

Kuala Lumpur International Money Fair (KLIMOF) 2002

Putra World Trade Centre, Kuala Lumpur 1 November 2002

I would like to thank the organisers for inviting me to officiate the inauguration of the Kuala Lumpur International Money Fair (KLIMOF) 2002. This Money Fair is a historic event for the Malaysian numismatic community.

2. The KLIMOF exhibition and conference offers a one-stop centre for visitors and investors alike to learn about collecting and valuing coins and notes. Together with its concurrent events -- Kuala Lumpur International Investment Fair 2002 and Kuala Lumpur International Collectible Fair 2002 -- KLIMOF 2002 will certainly provide a vast range of opportunities for industry professionals and entrepreneurs to showcase their cutting-edge businesses, products and services.

3. The KL International Money Fair was initiated by the Royal Mint of Malaysia with the aim to bring together both local and foreign numismatic collectors in this world-class exhibition, the first of its kind ever held in Malaysia.

4. The coins and notes that are being displayed today illustrate how payment systems throughout the world have evolved over the centuries. Money is a medium of exchange. It determines the value of the goods or services being offered for sale or purchase. Accordingly the need to barter goods or services is eliminated. Trade becomes easier and commerce is enhanced. More wealth is created for all.

5. With the advancement of global economies and the increased sophistication of trade and financial flows and, more recently, the rapid development of the Internet and electronic commerce, the role of money in the physical form is changing.

6. Indeed, transactions of goods and services and even capital flows can take place with a phone call or the touch of a computer keyboard. There need not be any physical cash transactions.

7. These developments suggest that money in today's definition is just information which can be transmitted electronically to facilitate business transactions. As a result, the usage of coins and notes will decrease as e-commerce expands. It is perhaps worthwhile to recall that the currency which the currency traders bought and sold were mere figures on computer screens. The money when it was finally delivered involved only the change in the names of the owners of bank accounts. No real money changed hands. Clearly figures on a computer screen

have taken the place of money. Yet the effect can be devastating for whole countries and businesses.

8. Credit cards and E-commerce will make the supply of physical money less necessary. Numismatists are going to find collecting money less easy. This may in fact increase the interest of numismatists and add to their numbers. Indeed, coins and notes will be transformed from an item of economic value to a collectible item, which will be treasured by coins and notes enthusiasts.

9. The South East Asian region and in particular Malaysia has a rich heritage of money. Before the evolution of modern coins and notes, communities throughout the Malay Archipelago used various items such as shells as medium of exchange. These items as well as notes and coins in Malaysia have contributed to the storehouse of collectibles for coins and notes enthusiasts.

10. Numismatic is a rewarding hobby, in every sense of the word. Indeed, the collection of rare coins can be a form of investment, which may increase in value in the future.

11. For example, the Malaysian ten-cent coin, issued by Bank Negara Malaysia as recently as 1971 is traded among collectors for about RM120 a piece. This is because of the relative rarity due to limited mintage of the coin, totalling about 48,000 pieces only. There are also other commemorative coins issued by Bank Negara Malaysia to mark historical events, which have now become collectors' items.

12. There are now market players and collectors in every major city in the world. Major international money fairs are being held regularly throughout the world to tap into this lucrative market.

13. The development of the secondary market is important to sustain the continuing interest in numismatic collectibles. This would require strong commitment of all parties including the mints, collectors and secondary market dealers.

14. Indeed, it would be in the interest of the world mints, including the Royal Mint of Malaysia, to nurture and develop further the secondary market that trade in new and old coins and notes. Efforts should also be made to establish an infrastructure to support the transactions amongst collectors and secondary market dealers.

15. To facilitate the transactions in the secondary market, a systematic way of disseminating information among the market participants should be developed. These should include setting

up a formal exchange for the secondary market. This exchange would help to provide integrity in the transaction of collectibles.

16. In this context, we see that the role of the Royal Mint of Malaysia like other world mints is changing. Going forward, the role of the Royal Mint of Malaysia should expand beyond just producing coins for general circulation. The Royal Mint of Malaysia should take on a greater role in promoting the interest in collectibles in Malaysia and the region.

17. I note that the Royal Mint of Malaysia has expanded its capabilities to produce high quality gift items including porcelain figurines, plates, silverware and medallions.

18. I believe there is a great potential for quality collectibles and gift items. The Tourist Development Corporation of Malaysia has estimated that tourists visiting the country spend about RM9 billion a year buying goods. About 20 percent of this is spent on collectible products; therefore there is almost RM1.8 billion worth of this market to tap. Indeed, the Royal Mint of Malaysia is positioned not only to produce circulation coins, but also fine numismatic and collectible items for both the domestic and export markets.

19. In Malaysia, there is still room for development in the numismatic market. I hope that the Royal Mint of Malaysia and the Malaysian Numismatic Society, with the support of Bank Negara Malaysia, will jointly initiate promotional activities to nurture the interest in numismatic as a hobby and to develop the market for collectible coins and notes into a viable industry. I am confident that this exhibition will help to enhance the interest in numismatics among Malaysians.

20. I would like to congratulate the host of KL International Money Fair 2002, The Royal Mint of Malaysia, and the organiser PROTEMP Sdn Bhd for their efforts in making this event a success.

21. This event has also received the support from Bank Negara Malaysia and the Malaysian Numismatic Society. I hope this will become an annual event, which the international numismatic community can look forward to.

22. I now have pleasure to declare The Kuala Lumpur International Money 2002 Fair open.