THE STATE OF THE INDUSTRY REPORT ON MOBILE MONEY 2023

GSMA

The GSMA Mobile Money programme works together with the industry achieve the full potential of digital finance for all. Our vision is to unlock the full power of connectivity so that people, industry and society thrive. Representing mobile operators and organisations across the mobile ecosystem and adjacent industries, the GSMA delivers for its members across three broad pillars: Connectivity for Good, Industry Services and Solutions and Outreach. This activity includes advancing policy, tackling today's biggest societal challenges, underpinning the technology and interoperability that make mobile work and providing the world's largest platform to convene the mobile ecosystem at the MWC and M360 series of events.

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Mobile Money

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

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BILL & MELINDA GATES foundation

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The State of the Industry Report on Mobile Money 2023 is based on data collected from the Global Adoption Survey 2022 and the 2022 GSMA Consumer Survey. The authors are grateful to Ipsos for collecting data for the Consumer Survey in nine countries: Bangladesh, Ethiopia, Ghana, India, Indonesia, Kenya, Nigeria, Pakistan and Senegal.

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Foreword from Mats Granryd

Director General of the GSMA and a Member of the Board.

Across the world mobile money services are growing, and growing fast. While it took the industry 17 years to reach the first 800 million customers, it took only 5 years to reach the next 800 million, and of that, 400 million accounts were added over the course of the pandemic. Today there are 1.6 billion registered mobile money accounts. Truly remarkable.

In 2022, we were clearly able to see the importance of mobile money during the Covid-19 pandemic, when it enabled millions of people across low- and middle- income countries to access digital financial services. Many of these were first-time users, who are now using these services for their everyday needs.

Our data shows that the habit of using digital payments, enforced by the pandemic, has stuck, leading to mobile money activity growth outstripping new registrations in many countries. This is hugely encouraging as we continue our work to drive financial inclusion around the world.

Some of the key contributors to the growth of mobile money in the past few years have been regulatory changes in large markets. In Nigeria, for example, new licenses have seen many new mobile money players emerge, and with this a 41% growth in the number of registered agents. Not only has this created employment for millions of new agents, but mobile money services are now accessible to more people in Africa's largest economy.

It has also been encouraging to see that mobile money is contributing to closing the financial inclusion gender gap. According to the World Bank, more women than men now own a mobile money account in at least seven countries in Sub-Saharan Africa. While there is a lot more work to be done in this space, this is a hugely positive advancement when women have access to mobile phones and mobile money, they can increase their economic independence and strengthen their role as financial decision-makers.

It is clear that mobile money is driving financial inclusion around the world. As it continues to grow, it offers an incredible opportunity to reach the 1.4 billion people who still do not have access to financial services.

In an increasingly complex global landscape with unprecedented natural, humanitarian and financial shocks, building resilience is more important than ever before. Our data shows that those with mobile money accounts are saving at the same rate as those with a bank account, enabling them to withstand the impact of shocks as they arise.

In just over 17 years, the mobile money industry has grown from a niche market offering to a mainstream financial service, transforming the lives of over 1 billion people. The depth and breadth of this impact cannot be underestimated. As we work towards a sustainable and resilient future in which everyone is connected, it is absolutely vital that we also keep working to design safe and secure financial services for all.

Mats Granryd

Director General of the GSMA
and a Member of the Board.

This report was prepared by the GSMA's Mobile Money programme in collaboration with the mobile money industry, and with the generous support of the Bill & Melinda Gates Foundation.

Executive summary

Mobile money is now considered a mainstream financial service in many countries

During the COVID-19 pandemic, mobile money enabled millions of people in low- and middle-income countries (LMICs) to access digital financial services (DFS) for their daily needs. As the impact of the pandemic eased, mobile money services grew faster in 2022 than during pre-COVID times. The habit of using digital payments, enforced by the pandemic, has stuck for many. In many countries, growth in mobile money activity is now outpacing new registrations – a sign that the industry is maturing beyond a handful of markets.

The pandemic itself led to a significant global expansion of mobile money services and accounts. Data from the annual GSMA Global Adoption Survey suggests that registered accounts and 30-day active accounts grew faster than forecast in 2019. The pandemic was partly responsible for an additional 400 million registered accounts between 2019 and 2022. This is at least 30% higher than forecast in 2019. Pandemic lockdowns and restrictions on movement drove up the use of digital payments, including mobile money, globally.

