



2017
State of the
Industry Report
on Mobile Money
EXECUTIVE SUMMARY



The GSMA represents the interests of mobile operators worldwide, uniting nearly 800 operators with almost 300 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 industry-leading events such as Mobile World Congress, Mobile World Congress Shanghai, Mobile World Congress Americas and the Mobile 360 Series of conferences.

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GSMA Mobile Money

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

For more information, please contact us:

Web: www.gsma.com/mobilemoney

Twitter: [@gsmammu](https://twitter.com/gsmammu)

Email: mobilemoney@gsma.com

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

BILL & MELINDA
GATES *foundation*



 ON
OMIDYAR NETWORK™

MOBILE MONEY IN 2017

276 

mobile money deployments are now live in 90 countries

There are

690m

registered mobile money accounts worldwide—a 25% increase from 2016

Deployments with more than one million 90-day active accounts

37

December 2016

47

December 2017

Overall mobile money industry direct revenues rose to over

 \$2.4bn

THE MOBILE MONEY INDUSTRY IS PROCESSING AN AVERAGE

\$1bn
PER DAY

OVER 20%

of deployments now offer a savings, pensions or investment product with another 37% intending to over the next year

168
MILLION

mobile money accounts were active (30-day) in December 2017

A TYPICAL MOBILE MONEY CUSTOMER MOVES

\$188

PER MONTH



66%

of the combined adult population of Kenya, Rwanda, Tanzania and Uganda use mobile money on an active basis

EXECUTIVE SUMMARY

2017 saw a number of new trends in mobile money – from the accelerated growth of bank-to-mobile interoperability, to the emergence of South Asia as the fastest growing region, and a raft of innovations designed to reach the most underserved.

The mobile money industry is now processing a billion dollars a day and generating direct revenues of over \$2.4 billion. With 690 million registered accounts worldwide, mobile money has evolved into the leading payment platform for the digital economy in many emerging markets.

Several factors underpin the success of a growing number of providers: a sustained focus on activity rates, the digitisation of platforms and measures to reduce the net cost of the agent network. On each of these fronts, the trends in 2017 were positive.

A growing number of mobile money services are achieving activity rates of over 50 per cent.

While average industry activity rates grew modestly to 36 per cent in December 2017, a closer look reveals significant variation among providers. Many successful providers are seeing a higher number of their customers using the service regularly. Our analysis shows that these providers all have a strong distribution network, enjoy enabling regulation, and rely more on an account-based business model.

More funds are entering and leaving the mobile money ecosystem in digital form.

Use cases such as bulk disbursements, bill payments and bank-to-mobile transactions have been the main drivers of this trend. As mobile money

becomes more digital, it is connecting the wider economy and, in turn, becoming more profitable for providers and more useful to consumers. Whereas nearly 12 per cent of incoming funds were digital in 2012, that figure rose to nearly 25 per cent in 2017.

Many successful providers are decreasing the net cost of the agent network. Agents remain a crucial and distinguishing asset of mobile money providers. In recent years, we have seen growth in the number of active agents and average values processed by agents. At the same time, the inflow of digital funds is reducing provider costs, by alleviating the need for subsidised cash-in agent commissions. The cost of managing an agent network can account for more than half of total revenues, so this trend can significantly affect investment incentives.

Of course, success will require more than just getting the basics right. As the context changes, so mobile money providers are working to adapt. Important trends include the spread of smartphones and fintech companies, the digitisation of new sectors of the economy, and renewed efforts by companies and governments alike to reach the most vulnerable. Mobile money providers serving as a payment platform for a broad range of entities appear to be best placed to thrive in this environment.

The most successful providers are integrated with a wide range of third parties. On average, providers with the highest activity rates are integrated with seven banks, 95 billers and 31 organisations for bulk disbursements, and 6,500 merchants - well above the industry average.

As a burgeoning fintech community seeks to marry start-up innovation with mobile money scale, these connections and the potential to serve as the gateway to the digital economy will become increasingly central to the story of mobile money.

Policy objectives will play an increasingly important role, as the scope of mobile money regulation broadens. The pace of core regulatory reform slowed in 2017, as the total number of markets with enabling regulatory frameworks rose from 52 to 54.




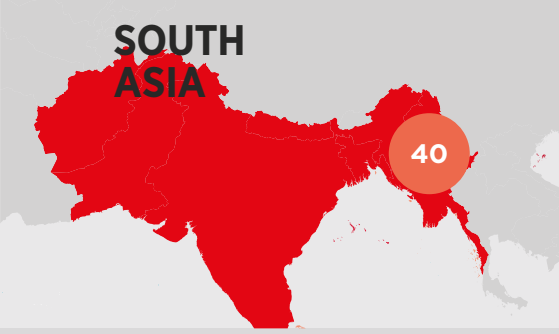

This, however, masked two important trends: the growth of new areas of digital financial services regulation and the spread of national financial inclusion policy frameworks. As regulators confront questions around data protection, regulatory sandboxes, and more, the policy end game of greater inclusion must remain at the fore.

