



State of the Industry Report on Mobile Money

2018
Executive Summary



Mobile Money

The GSMA represents the interests of mobile operators worldwide, uniting more than 750 operators with over 350 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors. The GSMA also produces the industry-leading MWC events held annually in Barcelona, Los Angeles and Shanghai, as well as the Mobile 360 Series of regional conferences.

For more information, please visit the GSMA corporate website at www.gsma.com

Follow the GSMA on Twitter: [@GSMA](https://twitter.com/GSMA)

The GSMA's Mobile Money programme works to accelerate the development of the mobile money ecosystem for the underserved.

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THE MOBILE MONEY PROGRAMME IS SUPPORTED BY THE BILL & MELINDA GATES FOUNDATION,
THE MASTERCARD FOUNDATION, AND OMIDYAR NETWORK

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MOBILE MONEY IN 2018



272

MOBILE MONEY DEPLOYMENTS



ARE LIVE IN
90
COUNTRIES



866m

REGISTERED MOBILE MONEY ACCOUNTS

↑ 20% increase from 2017

62

MOBILE MONEY DEPLOYMENTS HAVE MORE THAN

1m

90-DAY ACTIVE ACCOUNTS

compared to 54 in 2017 and 13 in 2013

A TYPICAL ACTIVE MOBILE MONEY CUSTOMER MOVES



\$206
PER MONTH



\$1.3bn
processed daily
by the mobile money industry

54%

OF THE COMBINED ADULT POPULATION OF



GHANA, CÔTE D'IVOIRE, BENIN AND SENEGAL

use mobile money on an active basis

DIGITAL TRANSACTION VALUES



Grew at more than **TWICE** the rate of cash-in/cash-out values

ASIA

90m

NEW REGISTERED ACCOUNTS

↑ 31% increase from 2017



Executive Summary

Now processing over \$1.3 billion a day, the mobile money industry added a record 143 million registered customers in 2018.

Providers are attracting new investments and forming strategic partnerships, leveraging data and innovative financial technologies, and developing robust and interoperable payments systems to diversify their revenue, product offerings and customer base.

In 2018, following a decade of incredible growth, the mobile money industry is still getting the fundamentals right. Mobile money accounts continue to provide a gateway to life-enhancing services, such as healthcare, education, financial services, employment and social protections, which are reaching customers who have traditionally been underserved by the financial system. Many industry players have reached scale, and account registrations, activity rates and transaction values continue to grow steadily.

While cash-in and cash-out transactions still represented the majority of mobile money flows in 2018, digital transactions grew at twice the rate, driven largely by bill payments and bulk disbursements. Successful providers are now looking to strengthen their value proposition with a full suite of use cases that serve diverse customer needs. This shift towards a 'payments as a platform' approach is at the heart of the industry's new direction.

This year's State of the Industry Report looks at how providers are navigating this dynamic and shifting ecosystem, which was shaped by four key trends in 2018:

An enhanced customer experience. 2018 saw a dramatic increase in smartphone adoption in emerging markets, unlocking access to a broader customer base and allowing providers to offer a wider range of financial products and services through user-friendly apps. Interoperability also continued to be a strategic priority for the industry, not only to increase the utility of mobile money for users, but also to allow increasingly important use cases to scale up faster. The main drivers of digital growth in 2018 were bulk disbursements and bill payments — a signal that mobile money providers are becoming strong partners for enterprises.

Diversification of the financial services landscape. While large MNO groups still dominate Africa's mobile money ecosystem, in Asia, fintechs and tech giants have entered the payments space and developed a range of customer-centric use cases, from transportation to food, medical and financial services, and amassed a vast number of partners, including financial institutions. Mobile money providers in both Asia and Latin America, including fintech players, are driving growth in the mobile payment ecosystem, and expanding from e-commerce to offer financial services such as credit.



Increasingly complex regulation. As the number of players in the digital financial services ecosystem grows exponentially, regulation is becoming increasingly complex. Five main themes dominated the mobile money regulatory landscape in 2018: taxation, KYC requirements, cross-border remittances, national financial inclusion strategies and data protection. These developments call for a more nuanced evaluation of regulatory frameworks and collaboration between providers and regulators to achieve the mutual aim of expanding mobile money services.