The State of the Industry Report on Mobile Money 2023 looks at the growth of mobile money in a post-pandemic world. The report highlights what this has meant for mobile money providers (MMPs), agent networks and the millions of new and existing customers that embraced mobile money in 2022.

Adoption and active usage continue to rise

Registered mobile money accounts grew by 13% year on year, from 1.4 billion in 2021 to 1.6 billion in 2022. This can be attributed, in part, to regulatory changes in Sub-Saharan Africa, particularly in Nigeria and Ethiopia where mobile money adoption rose rapidly. Accounts active on a 30-day basis also grew at the same rate year on year, with Sub-Saharan Africa driving the bulk of this increase. More customers are using mobile money accounts more frequently across all use cases.

Digital transactions are increasing as the use of cash slows down

Transaction values grew by 22% between 2021 and 2022, from $1 trillion to around $1.26 trillion. However, the share of cash-based transactions in the overall transaction mix declined, with cash-in and cash-out transactions dropping nearly two percentage points. This is due to a significant rise in digital transactions, particularly interoperable bank transfers and bill payments.

Global daily transaction values are exceeding predictions

In 2020, global daily transaction values exceeded $2 billion. The State of the Industry Report on Mobile Money 2021 (covering data from 2020) suggested this could reach $3 billion a day by the end of 2022. This figure has been surpassed, with $3.45 billion transacted daily via mobile money in 2022.

Growing agent networks continue to drive industry expansion

The number of mobile money agents grew from 12 million in 2021 to around 17 million in 2022 – a staggering 41% year-on-year increase. Much of this growth was in Nigeria where a liberalised regulatory regime has led to an increase in MMPs. Agents are an important part of any mobile network service and were responsible for two-thirds of all cash-in transactions in 2022.

Women in low- and middle-income countries are 28% less likely than men to own a mobile money account

More women have a mobile money account than ever before and are using it at a similar rate as men on a 30-day basis. However, there is still a gender gap in account ownership that has recently widened in countries such as Nigeria and Pakistan.

One of the main barriers to closing the gender gap is mobile phone ownership: increasing mobile phone ownership can improve mobile money adoption rates among women. Other steps to close the mobile money gender gap include increasing women's digital skills and awareness of the benefits of mobile money, and tackling social norms and other barriers that are preventing women from using it.

Bill payments grew faster than all other use cases

In 2022, bill payments rose by 36% year on year, becoming the third most common transaction after person-to-person (P2P) transfers and combined cash-in/cash-out (CICO) transactions. Around 97% of MMPs surveyed in 2022 offer bill payments. Some of this growth was driven by greater integration between MMPs and companies, particularly energy suppliers. The ongoing increase in energy prices in many countries has led to several energy companies becoming the largest recipients of mobile money-based bill payments.

International remittances continue to benefit from pandemic-induced growth

In 2022, mobile money-enabled international remittances grew by 28% year on year. During the pandemic, many diasporas sent more funds via mobile money to friends and family than ever before. As a result, international remittances grew significantly in both 2020 and 2021, as many senders favoured mobile money for its efficiency, speed, safety and cost-effectiveness. This trend continued in 2022, albeit at a slower rate.

Mobile money is leading the pathway to reaching the UN SDG 10c. target of 3% for remittance transaction costs. The World Bank's Remittances Price Worldwide publication reported that the global average cost of sending $200 via mobile money was 3.73%, nearly half of the global average.

Fast-growing interoperable transactions are driving the industry too

MMPs are increasingly connected to local banks – 18 on average. **Bank-to-mobile interoperable transactions were among the fastest growing use cases in 2022, increasing 36% year on year, while mobile-to-bank transactions rose by 47%**.

Mobile money remains a key savings channel

In 2022, around 60% of MMPs offered users a savings account. Half of these providers did not offer a savings product in 2021. The World Bank Global Findex 2021 found that 15% of adults in Sub-Saharan Africa, or 39% of all mobile money account owners in the region, saved using a mobile money account.

The industry is edging back towards revenue diversification

MMPs remain reliant on customer fees, which contributed 79% of reported revenue as of June 2022. This is an improvement on the 87% share reported in 2020, which was influenced by many transactions being zero rated. MMPs have room for revenue growth from business and government fees, which made up 33% of their revenue in 2019.

Regulation has been influenced by challenges such as taxation and fraud

Regulation has focused on ensuring payment systems remain safe and efficient while also encouraging innovation. However, the mobile money industry is facing several regulatory challenges. Some countries have introduced taxes on mobile money transactions and fees that do not align with their financial inclusion objectives. Fraud also remains an industry-wide issue, which many regulators are aiming to overcome through improved consumer awareness and capacity building.

