

# South Africa to the Rest of SADC Remittances Market Assessment 2021

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View recording here - <https://youtu.be/3XZrW3kGJLA>

# Agenda

| Speaker  | Topic   | Time                         |
|--|---|------------------------------|
| <b>Brendan Pearce</b><br>CEO, FinMark Trust  | Opening remarks   | 5 minutes                    |
| <b>Tim Masela</b><br>Head of Payments, South African Reserve Bank  | Keynote   | 10 minutes                   |
| <b>Damola Owolade</b><br>Head of SADC FI, FinMark Trust  | Presentation of results   | 35 minutes                   |
| <b>Thulasizwe Simelane</b> (Facilitator)<br><b>Mr. Harish Natarajan</b> (The World Bank)<br><b>Adv. Magedi-Titus Thokwane</b> (South African Reserve Bank)<br><b>Mr. Nicolas Vonthron</b> (Mama Money)<br><b>Nikki Kettles</b> (FinMark Trust) | Panel discussion – The way forward for remittances pricing<br>1. Initiatives to reduce to the cost of remittances, specifically in the SADC region<br>2. The merits and demerits of using average prices in assessing the cost of remittances and how to achieve consensus on the appropriate methodology | 15 minutes<br>10 minutes Q&A |
| <b>Nikki Kettles</b><br>Executive Manager Programmes, FinMark Trust  | Closing remarks   | 5 minutes                    |



**Brendan Pearce**  
Chief Executive Officer

## House rules

- Feel free to post questions in the Q&A box, they will get addressed by FMT

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- We will share the recording and presentations after the event

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- You will be muted by default, if you wish to talk, raise your hand and we will unmute you

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**Brendan Pearce**  
*Chief Executive Officer*



# Keynote



**Tim Masela**  
Head of Payments  
South African Reserve Bank

# Remittances Market Assessment 2021



**Damola Owolade**  
Head: SADC FI  
FinMark Trust

## Objectives

- Cross border remittances enable access to basic services and support business enterprise activities in the SADC region
- Has regional socio-economic development implications
- UN SDG 10.c by 2030, reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5% - to increase disposable income of beneficiaries
- SADC CCBG Strategic Focus Area to expand usage of formal remittances through the reduction pricing, increase digitisation, speed of transactions and transparency of product attributes
- SADC Secretariat supports regional integration to modernize and harmonise regional payments in developing SADC remittances market



