



CENTRAL BANK of SOLOMON ISLANDS

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SOLOMON ISLANDS CURRENCY: The Numismatic Business

The word numismatic in the CBSI context refers to coins that are minted or made, depicting certain events to be commemorated for collectors. There are collectors who collect items for either fun or hobby, for example, collectors of items like stamps, candy bars, beers etc. With regards to coins, there are collectors who collect coins for fun or as a hobby as well. There are also the more serious collectors who collect coins for the intrinsic value of the coins. This group of collectors look at the investment potential from coin collecting because of the alloy composition of the coins like gold or silver. Still others want to collect coins because of the exotic nature and often the rarity of the coin due to errors from minting or because they are considered ancient. At CBSI, numismatic material is called stock to avoid any confusion with the authorized circulating coinage of the country.

The common nature of the two categories of coins is that both stock and circulating coins are legal tender coins in the Solomon Islands as stipulated in the Central Bank Act 2012. What this means is that numismatic coins can be redeemed at CBSI for their face value. Hence a coin with the face value equal \$100 can be redeemed for \$100 at CBSI. Similarly, a coin with the face value \$5 can be redeemed for \$5 and so forth. In practice, we rarely see collectors come to CBSI to redeem their numismatic coins. This is basically for the simple reason that the alloy composition of a coin and, therefore, its intrinsic value is higher than the face value shown on the coin. Hence, one would rather opt to have his or her coin sold at the intrinsic value for the precious metal content than exchange at the face value.

A brief history of Numismatic

Solomon Islands began arranging for the issue of numismatic coins as early as 1976 during the transition period from British Protectorate to full independence on 7th July 1978. During the days of SIMA (Solomon Islands Monetary Authority) before it changes to the CBSI, Central Bank of Solomon Islands) in their 1977 annual report, it noted that SIMA was active in the arrangements for the sale of numismatic items for public collection.

Numismatic business has evolved

The numismatic business has evolved over the years. From the initial issue of \$100 and \$5 numismatic coin denominations in 1978, the numismatic business has in the last 40 years grown to a very important additional source of revenue for CBSI. Although this may constitute just a fraction of the total value of monies generated from the Bank's investments offshore. But perhaps the value adding element in the numismatic business is, it promotes Solomon Islands amongst collectors and potential collectors alike. Coin dealers and mint companies engaged by the Central Bank in the numismatic business have been instrumental in putting, as it were, Solomon Islands on the map. As more and more people become aware of Solomon Islands through the coin magazines and TV ads featuring our Solomon Islands coins, the spill off could impact positively in the tourism industry. In addition, the numismatic coin programs that the Central Bank participates in have strong subscribers in Europe and Asia, particularly the Chinese market. In the Americas, the Central Bank continues to benefit from a business partner that has established solid partnership relationships in the American market and is now tapping into the Russian market as well. Apparently, there is potential for expansion in the market base for numismatic coins given the right coin program and good marketing strategies. For CBSI, this means more royalty incomes from increased sales of numismatic coins overseas.

While the above speaks true of the involvement of the international market, the local domestic market is still at its infant stage in the sense that there are just a couple of customers in Honiara who collect coins. But the concept of coin collecting can be developed locally since the idea of keeping treasures has been an important part of Solomon Islands cultures. The treasures are normally hidden away in caves or buried in the ground and only displayed when conflicting parties are asked to produce evidence of ownership during the conflict resolution process. In a similar fashion, the concept can be applied in the modern context with particular emphasis on individuals buying numismatic coins like bullion coins as a form of investment for the tribe. Others who wish to buy Gold and/or Silver coins may do so depending on affordability. Gold and silver also fetch high prices in the precious metals market. At CBSI, Gold and Silver articles may be classified into 'Proof' or 'Brilliant Uncirculated' and they may be sold as single units or in sets.

Advancement in technology bring new opportunities

Not only has the international market for coins grown in terms of size, composition and geography, but advancements in technology has impacted positively in terms of the degree of sophistication in numismatic products available on the market nowadays. From predominantly round or oval coins with ridged edges weighing just about 20grams or less on the average, we now see Solomon Islands legal tender numismatic coins minted in varying shapes, sizes and weight. The shaped coins are increasingly becoming popular amongst serious collectors and the casual ones. The shaped coins come in the form of rectangular shaped coins, oval shaped coins, dome shaped coins or they take the shape of the actual theme of the design depicted on the reverse side of the coins. Hence, we have approved coins depicting the butterfly fish in the shape of the butterfly fish or the sculptured Tutankhamun coin – an Egyptian pharaoh of the 18th dynasty in color application, gold leaf application and selective enamel coating or the Bust of

Nefertiti - Nefertiti(*ca. 1370 BC – ca. 1330 BC*) was the Great Royal Wife (chief consort) of the Egyptian Pharaoh Akhenaten.



Tatunkhamun

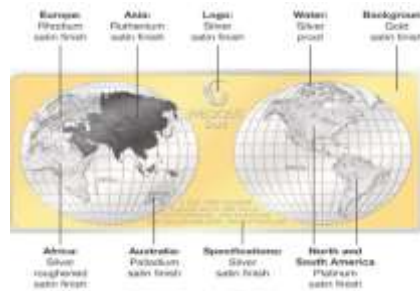


Bust of Nefertiti

In addition, state of the art coin minting technology has made it possible to have multi-colored prints on coins like the dome shaped coin commemorating the Berlin Cathedral. There are even coins with more than one precious metal in them like the ‘Precious 6 in 1’ coin consisting 1 oz silver but with applications of Gold, Rhodium, Ruthenium, Silver, Platinum and Palladium.



Berlin Cathedral



Precious 6 in 1

All visible designs on current Solomon Islands numismatic coins feature the Queen’s effigy or image by Ian Rank Broadly (IRB). Commemorative coins approved in the period 1985-1997 bore the image of the Queen by Raphael Maklouf.



The Queen’s portrait by IRB

The future is indeed bright for CBSI and its traditional business partners who have supported the Bank in its numismatic journey since its establishment in 1976.

Generally, CBSI participation in commemorative coin programs has been around the following major themes: Historical events like the World Wars; Monarchs; German Statesmen; Flora & Fauna – endangered species; Famous Landmarks; Museum Collections; Famous Inventions – Railways, Planes etc; Ancient Egypt Series; The Seven Ancient & Seven Modern Wonders;

Smallest Gold Coins; Lunar Coin Programs; Tapio Rautavaara Coin Series; Leopard Neon Collection; Major Sporting Events – FIFA World Cup, Olympic Games; The Globe; The Solar System, to name a few popular coin programs.

Coins that had been struck for local sales include; the RAMSI coin to commemorate RAMSI participation in the peace building process in the country following the ethnic tension, the royal visit of the Duke and Duchess of Cambridge, the US Marine landing on Guadalcanal, the Battle of the Coral Sea, the Bombing of Pearl Harbor, 2012 Silver Proof coin set, 2012 UNC circulating coin set. The most recent approval in 2016 is a coin series commemorating Her Majesty Queen Elizabeth II 90th Birthday.

CBSI appreciates the honor given to the country to participate in the celebrations marking Her Majesty's 90th Birthday which according to traditions is always celebrated in June, around the same time the Central Bank normally celebrates its anniversaries of central banking.

CBSI aims to keep promoting its coin collectibles to the international public and encourage locals to show interest and take part in the numismatic business.

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