



GSMA Mobile for Development





THE GSMA



Has represented the interests of mobile operators worldwide for more than

30 YEARS

Unites more than
750
mobile operators



with almost
400
companies in the broader mobile ecosystem



Convenes more than **200,000** people annually from across the globe to **industry-leading** events



Focuses on activities where collective action can deliver significant benefits



Led the mobile industry to formally commit to the Sustainable Development Goals



Digital technology transforms lives



5 billion

mobile subscribers
are active globally
today

with

3.8 billion

located in low-
and middle-income
countries



Digital technology has the reach,
capability and integration in daily life to
deliver transformative impact for those
who need it most



Digital inclusion helps people improve
the lives of their families – better
health, information for their children's
education, access to household utilities
and enhanced family income



Mobile for Development



58 million lives impacted to date



We drive innovation in digital technology to reduce inequalities in our world





Mobile Money Ecosystem

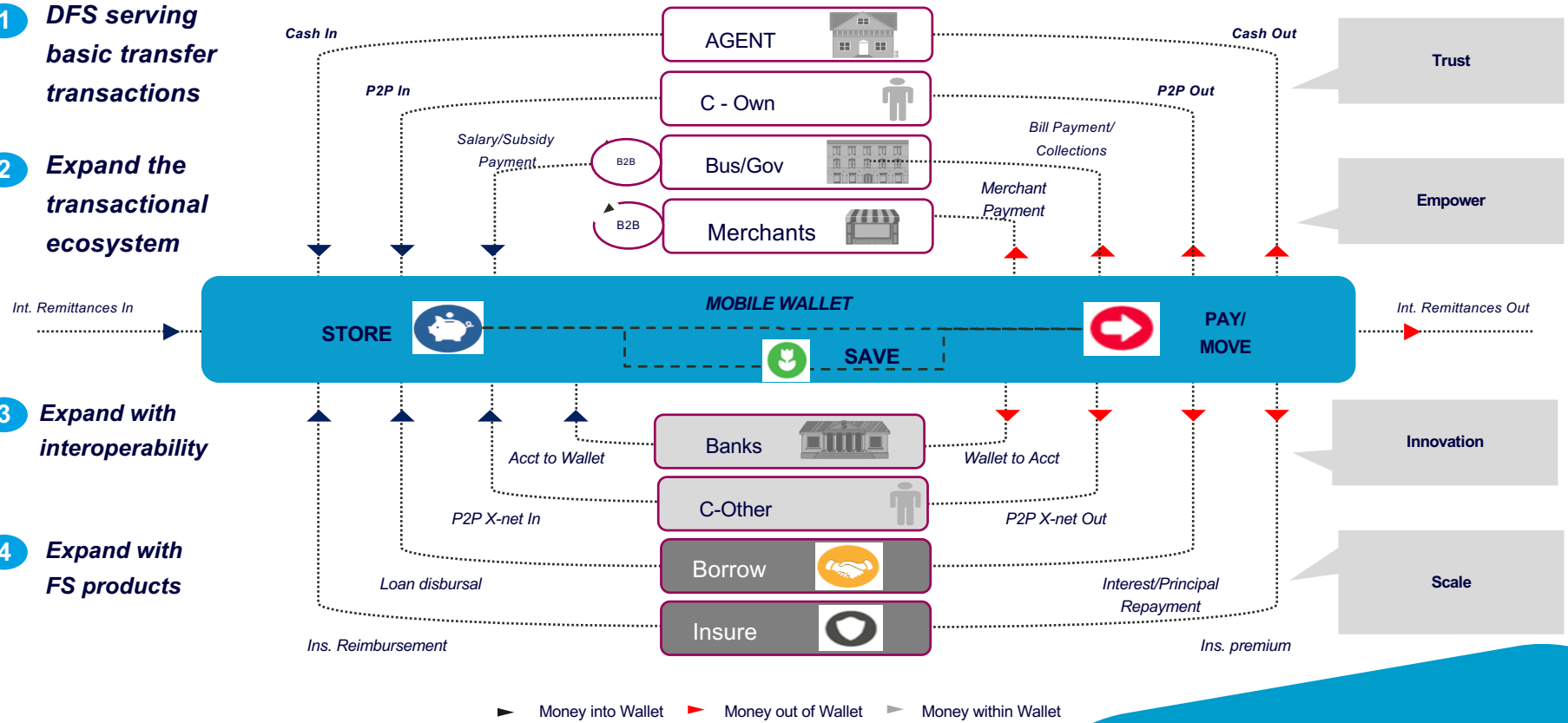
Mobile Money has the opportunity drive financial inclusion to the most marginalized populations, through building the full payments ecosystem

1 DFS serving basic transfer transactions

2 Expand the transactional ecosystem

3 Expand with interoperability

4 Expand with FS products





Mobile Money State of the Industry: ASIA

November 5th 2019 – ADB annual conference

In 2018, the mobile money industry added another 143 million registered customers reaching 866 million registered accounts — a 20 per cent year-on-year increase.

MOBILE MONEY IN 2018



272

MOBILE MONEY DEPLOYMENTS



ARE LIVE IN

90

COUNTRIES



866m

REGISTERED MOBILE MONEY ACCOUNTS



20% increase from 2017

62

MOBILE MONEY
DEPLOYMENTS
HAVE MORE THAN

1m

90-DAY
ACTIVE
ACCOUNTS

compared to 54 in 2017 and 13 in 2013

The industry is now processing over \$1.3bn per day with digital transactions growing at more than twice the rate of cash-in and cash-out