## Key considerations

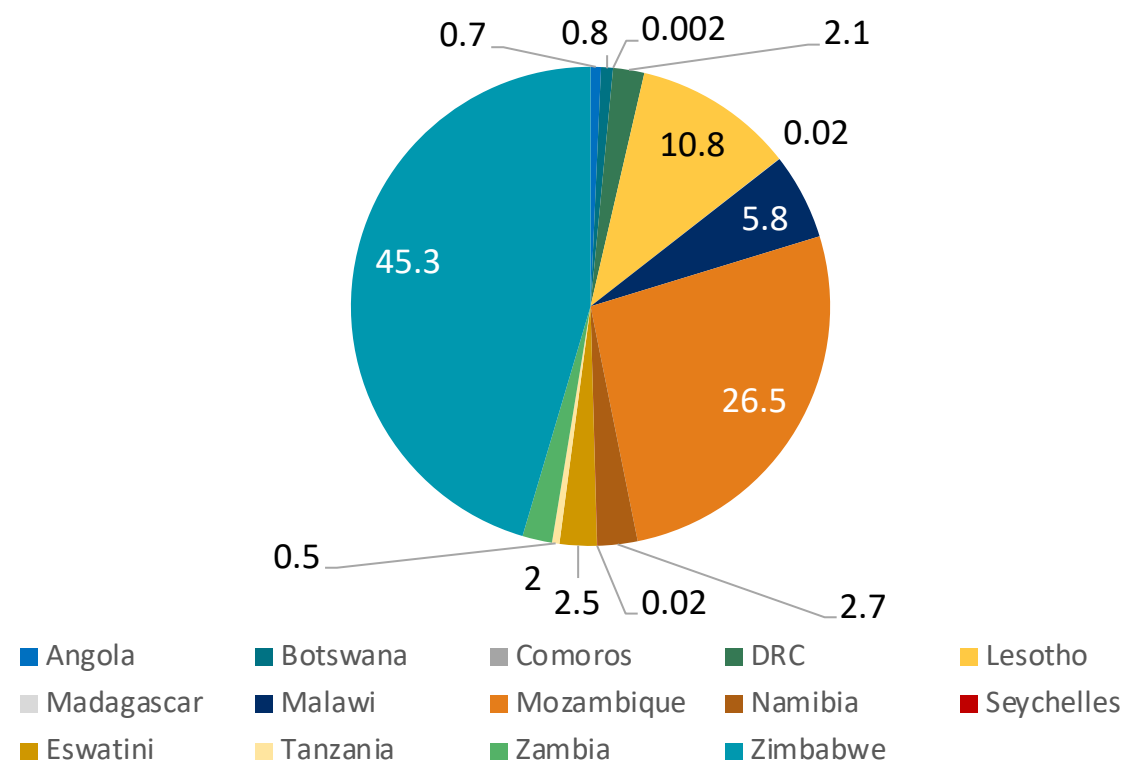
- Focus on SA to rest of SADC – the largest corridor in volumes in Africa
- Is an “average” price appropriate – as a metric in assessing pricing of remittances in the region?
- Data gaps
  - No data on financial inclusion level of migrants in SA
  - No data on number of migrants sending (analyses is based on volumes and values)
- The formal remittances data is sourced from South African Reserve Bank Financial Surveillance Department – Balance of Payments (BoP) data covering the following categories (2016 – 2021)
  - - 401 – Gifts;
  - - 416 – Migrant worker remittances (excluding compensation);
  - - 417 – Foreign national contract worker remittances (excluding compensation).

## SADC migrants in South Africa

| Country      | Total SADC migrants in 2019 (estimated) |
|--------------|---|
| Angola       | 25,890                                  |
| Botswana     | 30,790                                  |
| Comoros      | 90                                      |
| DRC          | 76,890                                  |
| Lesotho      | 402,015                                 |
| Madagascar   | 795                                     |
| Malawi       | 216,515                                 |
| Mozambique   | 983,078                                 |
| Namibia      | 101,438                                 |
| Seychelles   | 623                                     |
| Eswatini     | 90,943                                  |
| Tanzania     | 17,218                                  |
| Zambia       | 75,135                                  |
| Zimbabwe     | 1,680,770                               |
| <b>Total</b> | <b>3,709,220</b>                        |

