

## Bwalya K E Ng'andu: Workshop on Zambian banknotes

Opening remarks by Dr Bwalya K E Ng'andu, Deputy Governor (Operations) of the Bank of Zambia, at the G&D Workshop on Zambian banknotes, Lusaka, 22 November 2011.

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- Mr. Werner Reisch and all resource persons from Giesecke and Devrient GmbH
- Acting Director – Banking, Currency and Payment Systems
- Ladies and Gentlemen

I wish to welcome you all to this workshop on Zambian banknotes and in particular allow me to welcome Mr. Werner Reisch and his team from Germany. As Bank of Zambia, we appreciate your efforts to organise this workshop and would like to assure you that by the end of the workshop all participants will have been enriched with new information on cash management. I am reliably informed that this workshop will be divided into two sessions, with this session targeting employees from Bank of Zambia and the next session that will take place tomorrow targeting commercial bank employees.

**Ladies and Gentlemen**, As you may be aware G&D is a reputable printing company based in Germany which has been in existence since 1852. The Bank has a long standing business relationship with G&D going as far back as 1996 when the company first installed the ISS 300 money counting machines in our Currency office and subsequently the BDS 400 banknote destruction system in 2000.

The Bank's relationship with G&D developed further as the company was awarded a contract to print the K10,000 denomination in the 2007–2009 currency supply contract. Currently, G&D are the printers of all banknotes under the 2010–2012 currency supply contracts. Further, G&D are the suppliers of the Bank's current banknote processing equipment, the BPS 1000 machines integrated destruction system and the off-line BDS 400 destruction system.

**Distinguished participants**, The Bank of Zambia, under the Bank of Zambia Act (1996), is empowered to “**issue notes and coins to be legal tender in the Republic and regulate all matters relating to the currency of the Republic**”. In line with this function, the Bank pursues a clean note policy which entails effective and efficient management of banknotes. We therefore, welcome this initiative by G&D to conduct this Workshop, which is aimed at empowering the cash handlers from both the Bank of Zambia and the Commercial Banks with knowledge needed for effective and efficient cash management.

I have noted that the programme covers topical issues such as **Banknote processing, Banknote security features, counterfeit notes**, just to mention but a few, which are all relevant to both the Central Bank and Commercial Banks being the main cash handlers.

**Ladies and Gentlemen**, Let me briefly touch on one of the issues that will be addressed at this workshop, that of counterfeit notes. The Bank of Zambia faces challenges in this area, especially with regard to the highest value denomination, the K50,000. However, the volumes are not alarming as evidenced by the prevailing statistics. For instance, the ratio of counterfeit notes in circulation to currency in circulation in the K50,000 is negligible at 0.000036% as at end June 2011. This has been the case for the past five years. Despite the aforementioned statistic, it still remains our responsibility to ensure that this illegal activity is curbed by sensitizing the general public about the genuine security features of the Zambian banknotes.

**Distinguished participants**, the topics that will be addressed at this workshop will provide you with an opportunity to learn modern methods of cash processing. As you may be aware, the Bank has made attempts to automate cash operations. As a result, the Bank acquired the

BPS 1000 banknote sorting machines with an integrated banknote destruction system in 2008. The process of automating currency operations is one of the Bank's key strategic objectives.

This workshop provides us with a unique opportunity to share our experiences with the printers of our banknotes and suppliers of the cash processing equipment. Please use this opportunity to tap knowledge from the vast experience and expertise of our resource persons.

Finally, I wish to urge workshop participants to actively participate during deliberations of this Workshop.

With these few words, it is now my honour and privilege to declare this workshop officially open.

***I THANK YOU!***