

# Africa, Asia lead 'mobile money' boom

February 27 2013, by Amelie Baubeau

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A man sends money through Safaricom's mobile phone money service called M-PESA in Kenya's capital Nairobi on April 23, 2007. Africa and Asia are leading a global boom in the use of "mobile money" as millions turn to their mobile phones instead of coughing up cash or handing over credit cards. Safaricom's M-PESA service launched in Kenya in 2007 and now claims 15 million users.

Africa and Asia are leading a global boom in the use of "mobile money" as millions turn to their mobile phones instead of coughing up cash or handing over credit cards.

In 2012, more than 30 million people were actively using mobiles to make payments, according to an industry study released Wednesday at the world's biggest mobile fair held from February 25-28 in Barcelona, Spain.

The study by the [mobile operators'](#) industry association, [GSMA](#), found there were more [mobile money](#) accounts than traditional [bank accounts](#) in Kenya, Madagascar, Tanzania and Uganda.

In a single month, June 2012, more than 30 million people worldwide undertook 224.2 million transactions totalling \$4.6 billion (3.5 billion euros), said the report, based on a worldwide survey.

The pace of activity exceeded the 196.3 million transactions performed by PayPal customers on average each month in the third quarter of 2012, it said.

Providers offered 150 mobile money services for people without banks, 41 of which were launched in 2012.

There were 56.9 million registered mobile money customers in sub-Saharan Africa, the study said. In June 2012, there were twice as many mobile money users as Facebook users in the region.



David Fletcher (3L), director of Bank Permata, and Maspiyono Handoyo (4L), managing director of BlackBerry Indonesia hold a model BlackBerry mobile phone during a ceremony in Jakarta on February 26, 2013 as the two companies launched the world's first instant messaging banking service in Indonesia.

Mobile money's success is based on the fact that the number of mobile phone owners far exceeds the number of people with bank accounts.

[Sending money](#) can be as simple as sending an SMS text message.

In Indonesia, mobile phone penetration is 106 percent, meaning there is more than one phone for each person in the population, while only 20 percent of the population holds a bank account.

According to Fundamo, an offshoot of global payments giant Visa, some 1.7 billion people worldwide have a mobile device but no bank account and are "economically active".

Originally dominated by banks, newcomers including mobile operators have been lured to the market, notably Safaricom's M-PESA service, which launched in Kenya in 2007 and now claims 15 million users.

The M-PESA service has a network of 50,000 agents including shopkeepers, allowing a city worker for example send to money home to a remote village or to put money aside in savings without opening a bank account.

In September 2012, 19.3 million people in Kenya were signed up to mobile money services, with nearly two billion euros deposited, according to the Kenyan telecommunications regulator CCK.

"The mobile money transfer service has become a key payments and transaction tool, mainly due to its easy use of applications, convenience and low cost value propositions," CCK said.

M-PESA, also present in Afghanistan, South Africa, India and Tanzania, now faces competition in Kenya from rivals including Orange Money provided by France Telecom offshoot Telkom Kenya, Paga, Airtel Money owned by Airtel Kenya and yuMobile offered by Essar Telekom.

Aletha Ling, chief operating officer at Fundamo, said the sector's future growth would depend on the players reaching a certain scale and on the various standards being able to work together.

With its "Visa Mobile Manage Service", Fundamo lets banks or telecommunication operators offer mobile money to customers without having to develop their own technology, she said.

"We think it's going to be an acceleration point," Ling said, noting that the company had recently signed deals with one bank in India and two others in Rwanda.

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