Amidst this changing landscape, many traditional tools remain relevant. The persistence and scale of the cash economy in emerging markets means that complex distribution networks remain crucial for digital services to interface with physical lives.

In a business that relies deeply on trust, the role of longstanding brands and the understanding of local contexts is integral to the engagement of people outside of the formal system. And as governments and regulators take a broader approach to digital financial services, providers and national authorities must continue to work in concert to strike a balance that ensures sustainable and responsible market growth.

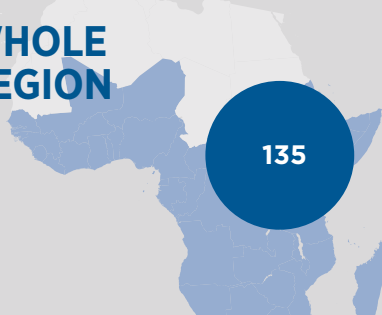



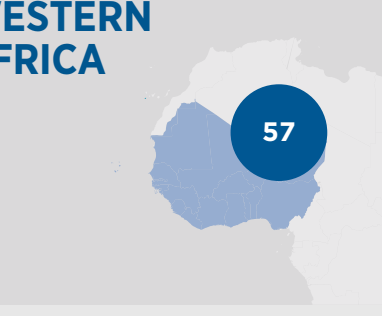
By leveraging these enduring assets and finding new ways to connect scale with innovation, mobile money providers can serve as a gateway to the widening array of digital services in emerging markets. In this report, we take a closer look at these and other trends shaping the mobile money industry around the world. 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.

REGIONAL GROWTH IN 2017

	Number of deployments	As of December	Registered accounts	Active 90-day accounts	Transaction volume	Value USD
GLOBAL 	276*	2016	553.7m	191m	1.5bn	26bn
		Year-on-year growth, %	24.6	29.3	24.8	21.3
		2017	690m	247m	1.8bn	31.5bn
EAST ASIA AND PACIFIC 	41	2016	33.3m	5.5m	28m	1.8bn
		Year-on-year growth, %	9.3	29.7	5.1	6.5
		2017	36.5m	7.2m	29.5m	1.9bn
LATIN AMERICA AND THE CARIBBEAN 	34	2016	19.7m	10.1m	59.3m	0.8bn
		Year-on-year growth, %	9.3	14.3	11.3	6.4
		2017	21.5m	11.5m	66.1m	0.8bn
SOUTH ASIA 	40	2016	159.9m	55.5m	347.8m	5.7bn
		Year-on-year growth, %	46.9	55.7	49	48.9
		2017	234.8m	86.3m	518.1m	8.4bn
MIDDLE EAST AND NORTH AFRICA 	18	2016	44.7mn	15.3mn	31.8mn	0.3bn
		Year-on-year growth, %	5.7	20	19.8	21.5
		2017	47.2m	18.3m	38.1m	0.4bn

* Europe and Central Asia is not reflected. These regions counted 11.5M; 1.7M; 4.4M and \$66.7M for the respective metrics as of December 2017.

SUB-SAHARAN AFRICA SNAPSHOT

	Number of deployments	As of December	Registered accounts	Active 90-day accounts	Transaction volume	Value USD
WHOLE REGION 		2016	285.9m	103.1m	981.3m	17.4bn
	Year-on-year growth, %		18.4	18.2	17.9	14.4
	2017	338.4m	121.9m	1.2bn	19.9bn	
EASTERN AFRICA 		2016	168.2m	65.6m	773.9m	11.9bn
	Year-on-year growth, %		13.6	11.6	12.5	10.5
	2017	191.0m	73.2m	870.8m	13.2bn	
CENTRAL AFRICA 		2016	23.6m	5.9m	33.5m	742.1m
	Year-on-year growth, %		39.8	64.1	88.3	72.6
	2017	32.9m	9.8m	63.2m	1.3bn	
SOUTHERN AFRICA 		2016	7.7m	2.2m	8.7m	104.7m
	Year-on-year growth, %		29.4	20.1	20.9	17.9
	2017	10.0m	2.7m	10.5m	123.4m	
WESTERN AFRICA 		2016	86.4m	29.4m	165.2m	4.6bn
	Year-on-year growth, %		20.9	23.5	28.3	15.2
	2017	104.5m	36.2m	211.9m	5.3bn	



For the full version of the report, please visit [gsma.com/sotir](https://www.gsma.com/sotir)

GSMA HEAD OFFICE

Floor 2
The Walbrook Building
25 Walbrook
London EC4N 8AF
United Kingdom
Tel: +44 (0)20 7356 0600
Fax: +44 (0)20 7356 0601

