



The pivotal role of mobile money: Driving inclusion and resilience [Africa]

2021

gsma.com/sotir



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FIW

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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 2020



1.2bn
registered mobile money accounts

Over

\$2bn

processed daily by the mobile money industry



More than

\$1bn

international remittances processed per month



↑ 65% increase year-on-year



300 million
monthly active accounts

17% ↑
increase year-on-year



5.2m
unique agent outlets globally

310
mobile money deployments



are live in 96 countries

\$500m
digitised per day by agents globally





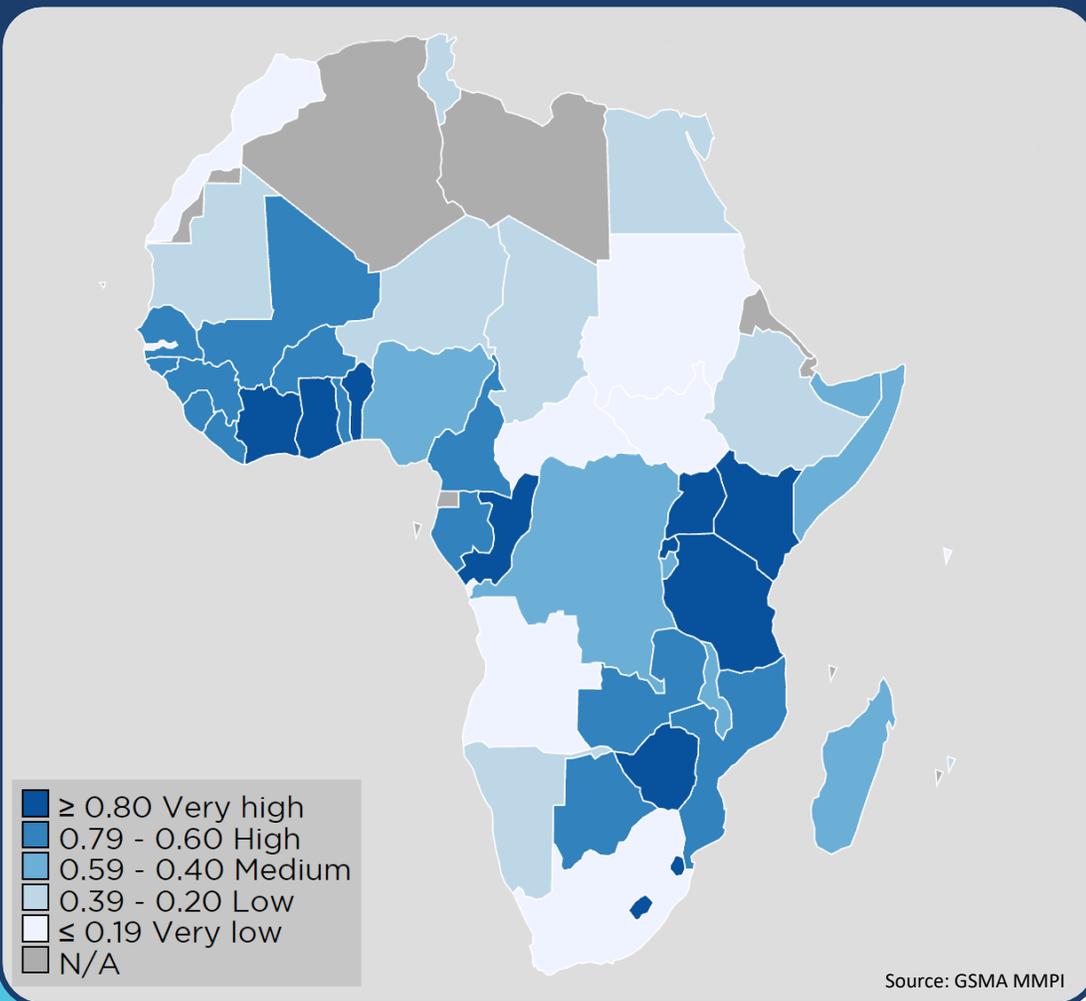
Mobile Money in Africa grew on all fronts in 2020 – No. of markets, accounts, activity, volume and value





Over a half of the world's mobile money services are in Africa – but within Africa mobile money prevalence differs

Mobile Money Prevalence in Africa



1 in 3

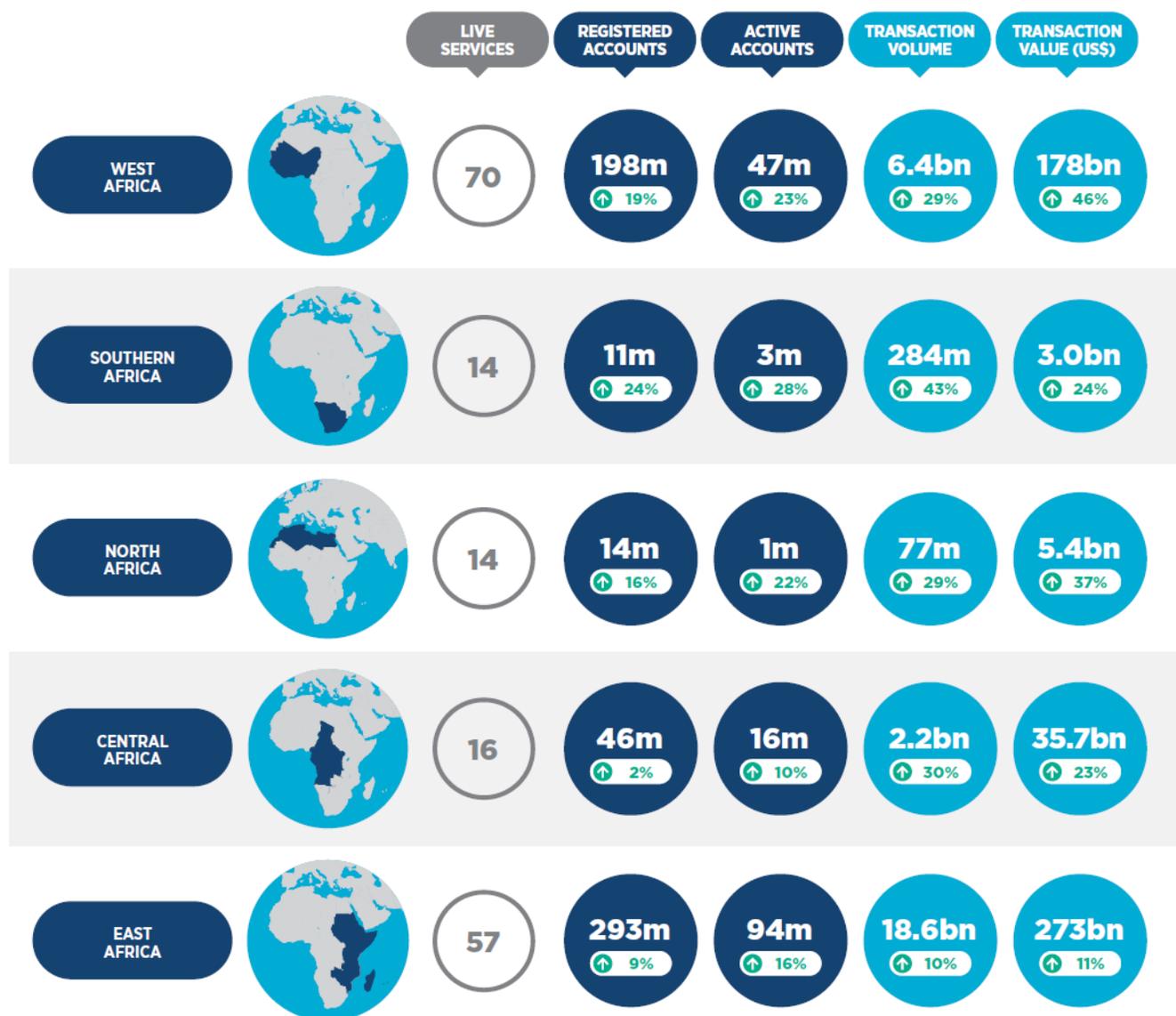
adults use mobile money at least every 90 days

