State of the Mobile Money Industry in Africa

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

New Registered Accounts

50m
Africa is the enduring epicentre of mobile money

481m
Registered accounts in 2019, up 12% YoY and making up 46% of global accounts

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

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

- **52%** Eastern Africa
- **34%** Western Africa
- **10%** Central Africa
- **2%** Southern Africa
- **2%** Northern Africa

481m
Registered accounts in 2019, up 12% YoY and making up 46% of global accounts
Impressive growth across Africa in 2019

- Over 100 million active mobile money accounts in 2019; up by 10.6% YoY.
- Over 5.2 million money-enabled insurance policies issued in 2019

**HIGHLIGHTS**

- The number registered accounts grew by 100% through 2016-2019 – Reaching almost 50 million
- Growth led by Cameroon and Congo
- Southern Africa saw growth-levels resembling those of sub-Saharan Africa’s other regions.
- Botswana saw several new entrants during 2019
- Strong growth across the region with the likes of Senegal is also growing fast
- Ghana continues to impress; while much foreign investment entered Nigeria
- Northern Africa saw strong growth in transactional volumes and value
- New entrants and renewed efforts in Morocco
More people in Africa are using their accounts more actively and as part of their daily lives.

183m
Active accounts (90-day)
49% of global share
25% adult population penetration

15
2014
40
2019

40 deployments have over 1m active accounts (90-day) compared to 15 in 2014.

6
services have over 5m active accounts
Agents remain the main gateway for digitising cash in the region

3.4m Registered agents
(44% of global agents)

56% Active
(30-day)

A mobile money agent has 26 times the reach of ATMs and 58 times the reach of bank branches.

Per 100,000 adults:
- 6 Banks
- 13 ATMs
- 340 Mobile money agents

$124bn digitised value facilitated by mobile money solutions and agents in Africa annually
African mobile money industry has reached a digital threshold, driven by two key trends:

**TREND 1**
Digital transactions make up the majority of mobile money flows.

- **Total In**: 16bn
- **Digital In**: 4.95bn (31%)
  - Bulk: 16%
  - B2M: 13%
  - IR: 2%
- **Cash-In**: 11bn
  - P2P: 90%

**TREND 2**
More value is circulating in the mobile money system than exiting.

- **Total Out**: 12bn
  - Digital Out: 4bn (33%)
    - Bill: 16%
    - M2B: 9%
    - ATU: 5%
    - Off-net: 2%
    - IR: 1%
- **Cash-Out**: 7.98bn (67%)

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

Transaction values, USD, December 2019
Digital transactions make up the majority of African mobile money flows

53% of transactions are now digital

37% CAGR since 2014

Mix of Mobile Money Transaction Values

<table>
<thead>
<tr>
<th>Date</th>
<th>Cash-in/Cash-out</th>
<th>Digital transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-14</td>
<td>41%</td>
<td>59%</td>
</tr>
<tr>
<td>Dec-15</td>
<td>41%</td>
<td>59%</td>
</tr>
<tr>
<td>Dec-16</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>Dec-17</td>
<td>45%</td>
<td>55%</td>
</tr>
<tr>
<td>Dec-18</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>Dec-19</td>
<td>53%</td>
<td>47%</td>
</tr>
</tbody>
</table>
Mobile money is increasingly integral to the African financial ecosystem

27 of 35 markets are interoperable

Interoperability with banks

On average mobile money services with bank integration are connected to 10 banks

Interoperable P2P transfer volumes grew by nearly 25%

Account-to-account (A2A) interoperability

Value of flows to and from bank accounts grew by 32%

Complementing traditional banking

Interoperable markets: Benin, Burkina Faso, Cameroon, Côte d'Ivoire, DR Congo, Egypt, eSwatini, Gambia, Ghana, Guinea, Kenya, Madagascar, Malawi, Mali, Morocco, Mozambique, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Sudan, Tanzania, Togo, Uganda, Zambia, Zimbabwe
Beyond interoperability, mobile money is extending beyond borders

$6.1bn mobile money-enabled international remittances processed in Africa

58% of countries offer inbound international remittances

Injecting $4.9bn into receiving economies

36% of countries offer outbound international remittances

Average value of international remittance transactions

Dec-2019

- CAF: $119
- EAF: $117
- NAF: $137
- SAF: $46
- WAF: $79
For the first time, airtime top-ups now make up less than 50% of total volume in the region.