Expansion of the mobile money value proposition. In our 2018 Global Adoption Survey, close to 80 per cent of providers reported that most of their revenues are driven by customer fees. Many providers are now seeking to strengthen their value proposition with a 'payments as a platform' model. This connects consumers and businesses with a range of third-party services to meet their evolving needs, from enterprise solutions for micro-, small- and medium-sized enterprises (MSMEs) to e-commerce, credit, savings and insurance.

It was not only these trends that captured our attention in 2018. Other compelling developments include reforms in Africa's

three most populated countries, Nigeria, Ethiopia and Egypt, which we expect to spark a wave of adoption which could lead to over 110 million new mobile money accounts in the next five years.

Mobile money continues to play a vital role in financial inclusion. Globally, around 1.7 billion people still lack access to safe, reliable and convenient financial services.¹ However, 31 emerging markets have seen an impressive increase in financial inclusion rates, which can be attributed to simultaneous growth in active mobile money use.

Although much work remains to be done in **closing the mobile money gender gap**, there is evidence from the 2017 Global Findex that the mobile money gender gap has narrowed in 17 countries in Sub-Saharan Africa and in one country in Latin America (Bolivia). Our Global Adoption Survey data revealed a strong positive correlation between the percentage of female agents in a provider's network and female customers.

In this report, we take a closer look at these trends and unfolding industry stories. The full findings of this year's State of the Industry Report on Mobile Money are based on the analysis of data collected through the GSMA's Annual Global Adoption Survey.

1. World Bank Group (2018). [The Global Findex Database 2017](#).

MOBILE MONEY HIGHLIGHTS IN 2018

2018 saw efforts to pursue new investments and strategic partnerships, to leverage data and innovative financial technologies, and to develop robust and interoperable payments systems to support a range of use cases and financial products.

MARCH**INVESTMENT.**

Telenor Group and Ant Financial enter a strategic partnership to deliver inclusive financial services in Pakistan.

APRIL**CONSUMER PROTECTION.**

GSMA launches the GSMA Mobile Money Certification scheme. Over the course of the year, nine mobile money providers become certified, collectively covering over 133 million customer accounts.

**SEPTEMBER****INVESTMENT.**

American investment conglomerate Berkshire Hathaway acquires a four per cent stake in Paytm, India's largest digital payments company.

APRIL**INVESTMENT.**

Ant Financial invests in Bangladesh's bKash to expand the capabilities of the platform to ultimately boost financial inclusion.

APRIL**STRATEGIC PARTNERSHIP.**

PayPal, Safaricom and TransferTo announce a collaboration enabling M-Pesa users in Kenya to securely transfer funds between PayPal and M-Pesa accounts.

SEPTEMBER**INNOVATIVE USE CASES.**

84.6 per cent of Ghanaian investors buy shares for MTN Ghana's Initial Public Offer (IPO) using the MTN Mobile Money Portal.

OCTOBER**REGULATION.**

The Central Bank of Nigeria issues guidelines for the licensing, regulation and operations of payment service banks, enabling mobile operators to lead financial inclusion efforts.

NOVEMBER**REGIONAL INTEROPERABILITY.**

Orange and MTN launch a pan-African mobile money interoperability venture, Mowali, to scale up mobile financial services across Africa.

**DECEMBER****INVESTMENT.**

Econet Wireless demerges and lists Cassava Smartech (which includes its EcoCash mobile money operation) separately on the Zimbabwe Stock Exchange (ZSE) valued at around \$3.9 billion soon after listing.

