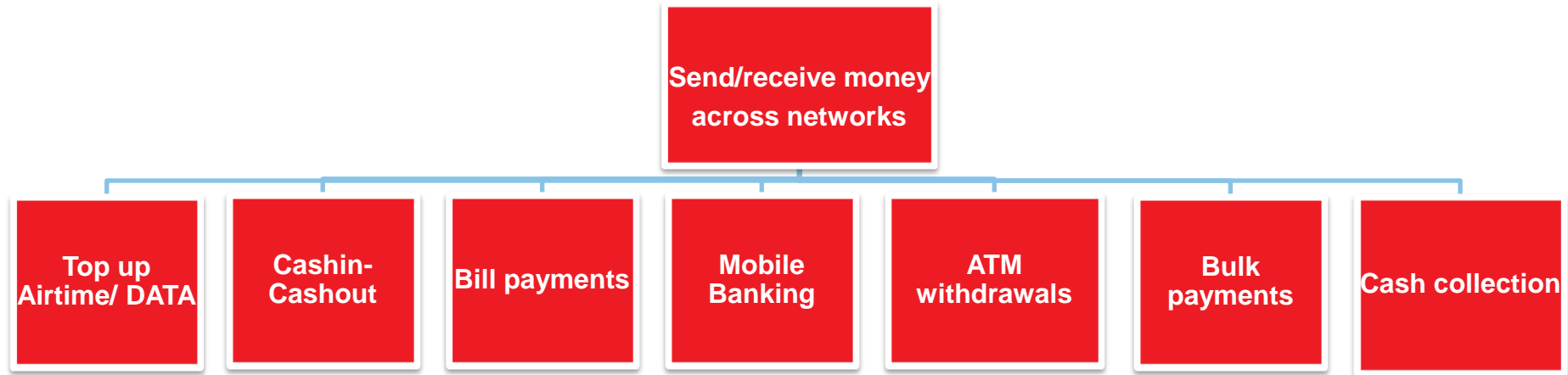
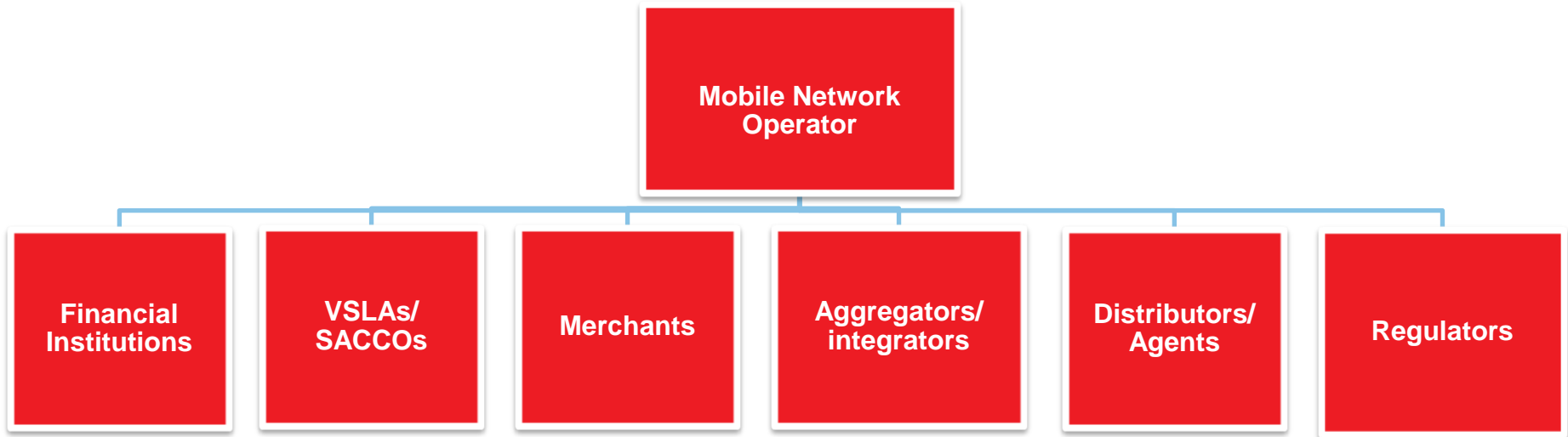


Challenges and Opportunities for Mobile Money – Lessons from East & Southern African Countries

Mobile Money in a snapshot



Mobile Money players



Challenges and Opportunities

The Challenges and Opportunities can best be derived from the expectations of the various players in Mobile Money ecosystem.

As the adoption rate and usage rate increases year on year, so are the renewed challenges and opportunities therefrom.

Challenges

The key challenges experienced in the East African Market include but not limited to:

- Licensing & Regulation
 - Bank-Led Model vs Telco-Led Model
 - Telco regulation vs Central Bank regulation
- Agent/Distributor Distribution and Capitalization
 - Urban vs Rural agent spread
- Low Literacy levels
 - Low levels of financial literacy
 - Rural population
- Insecurity & lack of insurance cover
 - For agents and Distributors

Challenges Con't

- Reliance on GSM Network
 - System uptime
 - Mobile money as a value-added-service
- Political Interference
 - Case in point is system shutdown during UG elections
- IT security
 - IT savvy workforce and integrators
- Taxation
 - Continuous imposing of new taxes on the product
- Pricing (cost of transaction)
 - In a bid to break even & meet high operational costs

Opportunities

- Large informal sector
 - Financial inclusion programmes such as group savings schemes
- Merchant space untapped
 - Move from cash-based to cashless
- Inter-sector Collaboration
 - Banking, Insurance, Utilities, Tax bodies, NGOs, Government bodies/ Parastatals
- Innovations through Open APIs
 - Opens up space for developers to test and launch new products (reduced TAT)

Opportunities

- Cross border trading
 - inward and outward money remittances
- Supportive Regulatory framework
 - Interoperability
 - Non-Exclusivity in the industry
 - Enactment of Adequate Payments Policies
 - Supervision
 - Consumer protection

Thanks

Q& A