

MTN South Africa teams up with World Bank's IFC on mobile money

MTN South Africa said on Wednesday it had entered into a \$2m partnership with the World Bank's International Finance Corporation (IFC) to expand its mobile money business.



Mobile financial services have become a significant part of African telecom operators' businesses since Kenya's Safaricom pioneered an alternative to banks with M-Pesa in 2007.

Like other telcos, MTN's mobile money (MoMo) business saw a jump in transaction values and customer numbers during the Covid-19 pandemic, as movement restrictions and avoidance of physical cash pushed people towards mobile money platforms.

IFC will provide \$1m, which MTN said it will match, adding the partnership will target the unbanked and underbanked population by establishing a strong network of Momo agents, who carry out cash withdrawals on behalf of customers.

MTN South Africa and IFC will recruit 10,000 MoMo agents in 2021 and a team of trade development representative will be created and trained to manage a portfolio of agents, support them and manage compliance regulations.

"This partnership provides the opportunity to bridge the digital divide and broaden financial inclusion in South Africa," said Felix Kamenga, chief officer for mobile financial services at MTN South Africa.

MTN launched its mobile payment service in South Africa in January 2020 and had 3.1 million registered users as of March 31. It is scaling the business and adding services like microloans and the ability to pay for groceries using mobile money.

"Mobile money is needed now, more than ever, to help small businesses to grow and to reach communities where access to financial services is low," said Adamou Labara, IFC's country manager for South Africa.

ABOUT THE AUTHOR

Reporting by Nqobile Dladla; Editing by Alexander Smith

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