A TYPICAL ACTIVE MOBILE
MONEY CUSTOMER MOVES

 **\$206**
PER MONTH



\$1.3bn
processed daily
by the mobile money industry

54%

OF THE COMBINED
ADULT POPULATION OF



GHANA, CÔTE D'IVOIRE,
BENIN AND SENEGAL

use mobile money on an active basis

DIGITAL TRANSACTION
VALUES



Grew at
more than
TWICE the
rate of
cash-in/
cash-out
values

ASIA

90m



NEW REGISTERED ACCOUNTS

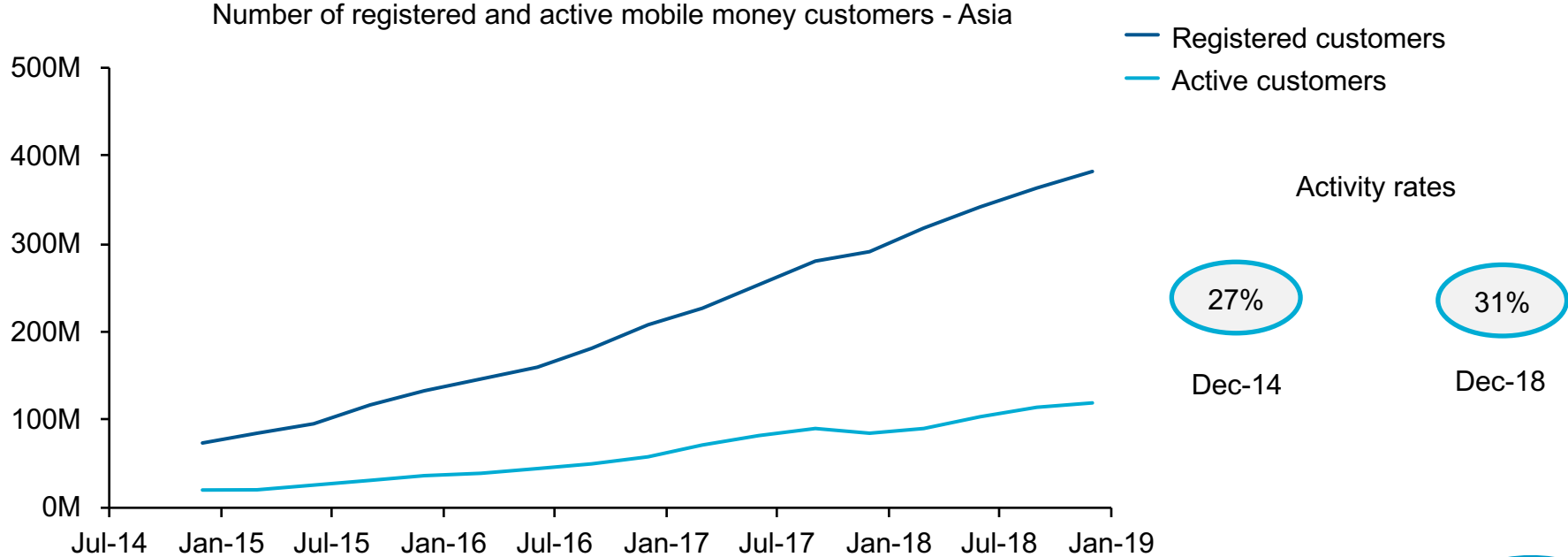
↑ 31% increase from 2017



Today, providers are navigating a dynamic and shifting ecosystem shaped by four key trends:

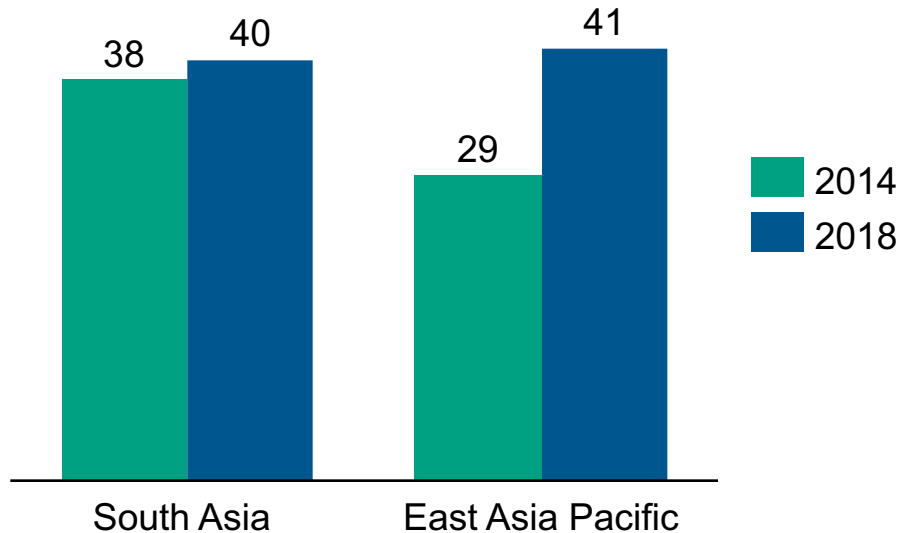
- 1 An enhanced customer experience
- 2 Diversification of the financial services ecosystem
- 3 Expansion of the mobile money value proposition
- 4 Increasingly complex regulation

In Asia the number of registered mobile money customers has grown to over 382m and activity rates increased to 31% as of December 2018

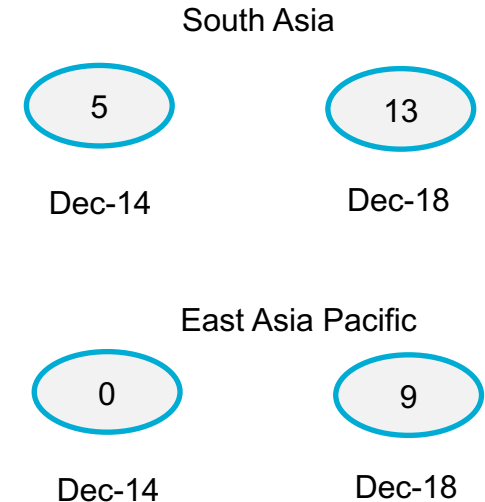


While the East Asia Pacific region has seen a number of new deployments, customer growth has been driven by existing deployments

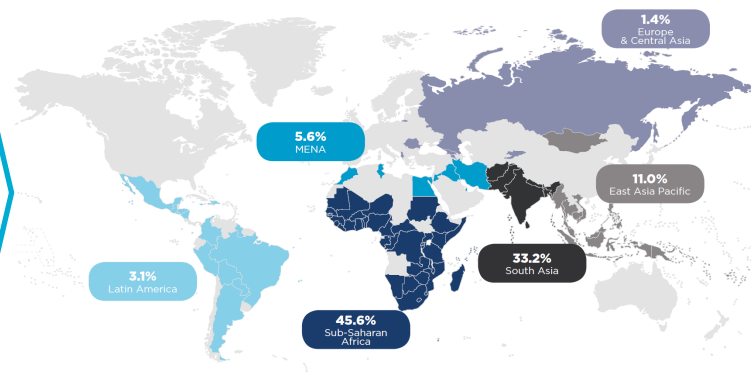
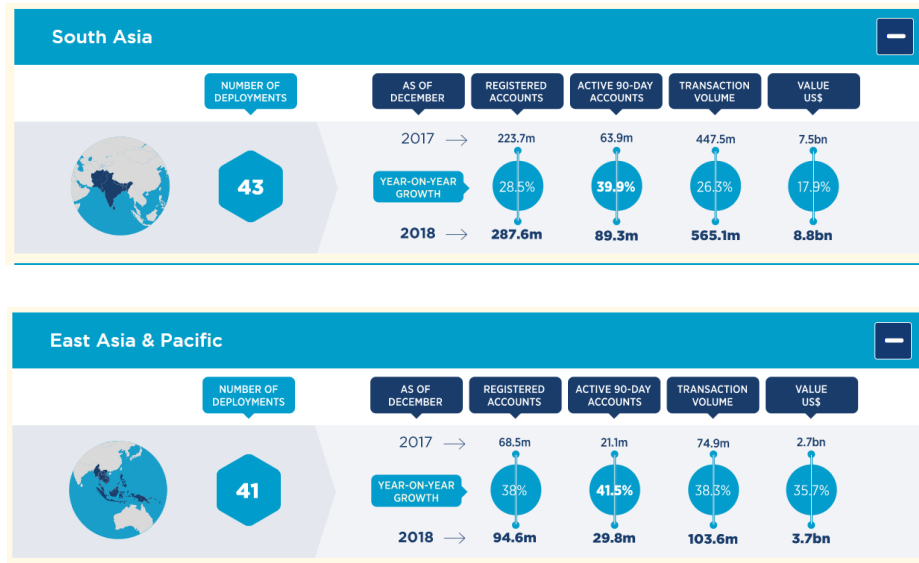
Number of mobile money deployments



