State of the Industry Report on Mobile Money
2019

Speakers

Nika Naghavi, Director, Data & Insights
GSMA

Simon Andersson-Manjang, Data Manager
GSMA

gsma.com/sotir
GSMA maintains the most comprehensive global supply-side database of mobile money indicators

Mobile Money Deployment Tracker
Monitors the number of live mobile money services across the globe, collated using both primary and secondary sources on a monthly basis.

Global Adoption Survey
An annual survey designed to capture quantitative & qualitative information about the performance of mobile financial services around the world.

Mobile Money Estimates & Forecasts
Proprietary modelling approach to fill gaps in participation in the annual Global Adoption Survey and to estimate mobile money indicators at a global, regional and country level.
2019 marked a major milestone for the industry

Surpassing 1bn accounts

290 live services in 95 countries

Mobile money services are available in 96% countries where less than a third of the population have an account at a formal financial institution.
Sub-Saharan Africa is the enduring epicentre of mobile money

The region will surpass half a billion accounts by the end of 2020

50m
New registered accounts in 2019

Distribution of registered mobile money customers in Sub-Saharan Africa (December 2019)

- Eastern Africa: 53%
- Western Africa: 35%
- Central Africa: 10%
- Southern Africa: 2%

New registered accounts in 2019: 50m
Sub-Saharan Africa growth 2019

- **EASTERN AFRICA**
  - Live Services: 54
  - Registered Accounts: 249m (9.9%)
  - Active Accounts: 102m (10.6%)
  - Transaction Volume: 17.1bn (15.1%)
  - Transaction Value (USD): 293.4bn (24.0%)

- **CENTRAL AFRICA**
  - Live Services: 17
  - Registered Accounts: 48m (14.1%)
  - Active Accounts: 20m (23.9%)
  - Transaction Volume: 1.8bn (49.6%)
  - Transaction Value (USD): 30.4bn (32.7%)

- **SOUTHERN AFRICA**
  - Live Services: 14
  - Registered Accounts: 9m (13.8%)
  - Active Accounts: 3m (17.8%)
  - Transaction Volume: 165m (18.6%)
  - Transaction Value (USD): 2.5bn (21.8%)

- **WESTERN AFRICA**
  - Live Services: 59
  - Registered Accounts: 163m (14.5%)
  - Active Accounts: 56m (21.5%)
  - Transaction Volume: 4.8bn (28.4%)
  - Transaction Value (USD): 130.0bn (34.9%)
Mobile money adoption in Asia made a significant contribution to global growth.

East Asia and Pacific: 30 million new accounts

South Asia: 14.1 million new accounts
Agents remain the backbone of the mobile money industry

7.7m Registered agents
54% Active (30-day)

Mobile money agents have 7x more reach than ATMs and 20x more reach than bank branches

Per 100,000 adults:
- 11 Banks
- 33 ATMs
- 228 Mobile money agents

$1.1bn commissions
$841 per year
1.4m agents
Mobile money is increasing user trust and relevance.

372m
Active accounts (90-day)

77 deployments have over 1m active accounts (90-day) compared to 27 in 2014.

21 services have over 5m active accounts
Reaching the poorest people with mobile money

GDP per capita and share of population without an account in a financial institution in 151 countries in relation with mobile money penetration:

- Mobile money
- No mobile money

**Countries**
- 25%
- 50%
- 75%
- 100%

(Active 90 days / adult population) in 67 out of 95 mobile money countries

Source: GSMA Mobile Money, World Bank, FINDEX
Mobile money became a ‘two billion-dollar-a-day’ industry in 2019

Daily transactions:
- 2019: Over $1.9bn
- 2023: Over $2.8bn

Value of mobile money transactions:
- 2019: $690bn
- 2023: $1 trillion
Commercial sustainability and the shift to a ‘payments as a platform’ model

60% of respondents have a positive EBITDA

Reliance on customer fees significantly dropped: 2/3 of respondents in 2019, 80% of respondents in 2018

21% of respondents reported business fees drive majority of revenue
Two key trends in 2019 indicate that the industry has reached a digital threshold.

