

# Performance audit

## Swissmint

### Key facts

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Swissmint produces Swiss coins for circulation. It is a unit of the Federal Finance Administration (FFA). Growth in the number of coins in circulation has been slowing for a few years now, and this trend was accentuated during the COVID-19 pandemic. This has led to falling profits at Swissmint, and in 2020 it experienced its first ever loss, amounting to CHF 10.9 million.

The Swiss Federal Audit Office (SFAO) audited the FFA's strategy paper on the future of Swissmint, the progress made on the defined cost optimisation measures, and Swissmint's ability to contend with future challenges.

The audit revealed that the strategy paper is comprehensive and that optimisation measures have largely been implemented. Swissmint is able to perform its basic mandate with its existing organisation. However, the SFAO recommends that the FFA look more closely at outsourcing or transferring the coin-issuing privilege to the Swiss National Bank (SNB).

#### **Declining production, lower sales of commemorative coins**

The SNB is responsible for the inventory management of coins in circulation. Each year, it orders coins from Swissmint under the minting programme. Production has decreased from over 100 million coins (in 2016) to only 21 million in 2022. The main reason for the decline in the minting programme is the slowdown in the growth of coins in circulation. In addition, in previous years the SNB ordered more coins from Swissmint than it put into circulation.

Besides coins for circulation, Swissmint also produces commemorative coins. Swissmint's goal is to sell out of commemorative coins. It has been unable to achieve this goal in recent years, and receipts have not covered the production costs for some commemorative coins as a result. Overall, however, the commemorative coin programme has covered its costs.

#### **The FFA's strategy paper presents various scenarios for the future; one should be looked at more closely**

In 2021, in response to a changing environment and falling receipts for Swissmint, the FFA drew up a strategy paper in which it examined various scenarios for the future of the federal mint. The audit of the paper found that the scenarios mentioned in the strategy paper are comprehensive. The "close Swissmint and purchase coins abroad" scenario was, understandably, discarded. However, the "integrate Swissmint into the Swiss National Bank" scenario was not assessed in detail. In the SFAO's view, the reasons for rejecting this scenario were not well founded, and it should be looked at more closely.

The optimisation measures implemented in connection with the strategy paper have taken account of the fact that the minting programmes have steadily declined in recent years.

### **Balanced results over the next few years are a realistic prospect**

The 2023 budget and the 2024–2026 financial plan assume balanced results for the next few years. The SNB expects that, following the COVID-19 pandemic, the demand for coins will normalise to some extent, which should lead to an increase in future minting programmes. Over the longer term, the SNB is expecting a declining trend overall, owing to the decreasing use of cash as a payment method. With its current organisation, Swissmint is well placed to ensure the supply of coins for Switzerland.

**Original text in German**