



# Why mobile payments? African and Latin American experiences

International Partnership Conference: Doing business with Africa

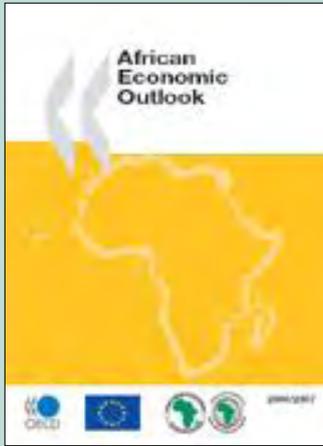
Tenerife, March 2010

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Competitiveness and Structural Analysis Desk

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## 1. Economic overview & annual thematic focus

2007: Water and sanitation

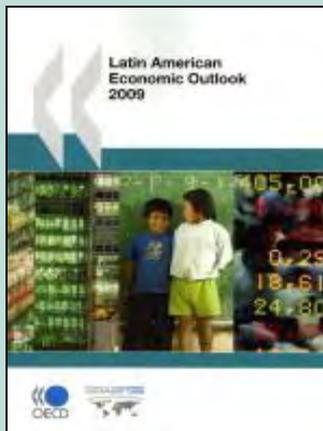
2008: Technical & vocational skills

2009: Innovation & ICT

2010: Domestic Resource Mobilisation

## 2. 50 country chapters

## 3. Statistical annex and indicators



## 1. Economic overview & annual thematic focus

2008: Development in Latin America (telecoms)

2009: Fiscal Policy

2010: Migration (mobile payments and remittances)

Special 2010 Report: Innovation in Latin America

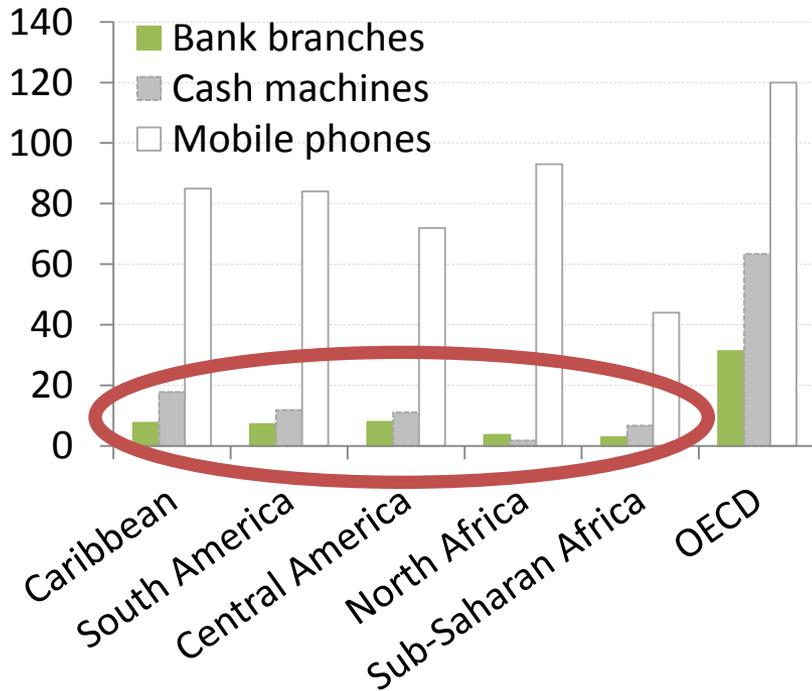
## 2. Structural analysis of development challenges

## 3. 10 country notes

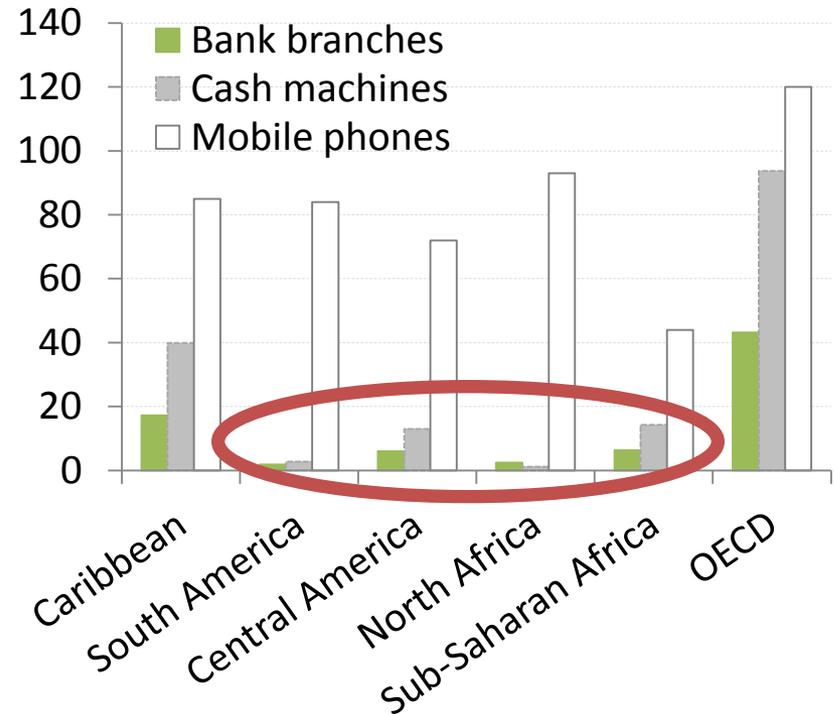
# Why mobile payments?