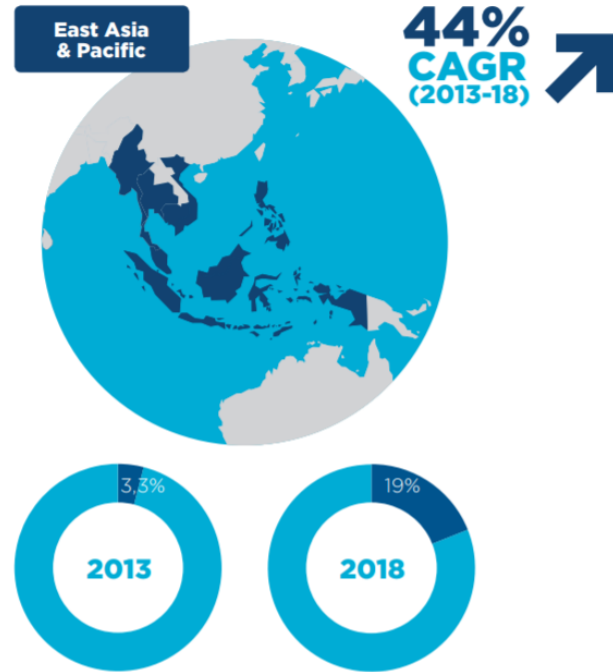
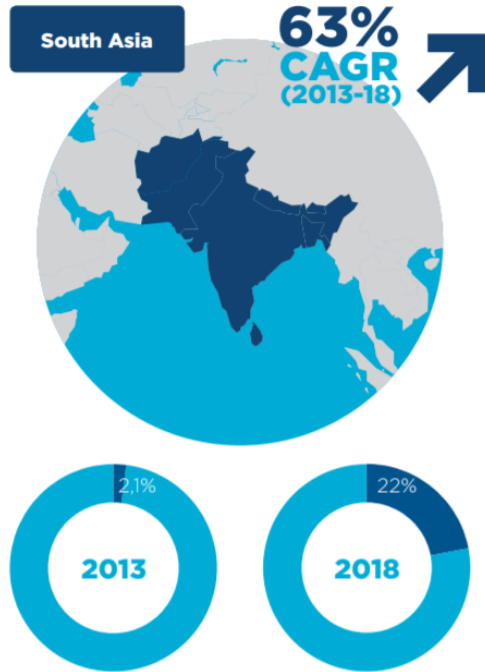
Number of deployments with over 1M active customers



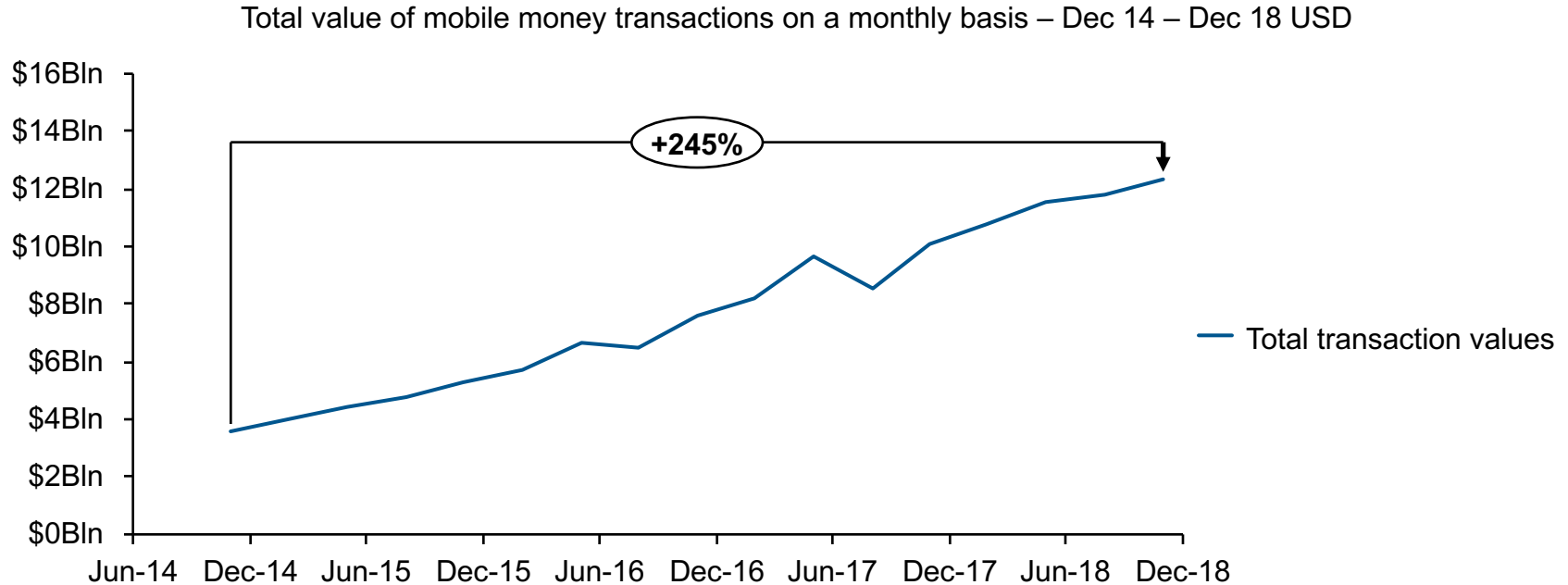
East Asia and Pacific experienced the highest year-on-year account growth at 38 per cent and now represents 11 per cent of registered accounts globally



