

(English version)

KBA-NotaSys and CEO, Eric Boissonnas, opened its doors to the local Swiss newspaper, Le Matin Dimanche.

The future of banknotes is printed in Lausanne

These were important days for KBA-NotaSys. As it does every four years, the company, which specialises in the design of equipment used to print banknotes, should have held its "Banknote Horizons" event.

The Lausanne-based company welcomes invitees from the seventy or so state-owned printing works operating worldwide as well as representatives of the few private players, such as the Swiss Orell Füssli Group, which has been commissioned by the Swiss National Bank (SNB) to print Swiss francs. "For us, this is an opportunity to show (again) our know-how and, above all, to present the latest technical and security developments in money printing," explains CEO Eric Boissonnas.

And what know-how for the company founded in 1952 by the Italian Gualtiero Giori (originally named Organisation Giori) and acquired in 2001 by the German giant Koenig & Bauer! A few minutes spent in the exhibition hall observing machines and prototypes of banknotes (printed for test purposes) allow you to quickly grasp it. Because if the machines are assembled in Germany and Austria, they are designed and improved here in Lausanne at KBA-NotaSys headquarters.

Including the specialised inks of another giant based in Lausanne, the SICPA group, it is fair to say that the future of a large part of the 160 billion banknotes takes place in Switzerland.

Requirements of the new Swiss banknote

Depending on a country's wishes, the complexity of the printed denominations varies. "While our aim is always to push the technology to the limit, the important point is to be able to adapt to the specific needs of each issuer," says Eric Boissonnas.

The ninth series of Swiss banknotes, for example, is one of the most complex and secure denominations in the world. "Swiss banknotes are produced in several stages, which include seven printing modes, an application mode and a perforation mode," the SNB says on its website. In addition, a completely new three-layer substrate has been developed. These requirements come at a cost, since the Swiss banknote costs 40 centimes to produce, while the euro costs no more than 5.

Increasingly strong competition

In view of the evolution of competition, however, being at the forefront of innovation appears more necessary than ever. Having dominated the market for a long time, KBA-NotaSys not only faces long-standing rivals such as the Japanese Komori group, but also

new players, as is the case in China. In addition, there are central banks that are more concerned about prices, given the indebtedness of governments. "This increased cost control is tending to increase the life of the current series (editor's note: by an average of seven to eight years)," explains the CEO. The fact is that a complete banknote production line is not for all budgets. Without giving specific amounts, the company is talking about tens of millions. In any case, the access to such machines is strongly regulated and controlled by the industry itself to prevent counterfeiting.

There is also the growth of cryptocurrency and digital means of payment. In the long term, they could have a consequence on the evolution of the number of banknotes in circulation. Some projections forecast that this number, which has followed a slightly increasing trend in recent years, is projected to decline in one or two years' time.

Offering complete solutions

These combined challenges are impacting margins, putting pressure on the company when it comes to responding to tenders. In 2017, KBA-NotaSys had to let go around 50 employees in Lausanne. "Our presence in the Canton of Vaud is not in question at all," says the CEO, describing the unique skills of the 140 remaining employees.

In order to adapt to this development, the Swiss subsidiary of Koenig & Bauer not only manufactures the printing presses, but provides its customers with complete solutions. These can include the design of the banknote, the manufacturing of the plates, or even the delivery and complete installation of a production line.

Such challenges have also prompted the industry to come out into the open and band together to defend the future of cash through movements such as the recently created Cash Matters. "Our aim is to do an informative job by reminding people, for example, of the many advantages of cash: inclusive, at no extra cost, or available at any time. I am convinced that it will continue to exist alongside other payment solutions. Look at Sweden, it has gone backwards in its initial plan to go cashless," concludes Eric Boissonnas.

The Swiss banknote in figures

181,1

In millions, the banknotes issued by the Swiss National Bank in 2019. A total of 488 million denominations are in circulation.

15

The known security features (some of which remain secret) contained in the 9th series of Swiss banknotes.

40

In centimes, the price in production of the Swiss banknote, 8 times more than the euro.

100

In tonnes, all banknotes put into circulation in one year.

Reference: Wurlod, O. (2020, June 14). 'The future of banknotes is printed in Lausanne'. *Le Matin Dimanche*, p. 11. And retrieved from https://bit.ly/lematin_kban