1. **Digital transactions make up the majority of mobile money flows**
   - Total in: 23bn
   - Digital in: 15.8bn (69%)
   - Digital out: 7.2bn (31%)
   - Digital transactions = Digital in + Digital out + Circulating value

2. **More value is circulating in the mobile money system than exiting**
   - Total out: 18bn
   - Circulating value: 6.4bn (37%)
   - Cash-in: 11.1bn (63%)

Transaction values, USD, December 2019
For the first time digital transactions make up the majority of mobile money flows exceeding cash-in/out values.

57% of transactions were digital.

Driven by Interoperability and API adoption.
Mobile money is increasingly integral to the financial ecosystem

48 of 95 markets are interoperable

Interoperability with banks

On average mobile money services with bank integration are connected to 13 banks

Mobile money account-to-account (A2A) interoperability

Interoperable P2P transfer volumes grew by nearly 40%

Beyond domestic interoperability and integrations with banks

$7.3 billion mobile money-enabled international remittances processed
Seamless integration with third parties is on the rise

Almost 20% providers published mobile money APIs. As a result, on average providers are integrated with:

- 98 billers, including 17 government agencies and 11 utility companies
- 52 organisations for bulk disbursements
- Over 13k merchants
More value is circulating in the mobile money system than exiting P2P transfers.

THE VALUE IN 2017

$22bn IN CIRCULATION

34% year on year growth for merchants
Mobile money value proposition is becoming more compelling for MSMEs

- 29% of respondents offer credit lines to agents
- 74% of respondents offer additional management tools to MSMEs
- 19% of respondents offer credit to merchants
The promise of QR codes for retail payments

**TREND 2**

**USSD is still the most common acceptance technology for merchant payments.**

Providers only offer USSD for merchant payments.

**Merchants using QR codes transacted three times more in value.**

Gaps in smartphone adoption & mobile internet access.

Harmonised & interoperable QR codes.
Bridging the gap between offline customers and online merchants

E-commerce transactions doubled in value

Mobile money providers have a variety of roles to play in social commerce and can contribute to the growth of the sector

Social Media + E-commerce = ‘Intelligent shopping’

Trend 2
Regulatory and policy trends

Shift towards “payments institution” licensing regimes

Mobile money taxation
77% of mobile money providers responding to our Global Adoption Survey reported paying such taxes, whether on fees, transaction values or total revenue.

23% report negative impact

Data localisation
Strict data localisation requirements limit the ability of providers
## Beyond one billion accounts: the foundation for many impactful services

<table>
<thead>
<tr>
<th>33%</th>
<th>44%</th>
</tr>
</thead>
<tbody>
<tr>
<td>gender gap in mobile money account ownership, down from 36% in 2014</td>
<td>of the total value of mobile money bill payments are for utilities</td>
</tr>
<tr>
<td>2.7M</td>
<td>10%</td>
</tr>
<tr>
<td>Digital cash assistance delivered to over 2.7m unique mobile money accounts</td>
<td>of mobile money providers partner with agribusinesses and cooperatives</td>
</tr>
</tbody>
</table>
MOBILE MONEY IN 2019

Over 1bn
REGISTERED MOBILE MONEY ACCOUNTS

Over $1.9bn
processed daily
by the mobile money industry

77
Mobile money deployments
Have more than

1m
90-day active accounts
Compared to 27 in 2014

Industry first
57% digital
Digital transaction values now exceeding cash-in/out values

Industry first
$22bn
in circulation
More money is circulating than exiting the mobile money system

290
MOBILE MONEY DEPLOYMENTS

Are live in
95
COUNTRIES

Sub-Saharan Africa
50m
NEW REGISTERED ACCOUNTS