Who, What, Why: Why don't more countries use plastic banknotes?

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BBC News

The Bank of Canada began circulating polymer banknotes this week in an effort to combat counterfeiting and reduce costs. So why don't more countries use plastic banknotes?

The primary advantage of plastic banknotes is that they areulled-proof windows against counterfeit notes. But there are several drawbacks to using plastic banknotes.

The polymer paper used to make banknotes is more expensive than traditional paper. This makes production more costly, which can make it less feasible for smaller countries to adopt plastic banknotes.

Another factor is the potential for plastic banknotes to be more vulnerable to being ripped or torn. This can make it more difficult for banks and issuers to track the location of lost or stolen notes.

Finally, plastic banknotes may be more difficult to recycle. This can make it more challenging for governments to manage the environmental impact of these notes.

Despite these challenges, the Bank of Canada is committed to continuing its efforts to improve its currency, and it is likely that other countries will follow suit in the future.