

INNOVATION EVERYDAY

CASH IS PART OF THE FUTURE

With Dr Nikki Strickland



Cash in circulation will continue to grow well into the future. Our role is to make sure banknotes meet the needs of future users and future cash cycles.



Dr Nikki Strickland, cash matters subject expert and inventor of cash cycle management software DLR Analytics™.



The value of cash in circulation continues to rise in nearly every country around the world. In fact, there are approximately \$7tn worth of banknotes and coins in circulation today.

Cash continues to play an integral role in the global economy. It's meeting people's needs in a unique way. Millions of people around the world depend on it, and significant portions of society would be severely disadvantaged if they couldn't get or use cash when they needed to.

In short, the world cannot function without it. Even in the UK, a country where alternative payment mechanisms are widely available, a recent 'access to cash' report concluded that 17% of the population would struggle to cope without cash¹. It would need huge investments, over long timescales, all around the world, to match the universal nature of cash.

Clearly there are alternative payment methods, which have grown rapidly with new technologies, and research shows that many different payment methods will co-exist with cash. But globally, the growth in value of cash in circulation over time continues to remain closely correlated with growth in GDP and population.

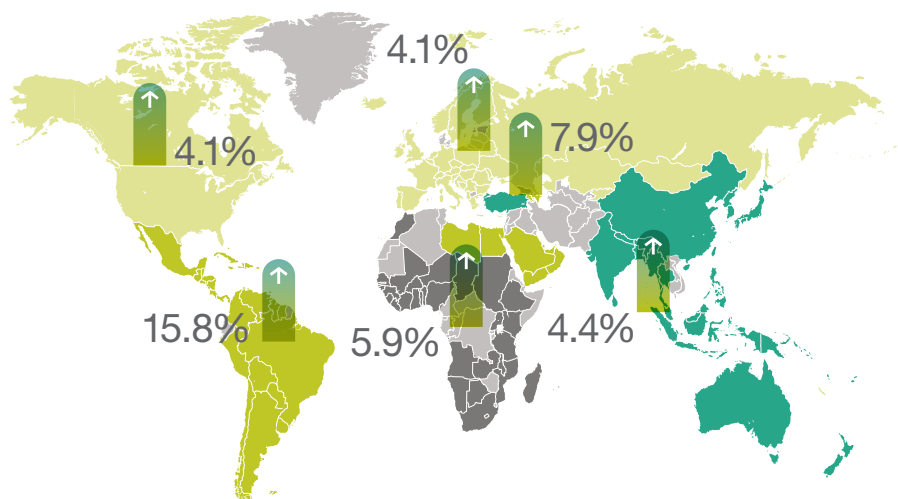
Cash has a certain resilience to sudden changes. For example, there was a programme announced in India in November 2016 to move away from cash reliance toward digital payments. But two years later, there is more currency in circulation and its use is growing faster than before.²

At De La Rue, we play a key role in keeping cash relevant, viable and competitive. We design banknotes that are fit for purpose – those for storing wealth have very different needs to those used in daily transactions. Our Safeguard® polymer is durable, and suitable for use in harsh circulating environments. We also design security features that anticipate the future purpose of banknotes. And we use our DLR Analytics™ cash cycle service to help central banks reduce the cost of providing cash.

In summary, cash in circulation continues to grow and is expected to do so well into the future. Our role is to make sure banknotes meet the needs of future users and future cash cycles.

Regional CAGR % growth of the volume of cash in circulation

Numbers are based on bank statistics, annual reports of 134 issuing authorities, IMF data 2013-17, and specific central bank web pages. Two countries with high inflation in Latin America have pushed up the average in the region, which would otherwise be 5.8%.



Notes:

1 <https://www.accesstocash.org.uk/media/1087/final-report-final-web.pdf>

2 <https://www.indiatoday.in/india/story/demonetisation-more-cash-rbi-data-1384452-2018-11-08>