Mobile money in 2022

1.6 bn
Registered mobile money accounts
+13% YEAR-ON-YEAR GROWTH RATE

401 m
Active 30-day accounts

586 m
Active 90-day accounts

+13% YEAR-ON-YEAR GROWTH RATE

$1.26 tn
Value of transactions
+22% YEAR-ON-YEAR GROWTH RATE

17.4 m
Registered agents
+41% YEAR-ON-YEAR GROWTH RATE

7.2 m
Active agents
+25% YEAR-ON-YEAR GROWTH RATE

$22 bn
International remittances processed per year
+28% YEAR-ON-YEAR GROWTH RATE

$78 bn
Merchant payments processed per year
+17% YEAR-ON-YEAR GROWTH RATE

315
Live mobile money deployments

2022 Global overview

Accounts

Registered mobile money accounts	Active 30-day accounts	Active 90-day accounts
1.6 bn	**401 m**	**586 m**
+ 13%	**+ 13%**	**+ 13%**

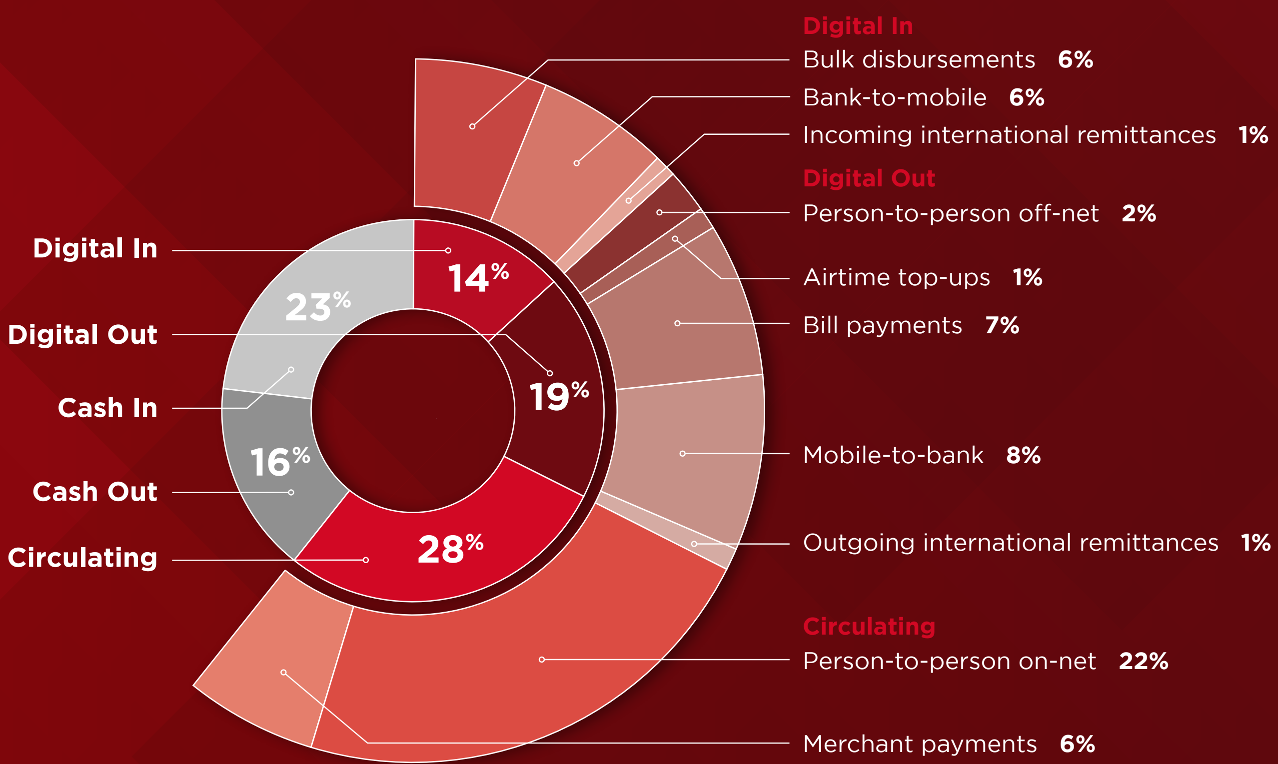
Transactions

Transaction volume	Transaction value ($)
65 bn	**1.26 tn**
+ 19%	**+ 22%**

Agents

Registered	Active
17.4 m	**7.2 m**
+ 41%	**+ 25%**

Monthly value snapshot - December 2022



*Percentages have been rounded to their nearest whole number.
Some breakdowns may not add up to their respective sub-totals due to rounding errors.

