

## **Linah K Mohohlo: Official launch of new Botswana coins**

Welcome remarks by Ms Linah K Mohohlo, Governor of the Bank of Botswana, at the official launch of the new coin, Gaborone, 27 February 2014.

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On behalf of the Board and staff of the Bank, I welcome you, Sir, Your Excellency The President and all invited guests, first, to the Bank's impressive premises; second, and more fittingly, to this event, the proceedings of which will culminate in the official launch of the new family of Botswana coin.

I wish to acknowledge the presence of Your Lordship the Chief Justice Rre Dibotelo, and Your Excellency the former President, Sir Ketumile.

The Honourable Minister of Finance and Development Planning, Rre Matambo, and your Honourable Cabinet Colleagues, the Honourable Deputy Speaker of the National Assembly, Members of the Diplomatic Corps, Chief Executive Officers of banks and other financial institutions, Distinguished Ladies and Gentlemen – your presence too is acknowledged.

Your Excellency, as and when we have the opportunity to host you in the Bank's premises, as is the case this morning, we feel distinctively honoured. It is all the more so when we are privileged to host you on this particularly special day, February 27. Happy birthday Your Excellency, and many happy returns.

I take pride in paving the way for you, Sir, to launch the new family of coin and declare them legal tender in Botswana, so that they can be available for public use in daily transactions. Indeed, the public and business community are anxiously looking forward to the new coins.

I have only a few remarks to make before I make way for appropriate officiation. In line with international best practice, the Bank embarked on a comprehensive review of the denominations, composition, form and design of the country's currency some years back. Once the Honourable Minister of Finance and Development Planning had given the go ahead, in line with the relevant Section of the Bank of Botswana Act (Section 24 (2)), the first step of this exercise involved a renewal of all banknotes in 2009, which resulted in the issuance of the Pula banknotes currently in circulation. Now we have a new set of coin, soon to be launched, the make-up and denomination of which I leave for His Excellency The President to speak to. In fact, Your Excellency's input and guidance in this respect, have been invaluable.

Since the launch of the family of banknotes in 2009, currency in circulation has increased by 35 percent. This is attributable mainly to the P200 banknote, which is an indication of its popularity. In fact, by the end of 2013, the P200 banknote accounted for approximately 60 percent of all the paper money in circulation.

As a related matter, the management of all currency is now conducted on these premises called the Cash Management Centre. This facility assures efficient handling and delivery of quality service to commercial banks, and generally enhances efficiency in the national cash management cycle.

Although banknotes and coin continue to be a major medium of exchange in Botswana, non-cash transactions, especially electronic transfers, have gained considerable ground. The result is that the average monthly cheque payments have declined by over 50 percent to about P3 billion in the five years to 2013.

In the same period, congestion at banking halls for cash withdrawal has been eased, due to the increasing number and usage of Automated Teller Machines (ATMs). Equally important, the value of average monthly ATM withdrawals has increased by about 50 percent to P1.3 billion.

In the not-too-distant future, the efficiency of the national payments system will be enhanced by the introduction of the cheque imaging and truncation system, which will reduce the cheque clearing cycle. Furthermore, both the Accountant General's Office and the Botswana Unified Revenue Service will be connected to the Bank of Botswana through the electronic Botswana Interbank Settlement System. This will greatly improve the speed, security and efficiency of government payment transactions, as well as those of the Botswana Unified Revenue Service.

Director of Ceremonies, Distinguished Guests:

There is one last piece of noteworthy information obtained from institutional memory that I would like to share with you. That is, since Botswana withdrew from the Rand Monetary Area and introduced its own currency in 1976, it is the first time that a sitting President will, by the end of this ceremony, have coincidentally presided over the renewal of all of the country's banknotes and coin. Congratulations are in order, Sir.

Distinguished Guests, Ladies and Gentlemen:

It is now my pleasant duty and honour to invite you to the podium, Sir, Your Excellency The President, so you could deliver your address and ultimately launch the country's new family of coin, and, at the same time, declare the new coin legal tender in Botswana.

Your Excellency, Sir.