Senegal

Country brief 2024

How and why mobile money drives growth

Mobile money has become a mainstream financial service across many low-and middle-income countries (LMICs), improving access to financial services for underserved or excluded populations.

A large body of research and empirical evidence has demonstrated the positive social and economic impacts that mobile money has had on individuals, households and businesses. This has shown that mobile money reduces user transaction costs and helps households to better manage their cash flows, enabling them to smooth consumption and manage risk. It also allows firms (particularly small and micro-enterprises) to invest and build capital over time, fostering the creation and expansion of business, and facilitates faster and more efficient government transfers. These benefits allow mobile money users to realise significant quality-of-life improvements.[1]

If adoption is widespread, these microeconomic effects can also have a macroeconomic impact and contribute to economic growth. Access to credit and saving facilities can help to smooth consumption and cope with shocks, which can increase aggregate consumption and, therefore, gross domestic product (GDP). Reducing transaction costs can increase trade, which can lead to a more efficient allocation of capital, thereby improving productivity and investment by enterprises. Moreover, mobile money can increase the size of the formal economy and enable more effective monetary policy because a greater share of economic activity falls under the influence of the central bank's interest rates. This can contribute to a stable and growing economy.

Key statistics

Senegal

Population

18 million

Mobile money providers

- Orange Money
- Free Money
- Wari
- Coris Money
- Wizall Money
- E-Money
- Wave Mobile Money
- Kash Kash

Mobile Money Regulatory Index 2024 score

84 / 100

Mobile Money Prevalence Index 2023 assessment

Very high

56% **of adults had an account[2] in 2021**

45% **of adults had a mobile money account in 2021**

GDP per capita 2023 (2017 PPP)

$3,500

Sources: IMF World Economic Outlook (October 2024), The Global Findex Database 2021

1 For a detail review of the literature, see GSMA Intelligence (2023), Beyond financial inclusion: does mobile money drive GDP growth?

2 The percentage of respondents who report having an account (by themselves or together with someone else) at a bank or another type of financial institution, or report personally using a mobile money service in the past year.

Mobile money in Senegal

Between 2013 and 2023, the number of registered mobile money accounts in Senegal increased more than five-fold from 7 million to 38 million. This reflects an increase in mobile money penetration from 45% to 210% (Figure 1).[3] The value of mobile money transactions grew 3.3 times during the same period, reaching $230 million in 2023.[4]

Mobile money's contribution to Senegal's economy

At the end of 2023, the total GDP in Senegal was $6 billion greater than it would have been without mobile money – an increase of 26% compared to the year before (Figure 2). This is equivalent to mobile money increasing GDP by up to 8.6%, similar to the contribution made by the country's construction and real estate and services sectors.[5] Mobile money's contribution to Senegal's economy in 2023 was twenty times its impact in 2013 (0.7%). It was also significantly higher than the impact of mobile money in Sub-Saharan Africa (4.5%) in 2023.

At the individual level, mobile money increased GDP per capita (2017 PPP)[6] by $300 in 2023, an almost fifteen-fold increase compared to 2013 (Figure 3).