11 countries reach the highest index band





Sub-regional growth across Africa in 2020



HIGHLIGHTS

- **Fastest growth** in terms of value (+46%)
- Increased competition in markets such as **Senegal** and **Côte d'Ivoire**

- Growth driven by **smaller markets** in the region
- MTN MoMo launched in **South Africa**

- **Low bases, but high growth** – comparable to the rest of the continent
- **Second fastest growth** in the value transacted, only second to West Africa

- Growth led by **Cameroon** and **Congo**, but **DRC's** contribution is growing
- Slow growth in registered accounts due to the culling of dormant accounts

- Biggest region in terms of **accounts**
- **Ethiopia** launched first telco-led mobile money



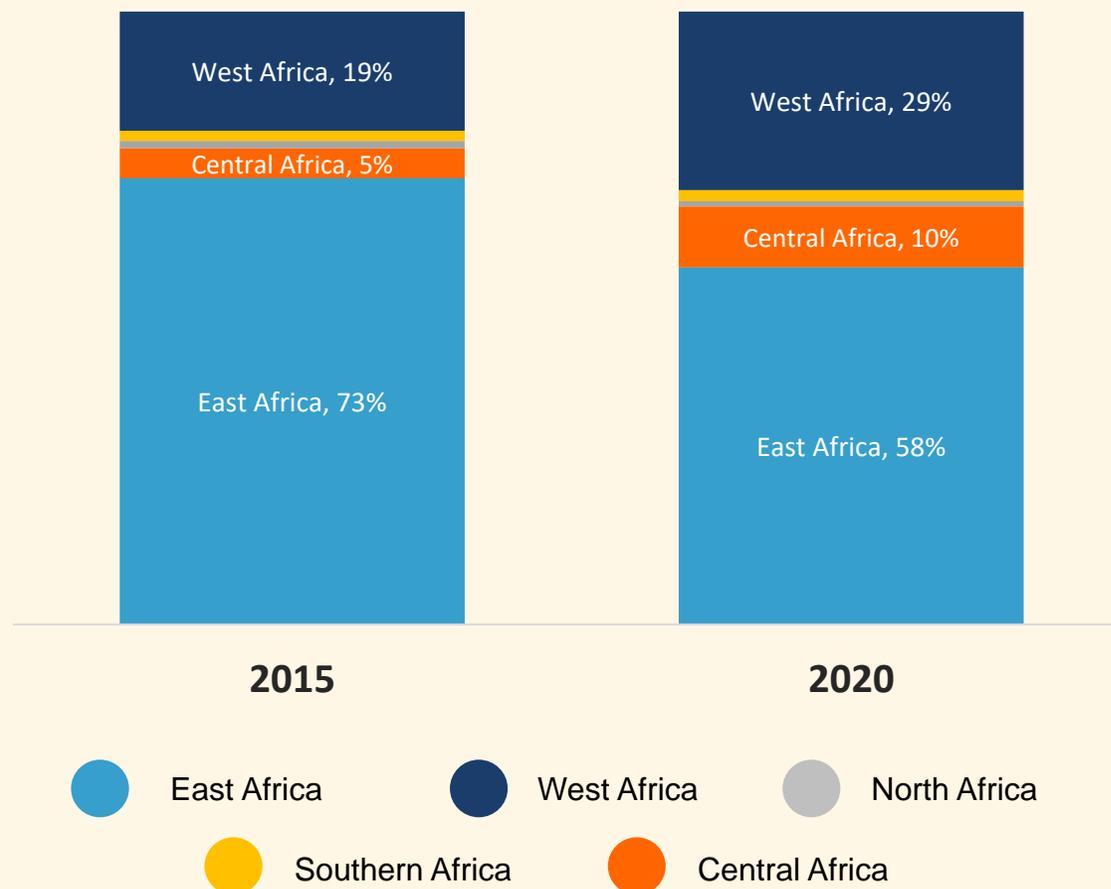
Africa is the enduring epicentre of mobile money, surpassing half a billion accounts

161m

Monthly active accounts in 2020, up 18% YoY and making up 54% of global accounts

East Africa's share of the African market is shrinking year on year.

Active 30-day accounts – Africa breakdown 2015 vs. 2020



A blue-tinted photograph of a person in a patterned shirt using a smartphone. The person is in the foreground, and their hands are visible holding the phone. In the background, there is a car and some trees, suggesting an outdoor setting. The overall image has a monochromatic blue color scheme.

Agents

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The number of active agents continue to grow at strength – with no real sign of letting up



2.5m Active agents
(44% of global agents)



55%

Active
(30-day)