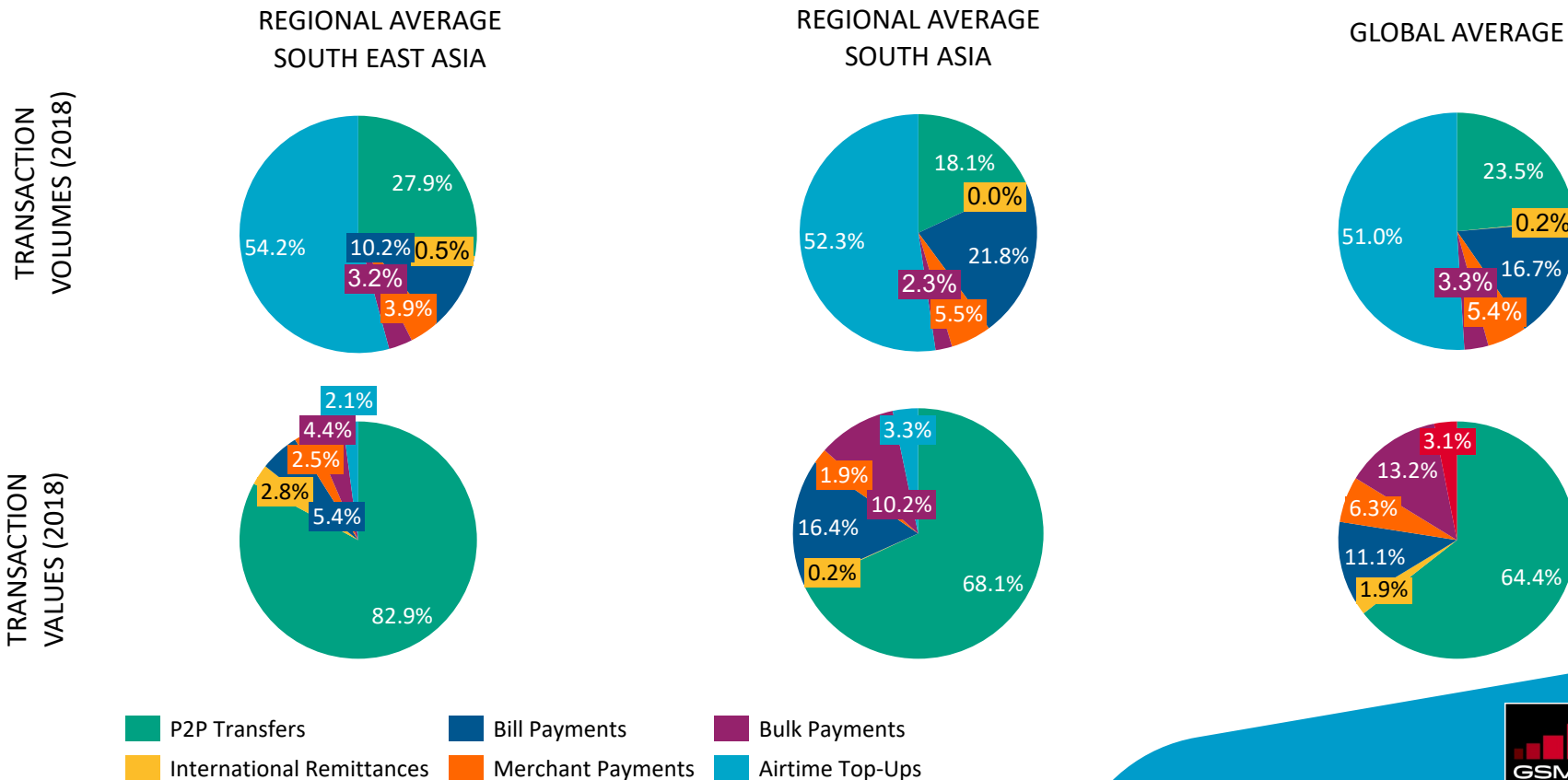
In the past years, the share of combined adult population in Asia with a mobile money account has increased rapidly



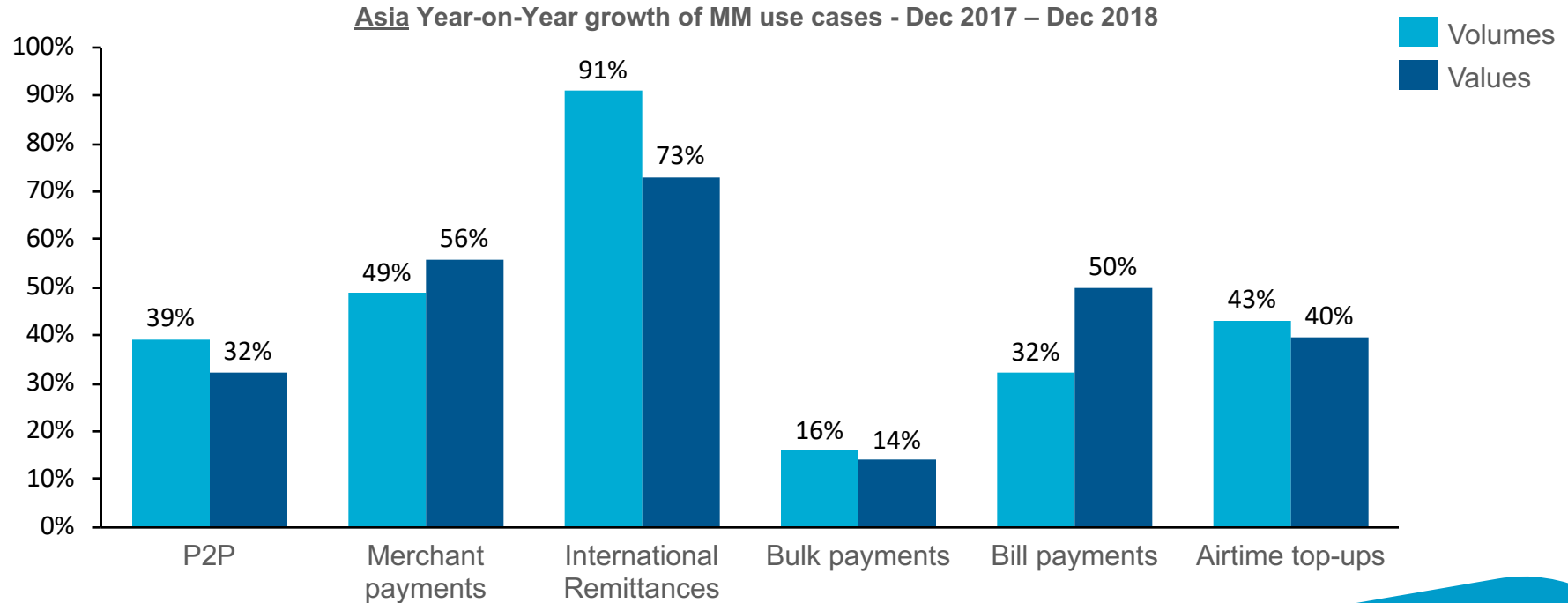
Over the past few years transaction values in Asia have grown exponentially passing USD 12 billion per month as of December 2018



In SEA, P2P transactions still represent the bulk of values transacted. In South Asia, bill payments represent a higher proportion of transactions than average

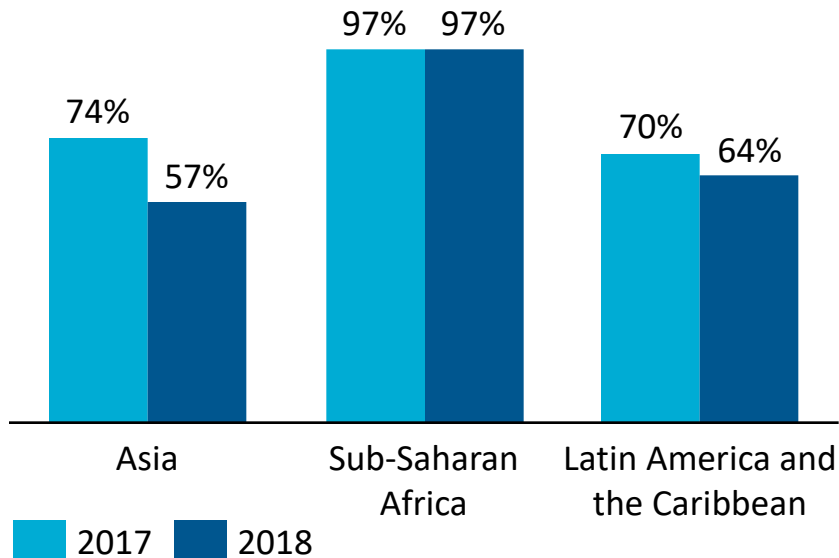


International remittances and merchant payments were the two fastest growing use cases in Asia

