

# Kenya: Mobile commerce deals pass \$10bn mark

The value of mobile commerce transactions in Kenya has passed the Ksh1 trillion (\$10 billion) mark for the first time.



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Data for the second quarter of 2017/18 from the Communications Authority of Kenya (CA), shows transactions grew to Ksh1.17 trillion (\$11.7 billion) up from Ksh714 billion (\$7.14 billion) in the previous quarter - an increase of 64% within three months.

This is despite a reduction in the number of mobile commerce transactions to 308 million compared to the previous quarter's 352 million. The number of transactions on Safaricom's M-Pesa (Lipa na M-Pesa module), for example, fell despite the value of the transactions nearly doubling.

Peer-to-peer transactions continued to increase by more than Ksh52 billion (\$520 million) in the three months to last December. The bulk of the transactions were conducted on M-Pesa followed by Equity Bank's Equitel, the top two mobile money services by value and volume of transactions.

"A total of 607.4 million mobile money transfer transactions valued at Ksh1.763 trillion (\$17.63 billion) were carried," said the CA report.

## Cut fees

Last year, Kenya's largest telco, Safaricom, cut fees associated with selling goods through its Lipa na M-Pesa service by half as it seeks to increase the number of merchants using the platform. The telco also extended its M-Pesa Kadogo tariff band under which the company last year eliminated fees for all transactions below Ksh100 (\$1).

Equity Bank has recruited over 30,000 merchants to accept retail payments via Equitel. The bank in 2015 began signing up traders to 'Eazzy Pay Till' to receive mobile payments from all platforms including rivals M-Pesa and Airtel Money, suggesting a faster growth in enlisting retailers compared to Lipa Na M-Pesa.

Safaricom launched the Lipa na M-Pesa service in June 2013 and now has over 50,000 active merchants, including supermarkets, fuel stations and hotels.

The growing uptake of mobile cash for retail payments over other methods including plastic cards is attributed to convenience, safety, cost, and the shorter settlement cycle.

Other platforms in Kenya are Lipa Sasa Na MobiKash, Airtel Money's 'buy goods' module while Tangaza Pesa is piloting MyDuka.

*Read the [original article](#) on East African.*

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