+7%

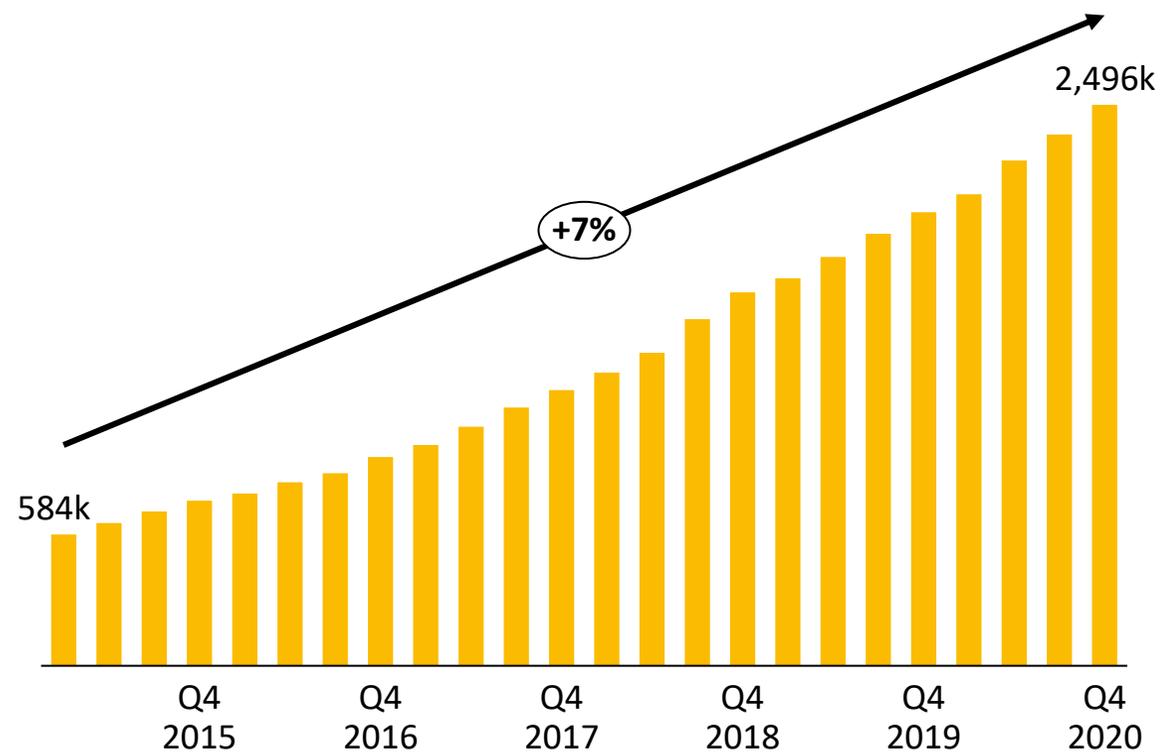
quarter-on-quarter
growth since 2015



In 2020, the top 25 largest
agent networks grew by

26%

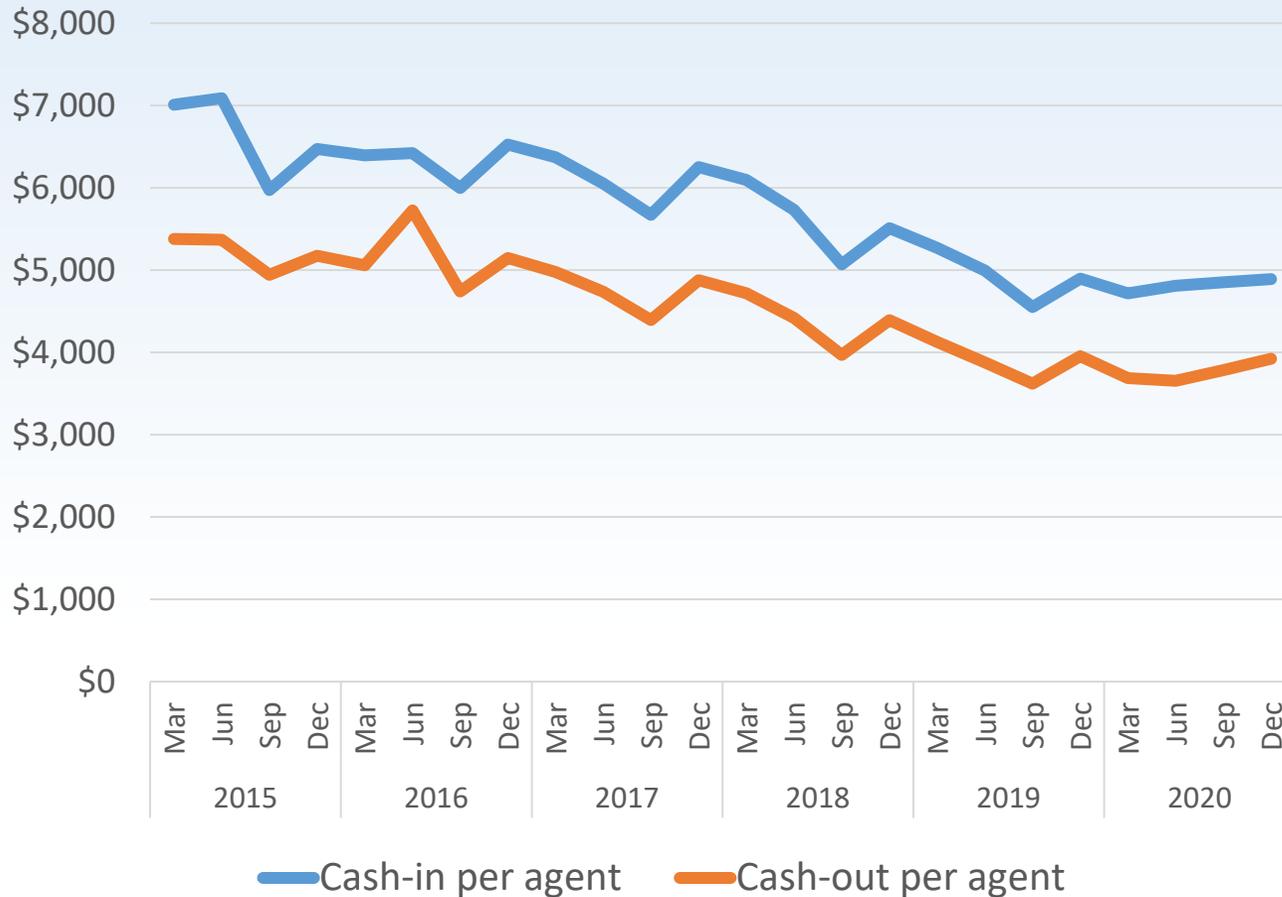
Active mobile money agents – Africa
2015-2020





The ratio between cash-in and cash-out remains stable over time – Drop in CICO per agent levelling out?

Monthly average CICO per active agent



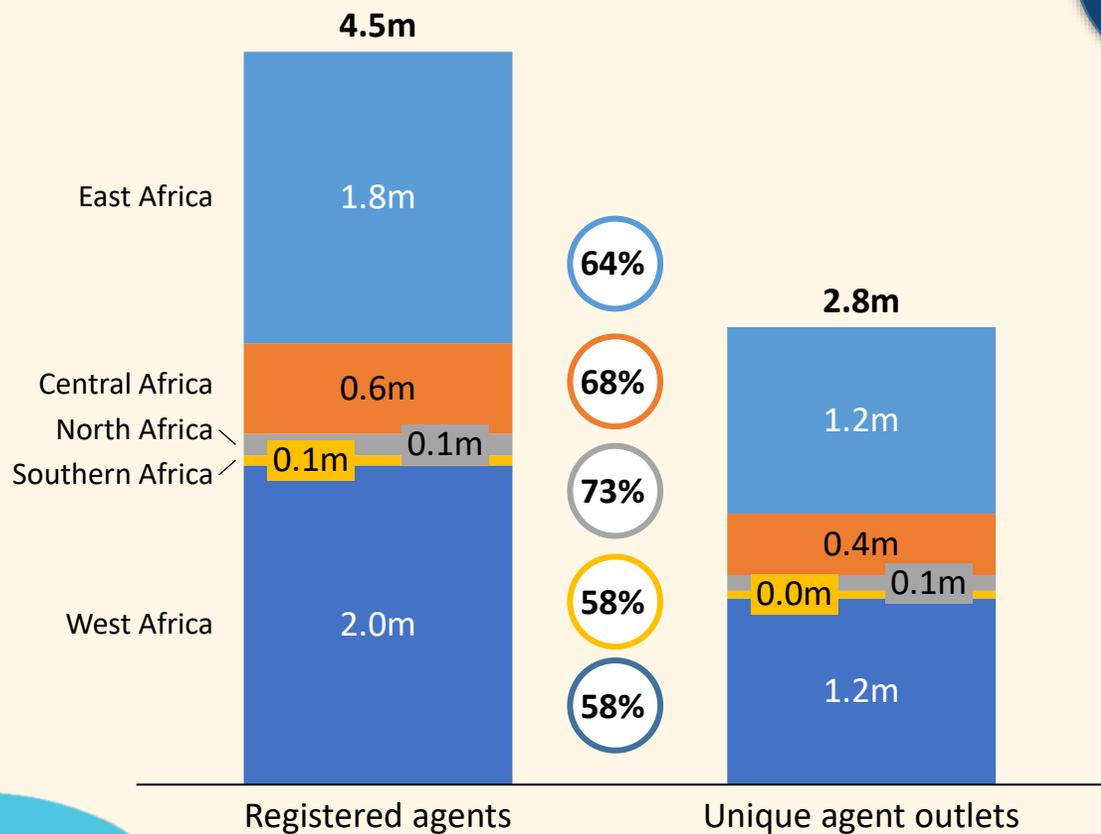
**\$133bn
digitised**

by mobile money agents
across the continent in 2020



Increasing competition leads to more overlaps in the agent network and fewer exclusive agents

Registered vs. Unique agents Africa, 2020



2.8 million
unique physical
agent outlets



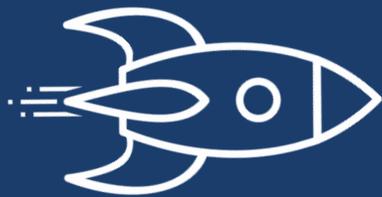
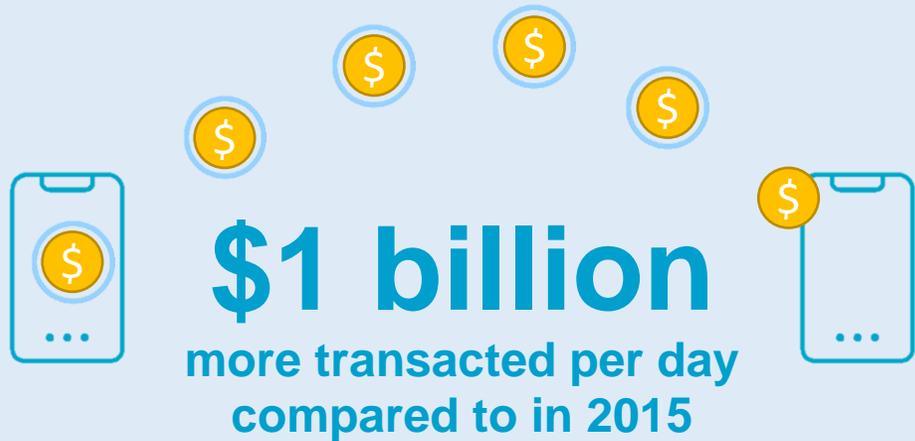
○ = Market Concentration Deflator



