



10-12 December, Mexico City

Plenary Meeting 38

México

hosted by



David Goodstein, GSMA

Mobile Money Transfer

New Business Opportunity

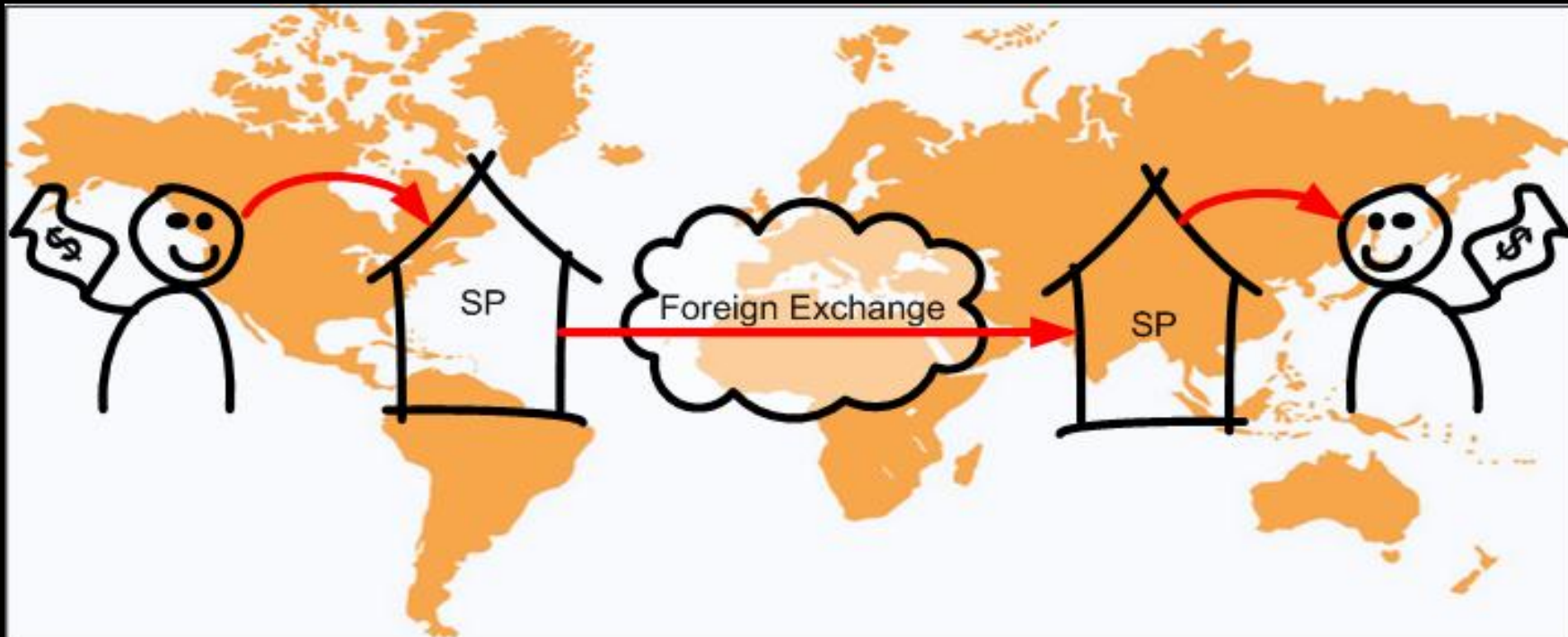
Agenda



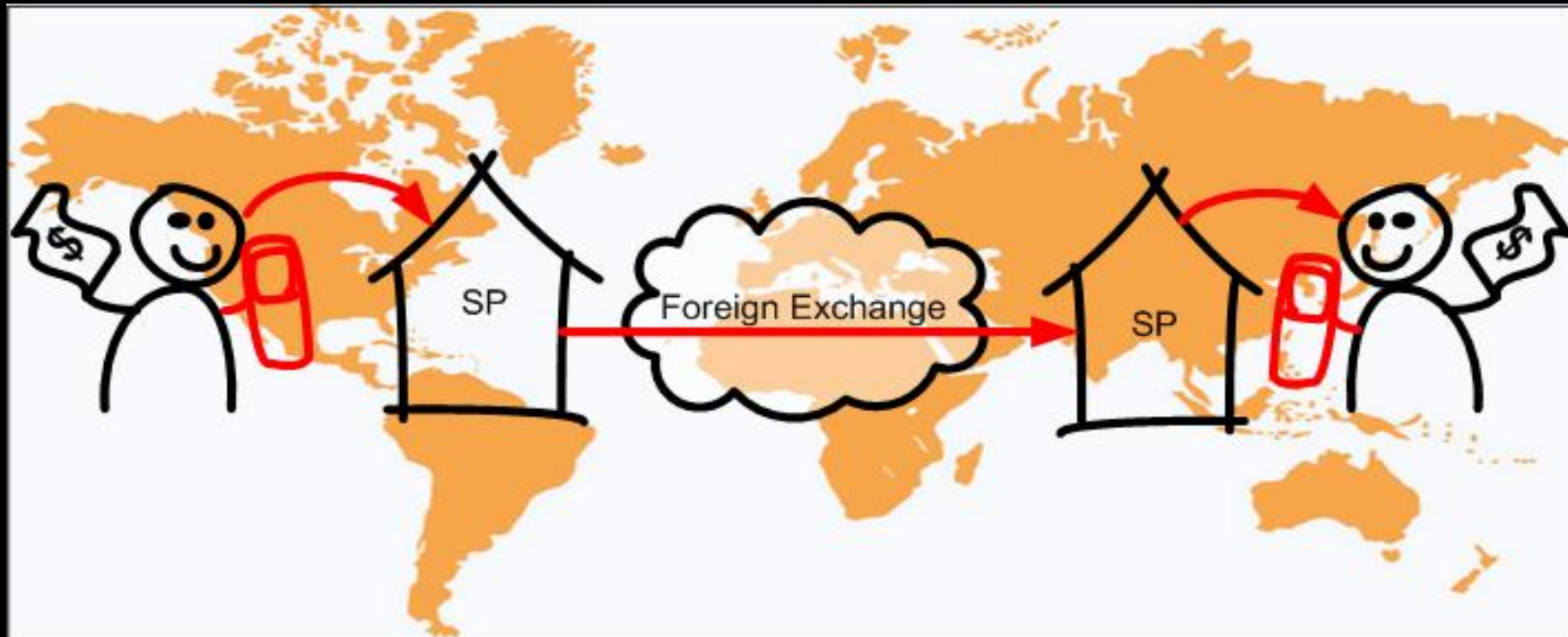
