

Adriano Maleiane: Notes and coins in Mozambique

Speech by Mr Adriano Maleiane, Governor of the Bank of Mozambique (Banco de Moçambique), during the announcement of notes and coins of the Metical of the New Family, Maputo, 16 June 2006.

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Dear Guests,
Ladies and Gentlemen,

I would like to thank you, on behalf of the Board of Directors of the Banco de Moçambique and personally, for your presence in this ceremony for the announcement of the notes and coins of the Metical of the New Family, the day in which our currency completes 26 years of existence.

This event results from the process that began with the approval by the Parliament, of the Law Nº 7/2005, of December 20th, which creates and sets the value of the Metical conversion rate and empowers the Governor of the Banco de Moçambique to define the register designation of the Metical of the New Family.

The Metical of the New Family will facilitate our financial and commercial transactions and it will offer greater security and commodity as a result of the reduction of digits and the incorporation of more modern security features in the notes and coins.

The success of the process of introduction of the Metical of the New Family will continue to depend on an ample and participative advertising campaign, which reaches the country as a whole.

In this context, we count on information dissemination channels, such as the radio, television, newspapers and the internet website. With regard to radio, our message is already being broadcast through the Radio Moçambique and the community radios, in a total of 25 (twenty-five) national languages. It is also worth referring to the distribution throughout the country of posters, brochures and leaflets.

The Banco de Moçambique technical staff visited all districts of the country for public clarification of all aspects pertaining to this process, having had the collaboration of Government institutions, religious congregations, municipal authorities, community leaders and socio-professional organizations.

We have also been undertaking clarification lectures addressed to Mozambican community abroad, with particular focus to countries which host the majority of our compatriots.

Today, we feel that the message about the Metical of the New Family has reached greater majority of the Mozambican population, including that of the rural zones which, at the beginning of the process, represented our major priority.

Ladies and Gentlemen,

The notes and coins of the Metical of the New Family enter into circulation as from July 1st, 2006.

Today, we are announcing the publication of the features and the facial value of the notes and coins of the Metical of the New Family. The purpose of this ceremony is to announce the beginning of the process aiming at familiarizing the public with the new notes and coins, particularly in relation to minimum security features in order to facilitate the transactions as from July 1st, 2006.

As we have been informing, the entry into circulation of the notes and coins of the Metical of the New Family will not imply immediate withdrawal of notes and coins currently in circulation.

The simultaneous circulation of notes and coins currently in circulation and the notes and coins of the Metical of the New Family starts on July 1st, 2006, and will last for six months.

During the period of simultaneous circulation, there will be a process of gradual introduction of the Metical of the New Family. Therefore, there will not be any exchange posts. The notes and coins of the Metical of the New Family will be obtained normally in the course of commercial and banking transactions.

July 1st, 2006 only marks the beginning of the circulation of the Metical of the New Family and the beginning of conversion operations. Therefore, our behaviour should be equal to that we have shown when an introduction of new facial values of our currency takes place.

Payments using either notes and coins of the Metical currently in circulation as well as those of the Metical of the New Family can be made until December 31st, 2006, and the change received either in one Family of the Metical or in the other.

As from January 1st, 2007, the notes and coins of the Metical currently in circulation, which could still be held by the public, may be changed to notes and coins of the Metical of the New Family at the banking institutions until December 31st, 2007, and at the Banco de Moçambique until December 31st, 2012.

The effective conversion will occur on July 1st, 2006. This means that all banking accounts and the prices of goods and services expressed in Meticais will be converted to the Metical of the New Family.

For this purpose, I would like to stress the following aspects established under Decree nº 55/2005, of December 27th:

- In order to adjust the accounting procedures to the conversion process, within the 2006 financial year, we will have two accounting reports: the first (reported to June 30th, 2006) should be in the Metical currently in circulation and the second (reported to December 31st, 2006) should be in the Metical of the New Family;
- The conversion of the Metical in circulation to that of the New Family does not affect the existence, validity and effectiveness of contracts and other legal acts signed before July 1st, 2006.
- The double indication of prices will continue to be mandatory until December 31st, 2006. The price of goods and services in the markets, shops and company service providers, the bank account balances, the foreign exchange rate tables, for example, should continue to be stated simultaneously in the Metical of the New Family as well as in the Metical currently in circulation.

Dear guests,
Ladies and Gentlemen,

The characteristics of notes and coins of the Metical of the New Family, namely the colours, dimensions, motives and other features, are such that they cannot be mistaken with those of the Metical currently in circulation.

In the definition of the characteristics of notes and coins of the Metical of the New Family we integrated features about education, economy, history, culture and wildlife of our Country.

The notes and coins of the Metical of the New Family benefited of the technological advances in respect of note printing and currency minting. Therefore, they integrate elements that facilitate the identification of various denominations through a touch, which constitutes an innovation, and they are of good quality, endowed with modern security features.

Despite that, it is our responsibility to dignify and ensure the good conservation of the national currency, the Metical.

For this purpose, allow me to quote the preamble of the Law N° 2/80, of June 16th, the Law of the Metical, which states "The fight for currency stability is an integral part of the fight for economic development. The currency stability requires ever increased growth of production and productivity, as well as efforts aiming at preventing all acts and attempts to use our currency incorrectly." (*End of quotation*).

To end, I would like to call your attention for the presentation, by the Banco de Moçambique technical staff, of the notes and coins of the Metical of the New Family.

Thank you very much.