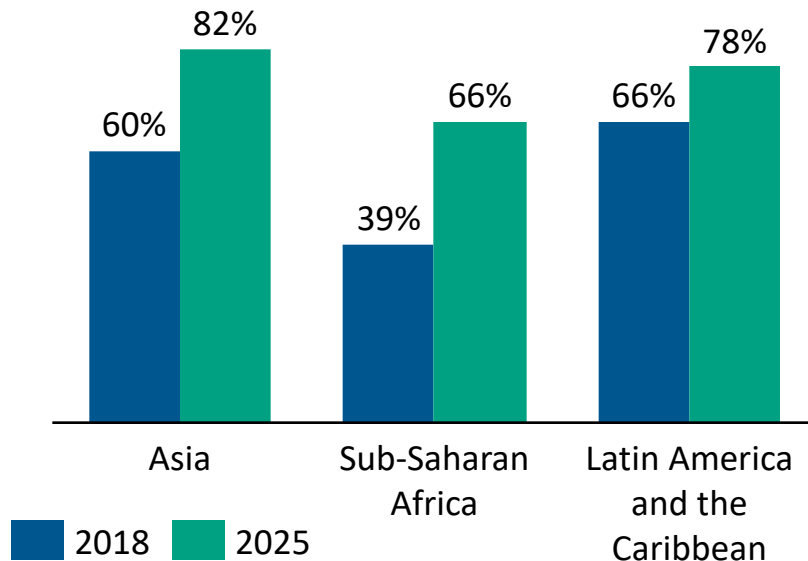


Between 2017 and 2018 Asia saw the highest drop in transactions processed through USSD channel. Smartphone adoption was the main driving force

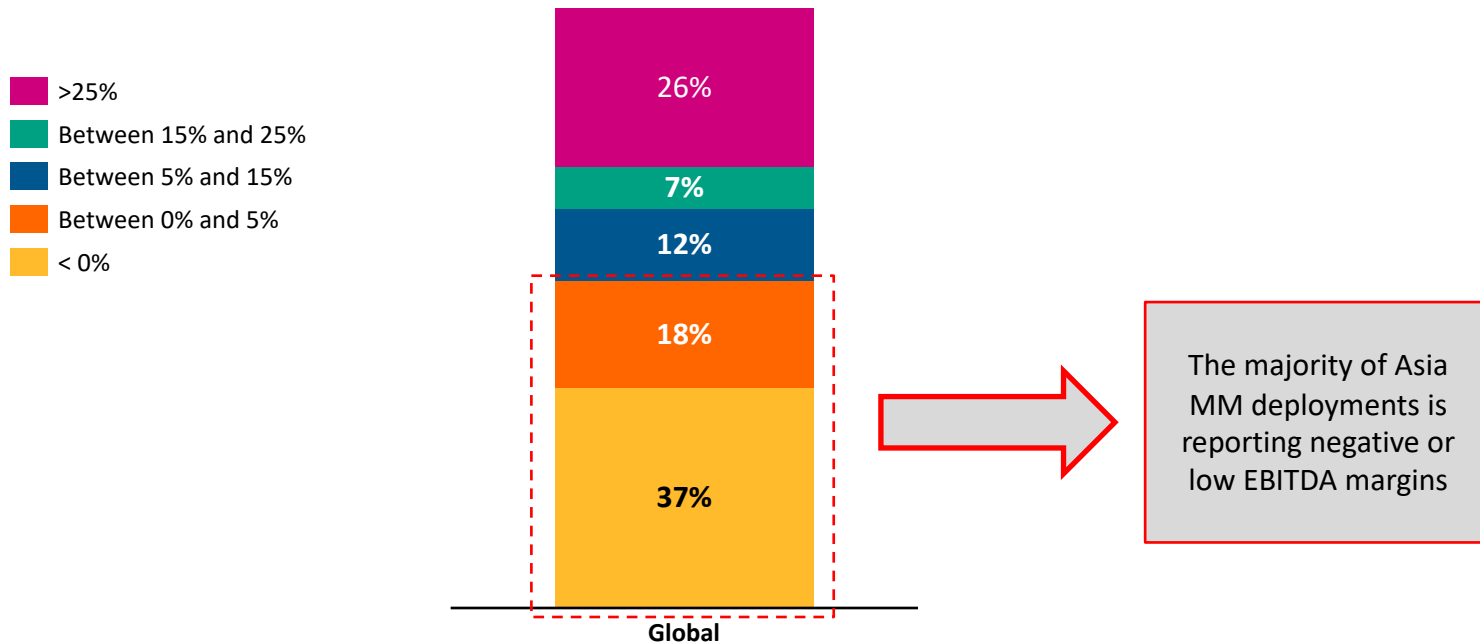
% OF TRANSACTIONS THROUGH USSD CHANNEL



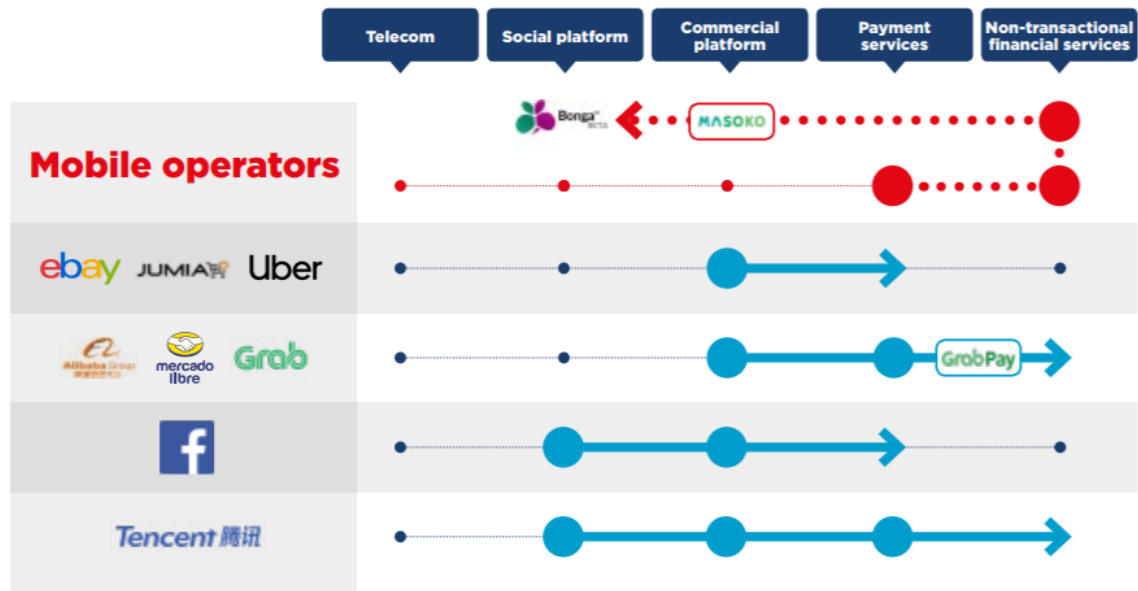
SMARTPHONE PENETRATION (2018 & 2025)



While a large number of mobile money deployments globally are now reporting healthy margins, in Asia margins are lower or negative