Figure 1

Source: GSMA Intelligence, using The Central Bank of West African States data

Registered accounts penetration, transactions value in Senegal 2019–2023

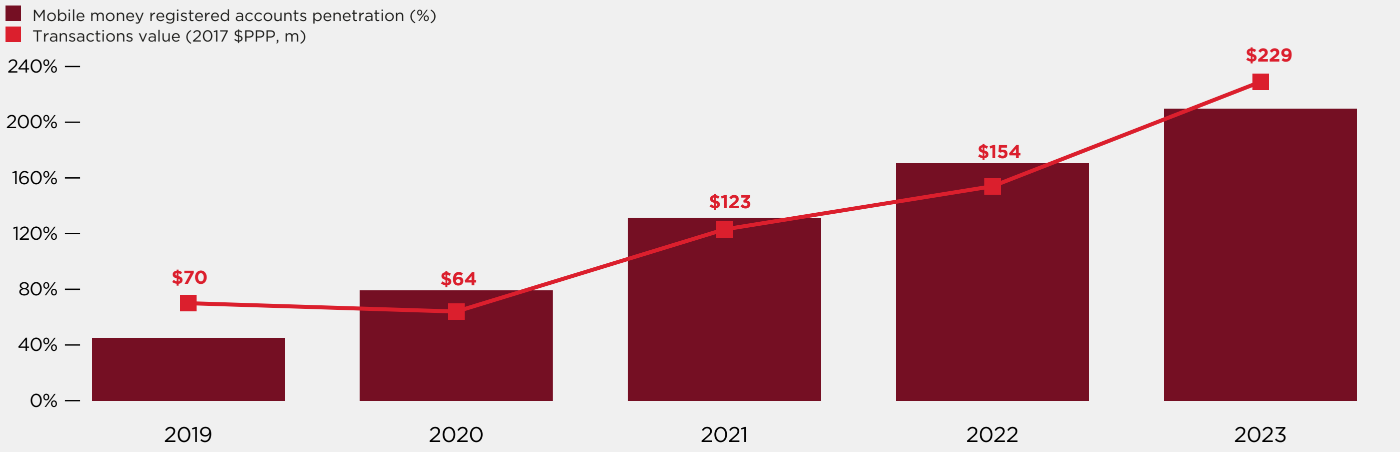


Figure 2

Source: GSMA Intelligence

Simulated impact of mobile money registered accounts on GDP in Senegal 2013–2023 (2017 $PPP, billions)

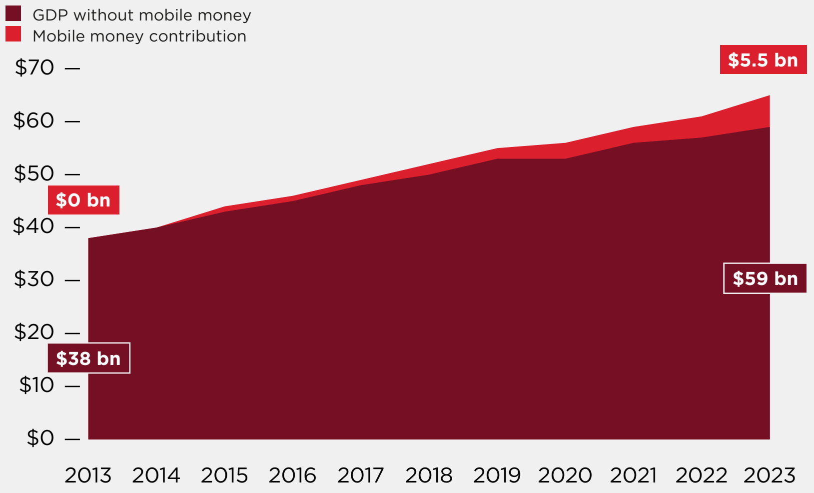
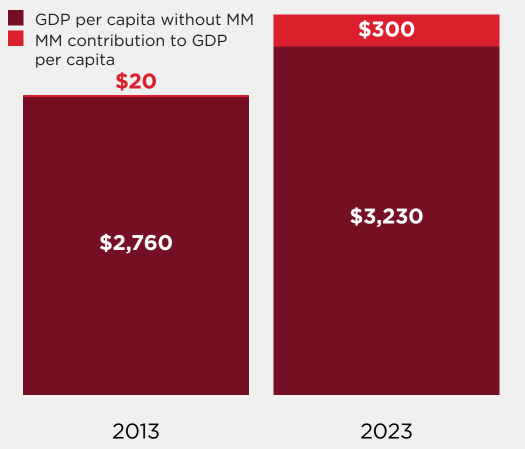


Figure 3

Source: GSMA Intelligence

Simulated contribution of mobile money to GDP per capita in Senegal

2013 and 2023 (2017 $PPP)



3 Mobile money penetration is defined as the number of mobile money registered accounts divided by the total population of the country.
4 Source: The Central Bank of West African States (BCEAO). Available at: https://www.bceao.int/fr/documents/inclusion-financiere
5 Source: United Nations Statistics Division / National Accounts Official Country Data.
6 Refers to Purchasing power parity; 2017 international dollar.