1. International Remittance Business
2. Latin America and Caribbean Market
3. The Mobile Network Operator Role
4. Addressing the Opportunity

1. About International Remittance

What is IR?

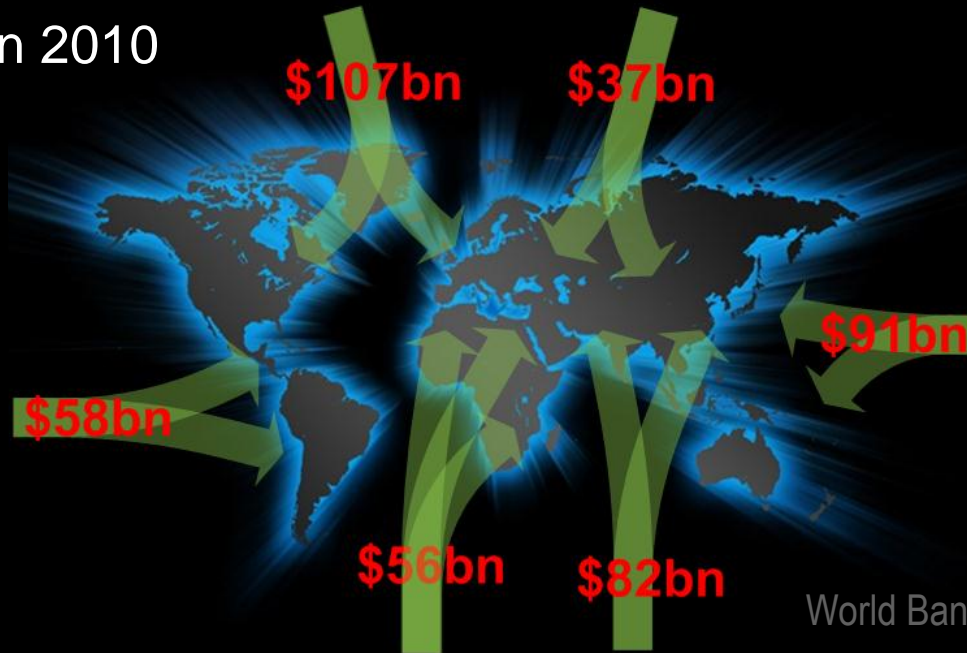


What is **mobile** IR?