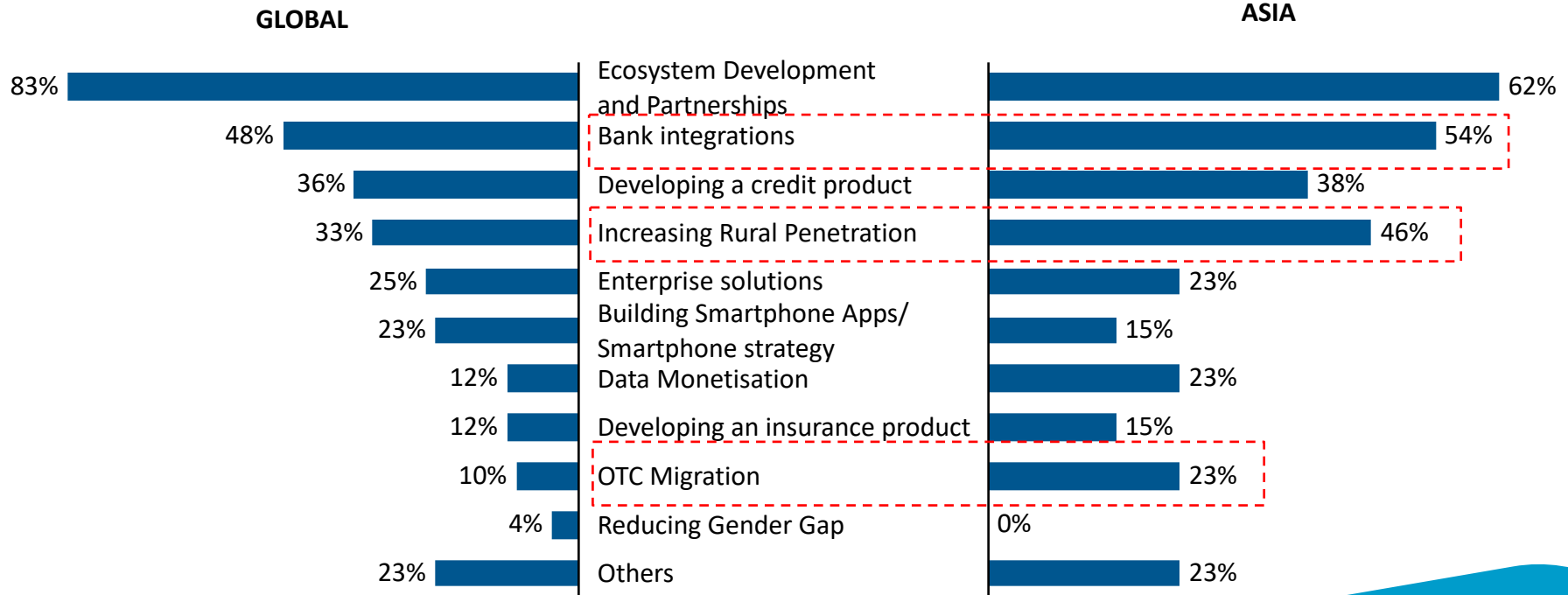


2018 saw many non-financial players invest in mobile-based payment businesses



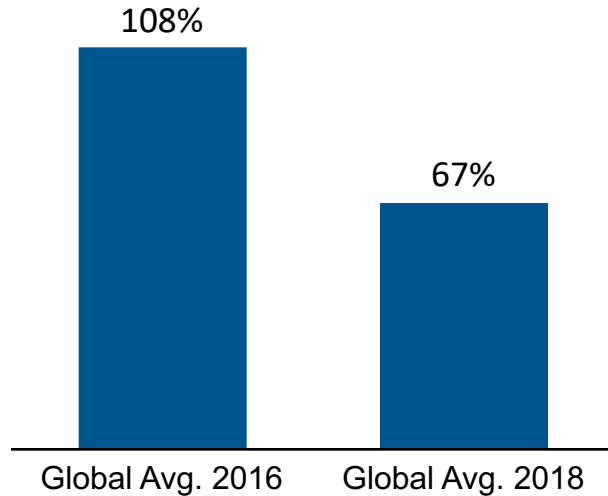
Ecosystem development, bank integrations and increasing rural penetration are the top priorities for the industry in Asia

STRATEGIC PRIORITIES TOP 3 SELECTED BY RESPONDENTS

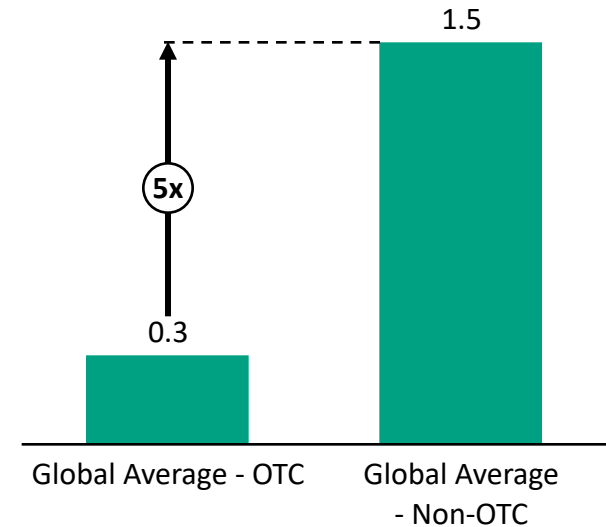


While the number of unregistered customers transacting OTC has declined, there is still an opportunity to migrate customers to wallets

