must not necessarily be one of the prize winners.