Source: StatsSA and authors' estimations

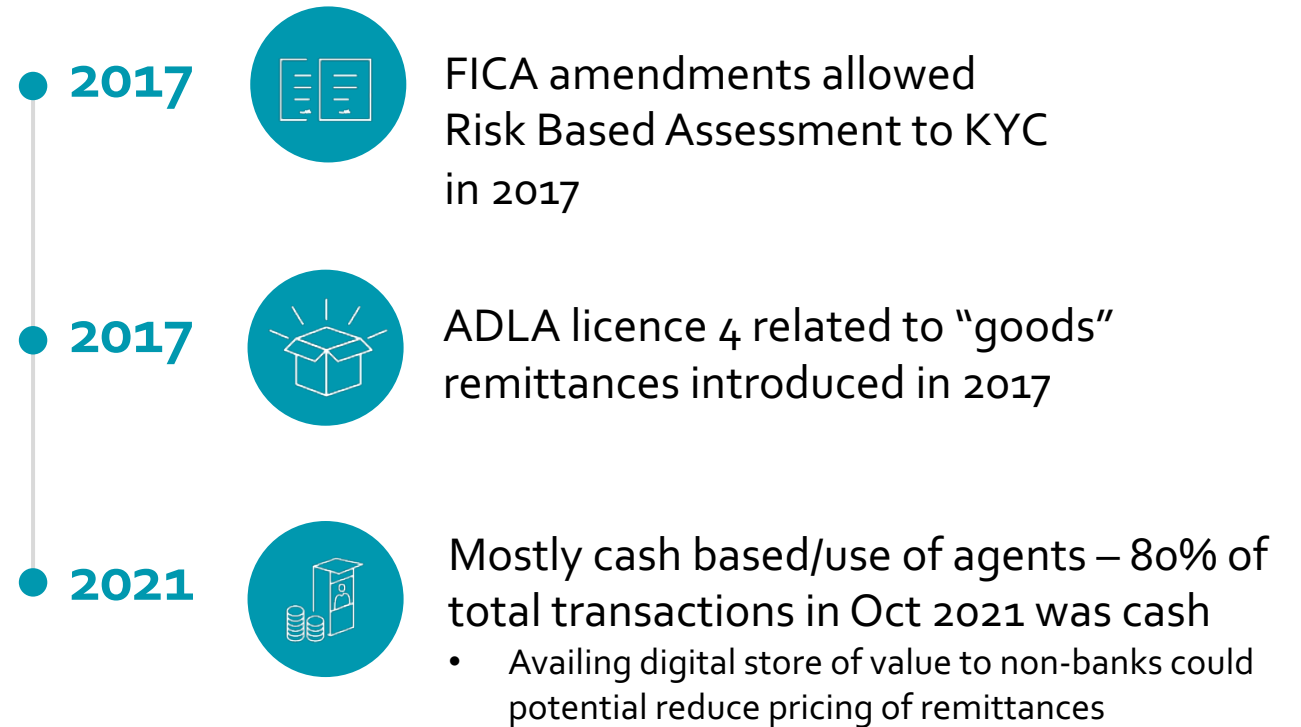
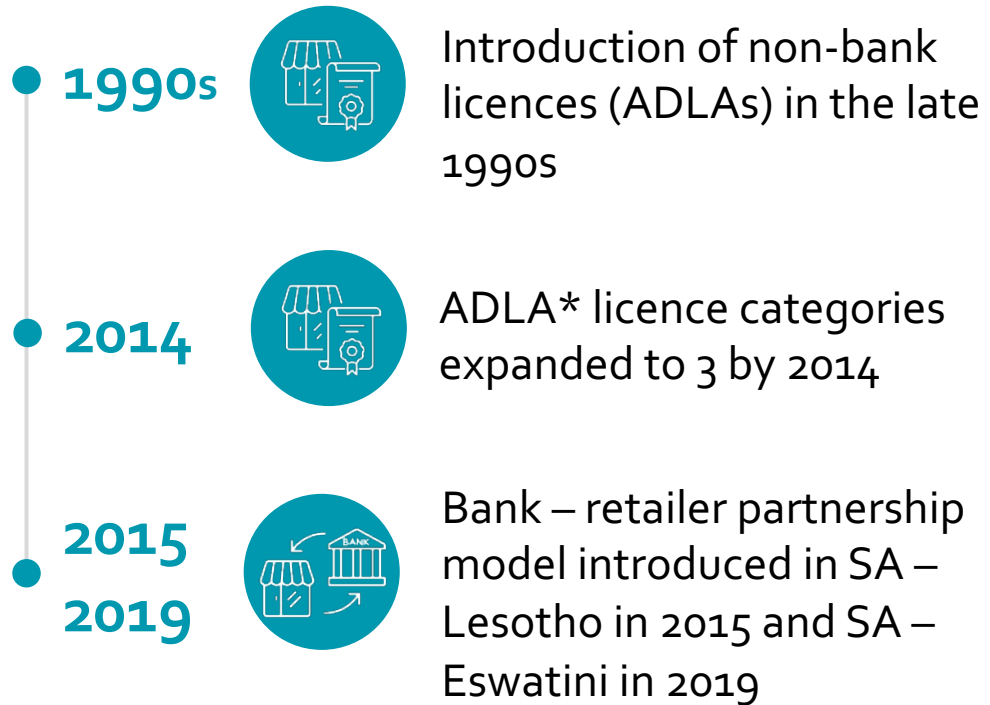
% of Total SADC Migrants in SA



