State of the Mobile Money Industry in Asia

2019

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Speakers

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GLOBAL 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

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Asia makes up almost a half of all registered mobile money accounts globally.

- New registered accounts: 42m
- Total registered accounts: 473m
- Growth from 2018: 10%
Mobile money adoption in Asia made a significant contribution to global growth...

- **East Asia and Pacific**: 30 million new accounts
- **South Asia**: 12 million new accounts
...driven primarily by innovative and new market players

Number of Mobile Money Services

<table>
<thead>
<tr>
<th>Region</th>
<th>2014</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Asia and Pacific</td>
<td>32</td>
<td>52</td>
</tr>
<tr>
<td>South Asia</td>
<td>40</td>
<td>37</td>
</tr>
</tbody>
</table>

30% Share of total registered accounts in Asia

15% East Asia and Pacific
Mobile money is reaching an increasing number of people in the region.

**South Asia**
- 2014: 4%
- 2019: 24%

**East Asia and Pacific**
- 2014: 6%
- 2019: 32%

% of adult population reached by mobile money.
Account activity in the region continues to grow

30 deployments now have over 1m active accounts (90-day) compared to 7 in 2014.

42 out of the 87 services in the region have an account activity rate greater than the regional average.

Number of Registered and Active Mobile Money Accounts - Asia

- Dec-11: 13%
- Dec-12: 27%
- Dec-13: 27%
- Dec-14: 30%
- Dec-15: 32%

Registered accounts
Active-90 accounts
Account activity rate
Agents remain the main gateway for digitising cash

Asia’s agent network comprises of 4m registered agents, 52% of all mobile money agents globally

In 2019, mobile money agents digitised $43bn of cash, a quarter of the value digitised globally

53% Average agent activity rate in the region
Asia has doubled its share of the value of all global mobile money transactions over the past 6 years.

Value and share of Asia’s mobile money transactions:

- **$17bn** (2013)
- **$34bn** (2014)
- **$56bn** (2015)
- **$81bn** (2016)
- **$113bn** (2017)
- **$164bn** (2018)
- **$204bn** (2019)

30% of the value of all mobile money transactions are carried out in Asia.
Asia’s mobile money transactions have become increasingly digital...

**Mix of Mobile Money Transaction Values - Asia**

- **Dec-2015**
  - Digital transactions: 43%
  - Cash-in/cash-out transactions: 50%
  - OTC transactions: 7%
  - Total: $5bn

- **Dec-2019**
  - Digital transactions: 34%
  - Cash-in/cash-out transactions: 35%
  - OTC transactions: 30%
  - Total: $18bn

**THE VALUE SHARE IN 2015**

- **x5 growth since 2015**

- **DIGITAL TRANSACTIONS**

- **36% growth since 2015**
...primarily due to mobile money becoming increasingly integral to the financial ecosystem

Half of all Asian mobile money markets are interoperable

Interoperability with banks

- Mobile money to bank account flows make up 17% of the value of outgoing transactions
- The value of flows to and from bank accounts grew by 28%

Mobile money account-to-account (A2A) interoperability

- Mobile money A2A interoperability is live in 6 markets
- The volume of interoperable P2P transfers more than doubled

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...and through partnerships with banks and seamless integrations with third parties

### Number of Mobile Money Integrations

- **Companies using MM to make bulk disbursements**
  - South Asia – 32
  - East Asia & Pacific – 7
  - Global – 52

- **Banks allowing MM to bank interoperability**
  - South Asia – 27
  - East Asia & Pacific – 16
  - Global – 13

- **Merchant accounts**
  - South Asia – 15,486
  - East Asia & Pacific – 797
  - Global – 13,057

- **Companies with a bill payment account**
  - South Asia – 56
  - East Asia & Pacific – 16
  - Global – 98
Almost twice the amount of value is circulating Asia’s mobile money system than exiting.

**$8.6bn IN CIRCULATION**

**$4.6bn OUTGOING**

### Transaction breakdown – Asia (Dec 2019)

- **Circulating transactions**
  - 5.7% Merchant payments
  - 94.3% Outgoing transactions

- **Outgoing transactions**
  - 0.7% Cash-out
  - 1.5% ATU
  - 20.8% Off-net P2P
  - 17.1% M2B
  - 6.0% P2P
  - 53.8% IR initiated
Asia’s rapid mobile internet and smartphone adoption has helped boost merchant payments and e-commerce.

The majority of merchant payments are carried out online:
- 84% of merchant payments transacted online
- 75% of value of merchant payments transacted online

Smartphone penetration increased from 43% to 69% over just 3 years.

Asia is the only region where more merchants offer QR code payment technology rather than USSD.

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Looking ahead, we see three main areas for future growth of mobile money in Asia:

1. Taking financial inclusion beyond access and usage
2. Increasing consumer awareness of mobile money amongst women
3. Extending the reach of mobile money across borders
Q&A

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Appendix A: Mobile money-enabled adjacent services are still nascent across the region

- 48 of 95 markets are interoperable
- Over 17 million unique customers saved via mobile money
- $19 million worth of digital loans processed in June 2019
- 47 mobile-enabled insurance services across 9 countries
Appendix B: The awareness gender gap is widest in Asia.
Appendix C: Across regions, the transaction mix varies with opportunity to further digitise ecosystem transactions

**South Asia Breakdown**
- NUMBER OF TRANSACTIONS (2019)
  - Bill payment: 28.1%
  - Airtime top-up: 5.2%
  - P2P transfer: 1.6%
  - International remittance: 13.2%

- VALUE OF TRANSACTIONS (2019)
  - Bill payment: 77.6%
  - Airtime top-up: 8.4%
  - P2P transfer: 2.0%
  - International remittance: 0.1%

**East Asia and Pacific Breakdown**
- NUMBER OF TRANSACTIONS (2019)
  - Bill payment: 23.6%
  - Airtime top-up: 35.2%
  - P2P transfer: 2.2%
  - International remittance: 7.7%
  - Merchant payment: 0.1%

- VALUE OF TRANSACTIONS (2019)
  - Bill payment: 76.3%
  - Airtime top-up: 7.7%
  - P2P transfer: 1.2%
  - International remittance: 5.8%
  - Merchant payment: 1.1%

**Global Breakdown**
- NUMBER OF TRANSACTIONS (2019)
  - Bill payment: 28.2%
  - Airtime top-up: 47.9%
  - P2P transfer: 2.3%
  - International remittance: 13.7%
  - Merchant payment: 0.2%

- VALUE OF TRANSACTIONS (2019)
  - Bill payment: 71.1%
  - Airtime top-up: 10.6%
  - P2P transfer: 5.1%
  - International remittance: 1.8%
Appendix D: International remittances present a sizeable untapped opportunity in the region

36% of mobile money services in Asia offer international remittance products

34% of these services offer inbound international remittances

Only 16% offer outbound international remittances

Average monthly international remittance flows...

$35bn via formal channels

$85mn via mobile money

*Source: World Bank*