



The Swedish central bank's plea for cash is an important signpost for the future

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In a recent report, Sweden's central bank, the Riksbank, emphasized the indispensable role of cash for secure and universally accessible payment systems. This marks a shift from its previous payment method strategy. Giesecke+Devrient (G+D) also sees this as a strong argument for the introduction of central bank digital currencies as a complement to cash.

The Scandinavian countries are regarded as pioneers in digital payment systems. In Sweden, for example, the declared goal to-date has been to completely do away with cash within the next ten years and become a cashless society. In a [recent report on retail payment systems](#), however, the Swedish Riksbank has moved away from this ambition. Drawing on evidence from the country's experience so far with the widespread digitization of payment methods, it has found a serious potential weakness. This is the inability to guarantee universal, secure access for all citizens at all times.

The Riksbank considers the greatest threat to be the failure of digital payment transactions as a result of unforeseen events such as power outages, e.g. due to natural disasters, or cyber-attacks. Existing digital payment systems cannot guarantee the necessary stability and resilience – so far, only cash can do this. Therefore, both the public and private sectors must ensure its continued use and maintain appropriate infrastructure for the supply of cash.

Digital payment methods are also not accessible and available to all sections of the population, either because they do not have access to digital services, or lack the skills to use them. Cash is still the only means of payment people can use easily without any preconditions. The Riksbank therefore concludes that cash should remain an integral part of the payment method mix of the future and is also calling for a corresponding legal framework.

For the Munich-based SecurityTech company Giesecke+Devrient, these are also persuasive arguments for the introduction of a central bank digital currency that complements cash and reflects the advantages of bills and coins in the digital world. The Riksbank is already working on the e-krona for Sweden. In the eurozone, the development of the digital euro is being driven forward by the ECB. Both projects are at an advanced stage: both the e-krona and the digital euro could be introduced in the coming years.

CBDCs combine the advantages of cash with the benefits of digital means of payment, including availability and functionality in the event of a power or internet outage. They therefore form an equivalent counterpart to cash. G+D welcomes the recent clear statement from Sweden. "The Swedish central bank has recognized that physical cash is still indispensable," explains Dr.

Wolfram Seidemann, CEO of G+D Currency Technology. "The economy and society need the coexistence of analog and digital means of payment that complement each other."

About Giesecke+Devrient

Giesecke+Devrient (G+D) is a global SecurityTech company headquartered in Munich, Germany. G+D makes the lives of billions of people more secure. The company shapes trust in the digital age, with built-in security technology in three segments: Digital Security, Financial Platforms and Currency Technology.

G+D was founded in 1852 and today has a workforce of more than 14,000 employees. In the fiscal year 2022, the company generated a turnover of 2.53 billion euros. G+D is represented by 123 subsidiaries and joint ventures in 40 countries.

Further information: www.gi-de.com.