Transactions

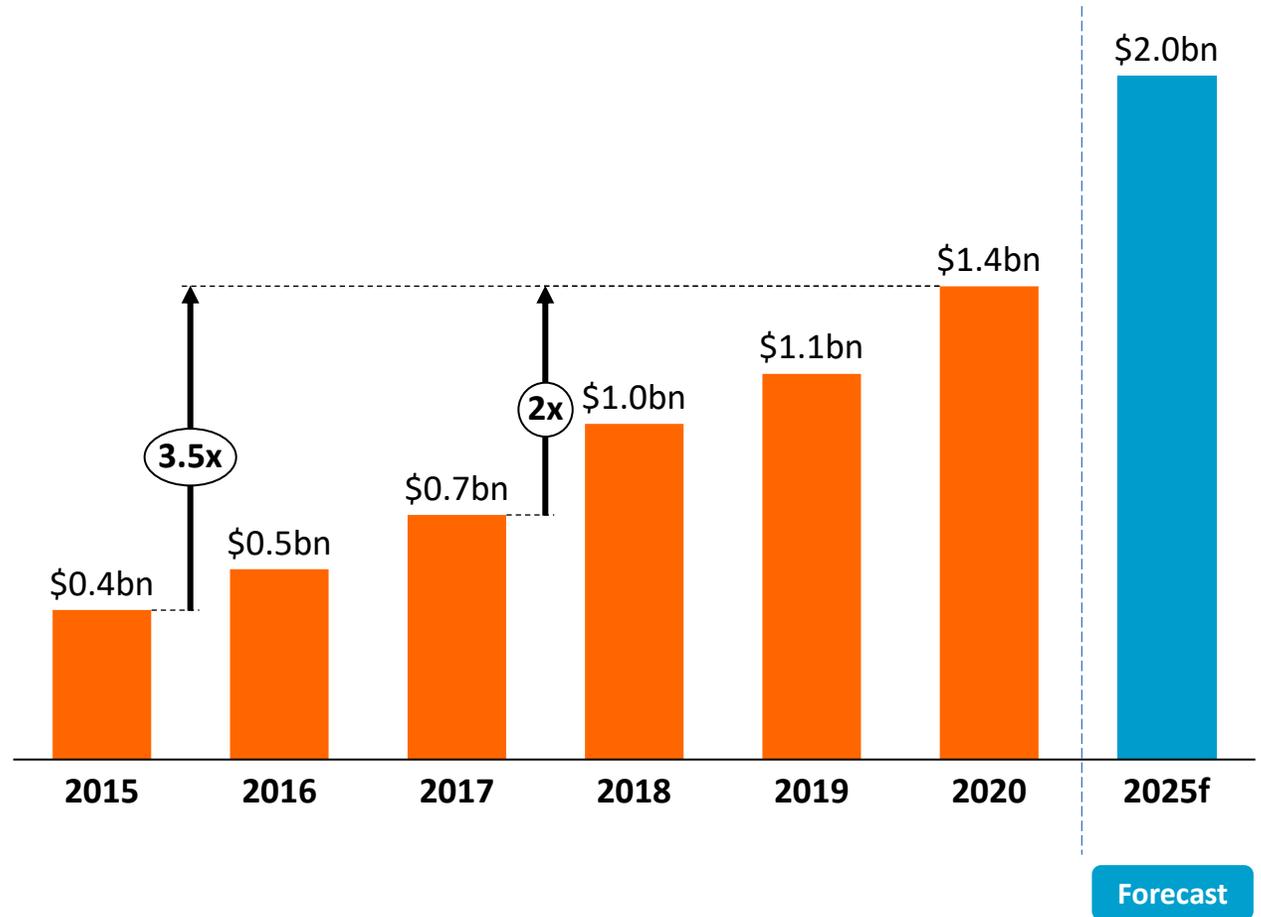


Total transaction values in Africa have more than doubled over the past 3 years



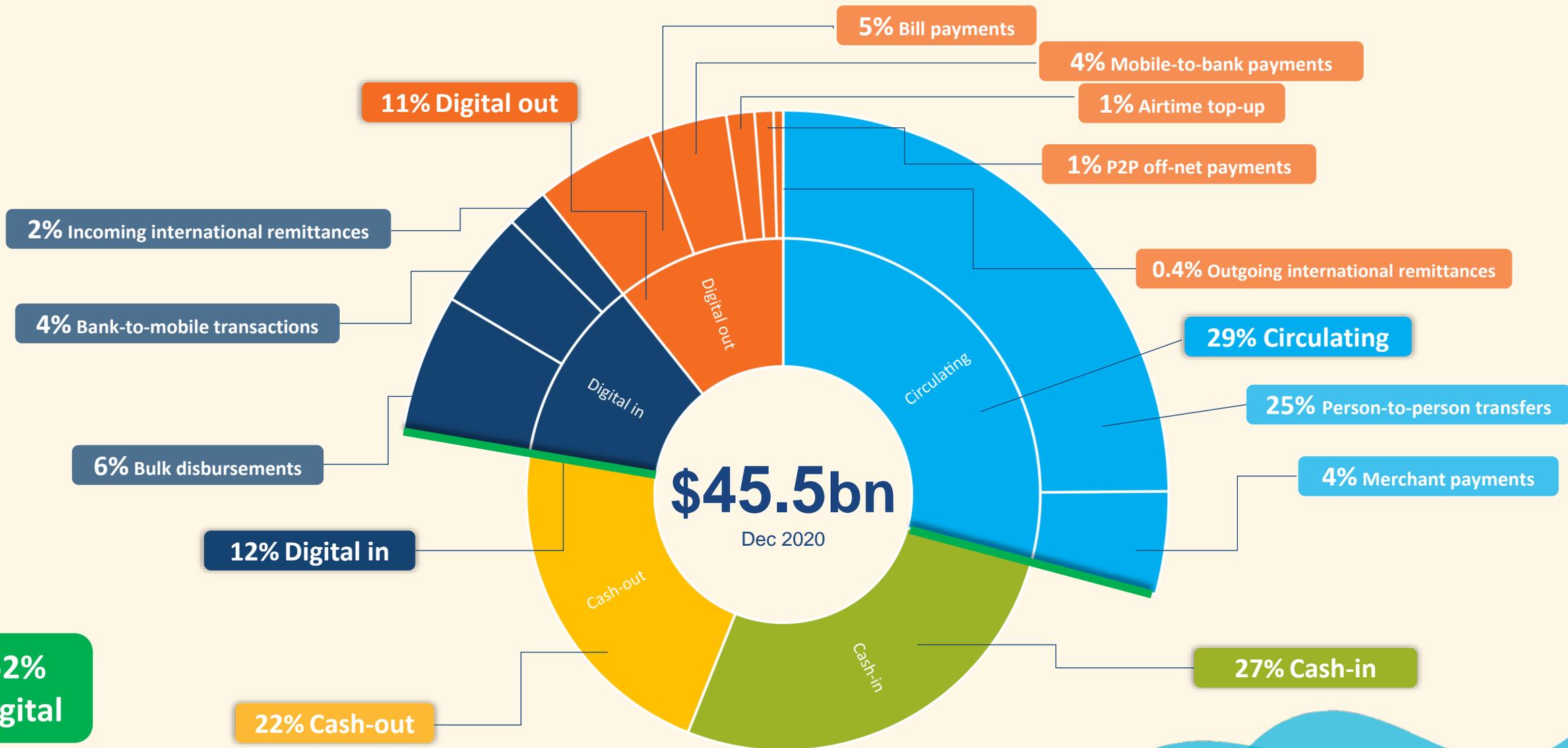
Total value per day to reach
\$2 billion
by 2025

Total mobile money value processed in Africa per day
2015-2020, 2025f





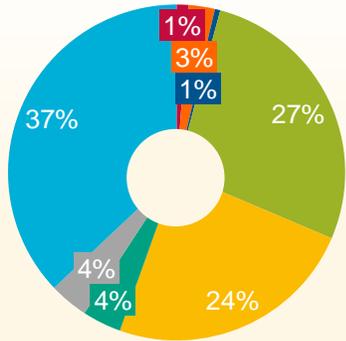
Overall, transactions are circulating digitally in the mobile money system



