State of the Mobile Money Industry in Latin America and the Caribbean

2019

gsma.com/sotir
The GSMA’s State of the Industry Report is based on a comprehensive set of databases.

- **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.
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
In Latin America and the Caribbean (LAC), mobile money is reaching the poorest and most financially excluded.

**Financial inclusion, GDP per capita and mobile money penetration in LAC**

*Mobile money penetration = Mobile money 90-day active accounts/adult pop in 13 out of 15 Mobile money countries*

Source: GSMA Mobile Money data 2019 and World Bank, Findex 2017
Overall, the industry witnessed growth in the region in 2019.

- Over 26 million registered mobile money accounts in 2019; up by 2.5% YoY.
- Activity rate of 48% in the region (90-day active), the highest in the world.
- Slight decrease in the number of deployments, due to competition (Brazil, Mexico) and burdensome regulatory environment (Nicaragua).
- Transaction values are growing, despite a drop in transaction volumes attributed to service closures.
- 30-day active accounts have grown over 4% YoY.
- Close to half of the region’s adult population is unbanked or underbanked: a sizable opportunity for the mobile money industry.
South America is home to over half of all registered accounts in LAC

Distribution of mobile money registered accounts in the region
While mobile money uptake in LAC is comparatively low, the region has the highest activity rate globally.

Customer 90-day activity rate*

*Mobile money activity rate = 90-day active accounts/Registered
Despite a number of services scaling, growth has been hampered due to increased competition and burdensome regulatory environment.

Countries: 15

- 27 deployments compared to 11 in 2011.

- Services have over 1 million registered accounts.

- 2011: 11
- 2015: 31
- Q4 2019: 27
Agent reach is almost on par with ATMs, but agent activity outperforms the global average.

127k Registered agents

Reach of agents, ATMs and bank branches

In Latin America and Caribbean, per 100,000 population, Mobile Money Agents have slightly higher reach than ATMs and 36% more than banks branches.

Globally, a mobile money agent has 7 times the reach of ATMs and 20 times the reach of bank branches.

MM agents per 100,000

ATMs per 100,000 adults

Bank branches per 100,000 adults

67% Active (30-day) LAC agents (December 2019)

54% Active (30-day) Global agents (December 2019)
The majority of transactions in the region are still cash-based...

*Digital transactions: Digital in + Digital out + Circulating value

Transaction values, USD, December 2019
...with over a third of incoming transactions being digital
The LAC transaction mix distinguishes itself with prevalent ecosystem share

**LAC BREAKDOWN**

- **NUMBER OF TRANSACTIONS** (December 2019)
  - P2P Transfers: 38.8%
  - Airtime Top-Ups: 29.4%
  - Bill Payments: 10.4%
  - Merchant Payments: 15.5%
  - International Remittances: 0.3%
  - Bulk Disbursements: 5.7%

- **VALUE OF TRANSACTIONS** (December 2019)
  - P2P Transfers: 34.1%
  - Airtime Top-Ups: 47.4%
  - Bill Payments: 1.4%
  - Merchant Payments: 1.9%
  - International Remittances: 1.8%
  - Bulk Disbursements: 1.8%

**GLOBAL BREAKDOWN**

- **NUMBER OF TRANSACTIONS** (December 2019)
  - P2P Transfers: 47.9%
  - Airtime Top-Ups: 28.2%
  - Bill Payments: 13.7%
  - Merchant Payments: 2.3%
  - International Remittances: 0.2%
  - Bulk Disbursements: 7.7%

- **VALUE OF TRANSACTIONS** (December 2019)
  - P2P Transfers: 71.1%
  - Airtime Top-Ups: 29.4%
  - Bill Payments: 15.5%
  - Merchant Payments: 10.4%
  - International Remittances: 5.7%
  - Bulk Disbursements: 0.3%

**Ecosystem transactions**
Ecosystem transactions in LAC are driven by bulk disbursements, a tool of choice for social cash transfers.

- 2/3 Ecosystem transactions are bulk disbursements.
- 37.5% of mobile money surveyed providers partner with agribusinesses and cooperatives.
- Utilities account for 45% of mobile money bill payments in our survey.
Interoperability with traditional and ‘neo’ banks will be key in stimulating the growth of mobile money in LAC

Mobile money markets are interoperable

Mobile money account-to-account (A2A) interoperability

- Bolivia, Peru and Mexico

Bridging mobile money and traditional banking

- Value of flows to and from bank accounts grew by 17% between 2018 and 2019

**Interoperable markets**: Mexico, Honduras, Nicaragua, Colombia, Peru, Bolivia, Paraguay; **A2A interoperable markets**: Mexico, Peru, Bolivia
A higher smartphone penetration presents an opportunity for scaling e-commerce and partnerships with the region’s thriving ‘super apps’

### Smartphone penetration forecast

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<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>2025</th>
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<tbody>
<tr>
<td>Latin America and the Caribbean</td>
<td>69%</td>
<td>79%</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>45%</td>
<td>67%</td>
</tr>
<tr>
<td>Asia</td>
<td>64%</td>
<td>81%</td>
</tr>
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Source: GSMAi

### % of value of merchant payments transacted online

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<th>Region</th>
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<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAC</td>
<td>54%</td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td>75%</td>
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Source: GSMA Mobile Money
International remittances present a sizeable untapped opportunity in the region

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<th>Of mobile money services in LAC offer international remittance products</th>
<th>30%</th>
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Only 0.13% international remittances via mobile money in LAC

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<th>Average monthly international remittance flows…</th>
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- ...via mobile money $10.3mn
- ...via formal channels* $8.1bn

*Source: 15 countries - World Bank
Mobile money is central to the mobile industry’s contribution to many of the Sustainable Development Goals.