**88.4%** of SADC migrants in SA are from Zimbabwe, Malawi, Lesotho and Mozambique



## SA – SADC corridor overview



## ADs and ADLAs Defined

- **Authorised Dealers (AD):** A person authorised by the Financial Surveillance Department to deal in gold or to deal in foreign exchange, for transactions relating to gold and foreign exchange respectively.
- **Authorised Dealers In foreign exchange with limited authority (ADLA) including bureaux de change, independent money transfer operators and value transfer service providers:** A person authorised by the Financial Surveillance Department to deal in certain foreign exchange transactions. There are three categories of ADLA license:
  - **ADLA 2 category license:** “Travel-related transactions and certain prescribed single discretionary allowance of R1 million per applicant within the calendar year and money remittance services in partnership with external money transfer operators”
  - **ADLA 3 category license:** “Independent money transfer operator or value transfer service provider, facilitating transactions not exceeding R5 000 per transaction per day within a limit of R25 000 per applicant per calendar month”
  - **An ADLA 4 category license:** “A combination of the services provided by Category Two and Category Three



## Level of formal usage – values and volume outflow

| Country      | Total value remitted from SA (outflow), ZARmn |                 |                      |
|--------------|---|-----------------|----------------------|
|              | 2016  | 2021            | % change 2016 - 2021 |
| Angola       | 6.2   | 5.4             | -13%                 |
| Botswana     | 90.8  | 146.5           | 61%                  |
| Comoros      | 0.6   | 1.5             | 150%                 |
| DRC          | 54.2  | 203.4           | 275%                 |
| Lesotho      | 121.9   | 968             | 694%                 |
| Madagascar   | 7.8   | 6.3             | -19%                 |
| Malawi       | 800.3   | 3 202.6         | 300%                 |
| Mauritius    | 89.2  | 125.3           | 40%                  |
| Mozambique   | 184.7   | 949.7           | 414%                 |
| Namibia      | 34.8  | 18.6            | -47%                 |
| Seychelles   | 3.1   | 3               | -3%                  |
| Eswatini     | 21  | 82              | 290%                 |
| Tanzania     | 57.7  | 375.4           | 551%                 |
| Zambia       | 160.4   | 328.6           | 105%                 |
| Zimbabwe     | 4 407.5                                       | 6 008.2         | 36%                  |
| <b>Total</b> | <b>6 029.9</b>                                | <b>12 424.5</b> | <b>106%</b>          |

| Country      | Number of transactions |                   |                      |
|--------------|------------------------|-------------------|----------------------|
|              | 2016                   | 2021              | % change 2016 - 2021 |
| Angola       | 245                    | 484               | 98%                  |
| Botswana     | 12 276                 | 42 115            | 243%                 |
| Comoros      | 145                    | 409               | 182%                 |
| DRC          | 9 350                  | 83 519            | 793%                 |
| Lesotho      | 130 005                | 892 308           | 586%                 |
| Madagascar   | 1 065                  | 1 301             | 22%                  |
| Malawi       | 783 890                | 4 429 529         | 465%                 |
| Mauritius    | 2 113                  | 2 307             | 9%                   |
| Mozambique   | 10 526                 | 981 292           | 9223%                |
| Namibia      | 1 284                  | 1 410             | 10%                  |
| Seychelles   | 148                    | 143               | -3%                  |
| Eswatini     | 386                    | 53 726            | 13819%               |
| Tanzania     | 7 656                  | 169 589           | 2115%                |
| Zambia       | 44 458                 | 159 852           | 260%                 |
| Zimbabwe     | 3 724 580              | 5 534 122         | 49%                  |
| <b>Total</b> | <b>4 728 127</b>       | <b>12 352 106</b> | <b>161%</b>          |