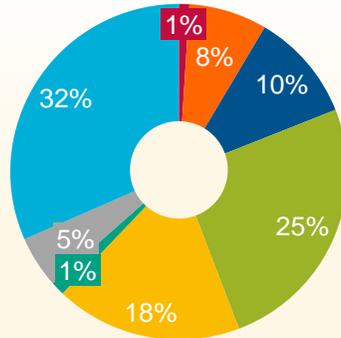


The transaction value mix differs between the different regions of the continent

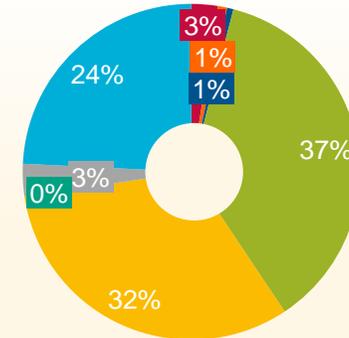
West Africa



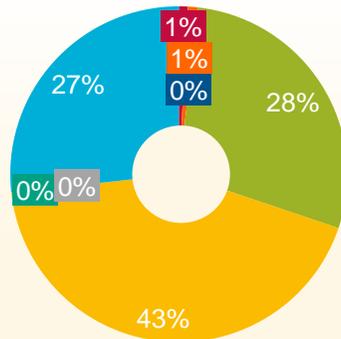
East Africa



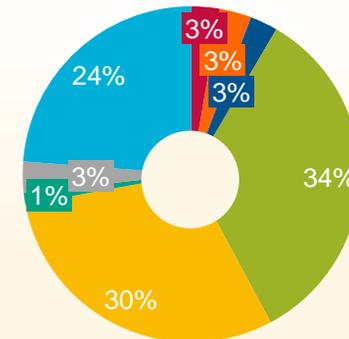
Central Africa



North Africa



Southern Africa



Digital transactions

Cash-in

Airtime Top-Ups
Bill Payments

Bulk Disbursements
International Remittances

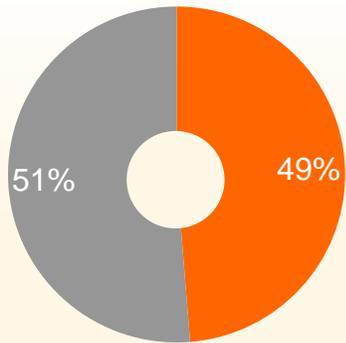
Merchant Payments
P2P Transfers

Cash-out

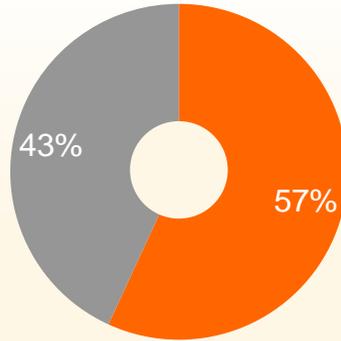


East Africa is leading the digitisation push on the continent – but West Africa is at a digital threshold

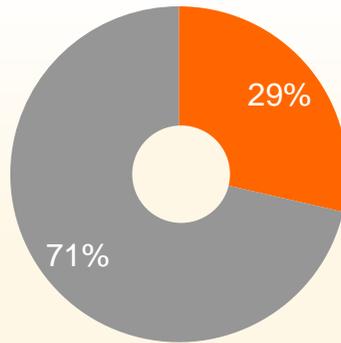
West Africa



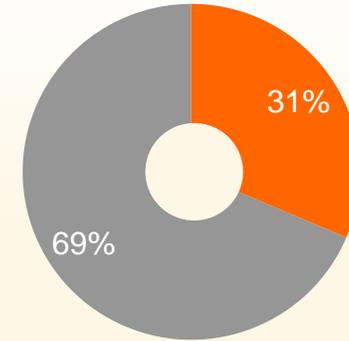
East Africa



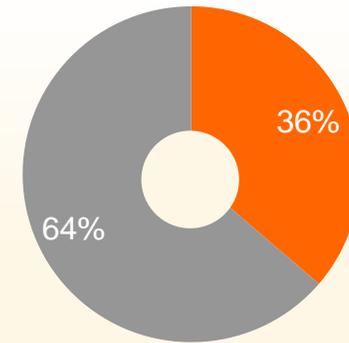
North Africa



Central Africa



Southern Africa



■ Cash-in/Cash-out ■ Digital



The relationship between formal institutions and mobile money services continue to strengthen

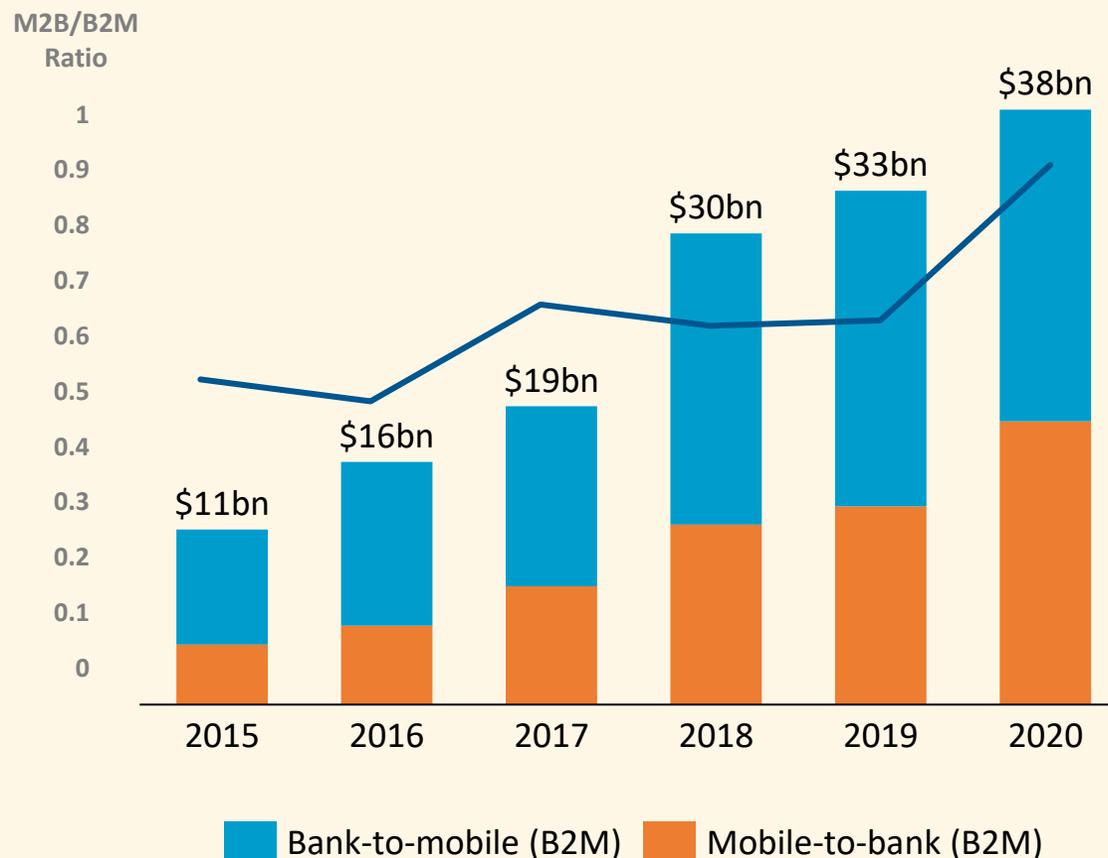
The average African mobile money services is integrated with **10** banks



1:1

Flows between banks and mobile money platforms are getting closer to parity

Growth in value of flows between banks and mobile money platforms (2015 – 2020)





Regulatory responses

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The regulatory environment differs significantly across Africa – and there are some big movers



