

The Harsh Note Handling Environment – The Challenge to our Currency Banknotes

CBSI weekly educational and awareness feature

The “harsh note handling environment” has a major impact on banknote performances, Notes that are expected to be out in circulation for 6 months does not make it that far.

There are six major islands in Solomon Islands, more than 900 smaller islands with the population of 610,000. The humidity and the common practice of crumpling banknotes in these islands has been a major challenge which results in why notes do not last long in their circulation.

It is because of this challenge the need to explore opportunities to improve our banknotes was carried forward which results to the introduction of polymer notes.

Although we have just recently launched our new \$5 polymer note, the other paper denominations lives still stands at risk, for instance the \$10, \$20, \$50 and \$100 banknotes. Our way of handling money will determine how long these notes can last.

The Central Bank of Solomon Islands has been trying to instill the notion of respect and ownership into our currencies for years. Campaigns and currency awareness were made throughout the country teaching people about good money handling skills.

The use of wallet or purse was highly recommended and emphasized in every awareness and campaigns. The more we fold our notes and crumpled them into our hands and pockets, we are contributing to lessen their life in circulation in a banknote cycle. In other words notes that are expected to be out in circulation for an average period of time does not make it that far.

When any soiled, currency reaches CBSI, they will be regarded as useless and unfit for recirculation because they lost their quality. Soiled currencies are notes that are torn, defaced, stapled, discolored and written on.

The cost of buying new cash to replace the stock of currency at CBSI is drawn from the country’s reserves. This constitutes a huge capital cost to the CBSI and the government of Solomon Islands. In the year 2015 alone, for instance, currency cost was around \$10 million since than it has increased Given the cost of buying notes, the public is encouraged to take good care of their dollar notes as well as understand the features that differentiate real notes from fake notes to always be alert on counterfeit activities.

With the new \$5 polymer note, the public is strongly advised to handle it with great care. Although polymer notes are said to be 3-5 times stronger, given our common practice of handling notes, CBSI still expect to receive a few polymer notes earlier than its expected average lifetime, however the quantity would be less compared to paper notes.

CBSI will continue to emphasize the importance of note handling and raise awareness on counterfeit activities. While the general public is encouraged to take good care of our banknotes in this harsh note handling environment.

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