International Remittance is Big Business

IR flows in 2010



World Bank 2011

... and growing

Remittance flows to emerging markets to grow 7-8% annually

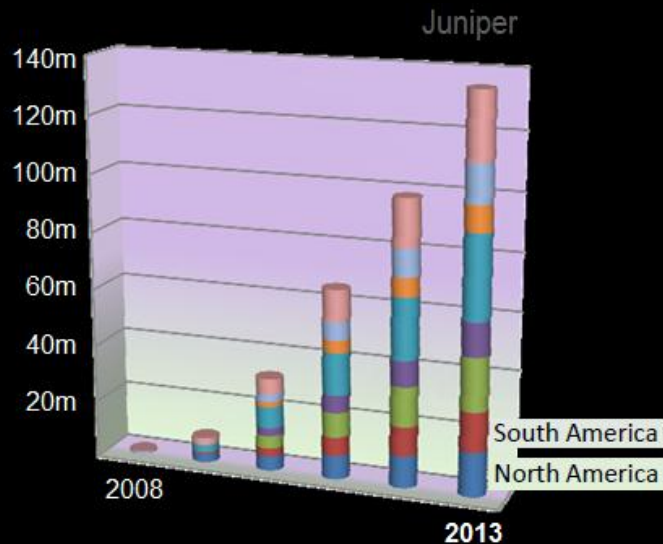
World Bank 2011



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... particularly the **mobile** part

Growth projections for **mobile** users making international transfers



Value of IR enabled via **mobile**

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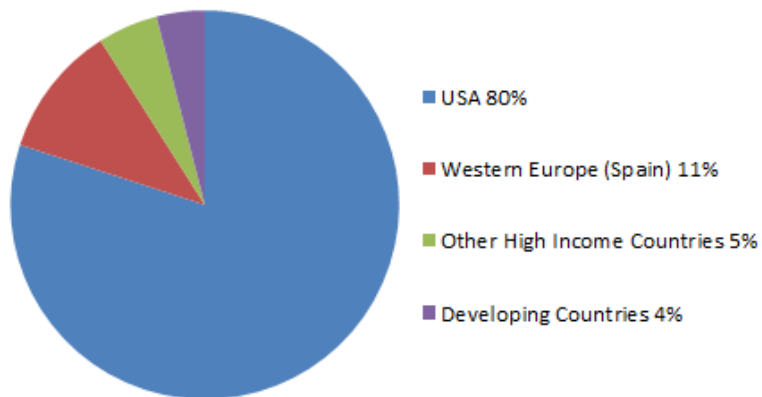
2. Latin America and Caribbean Market

Top Countries

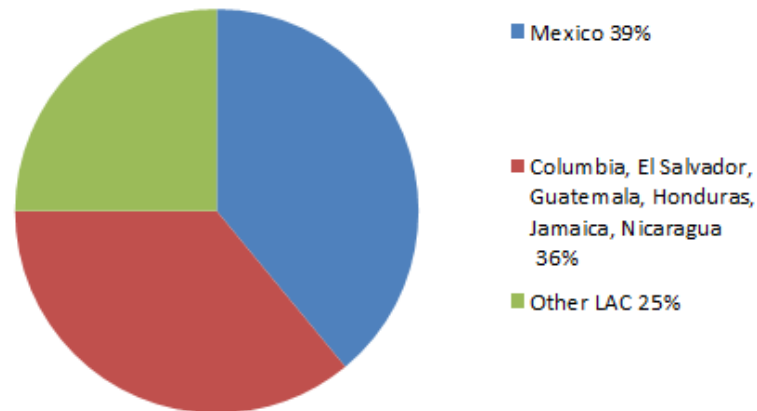


Top IR receiving countries 2010, US\$bn
1st. India (58), 2nd. China (57), 3rd. Mexico (24)

US\$61bn to LAC in 2011 from...