Egypt

▲ 12.7



Ethiopia

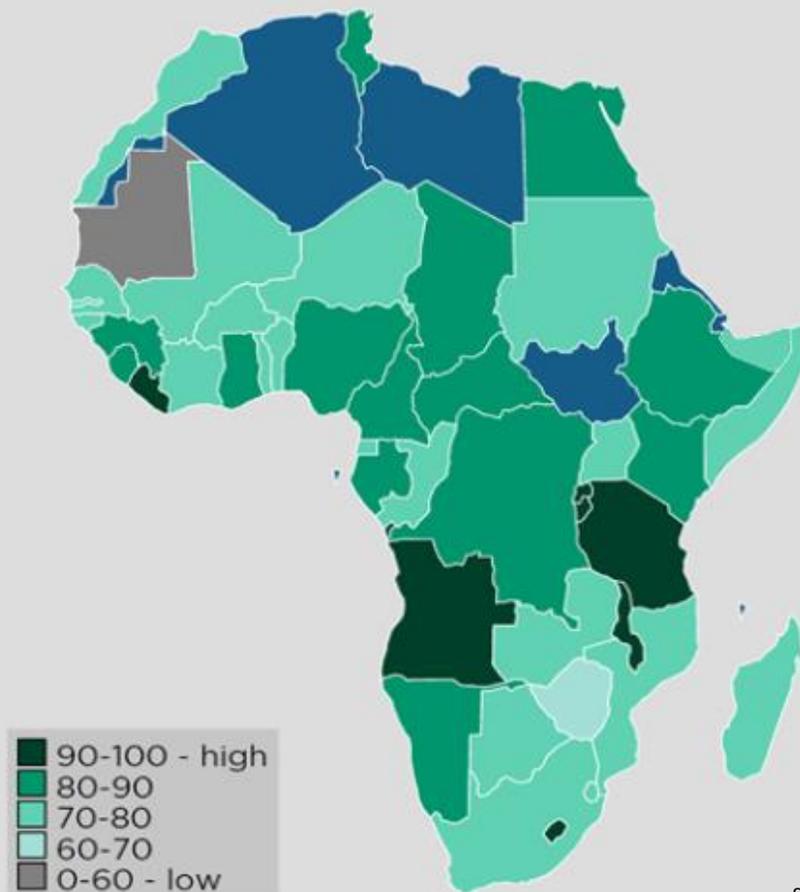
▲ 10.6



Zimbabwe

▼ -14.7

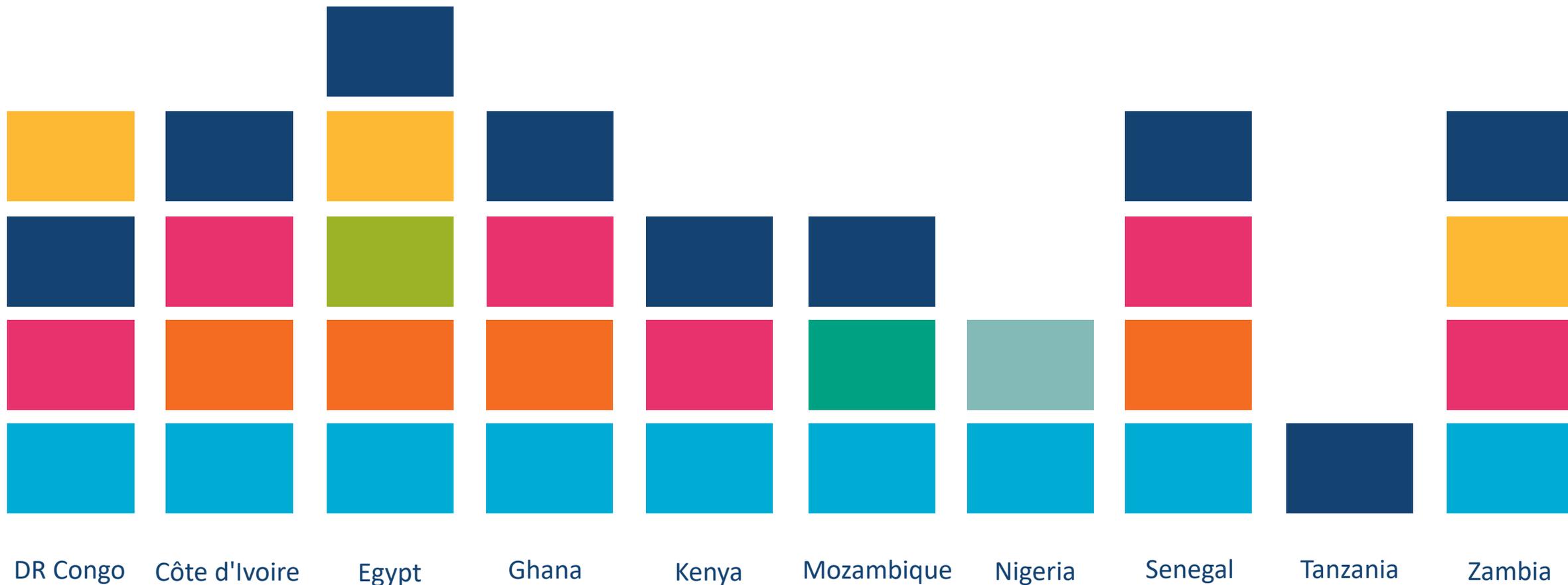
Mobile Money Regulatory Index – Africa



Source: GSMA MMRI



What was the mobile money policy response to COVID-19?



- Fee waivers
- Social and humanitarian transfers
- Support to agents
- Flexible KYC and on-boarding
- Increasing transaction and balance limits
- Promote interoperability, sandbox, trust account interest usage
- Promoting digital/electronic payments
- Mobile money essential service declarations



Current regulatory issues 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. Cote d'Ivoire, Uganda, Republic of Congo, Tanzania



KYC – Shift towards the digitisation of nation identification and verification infrastructure has led to the development of e-KYC solutions. These enable easier on-boarding of new customers and resultant mobile money usage e.g. Tanzania. Remote onboarding is also gradually emerging e.g. Eswatini and Pakistan



Interoperability: greater focus on 'instant payments' at both domestic and regional play. Retail payments interoperability schemes managed/operated by central banks are taking root e.g. Zambia, DRC, Tanzania



Price controls: regulators in some markets introduced price controls (ceilings) while others used *moral suasion* to enforce fee waivers as a response measure to COVID-19 e.g. Kenya and Zambia



Looking ahead, there is ample room growth in a number of areas Africa

1

Continue including those who remain excluded

2

Expanding mobile money-enabled international remittance across Africa

3

Governments and mobile money rails – Building the social protection schemes of the future



