

RESERVE BANK OF FIJI



PRESS RELEASE

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RESERVE BANK COMMENCES PUBLIC AWARENESS ON NEW COINAGE STRUCTURE

The Reserve Bank of Fiji today announced the commencement of the public awareness campaign for the nation's new coinage structure as endorsed by Cabinet in March this year. In making the announcement Deputy Governor Mr. Sada Reddy said that Cabinet, on 13 March 2008, approved a new coinage structure for Fiji as follows:

- Withdrawal from circulation of the 1 cent coins in addition to the earlier approval to withdraw the 2 cents from circulation when stocks run out; and
- Introduction of smaller and lighter 5, 10, 20, 50 cent and \$1 coins with new metal composition and edge designs to replace the current circulation coins.

Since March 2008, the Bank had been working closely with the successful tenderer, the *Royal Canadian Mint*, to finalise production.

Mr. Reddy explained that the changes were necessary in order to take advantage of new technologies in minting coins; achieve cost savings due to rising cost of metals by re-examining the metal composition and the size of our coins, and in doing so aligning the size and weight to value; and taking into account public views and ensure Fiji's coinage meets the needs of the general public. Implementation of these changes will save the country millions of dollars.

The newer smaller and lighter coins will be issued in January 2009 and further details will be released progressively by the Bank in the near future.

Mr. Reddy also informed that effective from 13 October 2008 the Reserve Bank will commence withdrawing the 1 and 2 cent coins from circulation.

He went on to say that over the past few weeks the Bank has engaged key stakeholders in discussions to ensure that critical issues stemming from the cessation are addressed particularly the issue of rounding to the nearest 5 cents.

Mr. Reddy clarified that the marked prices should not change and that the rounding will only occur at point of sale and for cash transactions only. Mr. Reddy said that it is important that the public realize that current prices should not be affected by this change.

The Reserve Bank will issue guidelines on the rounding as agreed with the Prices & Incomes Board to apply for price controlled items. The Reserve Bank is encouraging all traders to use the same rounding methodology for non price controlled items and they hope competitive forces will keep this in check. The Reserve Bank acknowledges that the major concern is for rural areas and the Bank is committed to ensuring that awareness filters down effectively to these areas.

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