AFRICA BREAKDOWN

NUMBER OF TRANSACTIONS (2019)

VALUE OF TRANSACTIONS (2019)

GLOBAL BREAKDOWN

- **P2P Transfers**
- **Bill Payments**
- **Merchant Payments**
- **International Remittances**
- **Airtime Top-Ups**

**AFRICA BREAKDOWN**

- **P2P Transfers**
  - 69.0%
- **Bill Payments**
  - 30.4%
- **Merchant Payments**
  - 4.2%
- **International Remittances**
  - 9.0%
- **Airtime Top-Ups**
  - 2.4%

**GLOBAL BREAKDOWN**

- **P2P Transfers**
  - 71.1%
- **Bill Payments**
  - 28.2%
- **Merchant Payments**
  - 2.3%
- **International Remittances**
  - 0.2%
- **Airtime Top-Ups**
  - 13.7%
Ecosystem transactions are increasingly driving essential and impactful services in Africa

1. **Over a third of monthly accounts receive salaries via mobile money**
2. **73% of mobile money providers partner with agribusinesses and cooperatives**
3. **Utilities account for 61% of mobile money bill payments**
4. **Mobile money providers in the region are on average integrated with 35 government agencies**

Mix of Sub-Saharan Africa Ecosystem transaction values (Dec 2019)

- Bulk disbursement: 40%
- Merchant payment: 31%
- Bill payment: 21%
- International remittance: 9%

* Based on 41 services which participated in the GSMA Global adoption survey and responded to the question “Do you partner with organisations in the agricultural sector?”
More value is circulating in the mobile money system than exiting P2P transfers.

Value in 2017:

$13.6bn in circulation

34% year on year growth for merchants

P2P transfers

x2

THE VALUE IN 2017

INDUSTRY FIRST
Bridging the gap between offline customers and online merchants in Africa

E-commerce transactions trebled in value

E-commerce transactions are now 2.8% of mobile money retail transactions in the region, up from 0.3% in 2018

Social Media + E-commerce = Social Commerce

‘Intelligent shopping’
Mobile money playing a key role in cultivating a formal savings culture in Africa

$196m+
transferred to mobile money-enabled savings accounts

8.9m
unique customers saved via mobile money

$264
saved per unique customer annually

June 2019
Commercial sustainability and viability of mobile money in Africa

- 64% of respondents have a positive EBITDA
- 52 per cent of unique Africa respondents reported EBITDA >25% compared to 38 per cent in 2018
- 29% respondents reported a significant increase in EBITDA
- 57% of the mobile money services contribute more than 15% to their respective total MNO revenues
Across the continent there is a changing regulatory environment in mobile money

**Mobile Money Taxation**
Poorly designed taxation regimes continue to adversely impact mobile money growth and are seen to have a huge impact on marginalised groups.

**Data localisation**
Adopt more holistic data protection laws which allow data to be stored in the cloud and shared across borders to reduce infrastructure costs and ensure adequate protection.

**e-KYC**
Several African countries have digitised their national ID systems and regulators are operationalising e-KYC to drive efficiency in the mobile money adoption process.

**Interoperability**
As the industry adopts national switches, regulators should involve industry players in this process to enable successful mobile money interoperability.
Looking ahead, we see three main areas for future growth of mobile money in Africa:

1. Accelerating the shift from cash towards digital payments
2. Expanding mobile money enabled international remittance in Western Africa
3. Enhancing the delivery of humanitarian cash assistance
Despite the peak in digitisation across the region, the threshold hasn’t reached for all services yet.

Distribution of digitisation levels among African deployments

$22.6bn
Digital transactions processed in Dec-19

69% of services still heavily reliant on Cash-in/Cash-out transactions

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Digital transactions processed in Dec-19

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While International remittances shines in West Africa, there is still a sizeable opportunity for expansion.

40% of mobile money enabled international remittances are sent and received in Western Africa.

Averaging $79 worth of mobile money enabled international remittances per transaction.

$3.2bn worth of formal remittances processed in West Africa.

*Source: World Bank
Mobile money provides a superior modality for humanitarian cash delivery in Africa with opportunity to reach more people.

48 of 95 markets are interoperable.

On average 11 humanitarian organizations partnered with a mobile money service.

25m* forcibly displaced people in the region.

1.7m digital cash assistance delivered to over 1.7m unique mobile money accounts.

*Source: United Nations High Commissions for refugees
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