Recognising and reducing the gender gap in mobile money account ownership



Sub-Saharan Africa

75%

mobile ownership rate for women



74m

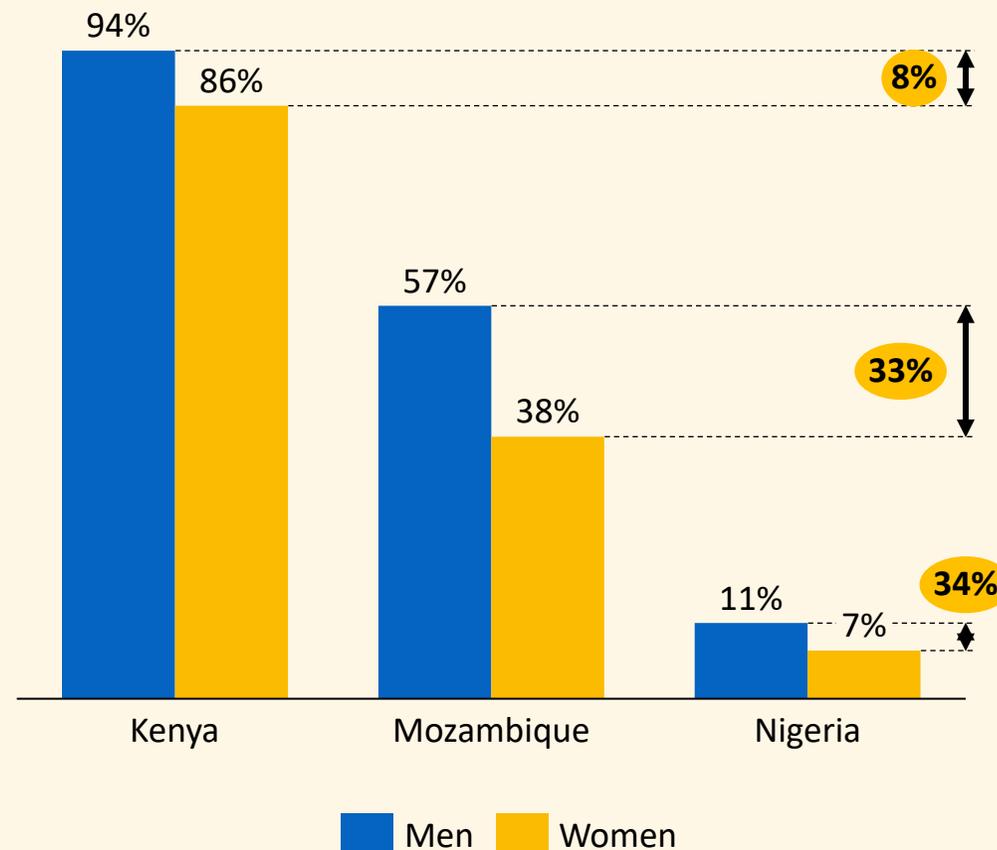
women unconnected

13%

gender gap

Gender gap in mobile money account ownership*

2020



Middle East and North Africa

82%

mobile ownership rate for women



23m

women unconnected

9%

gender gap

*Source: GSMA Connected Women

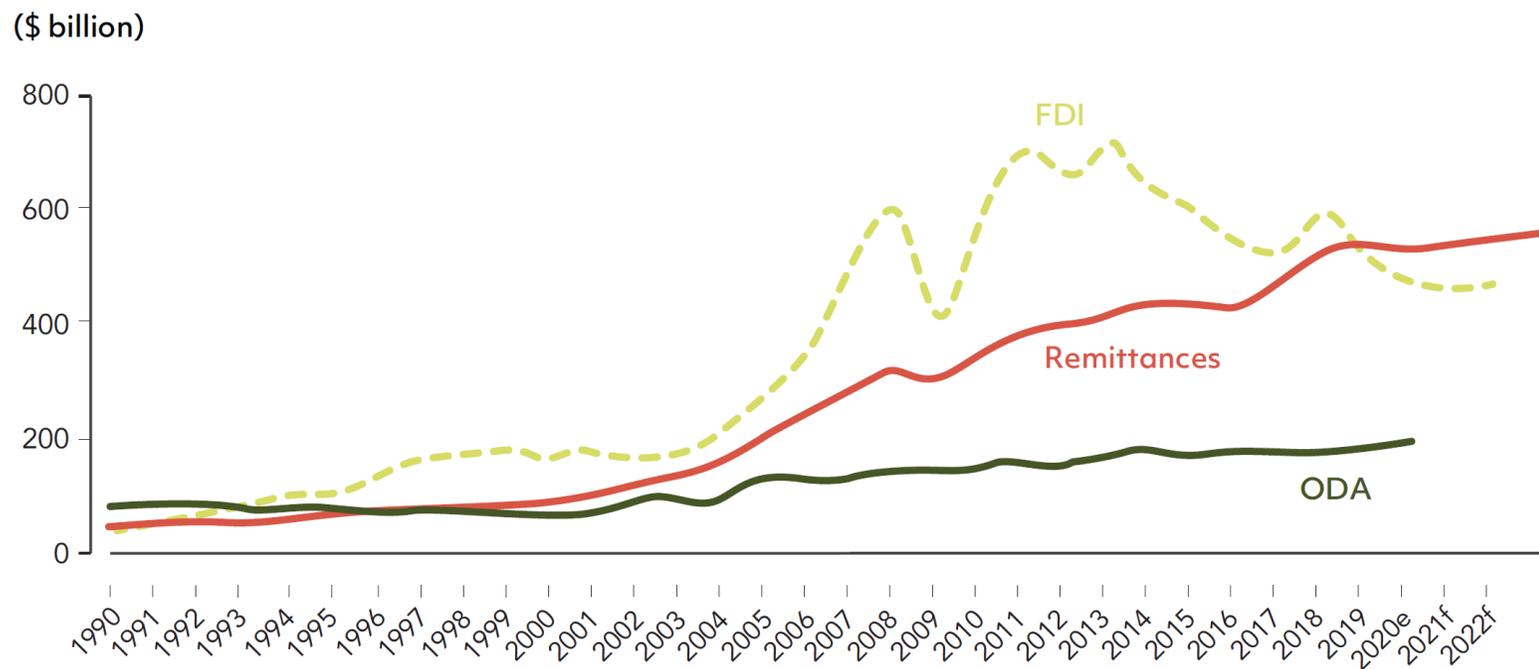
*Source: GSMA Consumer Survey



While international remittances shines in Africa, there is still a sizeable opportunity for expansion



Remittances, Foreign Direct Investment, and Official Development Assistance flows to Low- and Middle-income countries, 1990–2022



FDI = foreign direct investment; ODA = official development assistance; e = estimate; f = forecast.

Sources: World Bank—KNOMAD staff estimates; World Development Indicators; International Monetary Fund (IMF) Balance of Payments Statistics. Resilience: COVID-19 Crisis Through a Migration Lens, 2021

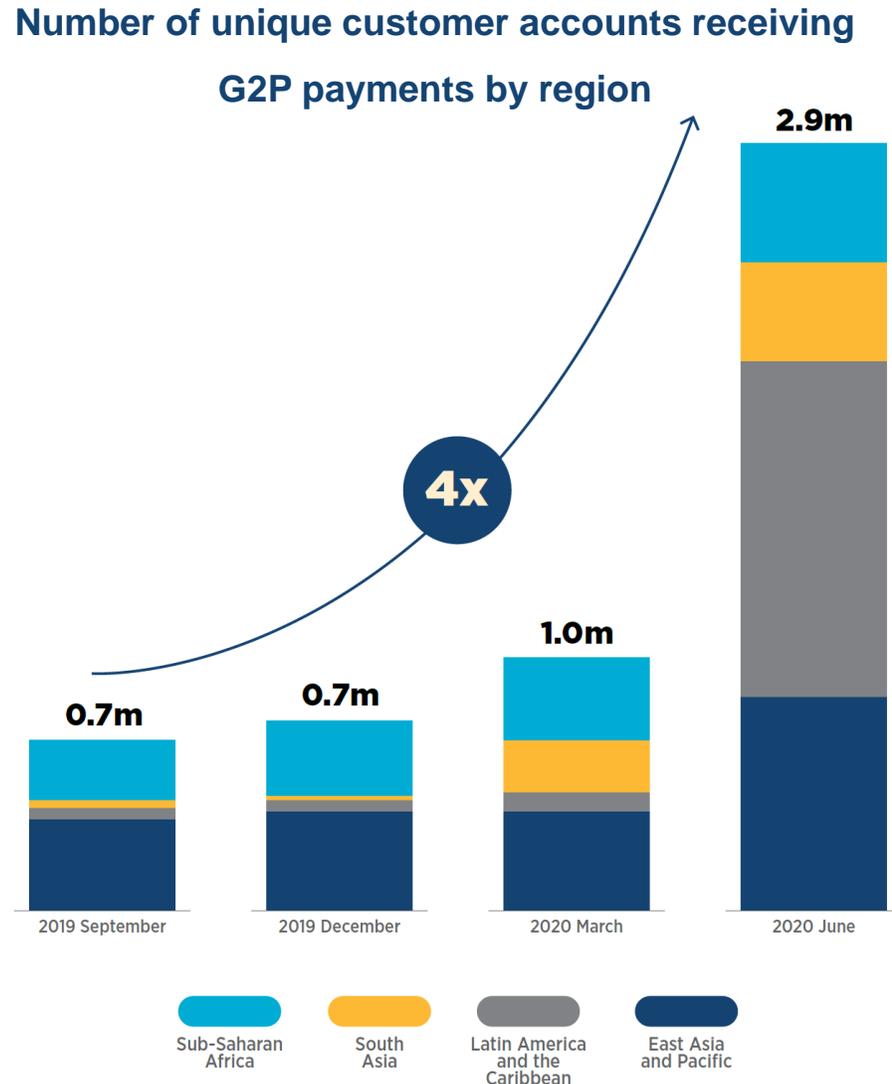
Less than 2.4% of International Remittances to LMICs go via mobile money