# Distribution networks

### Network Coverage among the Population (%)



### Network Coverage in Land Area (%)

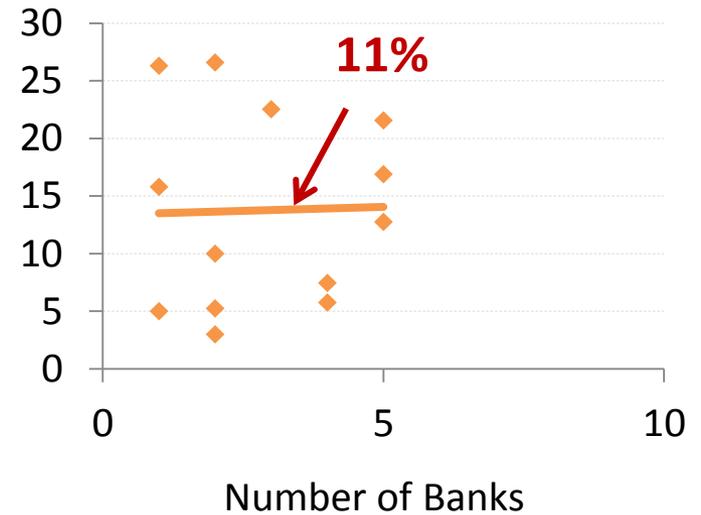
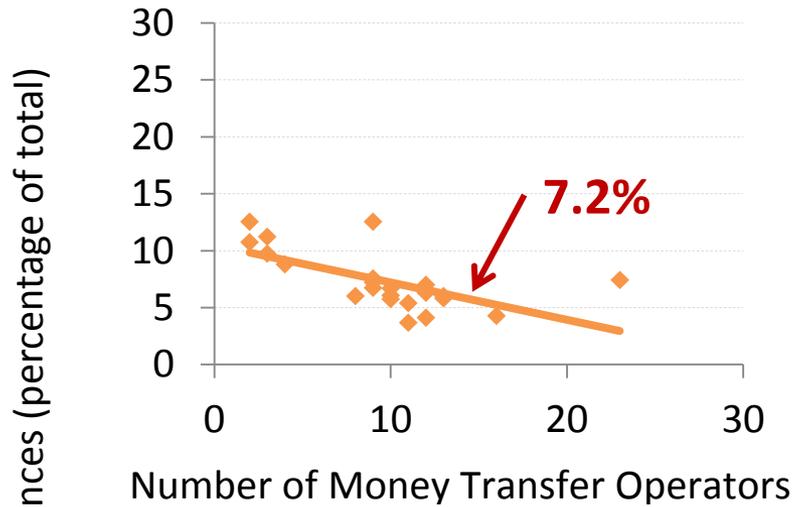