NOVEMBER**INTERNATIONAL COMMITMENT.**

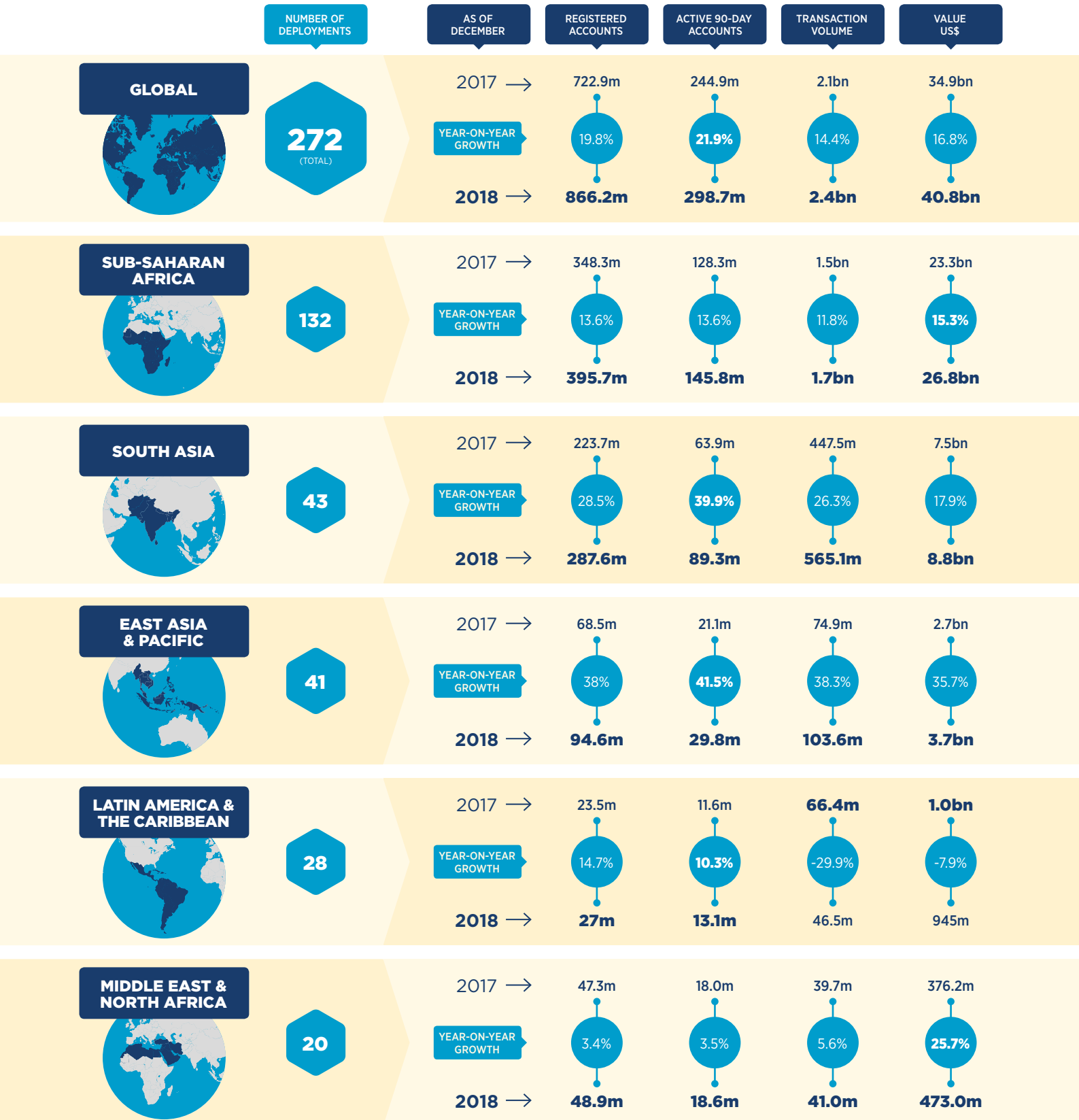
The United Nations announces the launch of a global task force on Digital Financing of the Sustainable Development Goals, with the GSMA as a member.

NOVEMBER**STRATEGIC PARTNERSHIP.**

Safaricom and Western Union partner to allow M-Pesa users to transfer money to and from 200 countries. Kenya's Family Bank Ltd and fintech SimbaPay also partner to enable M-Pesa customers in Kenya to send money to WeChat users in China.



REGIONAL GROWTH IN 2018





To download the full report please visit
the GSMA website at www.gsma.com/sotir

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