

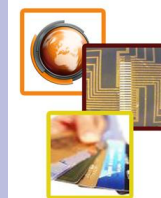
European Vending Association

Your Gateway to the EU



Vending Payment Market Overview

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Chairman, EVA Currency Committee



**TECHNICAL
FORUM**

8-9 November 2006
Rome, Holiday Inn



“Money often costs too much.”

Ralph Waldo Emerson

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Cash and other payment systems in the EU

- > **Cash is the most widely used payment instrument in the EU**
 - In 2003 360 billion cash transactions were made in the EU for 70 billion non-cash transactions over the same period
 - In clear, 85% of transactions are made in cash



Cash cultures

- > **Strong cash cultures: Italy, Germany, the UK, Switzerland, Netherlands**
 - (share of cash as a payment instrument between 80 and 96%)
- > **Strong electronic cultures: Denmark, Belgium, France, Finland**
 - share of cash as a payment instrument less than 60%:
- > **BUT even in the “strongest electronic culture” (Finland) the share of cash is still high 58%**



What influences the use of cash

- > Attitude vis-à-vis technology
- > Efficiency of other payment instruments
- > Regulation (limits for cash use, e.g. in France)

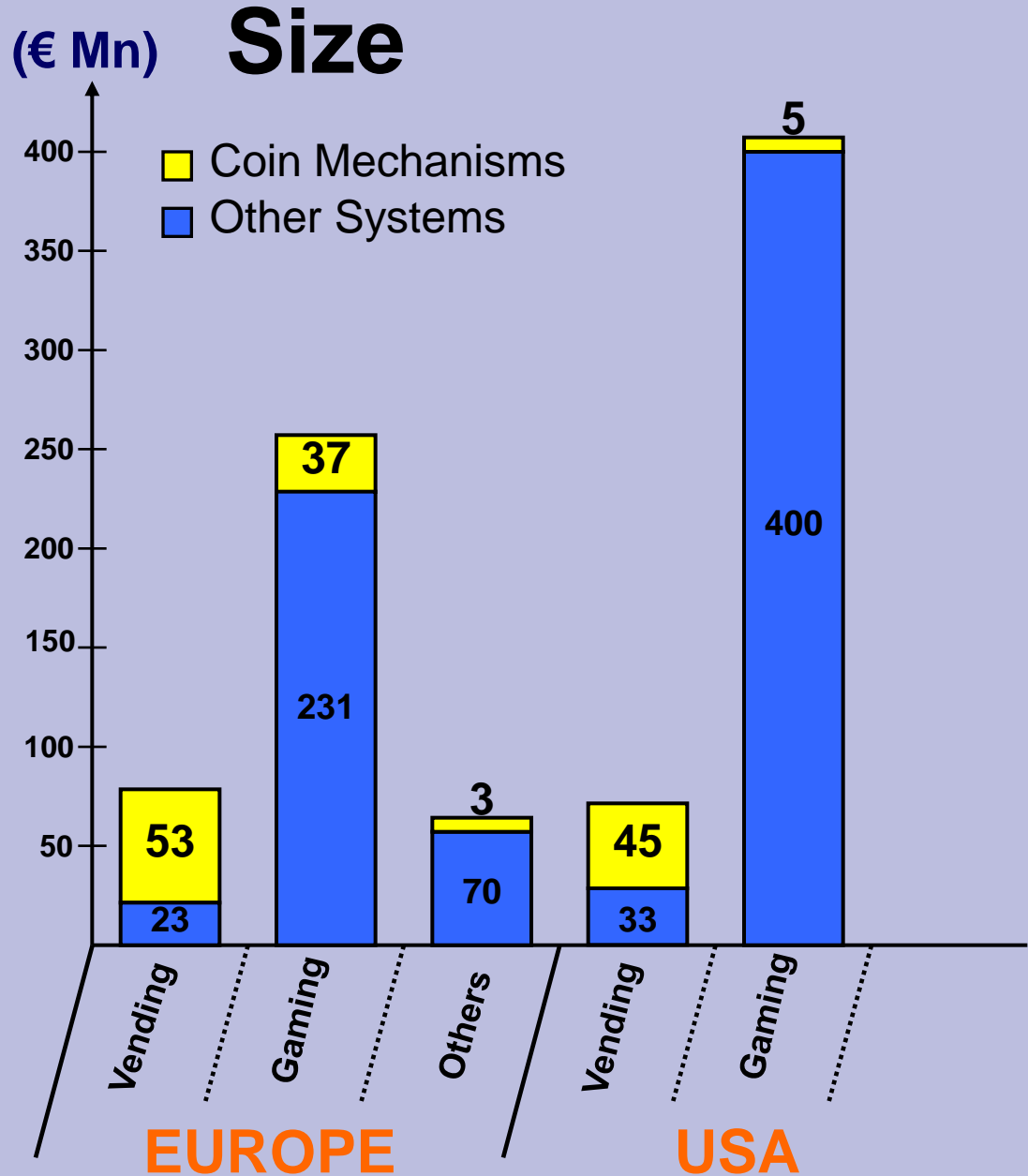


Preferred payment instruments

- > Cash is the preferred payment method in Spain, Germany, Portugal and Italy, over electronic payment
- > Electronic payment is preferred in the Netherlands, France, Belgium and the UK

(source tns sofres poll commissioned by Cartes Bancaires”)

Payment Systems Market





Trends of payment in vending

- > **Slow increase in cashless**
 - The e-purse revolution did not happen
 - Cards are predominant in closed environments (proprietary solutions)
- > **Increase in banknote validators**
 - Higher value goods
- > **Coins are still leading in vending payment**

Pros and cons of cash



- > Convenient and easy to use
- > Universal
- > Budget management
- > Government-backed
- > Immediate and final transaction



- > Cost
- > Non traceable
- > Security
- > Logistics (handling & transport)
- > Facilitates tax evasion

EVA / WVA Work to improve coin validation

- > **EVA work with European Institutions**
 - OLAF (Anti-Fraud office of the EU)
 - European Technical and Scientific Centre
 - European Mint Directors Working Group

- > **WVA work with Mint Directors Conference (MDC) (47 Countries)**
 - Seat on MDC Technical Committee (MDC-TC)
 - Leads major projects to improve validation



EVA / WVA Work to improve note validation

- > **EVA in contact with European Central Bank**
 - Member of the Cash Users Group
 - Informal contacts
- > **WVA Member of the Central Bank Cash Machine Group (CBCMG)**
 - Central banks of Australia, Canada, Mexico, European Central Bank, the UK and the US
 - Banknote validating industry
 - Promotes coordination between note issuers and note validating industries





Future challenges

- > **Maintain optimised coin validation in an environment of rising metal prices**
 - Mints tempted to use cheaper, potentially more fraud-sensitive techniques
- > **Convince more Central Banks to join the discussion on banknotes with the industry**
- > **Create the right environment for the use of cashless**
 - Standards
 - Discussions with bank card schemes (Visa, Mastercard)



Thank You!



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