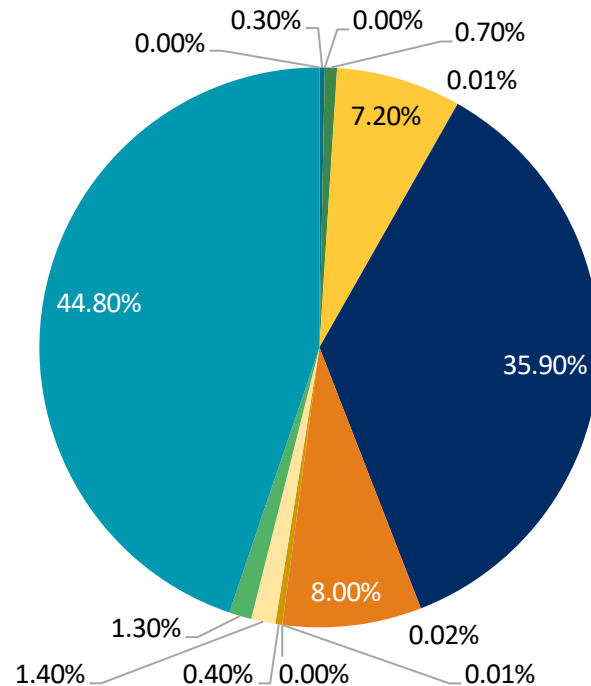
- Increase of 106% in value and 161% in volumes between 2016 and 2021
- Eswatini, Mozambique, Lesotho and Malawi have the highest levels of increase in volumes
- Reasons
  - Introduction of Shoprite in Lesotho and Eswatini
  - Increase in usage of goods remittances
  - Increase in number of service providers in the corridors with the biggest market share
  - Increase in non-bank provider partnerships with MNOs to enable digital access in recipient countries

## Market Share across corridors

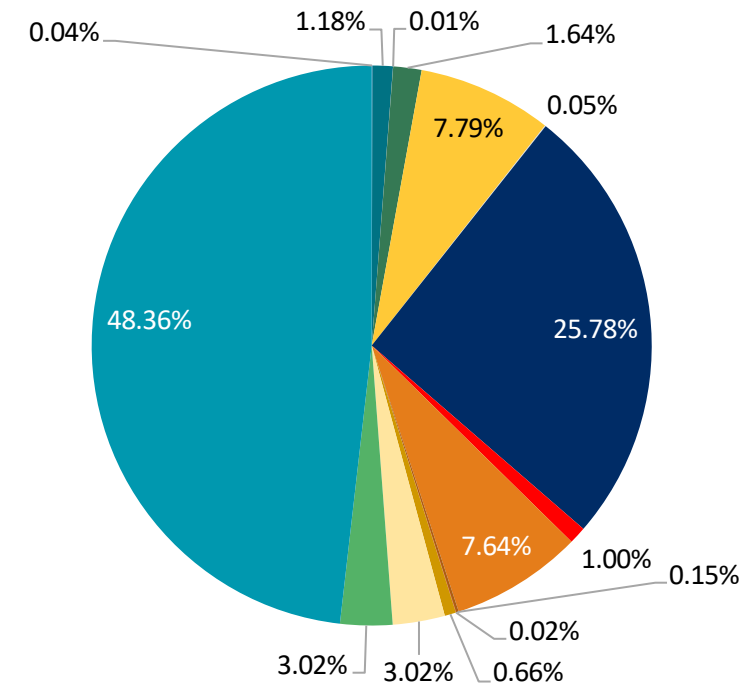
- 96.3% of total volumes and 90.2% of total values in 2021 is in the Zimbabwe, Lesotho, Mozambique, Malawi and Eswatini corridors
- These countries also make up 90% of total SADC migrants in SA



% of Total Remittances in Volumes in 2021



% of Total Remittances in Value in 2021





## Level of Informality

| Country                | % informal remittances estimated | Total migrants, 2019 estimate |
|------------------------|----------------------------------|-------------------------------|
| Zimbabwe               | 68%                              | 1 680 770                     |
| Mozambique             | 67%                              | 983 078                       |
| Lesotho                | 30%                              | 402 015                       |
| Malawi                 | 7%                               | 216 515                       |
| Namibia                | 33%                              | 101 438                       |
| eSwatini               | 69%                              | 90 942                        |
| DRC                    | 55%                              | 76 890                        |
| Zambia                 | 10%                              | 75 135                        |
| Botswana               | 22%                              | 30 790                        |
| Angola                 | 90%                              | 25 890                        |
| Tanzania               | 6%                               | 17 217                        |
| Seychelles & Mauritius | 2%                               | 7 655                         |
| Madagascar & Comoros   | 1%                               | 885                           |
| <b>Total</b>           | <b>52%</b>                       | <b>3 709 220</b>              |