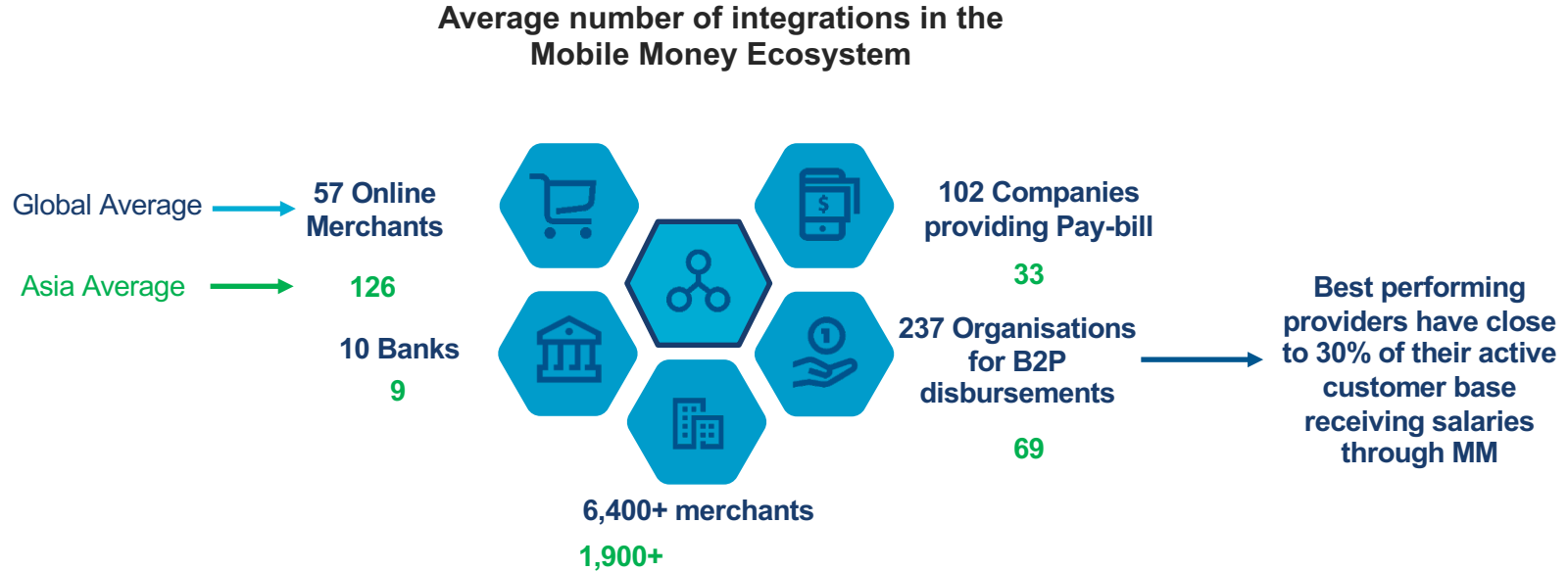
UNREGISTERED CUSTOMERS TRANSACTING OTC /
TOTAL REGISTERED CUSTOMERS



AVERAGE REVENUE PER USER (ARPU) –
OTC vs NON-OTC (USD) – (JUNE 2018)

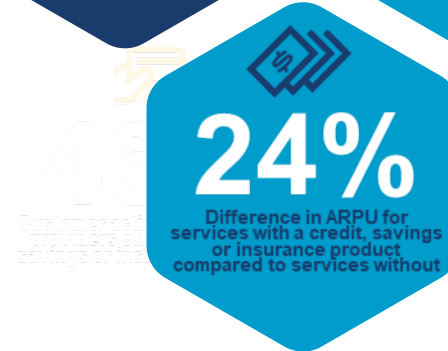


There is an opportunity for Asia mobile money deployments to grow the number of integrations with ecosystem



Close to 80% of providers responding to our global adoption survey reported that most of their revenues are driven by customer fees

- Transitioning away from a revenue model heavily reliant on customer fees to a diversified revenue model stemming from businesses and governments is crucial to ensuring that the mobile money industry can continue to serve customers sustainably and ensure the underserved are not left behind
- In 2018, we saw more mobile money providers shifting their focus on expanding their value proposition to adjacent services including enterprise solutions, credit and savings



Multiple product innovations and partnerships are emerging Asia



Singtel launched VIA, Asia's first cross border mobile payment alliance

VIA will create a region-wide payment network available in Singapore, Thailand, India, Philippines and Indonesia



Grab launched 'Pay Later' facility for its services and online shopping

Pay Later offers a post-paid payment facility which allows customers to pay for Grab services at the end of the month, without additional costs



Paytm Payment Bank becomes India's largest payment gateway, launches stockbroking service and opens on VISA network

PPB launched Paytm Money to offer stockbroking and partnered with Visa for debit card



Go-Jek launched an on-demand video platform Go-Play

Indonesian ride-hailing super app Go-Jek, introduced its on-demand video streaming platform called Go-Play

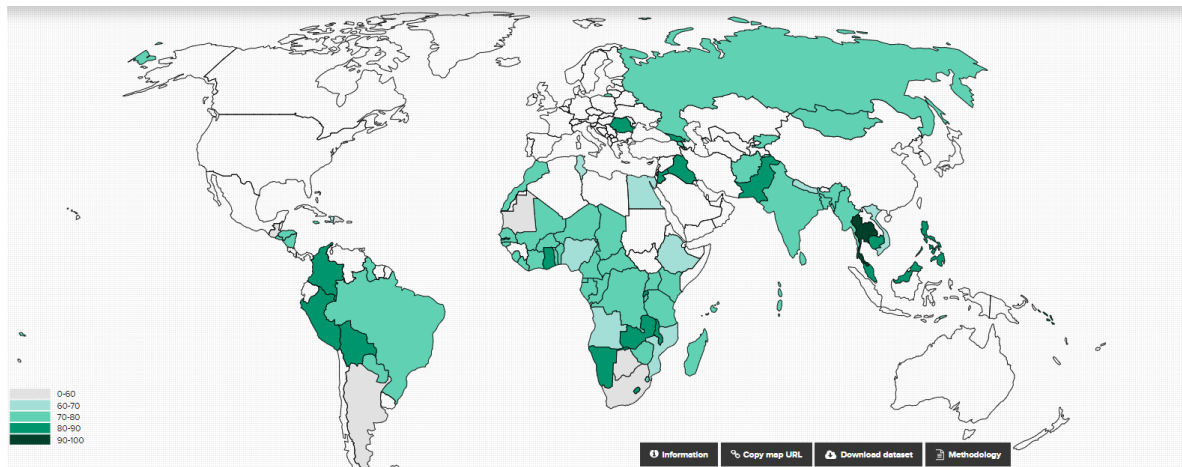
The mobile money industry encountered developments in five main areas of regulation in 2018/19.



**Increasingly
complex regulation**

The Mobile Money Regulatory Index comprises six dimensions to assess the effectiveness of regulatory frameworks

The GSMA Mobile Money Regulatory Index



Dimensions

Authorization

Consumer protection
























































































































Transaction limits

KYC

Infrastructure and investment environment

Agent Network

Mobile Money Index Scorecard: Asia-Pacific

	INDEX	 Authorisation	 Consumer Protection	 Transaction Limits	 KYC	 Agent Networks	 Investment and Infrastructure
Thailand							
Malaysia							
Cambodia							
Philippines							
Solomon Islands							
Pakistan							
Afghanistan							
Mongolia							
Sri Lanka							
Samoa							
India							
Myanmar							
Maldives							
Timor-Leste							
Vietnam							
Bangladesh							
Nepal							

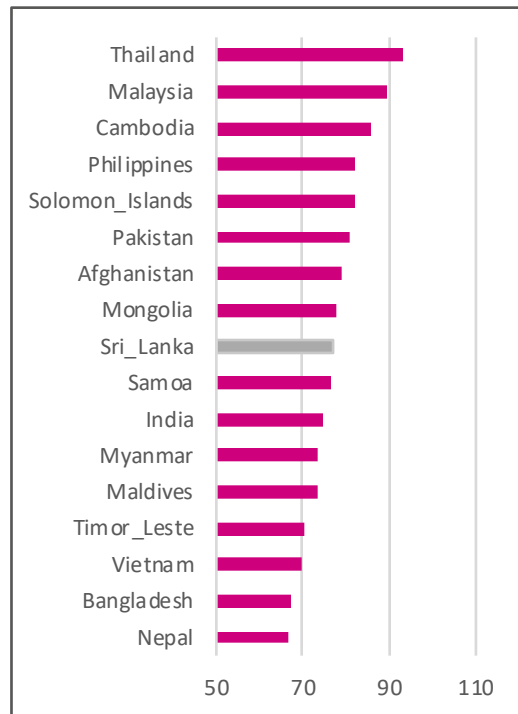
 Score 80 to 100
  Score 70 to 80
  Score 0 to 70

Policy Dimensions – Country Example

Mobile Money Regulatory Scorecard



Sri Lanka (77/100)



Authorisation

Eligibility	● 100/100
Authorisation Instruments	● 100/100
Capital Requirements	● 100/100
International Remittances	● 0/100

Consumer Protection

Safeguarding of funds	● 100/100
Consumer Protection Rules	● 100/100
Deposit Insurance	● 0/100

Transaction Limits

Entry account transaction limits	● 37/100
Entry account monthly limits	● 50/100
Entry account balance limits	● 100/100
Top account transaction limits	● 22/100
Top account monthly limits	● 32/100
Top account balance limits	● 100/100

KYC

Permitted identifications	● 100/100
KYC Requirements	● 0/100
AML/CFT Obligations	● 100/100
Regulation on ID requirements	● 100/100

Agent Networks

Agent eligibility	● 100/100
Agent authorisation	● 100/100
Permitted agent services	● 33/100
Agent network conditions	● 67/100

Investment & Infrastructure

Sector-specific tax	● 100/100
ID Verification Infrastructure	● 0/100
Interoperability	● 100/100
Payment and settlements infrastructure	● 100/100
Interest payments	● 50/100
Financial inclusion	● 0/100

MNOs can play various roles in accelerating digital identity ecosystems

SUPPLY SIDE PROBLEM



1 billion people have no formal identification.

