

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6164
ANSWERED ON:03.05.2013
INTRODUCTION OF PLASTIC CURRENCY
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has studied the usage of plastic currency in some countries and its impact on environment and if so, the details thereof, country-wise;
- (b) whether the Reserve Bank of India (RBI) has introduced plastic currency in the country on a pilot project basis; and
- (c) if so, the details thereof and if not, the time by which it is likely to be introduced?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a): The Energy and Resources Institute (TERI) was commissioned by the Reserve Bank of India (RBI) to conduct a study on the environmental impacts and carbon footprints of plastic currency vis-a-vis paper currency. As of 2009, seven countries had converted fully to polymer banknotes. Australia was the first country to issue polymer based banknotes in 1988. According to Note Printing Australia (NPA), Polymer banknotes in circulation last around four times longer than paper notes. The study conducted by TERI suggests that presuming a longer life span of polymer notes, they are distinctly more environment friendly than paper based currency,

(b)& (c): The Reserve Bank of India, in consultation with the Government of India, has decided to introduce one billion pieces of 10 banknotes on polymer substrate on a field trial basis in five cities namely Shimla, Jaipur, Bhubaneswar, Mysore and Kochi. The process has been initiated by the RBI and the field trial is likely to commence during 2014.