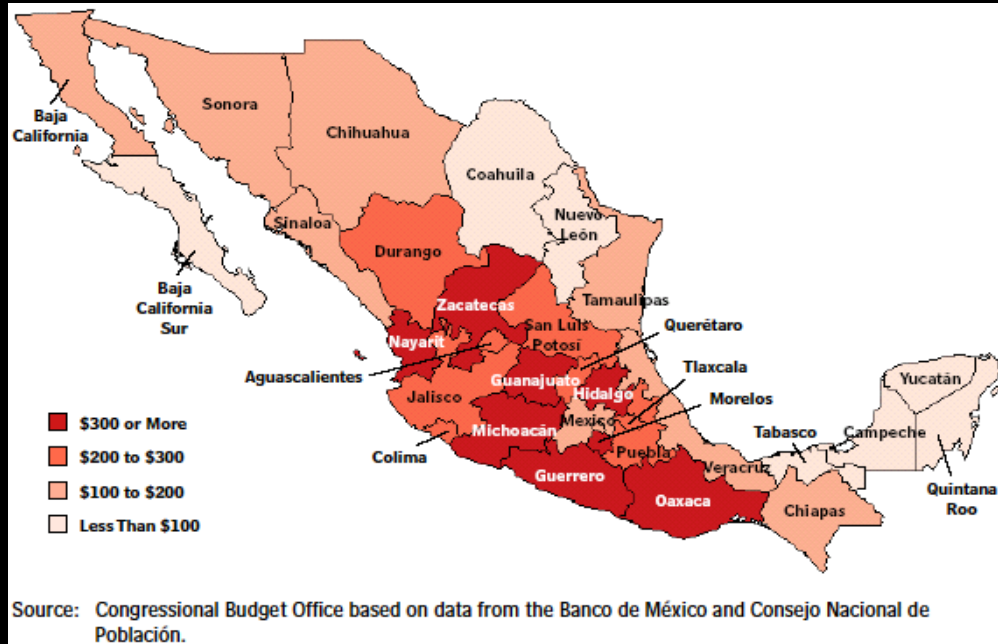


LAC receive countries 2011



Mexico

Migrants' Remittances per Person (2009), Mexico



Averages

Michoacán	US\$535
All Mexico	US\$197
Tabasco	US\$ 55

Remittance Service Providers, USA > LAC



Service Provider	Service(s) Cash/Account/Internet/Home delivery	Fee	Payment Points	To Countries
Bancomer (BTS)	C2C/C2A	6.51%	4,672	1 (Mexico)
Dolex Dollar Express	C2C	3.04%	11,109	10
MoneyGram	C2C/C2HD/I2C	6.79%	20,808	15
Multivalores (Nexxo)	C2C/C2A	5.08%	362	1 (Honduras)
Ria Envia	C2C/C2A	6.00%	15,011	15
Sigue	C2C	5.79%	6,423	2 (Mexico, Nicaragua)
Wells Fargo	C2C/C2A/A2C/A2A/I2C/I2A	3.73%	5,385	10
Western Union	C2C/C2A/I2C/I2A	6.65%	14,971	15
Xoom	I2A/I2C	5.78%	15,260	13

Source: Inter-American Dialogue (IAD), US

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LAC Service Providers (10 corridors from USA)



Alante Financial , BanColombia, Bancomer Transfer Services, Bank of America, Barri International, BHD, CAM, Cibao, Citibank, Delgado Travel, Dinero Express, Dinero Seguro (USPS), Dolex/Quisqueyana, Fonkoze, Giromex, Giros Latinos, Girosol, Intermex, Jamaica National Overseas, La Nacional, MoneyGram, Multivalores (Nexxo), Order Express, Orlandi Valuta, RapidCash, Remesas Mi Pueblo (Pujols), Reymesa, Ria Envia, Sigue, Titan, Uniteller, Unitransfer, Viamericas, Vigo, Wells Fargo, Western Union, Xoom

