

Mastercard & MTN partner to advance financial inclusion and SME growth in Africa

Mastercard and MTN Group Fintech have agreed on a partnership across multiple markets. This collaboration aims to link millions of individuals and small businesses in Africa with digital tools for secure mobile payments, thus enhancing access to the advantages of a cashless digital economy.



Source: LinkedIn.

This builds upon the recent agreement between Mastercard and MTN for a minority investment in MTN Group Fintech, the digital financial services division of Africa's largest mobile network operator, which was finalised earlier this month.

MTN has a total subscriber base of 290 million and 60 million active monthly MoMo (Mobile Money) wallets. This partnership will affect 13 African markets, including Benin, Cameroon, Côte d'Ivoire, Eswatini, Ghana, Liberia, Nigeria, Republic of Congo, Republic of Guinea, Rwanda, South Africa, Uganda, and Zambia.

Africa has a population of over 1.3 billion, but only about 43% have access to traditional banking services, with over 90% of payments still made in cash. However, 45% of the population have mobile money accounts.

Over the past five years, Mastercard and MTN have collaborated on various mobile money initiatives across Africa, enabling people to make payments through global platforms and bringing more individuals into the financial system.

The partnership will enhance local digital payment infrastructure, potentially expand transaction capabilities in the future, and promote financial inclusion by providing access to assets.

Every MoMo wallet will receive a virtual and physical Mastercard companion card, granting users access to over 100 million acceptance points worldwide, facilitating MTN's international expansion efforts.

Furthermore, through this access, Mastercard can extend its cybersecurity solutions to MTN's operations, aiming to enhance customer loyalty and trust.

Empowering financial security

The partnership will empower SMEs with payment acceptance solutions like Mastercard's SME-in-a-Box, a cost-effective solution enabling small business owners to transition their operations online and accept various digital payments from customers.

SME proprietors will gain access to solutions allowing them to establish an e-commerce presence, including QR code enablement, Tap on Phone solutions, and digital-card acceptance. This initiative aims to enhance customer experience, decrease business expenses, and create opportunities for growth and innovation.

The partnership will extend the accessibility of mobile money remittance services to consumers, covering both domestic and cross-border transactions within Africa.

There's a growing demand for international remittance services, with daily processed transactions surpassing \$2bn, equivalent to over 40% of sub-Saharan Africa's GDP. In 2020, international remittances via mobile-money wallets increased by 65% year over year, reaching approximately \$1bn, and this trend shows no signs of slowing down.

Global financial inclusion

Mastercard is dedicated to collaborating with numerous telecommunications network companies globally and across the continent to actualise financial inclusion.

With a commitment to bringing 1 billion individuals and 50 million SMEs into the global digital economy by 2025, the company is actively engaged in providing MTN's consumers and SME customers with seamless, secure solutions, platforms, and tools. This endeavour exemplifies our concerted efforts towards achieving this ambitious goal.

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