Regional growth in 2022

	Live services	Registered accounts	Active (30-day) accounts	Transaction volume	Transaction value ($)
Global	315	1.6 bn + 13%	401 m + 13%	65 bn + 19%	1.26 tn + 22%
Sub-Saharan Africa	154	763 m + 17%	218 m + 15%	45 bn + 21%	832 bn + 22%
South Asia	34	336 m + 13%	82 m + 12%	10 bn + 16%	185 bn + 20%
East Asia and Pacific	54	361 m + 7%	68 m + 6%	8 bn + 12%	180 bn + 21%
Latin America and the Caribbean	33	57 m + 13%	22 m + 16%	1 bn + 17%	35 bn + 17%
Middle East and North Africa	31	59 m + 7%	6 m + 39%	357 m + 53%	21 bn + 45%
Europe and Central Asia	9	22 m + 4%	5 m + 10%	345 m + 17%	6 bn + 19%

Growth in Africa in 2022

Africa

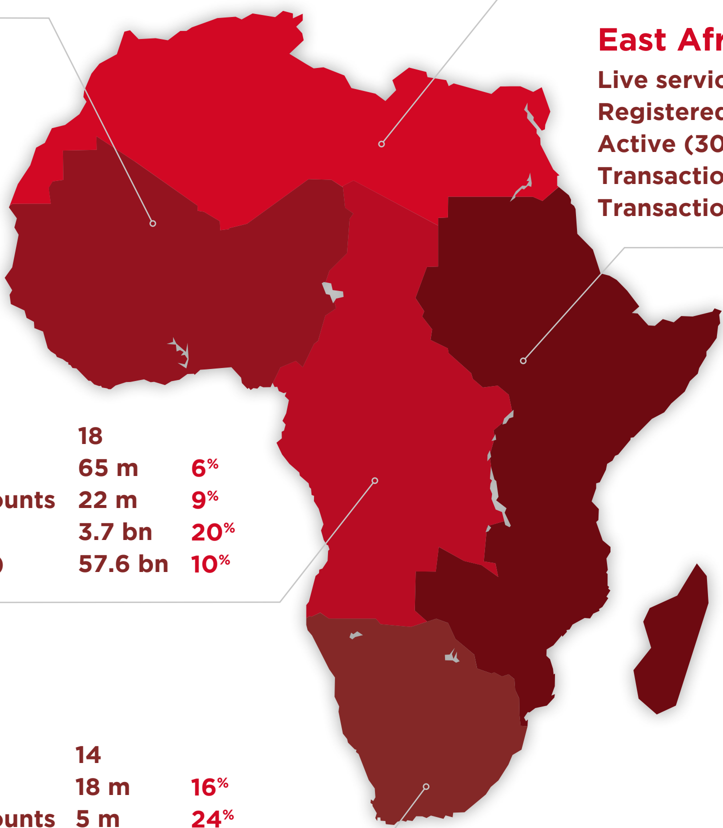
Live services	Registered accounts	Active (30-day) accounts	Transaction volume	Transaction value ($)
166	781 m + 17%	219 m + 15%	44.9 bn + 21%	836.5 bn + 22%

West Africa

Live services	66	
Registered accounts	290 m	27%
Active (30-day) accounts	76 m	30%
Transaction volume	12 bn	29%
Transaction value ($)	277 bn	22%

North Africa

Live services	12	
Registered accounts	18 m	15%
Active (30-day) accounts	1 m	13%
Transaction volume	97 m	21%
Transaction value ($)	4.7 bn	28%



East Africa

Live services	56	
Registered accounts	390 m	12%
Active (30-day) accounts	115 m	8%
Transaction volume	28 bn	18%
Transaction value ($)	491.8 bn	23%

Central Africa

Live services	18	
Registered accounts	65 m	6%
Active (30-day) accounts	22 m	9%
Transaction volume	3.7 bn	20%
Transaction value ($)	57.6 bn	10%

Southern Africa

Live services	14	
Registered accounts	18 m	16%
Active (30-day) accounts	5 m	24%
Transaction volume	490 m	28%
Transaction value ($)	5.3 bn	14%

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