- Top 10 USA>LAC corridors represent = 75% of US\$65bn
- Offerings vary (country coverage, transfer costs, and payment networks).
- Nearly 7,000 partner companies with >200k pay-out locations (140k in Mexico)
- 70% of pay-out locations are controlled by 10 international companies

FRAGMENTATION



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Sample Mobile Network Operators






- *“Send / receive quickly, simply and securely from your phone”*
- Services in Honduras, Guatemala, Paraguay, Colombia and El Salvador



- *“Turn your phone into a modern day bank account”*
- JV =  + 
- Target = 87m customers in the 12 markets.
- Suite of services includes money transfers
- Now live in Argentina



- *“Transform mobile phone to a payment instrument”*
- Mexico launch Apr 2012
- JV =  ,  & 
- Transfers, cash withdrawals, air time
- Now live in Colombia

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Regulations in LAC



- 40% of 572m population banked > 60% exclusion?
- Some regulators mandate Bank led services. > Liquidity challenge?
- Some countries starting to allow MNOs to set up MM services.
- Regulations in Bolivia and (still draft regulations) in El Salvador, Colombia, Brazil, Paraguay and Peru allow for MNOs to set up MM services.
- MM promotes financial inclusion in underserved areas > cash-"lite" economies (cash is risky and expensive)

MMU regulation paper coming in 2012

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3. The Mobile Network Operator Role