Given the overall increase in formal usage, we expect informality to have dropped



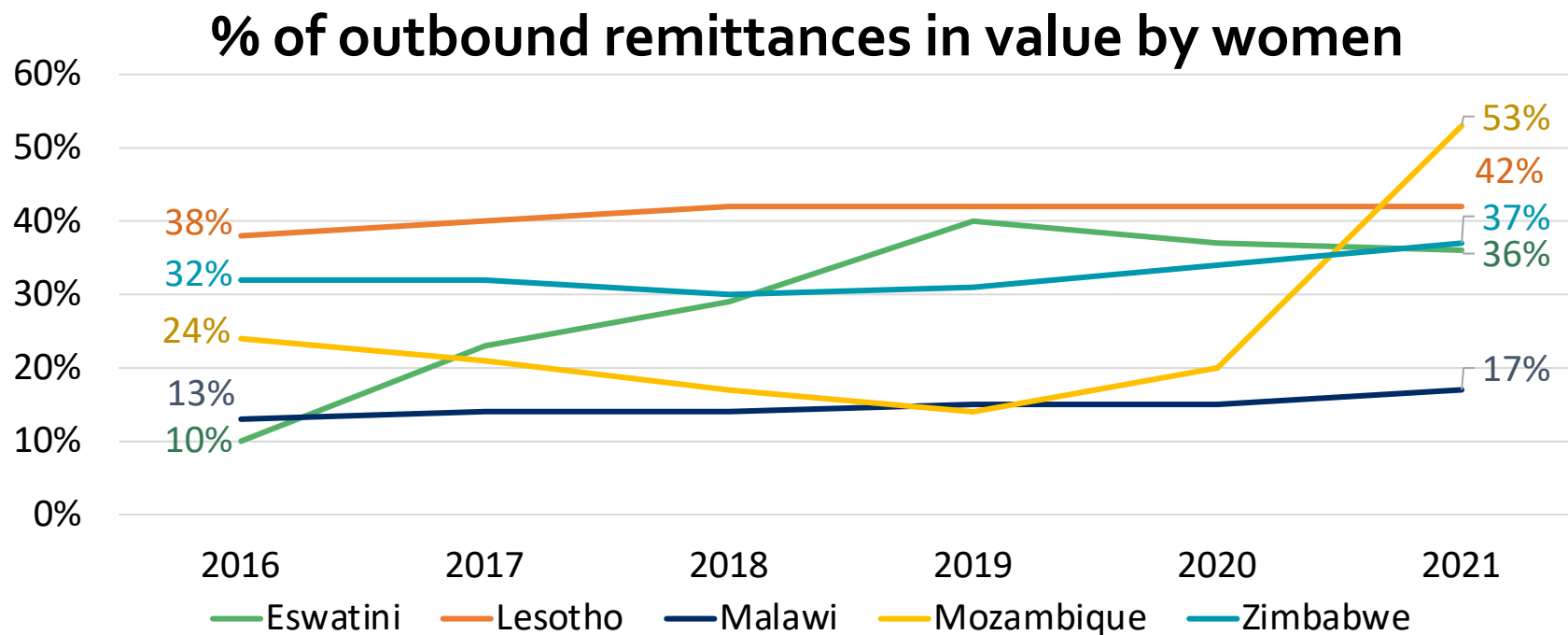
The closure of borders would have reduced informality



There is a data gap on the level of informality post October 2020 when the borders were re-opened

Source: FinMark Trust, 2019: SADC remittance values and volumes report

## Gender analyses



- Increase in formal usage by women especially in the Mozambique corridor
- Availability of gender disaggregated data on SADC migrants would help to assess the extent of progress in expanding formal services to women
- Men are more likely to be migrants labourers in the SADC region but it would vary per corridor