The key success of mobile payments is the size of their distribution networks

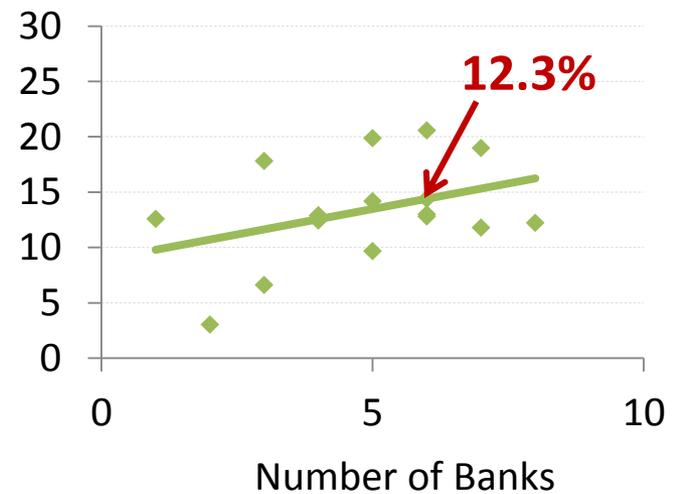
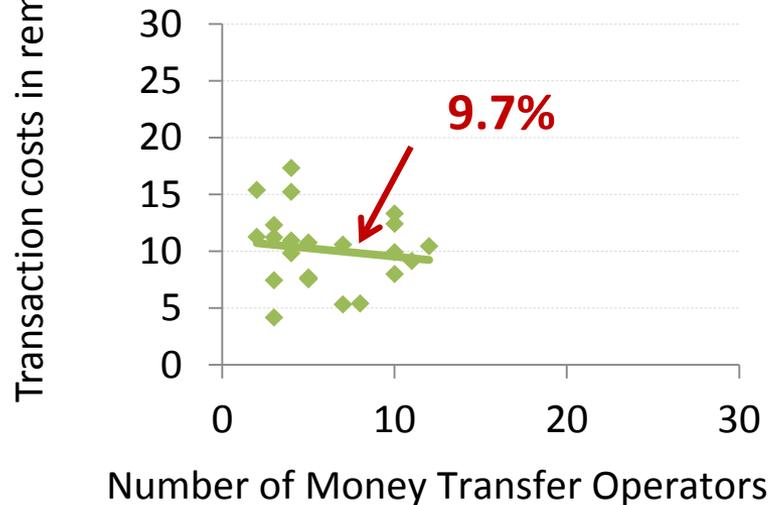
# Why mobile payments?

# Transaction costs (I)

### Latin America & Caribbean



### Africa



# Why mobile payments?

## Country of origin (I)

### Latin America & Caribbean

Destination	Origin	Number of Money Transfer Operators	Transaction cost (%) for USD 200
Brazil	Japan	0	19.71
Dominican Republic	The Netherlands	2	17.14
Haiti	Canada	2	15.14
Haiti	France	3	11.38
Jamaica	Canada	4	14.02
Peru	Japan	6	19.92
Surinam	The Netherlands	3	11.23
Low presence of Money Transfer Operators	Japan, France, Canada, The Netherlands	2.8	15.5
High presence of Money Transfer Operators	US, Spain, UK	11.6	6.6

**8.9**

## Why mobile payments?

## Country of origin (II)

### Africa

Destination	Origin	Number of Money Transfer Operators	Transaction cost (%) for USD 200
Angola	South Africa	0	14.39
Botswana	South Africa	0	18.99
Lesotho	South Africa	0	12.23
Malawi	South Africa	0	20.58
Mozambique	South Africa	0	19.88
Ghana	The Netherlands	4	16.38
Algeria	France	2	13.39
Morocco	Germany	3	15.06
Low presence of Money Transfer Operators	South Africa, The Netherlands, France, Germany	0.6	16.9
High presence of Money Transfer Operators	US, Spain, UK	8.4	10.4

6.5

France and The Netherlands are the most promising countries of origin

## Why mobile payments?

## Volume of remittances

Countries with a large volume of remittances

Remittances in USD million  
Transaction costs (%) for USD 200

### Latin America & Caribbean

Region	Country	Remittances in USD million	Transaction costs (%) for USD 200
Central America and Mexico	Mexico	24,254	6.7
	El Salvador	3,328	4.1
	Guatemala	3,557	5.8
South America	Honduras	2,286	5.9
	Brazil	7,373	10.5
	Colombia	4,516	6.0
	Ecuador	3,162	5.1
Caribbean	Peru	2,869	10.1
	Dominican Rep.	2,739	10.0

