

2008 ESTA CONFERENCE – LAST UPDATE

ESTA BOARD - UPDATE

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2008 ESTA CONFERENCE – LAST REMINDER

What makes ESTA 2008 Conference the “Must-Attend” Industry Event of the year?

- Over 270+ attendees
- 22+ Presentations over 2 days
- Panel discussion and audience interaction
- Speakers from 3 continents
- 10 Key themes for 2008: Cash Cycle, ATMs, Central Banks models, ECB measures, EPC views, Standardisation, Attacks & Loss, Insurance, Law Enforcement initiatives and analysis.

**So if you have not already booked your place, hurry as spaces are filling up quickly and registration will close shortly!
Do not miss this exciting event and excellent networking opportunity. SEE YOU THERE!**

ESTA BOARD – UPDATE TO BE CONFIRMED BY 2008 ASSEMBLY

K. Niven (President), B. Dumoulin (Executive Vice President), L. Blecko (Vice President), L. Oro (Treasurer), P. Spollon, G. Levinsohn, V. Moser, P. Verzendaal, R. Juhos, C. Weisen, S. Wikman, F. Ravez (Secretary General)

NEW ESTA MEMBER

Adherent: Sargent & Greenleaf S.A.

EU AFFAIRS

CROSS BORDER CIT

At the occasion of last ECUG meeting (February 28, 2008), DG ECFIN from the European Commission has made a declaration saying that they have been mandated, at ECB's request, to work on cross border CIT.

A first meeting will be called within 2/3 months, a large consultation launched, and a Commission's proposal issued by the end of 2009.

ESTA will, as always, represent our Industry's interest and will set a specific working group to deal with this matter.

LATEST BANKNOTES, COINS & COUNTERFEITING DATA

A. LATEST BANKNOTES DATA (2007):

- Number of banknotes in circulation has increased by 6,7%
- Value of banknotes in circulation has increased by 7,7%
- Return frequency is 2,93 in 2007 compared to 3,03 in 2006
- Life time is 1,98 years in 2007 compared to 2,32 in 2006
- Unfit banknotes in 2007 amount to 5,5Bn or 17%

B. COINS DATA:

- Volume growth of 9,2% in 2007
- Value growth of 7,7%

C. COUNTERFEITING

Banknotes

- 570.000 counterfeit have been recovered in 2007 which is considered as stable and acceptable;
- €50 is the favourite target but €20 and €100 increase;
- 74% of counterfeit is produced by traditional printing whilst the balance (26%) comes from unsophisticated method.

Coins

- Increase of 29% in 2007
- €2 is mostly counterfeited (85%)

D. ECWS

The Euro-check website enables authorized users to check the authenticity of euro banknotes and to verify whether or not a suspect banknote is a member of an already known class.

E. UPDATE ON ES2

- The middle denominations (€20, 50 and 100) will be issued first, between 2011/2013.
- The low denominations might be made of a different substrate since the focus is "durability" and decision is expected by the end of 2008.
- Parallel issuance with ES1 is considered but will be limited to one year.

F. COUNCIL REGULATION TO RENDER AUTHENTICATION COMPULSORY

Several amendments are currently proposed to both the Council and the European Parliament to amend the Council Regulation of 2001 with regard to:

- Permission to transport counterfeit notes and coins amongst the competent national authorities.
- Obligation for credit and other relevant institutions to check the authenticity of euro notes and coins intended to be put back in circulation.

Note: this upcoming legislation allows the enforcement of the Recycling Directive and similar Coins Authentication framework in countries where those recommendations have not been transposed in national law.

This obligation is likely to be extended to third parties which were initially excluded from the Framework as we had requested it right from the outset of the Recycling Directive.

THE CEN STANDARDIZATION PROCESS OF CASH DEGRADATION SYSTEMS – UPDATE

The last meeting of Frankfurt (19/20 February 2008) has seen CIT participants requesting more testing to ascertain that future standardized systems do satisfy with end-users legitimate requirements.

Better regulation has been preferred to rushed regulation, keeping in mind the multiple stumbling blocks (packaging, staining coverage, detection...) and the meeting has concluded that the current document was not ready to be transformed in Active Work Item yet: the CEN TC 263 WG4 will therefore apply for more time.

The upcoming meeting of 29/30 May 2008, will re-consider the issues of multiple standard levels.

MISCELLANEOUS

AUSTRALIAN PAYMENTS (RBA)

Two new RBA reports highlight important payment trends and issues; these include the rapid movement towards electronic payments, but with cash continuing to be the cheapest and by far the most widely used payment instrument, especially for low value transaction!

APACS (UK PAYMENTS ASSOCIATION) - www.apacs.org.uk

APACS has released two excellent documents, quoting key statistic and demonstrative of cash usage and efficiency: Payment facts and Payment Myths which are worth reading and can be retrieve from their web site.

APACS has also released its 2007 cards fraud data showing a 25% increase over 2006, to total €850 Million!

In absence of EU statistics, we can estimate, by extrapolation, that the total amount defrauded in Europe is approximately €3,5 Billion!

ENVIRONMENTAL IMPACT OF EURO BANKNOTES (ECB)

A. LIFE CYCLE ASSESSMENT

The assessment has concluded that the environmental impact of euro banknotes during their complete life cycle is equivalent to each European citizen driving a car one kilometre or leaving a 60W light bulb switched on for half a day!

B. HEALTH AND SAFETY ASSESSMENT

The assessment has concluded that Euro banknotes are safe and do not cause any of the claimed hazards: there is no evidence of the presence of many dangerous substances in euro banknotes.

C. LATEST MEASURES

ECB is currently developing two monitoring systems. Their installation is strictly precautionary.

ENERGY

A recent study from Dresde University has concluded that at the current rate and within less than 25 years, Internet and its mega data centres will take as much energy as the whole world! Who said that cash was environmental unfriendly?

CIT EURO STATISTICS 2007

We have recently published on our web site the latest data available, which show a total of 2.559 CIT companies operating in 32 European countries!

Whilst this document is based on data received from our Members, it must be treated with caution.

In many European countries, our industry is still fragmented, due to historical reasons, and many companies operate at local level only; the total of companies having national coverage in their home countries is more likely to be around 130!

UPCOMING EVENTS

- BANKNOTE 2008 – April 6-9 – Washington – www.banknote2008.com
- EUROPEAN ATMS – April 14-15: – London – www.atmiaconferences.com
- CASH PROCESSING – April 17-18 – Barcelona – www.efma.com
- ESTA 2008 – May 18-20 – Nice – www.esta.biz
- CURRENCY CONFERENCE – October 2008 – Prague – www.currencyconference.com
- CARDS 2008 – November 4-5 – Paris – www.efma.com