## Level of formal usage – average values outflow

| Country    | Total average value remitted from SA (outflow), ZAR |        |                         |
|------------|---|--------|-------------------------|
|            | 2016  | 2021   | % change<br>2016 - 2021 |
| Angola     | 25 406  | 11 256 | -56%                    |
| Botswana   | 7 398   | 3 479  | -53%                    |
| Comoros    | 4 017   | 3 596  | -10%                    |
| DRC        | 5 801   | 2 436  | -58%                    |
| Lesotho    | 937   | 1 085  | 16%                     |
| Madagascar | 7 288   | 4 823  | -34%                    |
| Malawi     | 1 021   | 723    | -29%                    |
| Mauritius  | 42 215  | 54 317 | 29%                     |
| Mozambique | 17 546  | 968    | -94%                    |
| Namibia    | 16 882  | 13 168 | -22%                    |
| Seychelles | 40 992  | 20 873 | -49%                    |
| Eswatini   | 54 315  | 1 526  | -97%                    |
| Tanzania   | 7 532   | 2 214  | -71%                    |
| Zambia     | 3 607   | 2 056  | -43%                    |
| Zimbabwe   | 1 183   | 1 086  | -8%                     |

Lower avg.  
transaction  
size in 2021

Average transaction size for big 4 corridors is ZAR966 (USD 66.2) in 2021 compared to ZAR 5 172 (USD354.8) in 2016

Indicates  
increase  
in FI

Indicative of an expansion of access to low income migrants and increasing financial inclusion through regional remittances/payments

55USD

The reduction in the average also informs the value at which pricing is assessed in the region (USD 55)

## Average transaction size for formal outbound remittances from South Africa to SADC CMA vs non-CME, average transaction size, ZAR

- Lower transactions sizes via non-banks compared to banks
- 80% of SADC migrants are undocumented, have low levels of income and not likely to use banks
- Non-banks are driving regional financial inclusion by providing formal services to SADC migrants using RBA to onboard customers

| Region                       | 2016  | 2017  | 2018  | 2019  | 2020  |
|------------------------------|-------|-------|-------|-------|-------|
| <b>Commercial Banks only</b> |       |       |       |       |       |
| CMA* countries               | 1,249 | 1,085 | 1,136 | 1,157 | 1,364 |
| Non-CMA* countries           | 1,553 | 1,296 | 2,036 | 7,082 | 9,726 |
| <b>Non-banks</b>             |       |       |       |       |       |
| CMA* countries               | n/a   | 606   | 668   | 670   | 772   |
| Non-CMA* countries           | 1,189 | 1,086 | 986   | 904   | 941   |

\*CMA - Common Monetary Area including SA, Eswatini, Lesotho and Namibia



# Methodology

- Mystery shopping
  - Transaction sizes of USD55 and USD200 were sent to recipients in SADC countries, via the various channels available. This includes authorised dealers (ADs) or banks, and authorised dealers with limited authority (ADLAs).
  - The USD55 transaction size was selected as it is comparable to average transaction sizes made by migrants and the USD200 transaction size was selected as it is comparable to the World Bank remittance price database.
- Weighting
  - Pricing is weighted by volumes across licence categories at a country level
  - Pricing is weighted by volumes across countries for SADC level
- Remittance prices comprise both a direct transaction fee and an exchange rate margin