### Africa

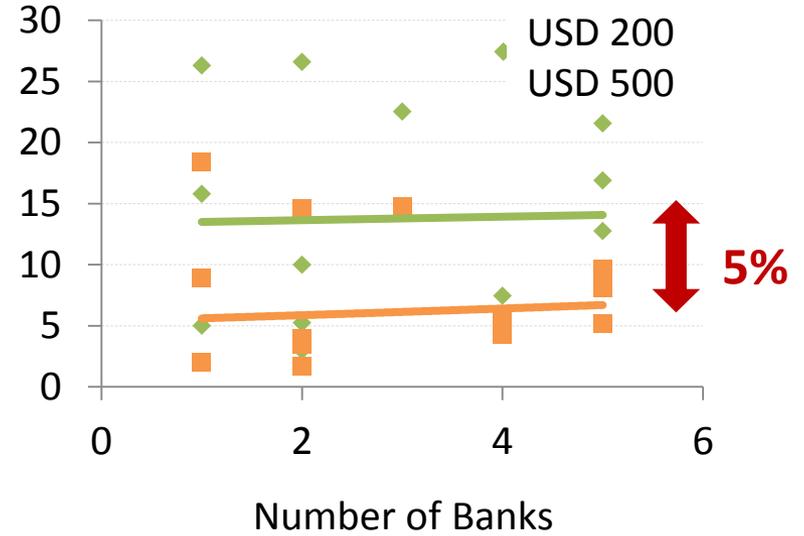
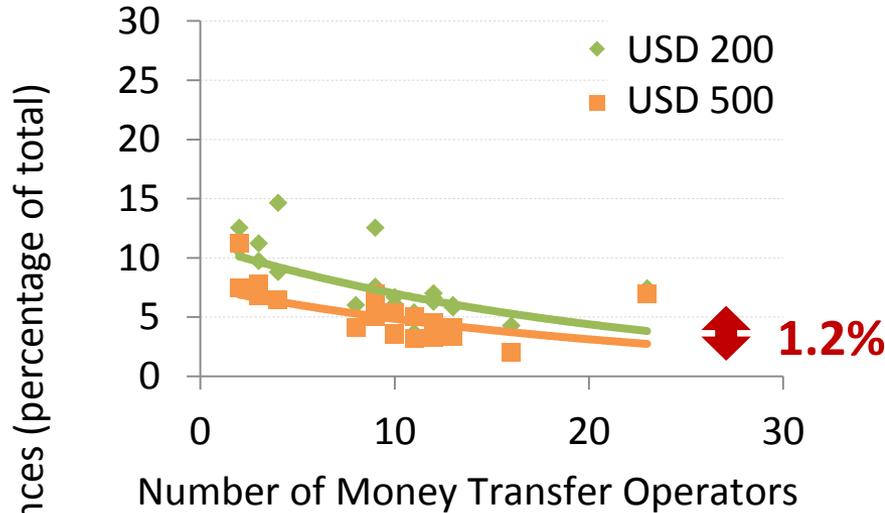
North Africa	Algeria	5,399	13.4
	Egypt	3,637	5.4
	Morocco	6,116	10.7
Western Africa	Nigeria	5,397	8.5

Mobile payments are more likely in countries attracting large volumes of remittances

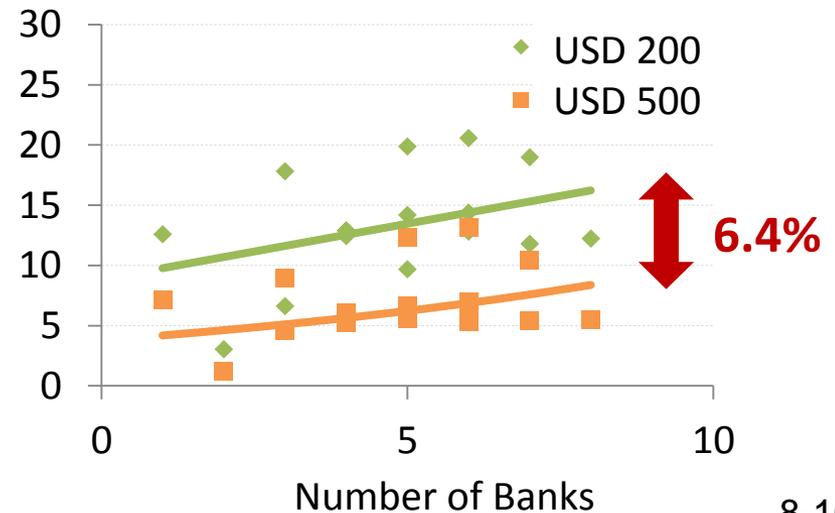
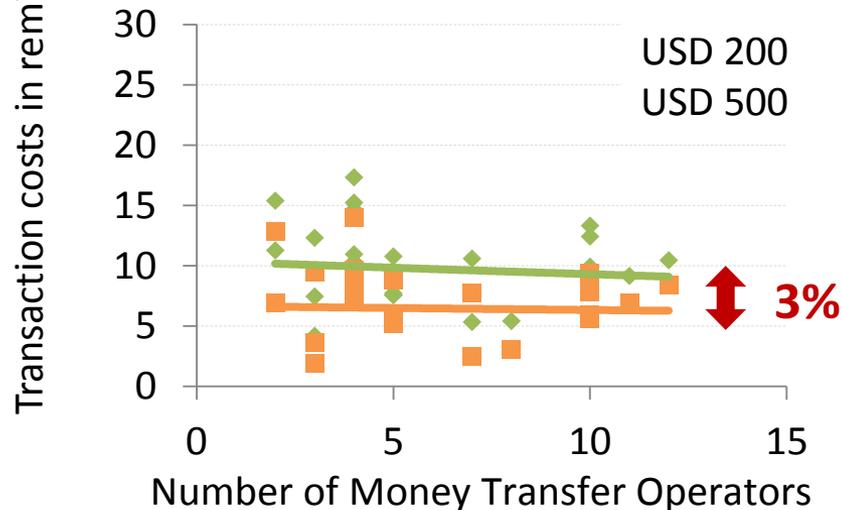
# Why mobile payments?

