



CASH IS RESISTING
Cash and Coronavirus - Facts and Figures
Situation report – May 11, 2020 (EN)

Since the beginning of the pandemic, information has been circulating in the media, evoking on the one hand the risk of transmission of the Covid-19 virus when handling cash (banknotes and coins), and on the other hand the decline in its use in points of sale, in favor of contactless payments.

However, these statements are not unanimous. No scientific study confirms the danger of handling cash, on the contrary. Some interest groups may be tempted to fuel people's anxiety in order to promote the development of digital payment. This has generated a refusal to accept cash in certain businesses, in a significant number of countries.

Based on the advice of medical experts, the main central banks of the world, including the European Central Bank (ECB), have had the opportunity to state clearly that handling cash runs no significant risk, and that there is no evidence that the virus can be transmitted through it.

Here are some facts and figures that show that:

- **the risk of transmission of the virus by cash (notes and coins) is low and has yet to be demonstrated;**
- **cash (banknotes and coins) remains, more than ever, an essential means of payment;**
- **cash in circulation continues to increase, including since the beginning of the health crisis.**

1 - CASH, A TRANSMISSION VECTOR, REALLY?

The **World Health Organization (WHO)**, through Spokesperson Fadela Chaib, proofread information published by the Press and denied having stated that cash could transmit the virus. She reminded that barrier gestures should be carried out during all transactions, whether they involve cash or not.

<https://www.marketwatch.com/story/who-we-did-not-say-that-cash-was-transmitting-coronavirus-2020-03-06>

WHO also reminded, through Stephanie Brickman, that the virus is mainly transmitted from person to person by direct contact and suspended droplets, and not by objects, on which it lasts a limited time.

<https://www.euronews.com/2020/03/06/experts-play-down-likelihood-of-banknotes-spreading-coronavirus>

The **Banque de France** reminded main commerce and trade players in France by official mail that there is "no evidence supporting the hypothesis that cash is a vector promoting the spread of viruses". The French Central Bank has reaffirmed its message about the risk of contagion by cash, which is very low for all those who apply the WHO Health Guidelines - as in any gesture of everyday life. The **Banque de France** also reminded that refusal to receive cash for a transaction is illegal and can be fined, according to French law.

<https://www.lsa-conso.fr/la-banque-de-france-rappelle-qu-il-est-interdit-de-refuser-un-paiement-en-especes,345530>



<https://covid19-economie.banque-france.fr/questions/?qslug=un-commercant-a-t-il-le-droit-de-refuser-des-especes>

The **European Central Bank (ECB)** has commissioned a study from three European laboratories on the transmission power of coronavirus by banknotes and coins. Provisory results confirm that the lifespan of the virus is short on banknotes and coins and that its active concentration decreases quickly.

The **Bank for International Settlements (BIS)** published on April 3 a study on Covid-19 in which it established that “the available scientific evidence shows that the probability that banknotes transmit the coronavirus is low, compared to that of other frequently touched objects, such as electronic payment terminals”.

<https://www.bis.org/publ/bisbull03.pdf>

Pr. Lothar Wieler, President of the **Robert Koch Institute**, the German central scientific institution in the field of biomedicine, public health and epidemiology, confirms that the transmission of the virus through banknotes has no scientific basis, nor particular importance.

<https://www.reuters.com/article/us-health-coronavirus-germany-banknotes/banknotes-carry-no-particular-coronavirus-risk-german-disease-expert-idUSKBN20Y2ZT>

2 - CASH, A USEFUL MEANS OF PAYMENT, ESPECIALLY DURING CRISIS

At the beginning of the pandemic, faced with the anxiety of part of their population, some central banks decided to implement quarantine periods in the processing of banknotes, and other protective measures. These practices, motivated by a desire to placate fears, had no visible effect on the health situation, but contributed to fuel some confusion on the risks of transmission of the virus through cash.

However, as of mid-March, several central banks around the world made official statements on the low risks of contamination by cash, and on its unavoidable and imprescriptible use. This is the case in Europe, for Germany, France, the United Kingdom and Finland.

<https://www.bundesbank.de/dynamic/action/en/homepage/search/723378/general-search?query=virus>

<https://covid19-economie.banque-france.fr/questions/?qslug=peut-on-etre-contamine-au-covid-19-par-l-argent-liquide>

<https://www.bankofengland.co.uk/freedom-of-information/2020/questions-about-guidelines-handling-old-and-mutilated-banknotes-covid-19-pandemic>

<https://www.riksbank.se/en-gb/press-and-published/notices-and-press-releases/notices/2020/the-coronavirus-is-not-spread-via-banknotes-and-coins/>

In the rest of the world as well, in **Canada, South Africa, or New Zealand**.

https://www.bankofcanada.ca/2020/04/bank-canada-asks-retailers-continue-accepting-cash/?page_moved=1

<https://www.eurojatalous.fi/fi/blogit/2020/kateisen-kaytosta-koronapandemian-aikana/>

<https://www.rbnz.govt.nz/news/2020/03/cash-and-other-payments-systems-ready-for-covid-19>



This crisis is also an opportunity to remind that cash is often the only means of payment for the most vulnerable populations. The **French Defender of Rights** reminded that many people in a situation of economic vulnerability, such as the elderly, people receiving social minima, homeless people, unaccompanied minors or asylum seekers do not have credit or debit cards for payments. Refusal to pay in cash deprives these people of access to basic goods. In times of economic crisis, maintaining the possibility of paying in cash is therefore a social necessity.

<https://www.defenseurdesdroits.fr/fr/communiquede-presse/2020/04/le-defenseur-des-droits-rappelle-que-le-paiement-en-especes-ne-peut>

3 - CASH IN RECESSION, REALLY?

According to the **European Central Bank (ECB)**, demand for cash in euros has exceeded the unprecedented levels of the 2008 financial crisis. As of the end of March 2020, the value of euro banknotes in circulation increased by 8 % year-on-year, the largest increase since October 2008, to reach the unprecedented level of € 1,314 billion. On the same date, the value of euro coins in circulation reached € 29.9 billion, up 3.5 % year-on-year. Indeed, **the value of euros in circulation has never been so high**: it has been multiplied by six since its introduction in 2002.

https://www.ecb.europa.eu/stats/policy_and_exchange_rates/banknotes+coins/circulation/html/index.en.html#

The economist Fabio Panetta, Member of the Executive Board of the **European Central Bank (ECB)**, says that according to the first studies by European laboratories, cash is not really a vector for virus transmission. He explains why the circulation of cash is increasing in Europe, due to and despite the pandemic, and points out that cash, which is necessary, must be supported, out of other means of payment.

<https://www.ecb.europa.eu/press/blog/date/2020/html/ecb.blog200428~328d7ca065.en.html>

A high demand for cash can also be seen in other countries, such as the United States, with a rate of increase in cash in circulation of 10 % in April 2020 (year-on-year), but also continuously since the financial crisis of 2008, according to the **Federal Reserve**. Like in Europe, **the amount of cash in circulation has never been higher**: \$ 1.9 trillion at the end of April 2020, six times more than in 1990.

<https://fred.stlouisfed.org/series/WCURCIR>

The crisis we are currently going through confirms that, despite the prevailing speech about a "cashless" society, **cash continues to be widely used and in demand for its various uses**. This observation had already been made, before the outbreak of the crisis, by numerous studies, such as that of the **Bank for International Settlements (BIS)**, which noted in 2018 that "the facts do not confirm a movement against cash. As the appetite for cash remains high, few societies are approaching cashless or even less cash behaviours".

<https://www.bis.org/publ/qtrpdf/rqt1803g.htm>