

Luke Forau: Launch of the new \$1 coin

Keynote address by Mr Luke Forau, Governor of the Central Bank of Solomon Islands, at the launching of the new \$1 coin featuring King Charles III Effigy, Honiara, 13 March 2025.

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Minister of Finance & Treasury Hon Manase D Sogavare, Ministry of Finance and Treasury

CBSI Board of Directors

Heads and Representatives of the Financial Institutions

Members of the Press – both radio and print

Our business partner from Royal Australia Mint (Not present here today)

CBSI Executives, managers and staff

CBSI Currency Taskforce

Good people of Solomon Islands

Friends, Ladies & Gentlemen

Gud Fala Morning Lo Iufala Evriwan who are here today, including those who are turning in today from SIBC.

It gives me great pleasure to welcome you all this morning, a special welcome to the Minister of Finance and Treasury, to witness yet another milestone in the Central Bank's history – the launch of the New SI \$1 circulation coin with the new effigy of His Majesty, "King Charles III" which the Minister is going to declare it later on, and will be released into circulation as of today, 13th March 2025.

Let me briefly take you back to our currency history that we journey before SI Independence in July 1978.

Before Solomon Islands gained Independence on 7th July 1978, the British Solomon Islands Protectorate has had its own currency notes and coins, which were first issued on 24th October 1977, using Her Majesty Queen Elizabeth's Effigy. I suppose this is one of the prerequisites for a nationhood. And FYI, the Central Bank was established in 1976, then it was called Solomon Islands Monetary Authority (SIMA).

In November 2011, for strategic reasons CBSI ceased all its currency coins agreement with the British Royal Mint and signed a new Agreement with the Royal Australia Mint Ltd (RAM) for the minting of all SI Circulation Coins & Numismatic Programs

In June 2012, the Central Bank issued its first Circulation coins minted by the Royal Australian Mint Ltd, totalling SBD\$25.7m.

Today, this currency development continues as we come to witness yet another new circulation bank coin that marks a new reign in the line of Thrown replacing the obverse of the coin which features the effigy of Her Majesty Queen Elizabeth II to a new Effigy of His Majesty King Charles III 2025.

Let me turn to the new effigy of His Majesty King Charles III on the \$1 SI circulation coin

As you may have already probably aware, the CBSI had recently pre-launched and unveiled the new King Charles effigy on the \$1 coin to international media at the Royal Australia Mint Ltd in Canberra, in October 2024, via a Bank Industry News Media Release.

The coin, now set to be launched today (13th March 2025), represents a historic milestone in the journey of Solomon Islands' modern currency development and a continuation of our ongoing relationship between Great Britain and Solomon Islands and between CBSI and its supplier, the Royal Australian Mint Ltd

The new \$1 coin will retain the same dimension (size and shape) with the beloved Nguzu Nguzu motif on its reverse, symbolizing good luck and protection, while the obverse will feature the new effigy of King Charles III designed by Daniel Thorne (DT). The inclusion of the effigy marks the first Solomon Islands coin to commemorate His Majesty's reign, combining traditional elements with this fresh design to celebrate the nation's heritage and monarchy.

The new coin is more than a currency; it is a symbol of the Solomon Islands' history, culture, and its ties to the Commonwealth. This design honors both our traditions and a shared value that the nations of the Commonwealth uphold in recognition of the monarchy.

The coin will be officially launched and will become available through the commercial banks and its branches as of this afternoon and the coming days. CBSI will also conduct special promotional events and educational campaign to familiarize the public with the new effigy. It is important to differentiate the significance of the New King's Effigy as compared to the Queen Effigy. The New King Charles' III Effigy when looking at the coin obverse, will be facing to the Left while the Queen's Effigy will be facing to your Right

This latest collaboration with the Royal Australian Mint continues our long-standing partnership between the Solomon Islands and Australia, showcasing the shared values and excellent business relationship of both nations.

What to look for on the new bank coin:

Front Design:

As alluded earlier, this new \$1 coin will retain the same dimension (size, shape and aluminum bronze color) with the obverse featuring the new effigy of King Charles III designed by Daniel Thorne (DT).

On the Back Design:

The new \$1 coin also retain the same design with the famous Nguzu Nguzu motif on its reverse, that symbolizes good luck and protection, so there is no change to the reverse side of the coin at all.

As a market currency, this bank coin will be highly used in daily transactions because of its fitting face value for smaller payments for all retailers both in rural and urban areas.

The new and colourful bank coin will join more than \$46.8 million worth of coins already in circulation as at end of December, 2024.

Cost of Printing Banknotes

Allow me to now remind all our good people of Solomon Islands that the Central Bank spends a lot of money each time it prints or mints new currencies. It costs the Central Bank around SBD3.4 million to get the new \$1 coin with the new effigy from our supplier. The average life of the \$1 coin is estimated at over 20 to 25 years before they become worn out to be used anymore.

So, I believe the current \$1 coins circulating in your pockets and wallets right now is around 13 years old and are still in very good or good conditions. Our current stock of the new \$1 coins should last more than 3 years.

Statistics however show that the frequency of coins being issued to public through our commercial banks are excessively high due to coins being seen on a very high ONE-WAY Traffic for reasons that are not quite clear to us at the Central Bank. But we believe individuals and business houses could be keeping those coins in their small piggy banks and were not allowed to circulate.

The more you hold to the coin and not circulating it through transactions, it reduces the multiplier effect that should have occurred. This causes shortage in coins, triggering CBSI to reorder coins more frequently from the supplier to ensure we have sufficient supply of quality coins to meet business and public demand. This further depletes our foreign reserves just to procure new currency notes or coins. We obviously do not want that to happen but it is happening.

Hence, I appeal to the people of Solomon Islands that you USE your new coins with extra care and pride but we would also advice you all to ensure that you do circulate the coins once it comes around your way to facilitate small changes in the trades of goods and services.

Again, our advice is: ***Do not store them away in containers, piggy banks or hide them under mattresses.***

Finally, I would like to thank the technical team from the Royal Australia Mint Ltd, for assisting CBSI in the design, formalities and production of our bank coins. Our partnership relationship with RAM, Australia had been now well around 13 years so this is indeed a unique occasion for both CBSI and RAM.

We would also like to thank the CBSI Board of directors, Minister of Finance and Solomon Island Government and other stakeholders in ensuring the legislative procedures and arrangements are fully in compliance and to the success of this project milestone. Thank you too to all the Heads of Financial Institutions witnessing the launch for this morning as the main channel of our currency distributions.

Final acknowledgement goes to my team the Currency Launch Taskforce, Currency & Banking Services Department and the CBSI Management team for their coordinated job well done in making this a success.

Official Launch

Now, ladies and gentlemen, I now have the pleasure to invite the Hon Minister of Finance and Treasury (Hon Manasseh D Sogavare) to unveil the new \$1 coin with the new effigy of His Majesty King Charles III 2025.