Underserved populations are unable to access life-enhancing digital services.

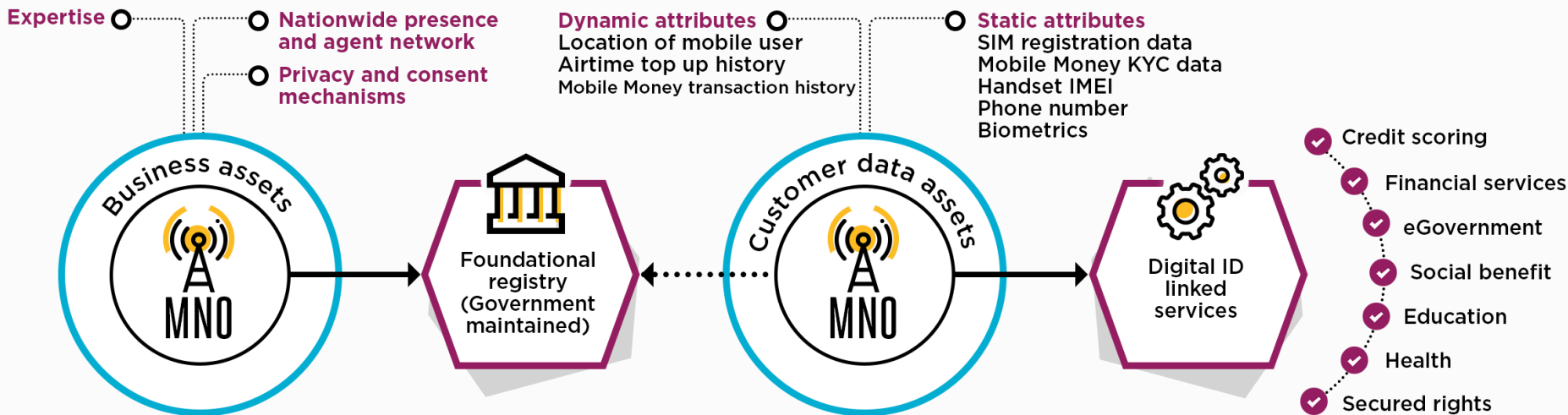


DEMAND SIDE PROBLEM

Access & inclusion

Digital Transformation

Enhanced livelihoods



Digital ID enrollment as government partner



Verification

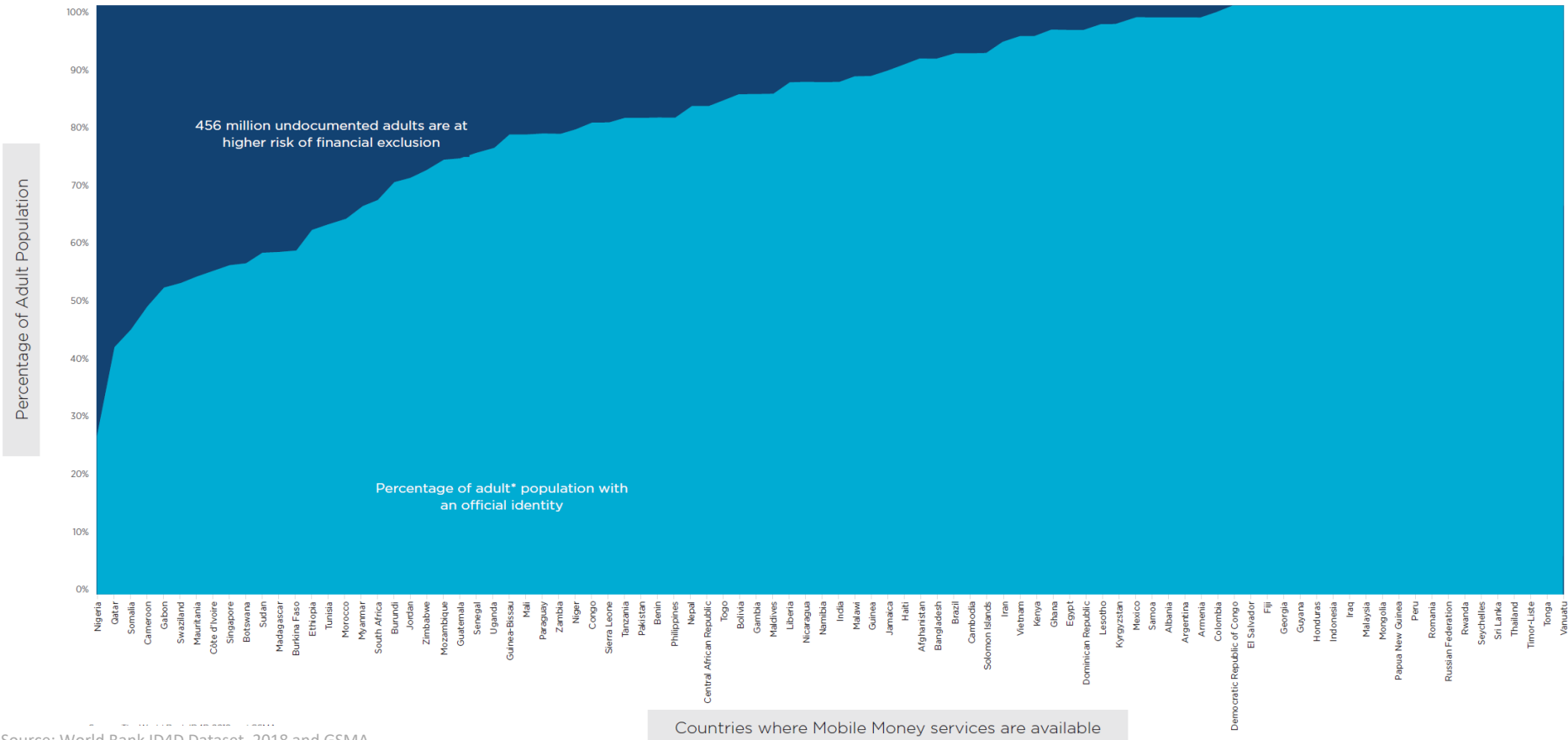


Authentication



Authorisation

The **risk of financial exclusion** is (also) significant as undocumented people are unable to open bank or mobile money accounts – even where these are available





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