## Small amounts (I)

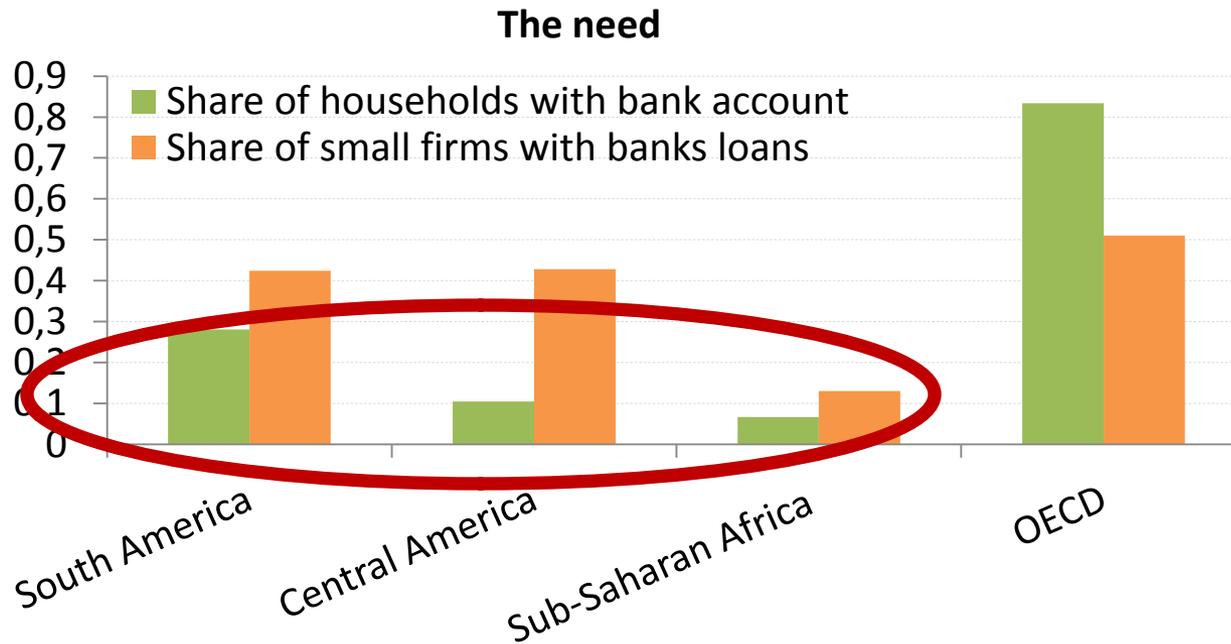
### Latin America & Caribbean



### Africa



# From mobile payments to mobile banking?



Regulation is essential for mobile payments, public incentives for mobile banking

## AfricanEconomicOutlook.org

The screenshot shows the homepage of AfricanEconomicOutlook.org. The header includes the AEO logo, language options (English, Français, Portuguese), and navigation links (About AEO, Partners & Affiliates, Methodology, Contact us). A search bar is also present. The main navigation menu includes Home, Overview, Themes, Country Profiles, Indexes & Benchmarks, Policy Insight, News & Updates, and Resources.

The content area is divided into several sections:

- Welcome:** A brief introduction with placeholder text.
- FEATURED COUNTRY:** A section for Kenya, featuring a small image and a 'Find out more' link.
- CURRENT ECONOMIC TRENDS:** A section with a small image and placeholder text.
- LATEST NEWS:** A list of news items with placeholder text and dates.
- RESOURCES:** A list of resource items, including PDFs, PPTs, and DOCs, with placeholder text.

The footer contains three columns: ABOUT AEO, METHODOLOGY, and PARTNERS & AFFILIATES, each with placeholder text and a 'Find out more' link.

- The latest developments in Africa's economies
- Brings together the data & research from eight years of AEO
- Interactive database of all AEO data and statistics
- Complete and updated country notes
- Promotes original research by African researchers and institutions