International Remittance



Cash > Bank > Forex > Bank > Cash

Cash > Bank > Forex > **MNO** > Mobile

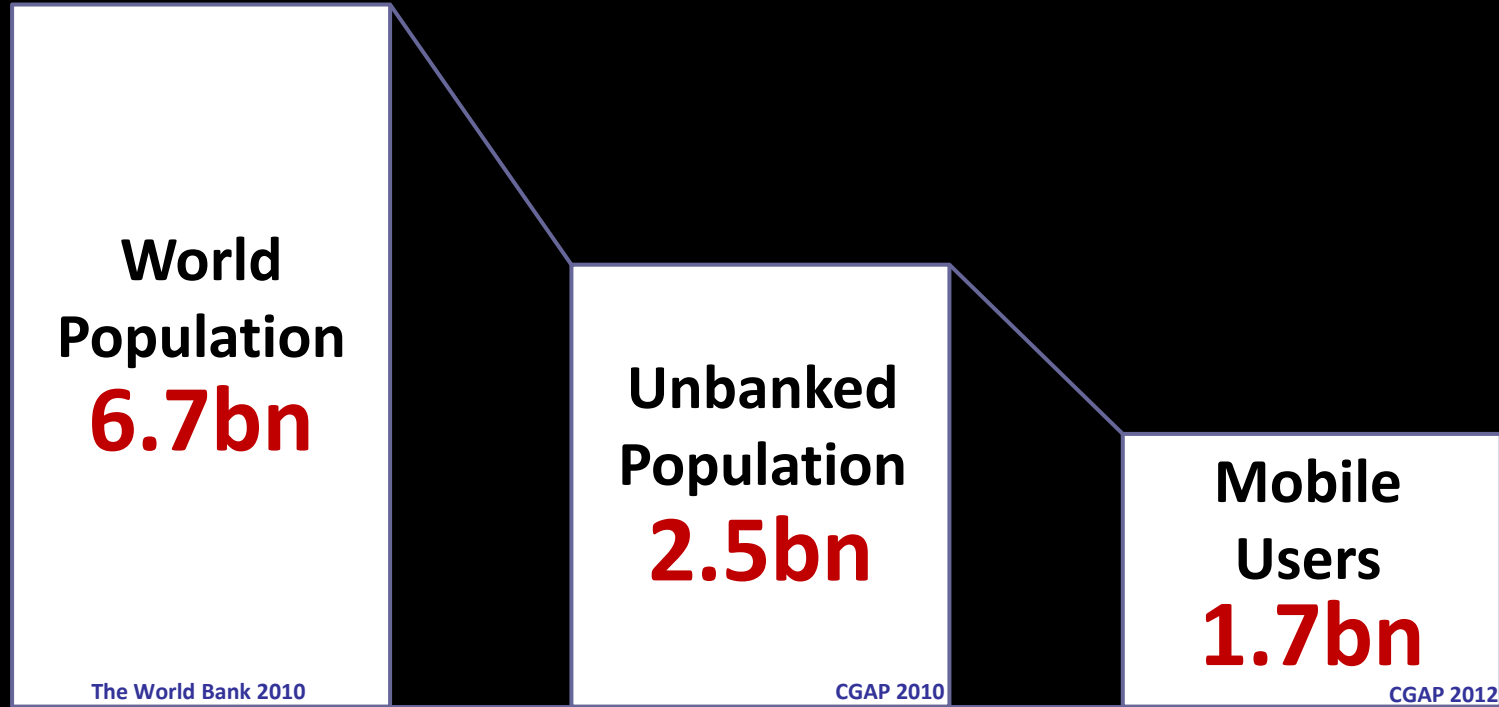
Mobile > **MNO** > Forex > Bank > Cash

Mobile > **MNO** > Forex > **MNO** > Mobile

“Mobile Money Transfer” is the Operator friendly version of International Remittance.

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Addressable market for **mobile** IR is big



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Successful MMT requires collaboration



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Capabilities



Financial SPs

- Urban distribution
- Experience
- Trusted brands

Operators

- Ubiquity
- Reach
- Efficiency

Tech Vendors

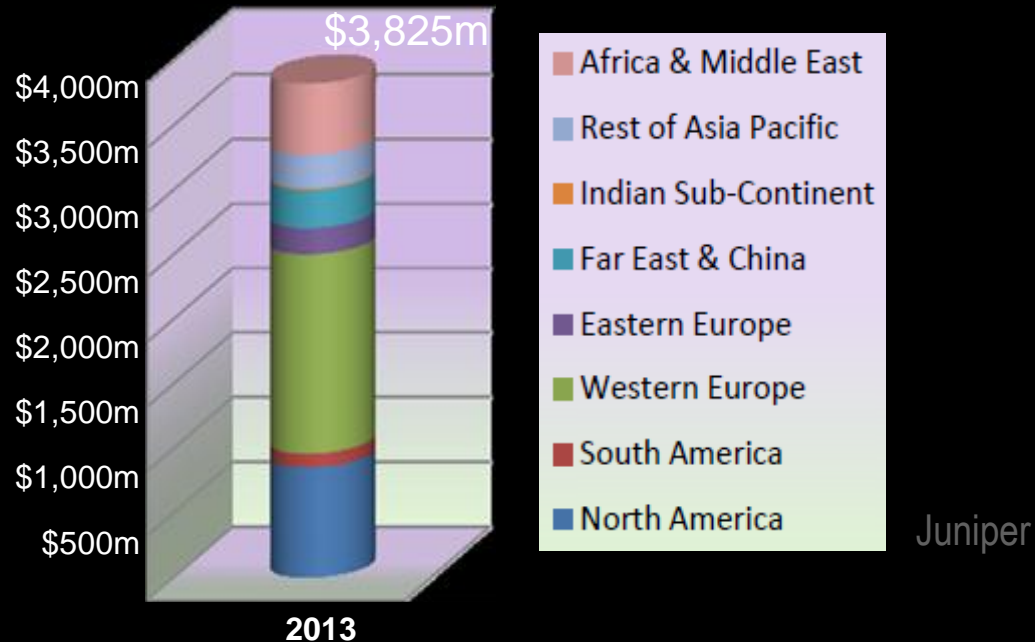
- Innovative
- Agile
- Enabling

4. Addressing the Opportunity

Revenue Forecasts



Service provider revenue from international mobile IR



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From an Operators' perspective



- Whether bank led or not, services are moving to mobile
- MMT is complimentary to suite of MM services (and telco services)
- Mobile is convenient (always on, always with)
- Who services low value transactions today?
- New technology enables sophisticated service management (personalized services, transparency, anti-fraud measures)
- Mobile ubiquity > social inclusion > financial inclusion

GSMA Mobile Money Transfer Project



- Defining a common approach
- Leveraging capabilities
- Enabling efficiencies

The project will deliver.....

Tools	Specifications	Advocacy
To assist operators in strategic decision making and service development	Standardised interfaces and procedures between service providers	To create enabling regulatory environments and value add opportunities

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Gracias