Mobile Money remains a cheaper channel



Mobile money and Government-to-person (G2P) payments



Government-to-person (G2P) payments opportunity in Africa remains largely untapped

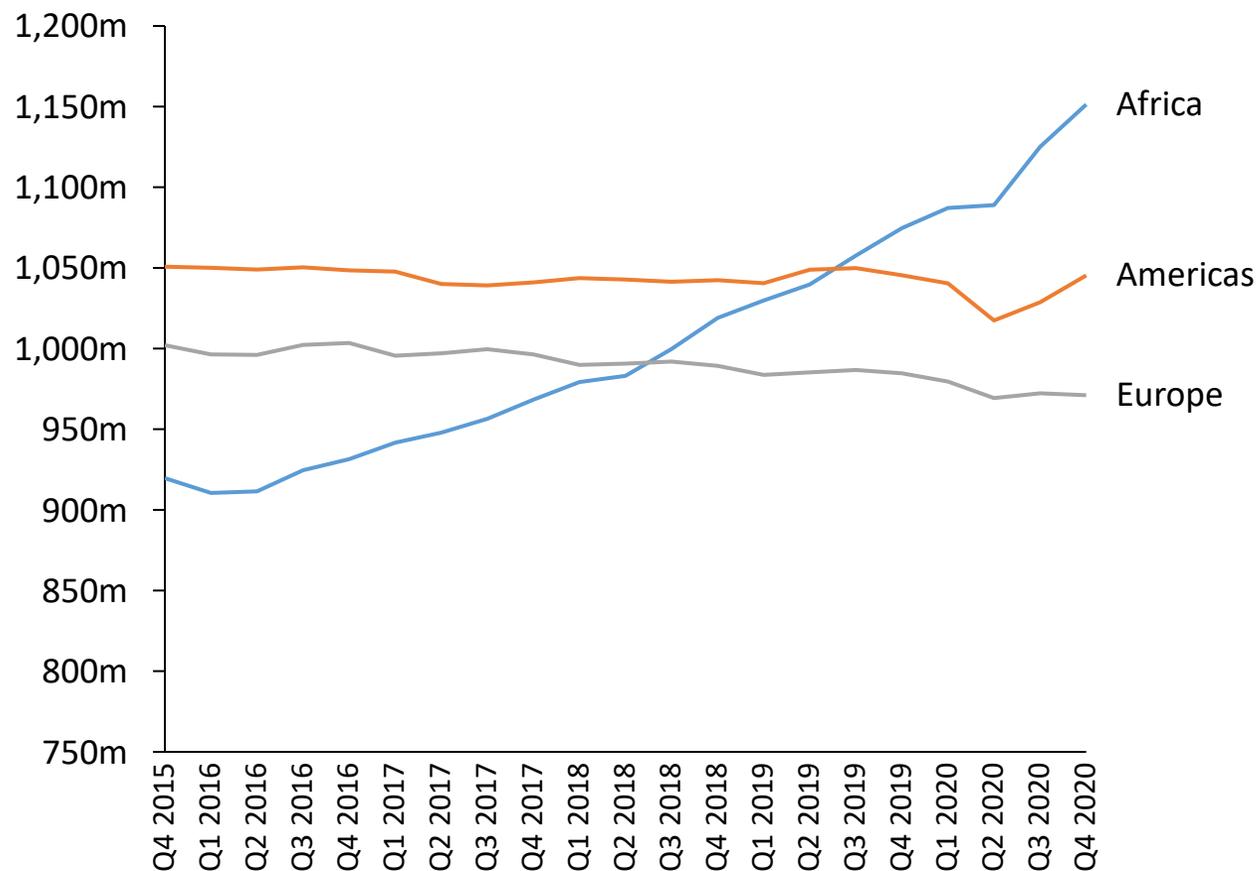


Build social protection schemes fit for the future



There are now more mobile phone connections in Africa than in either Europe or the Americas

Total Mobile Connections – 2015-2020
Africa vs. Americas vs. Europe



Total Mobile Connections

Africa



1.15 billion

Americas



1.05 billion

Europe



971 million

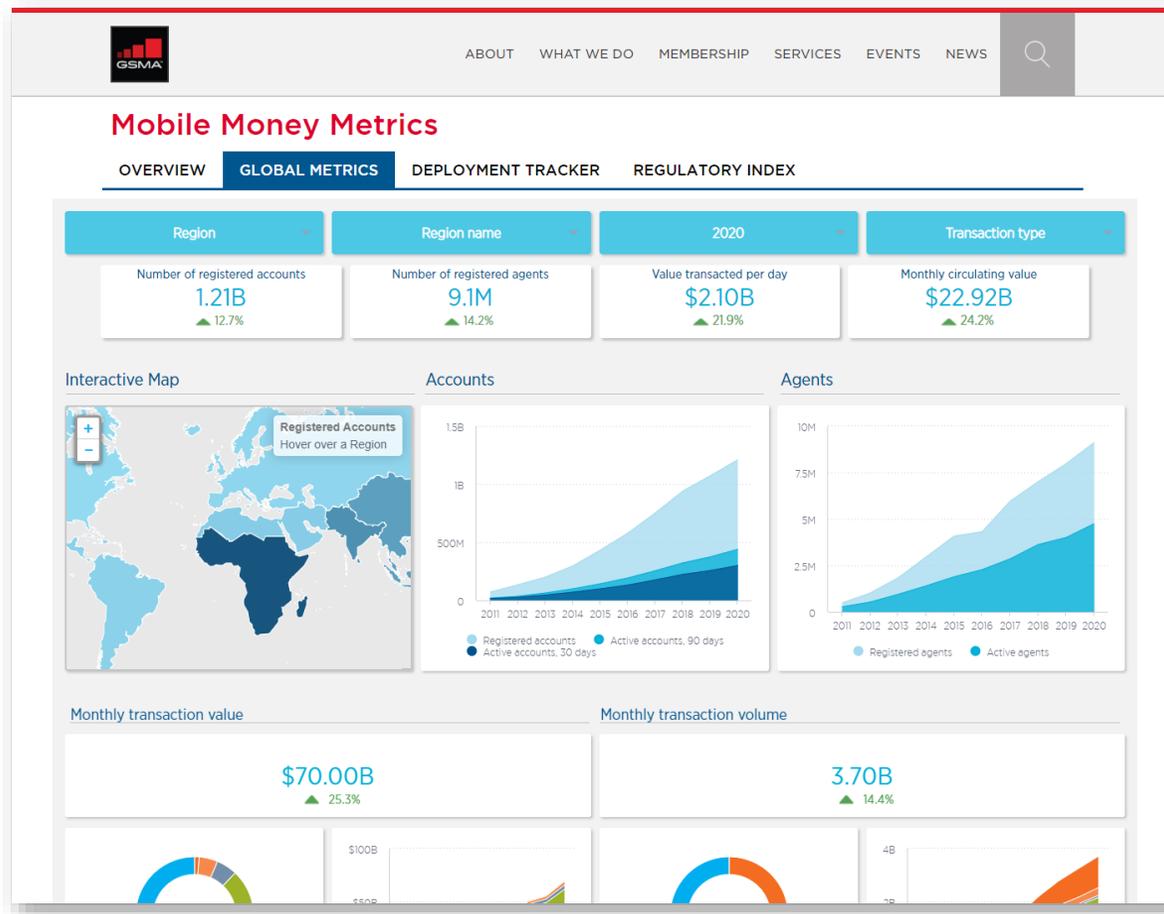
The reach of mobile technology remains unrivalled



A new more interactive Mobile Money Metrics website

Metrics website improvements:

- **Increased interactions;**
Selection by region, year, transaction type
- **Monthly transaction flows;**
breakdown by volume and value
- **New product metrics;**
 - Value per account per month
 - Value per transaction
 - Number of transactions
 - No. of cash transactions per agent per day



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Q&A



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