Mobile Money Development in and beyond Uganda
Mobile is accelerating Progress of the Emerging World

Mobile Penetration correlates to GDP growth

FOR EVERY 10 NEW PHONES AMONGST 100 PEOPLE IN A DEVELOPING MARKET

THEIR COUNTRY’S GDP GROWS BY 0.8 %

Greater adoption of mobile in the Emerging World?

1 billion people

246m mobile users in 2008

On par with China’s online users
Greater adoption of mobile in the Emerging World?

1 billion PEOPLE

it doubled

500 million MOBILE USERS TODAY
Greater adoption of mobile in the Emerging World?

1 billion PEOPLE

50% PENETRATION

500 million MOBILE USERS TODAY
Mobile overcomes the limitations of Emerging Market environments

- SIM cards are the new postal addresses
- Poor Address System
- Developing road network
- Low Penetration Of Financial services
- 3G and GSM interconnect rural & urban
- Mobile Money
As financial technology lowers barriers, banking clients grow.

Banking Penetration in Africa

30%

1400: Africans bank and trade in Coweries

1800: The introduction of Bank Notes

1900: Banking spreads throughout Africa

1950: 
The Introduction of Mobile money in Kenya

2007:

Pre-colonial era

Colonial era

Post-Colonial era

Source: World Bank
Not a Shift. But a Revolution.

MTN Uganda Mobile Money Usage
Broad-based across all MM transactions.
A New Currency for a New World

15.1% of GDP

19.3% of household consumption
Catalyst for Growth in Uganda

1. Strong distribution network & organization
2. Effective management of eco-system
3. Clear & Simple Value Proposition
4. Strong Viral Marketing Effect
5. Secured & Reliable Product
6. Clear focus on unbanked
The Power of Mobile Money in the Emerging World

Africa leads the world with 40 million users

Source: Cisco VNI Global Mobile Data Traffic Forecast (2010)
IN 2009
80% of people in Sub-Saharan Africa were unbanked
(and financially excluded)

The Opportunity for Mobile to empower the Emerging World

- 20% of Africans have a bank account
- 50% of Africans have a mobile phone
1. Remote Mobile Payments

1. Prepaid Airtime (the most urgent need)
2. Healthcare
3. Domestic fund transfers
4. Electricity and water levies
5. Agricultural trade
6. School fees
2. Proximity Mobile Payments

HOW MOBILE MONEY ADDS TO THE GDP

Critically easier for entrepreneurs and informal sector SMEs to trade no matter where they are.

1. Taxi and “Boda Boda” fare
2. Groceries at Supermarkets & Markets
3. Access to cultural attractions (cinema, etc.)
The Future of Mobile Money
5 Big Mobile Money Insights for Telcos Going Forward

The overall revenue potential

1. The contribution may be small but it is critical for future revenue growth

2. Mobile money success is highly dependent on the size of your voice customer base

Critical business case drivers

3. Profit from mobile money depends on growth in “electronic-only” transactions, i.e. more transactions per deposit

4. The indirect benefits of mobile money to MNOs only become significant when mobile money reaches critical mass

Mission critical to scale and profitability

5. To capture long-term profits, mobile money implementations must leave “money on the table” in the short-term
The Future of Mobile Money is the Future of Money

1. Interoperability
2. Seamless convergence of NFC
3. Cross Border Payment Systems
4. Privacy and security control
5. Mobile wallet innovations that increase utility value
Obstacles to Future Growth?

Regulation is key to sustainable growth

1. Integrated Regulation – Central Banks, Comm. Auth.,
2. KYC and Anti Money Laundry
3. Fraud Management – Agent & Customer level
4. Privacy and security control
5. Inter-operator regulation

Regulation must unravel the myths around “taboo” subjects
Will Momo be the dominant currency at some point in the future?

Are we at the start of a Third Monetary Revolution in human history?
Thank you