

1, 5 Kopek Coins Going Away

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The Central Bank mints small-denomination coins at a “significant” loss. **Andrei Makhonin**

That inevitable accumulation of almost worthless change could become a thing of the past this year as the Central Bank pushes to remove all 1- and 5-kopek coins from circulation.

There are about 7.3 billion 1-kopek and 5.8 billion 5-kopek coins currently in use across the country. One kopek is worth 0.03 cents.

“The majority of this money is not being used and shops are gradually stopping to accept it,” said First Deputy Central Bank Chairman Georgy Luntovsky, Interfax reported. “Moreover the production of these coins is loss-making.”

He declined to name the exact amount that the Central Bank loses in the manufacture of the small-denomination coinage but said it was “significant.”

The debate about the fate of the 1- and 5-kopek pieces is not new — inflation over the past decade has made the coins increasingly worthless. Many shoppers do not even bother to pick

up their change when it only amounts to a few kopeks.

The Central Bank is currently in negotiations with the State Duma on the issue. Luntovsky said Friday that the legislative body was favorably inclined toward the process of abolishing the coins. "I hope that a decision of some sort will be made this year," he said.

New 1- and 5-kopek coins are not currently being released by the Central Bank in a bid to reduce the quantity in circulation, but a new law would be required to eliminate them completely. The 10- and 50-kopek pieces, however, are still being minted.

In September 2011, the Duma's financial markets committee expressed agreement with the Central Bank's proposal to do away with 1-kopek coins. It will examine the proposed abolition of the 5-kopek piece later this year.

"This will have no impact on the economy of the country as a whole," the Higher School of Economics' Dmitry Miroshnichenko told Rossiiskaya Gazeta on Sunday. Experts have also said removing the low-denomination coins is unlikely to boost inflation.

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