

L Wilson Kamit: New commemorative banknotes and coins in Papua New Guinea

Speech by Mr L Wilson Kamit, CBE, Governor of the Bank of Papua New Guinea, at the Launch of the banknotes and coins to commemorate the 35th Anniversary of the Bank of Papua New Guinea, Port Moresby, 7 November 2008.

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Thank you for accepting the invitation to join us at the Bank of Papua New Guinea to celebrate this important occasion. There are two important dates on our calendar we acknowledge each year.

On 1st November 1973, soon after self-Government and almost 2 years before independence, the Bank of Papua New Guinea was established as the Central Bank of the emerging nation and a young Mr Henry ToRobert (now Sir Henry ToRobert) was appointed the first Governor. The new Secretary for finance then was Mr Mekere Morauta (Sir Mekere Morauta). The tasks before the two former Governors and particularly the Bank was to develop and pursue appropriate fiscal and monetary policies, adopt best practices in supervision of an infant financial system and introduce our own national currency. Such were the challenges.

The Bank continues to face challenges and at times is compelled to undertake tasks outside of its core functions and these have been most satisfying. For instance, we were equity partners in starting up 2 commercial banks in the 1980s. In the 1990s, we were involved in the establishment of the Port Moresby Stock Exchange and the Governor was a Director from its inception till June 2008. Our role was to nurture the financial institutions from their establishment and once they were operational the Bank would exit.

We have also been averse to readily accepting new responsibilities not because we cannot or do not want to but because we should limit ourselves to achieving the best in our core functions rather than the “next best” in undertaking too many roles and tasks.

The Bank’s independence is as far as making monetary Policy and Supervision decisions but any independent central bank must necessarily work with its stakeholders.

The Bank could not have progressed thus far on its own and we must acknowledge the contributions from the Board of Directors of the Bank, different Government officials we work with – Minister Patrick Pruaitch MP, Secretary Tosali and Executives and officers of the financial system we interact with on a daily basis. We have auditors, accountants, and lawyers who have assisted us reach many of our goals. Our dedicated staff and their supportive families are also commended.

The other important date on our calendar is 19 April of each year. This day in 1997, Papua New Guinea introduced its own currency, Kina and Toea. The then Minister for Finance Mr Julius Chan (Now Sir Julius) named his son Toea, at the launching of the Kina and Toea.

The Kina and Toea is a strong partnership that has traveled the trek and withstood its own challenges. On the physical and domestic front, our banknotes issue began with paper substrate in 1973 but since 1991 we have moved on to introducing polymer notes, the second country outside Australia to adopt the new technology. As we have seen the benefits of polymer: Cost Effectiveness, Durability and great ability to withstand counterfeiting accrue to the Bank and the community; we have steadily increased the number of denominations issued on polymer substrate.

We have retained the traditional and cultural designs on the K2, K5, K10, K20 and K50 to notes to continue to remind us of our rich cultures and traditions. The K100 note depicts our

rich natural resources and the transition in economic growth and technological developments.

The front of the notes depict the national crest – the stylized bird of paradise sitting atop the kundu and spears and the National Parliament depicting nation building and nationhood.

Our coins depict the rich fauna of the country (except for the 50t which we have issued to commemorate special events). The turtle on the 5 toea, the cuscus on the 10 toea, the muruk on the 20t and the 2 crocodiles on the K1.00 were especially coined to depict the rich and unique animal world of Papua New Guinea. Of the 2 crocodiles on the Kina coin, one is said to be a fresh water crocodile and the other salt water.

This family of coins will now for the first time be joined by a K2.00 commemorative circulation coin which will circulate concurrently with the K2.00 banknote.

It is the Bank's role to ensure public acceptability and confidence in our currency is maintained by ensuring the design and appearance are acceptable and longevity and sufficient stocks of the notes and coins are maintained for our public needs.

On the exchange rate front, the Kina has endured its own challenges. It was introduced in 1975, it has been pegged, it has been placed in the basket of currencies and it was floated in 1994, all before it reached the age of 21 years. It is still going strong. What a journey!!!

Ladies and gentlemen, let me introduce to you for the first time in our history the 35th anniversary commemorative K2.00 circulation coin. Alongside it is the commemorative K2.00 note which will circulate concurrently. Another historical introduction is the new 35th Anniversary 50t circulation commemorative circulation coin which has the Bank logo in red on the back.

A new look K50.00 banknote is also launched. It has new security and design features which now standardizes the features with the other banknotes.