# Mystery shopping Plan

|                    | Banks        |               | ADLA 2  |        | ADLA 3      |          |            | ADLA 4     |             | Sample size |            |
|--------------------|--------------|---------------|---------|--------|-------------|----------|------------|------------|-------------|-------------|------------|
|                    | FNB          | Standard Bank | Sikhona | Mukuru | World Remit | Shoprite | SuperSwift | Mama Money | Hello Paisa | Target      | Actual *   |
| Angola             | No recipient |               |         |        |             |          |            |            | ✓           | 6           | 3          |
| Botswana           | ✓            | ✓             | ✓       | ✓      | ✓           |          | ✓          | ✓          | ✓           | 7           | 17         |
| Comoros            | No recipient |               | ✓       |        |             |          |            |            |             | 1           | 3          |
| DRC                | ✓            | ✓             | ✓       | ✓      | ✓           |          |            | ✓          | ✓           | 5           | 21         |
| Eswatini           | ✓            | ✓             |         | ✓      |             | ✓        |            |            |             | 3           | 5          |
| Lesotho            | ✓            | ✓             |         | ✓      |             | ✓        |            |            | ✓           | 6           | 9          |
| Madagascar         | ✓            | ✓             | ✓       |        | ✓           |          | ✓          |            |             | 1           | 7          |
| Malawi             | ✓            | ✓             | ✓       | ✓      | ✓           |          | ✓          | ✓          | ✓           | 7           | 26         |
| Mauritius          | No recipient |               | ✓       |        |             |          |            |            | ✓           | 1           | 5          |
| Mozambique         | ✓            | ✓             | ✓       | ✓      | ✓           |          | ✓          | ✓          | ✓           | 7           | 20         |
| Namibia            | ✓            | ✓             |         |        | ✓           |          |            |            |             | 3           | 4          |
| Seychelles         | ✓            |               | ✓       |        |             |          |            |            |             | 1           | 3          |
| Tanzania           | ✓            |               | ✓       |        | ✓           |          | ✓          | ✓          | ✓           | 6           | 20         |
| Zambia             | ✓            | ✓             | ✓       | ✓      | ✓           |          | ✓          | ✓          | ✓           | 7           | 19         |
| Zimbabwe           |              | ✓             | ✓       | ✓      | ✓           |          | ✓          | ✓          | ✓           | 7           | 21         |
| <b>Grand Total</b> |              |               |         |        |             |          |            |            |             | <b>68</b>   | <b>183</b> |

## Pricing considerations

- Pricing tend to be cheaper through non-banks in the corridors that make up over 90% of volumes
- The large corridors (Lesotho, Malawi, Mozambique and Zimbabwe) tend to have more service providers resulting in competitive pricing
- The large corridors (Lesotho, Malawi, Mozambique and Zimbabwe) also tend to use non-banks more than banks
- The CMA countries have low pricing because there are no forex costs and the currencies of the countries being pegged to the ZAR
- Therefore, an overall average price for SADC will over-estimate the pricing of remittances in the region



## AD vs ADLA volumes per country to show potential for weighting (Jan – Sept 2020)

|              | Banks        | Non-Banks    |             |              | Total       |
|--------------|--------------|--------------|-------------|--------------|-------------|
|              | AD           | ADLA CAT 2   | ADLA CAT 3  | ADLA CAT 4   |             |
| Angola       | 91.0%        | 8.3%         | 0.5%        | 0.2%         | 100%        |
| Botswana     | 71.6%        | 25.1%        | 1.4%        | 1.9%         | 100%        |
| Comoros      | 82.0%        | 18.0%        | 0.0%        | 0.0%         | 100%        |
| DRC          | 40.2%        | 40.4%        | 1.7%        | 17.7%        | 100%        |
| Eswatini *   | 49.0%        | 2.0%         | 49.0%       | 0.0%         | 100%        |
| Lesotho *    | 36.4%        | 27.2%        | 36.5%       | 0.0%         | 100%        |
| Madagascar   | 81.7%        | 14.8%        | 3.5%        | 0.0%         | 100%        |
| Malawi       | 1.1%         | 78.1%        | 0.1%        | 20.8%        | 100%        |
| Mauritius    | 99.3%        | 0.7%         | 0.1%        | 0.0%         | 100%        |
| Mozambique   | 4.9%         | 25.1%        | 0.6%        | 69.4%        | 100%        |
| Namibia      | 96.1%        | 2.4%         | 1.5%        | 0.0%         | 100%        |
| Seychelles   | 99.0%        | 1.0%         | 0.0%        | 0.0%         | 100%        |
| Tanzania     | 21.0%        | 8.0%         | 4.2%        | 66.9%        | 100%        |
| Zambia       | 44.3%        | 48.2%        | 2.4%        | 5.0%         | 100%        |
| Zimbabwe     | 3.2%         | 86.0%        | 3.2%        | 7.6%         | 100%        |
| <b>Total</b> | <b>10.6%</b> | <b>67.6%</b> | <b>5.3%</b> | <b>16.5%</b> | <b>100%</b> |



The big corridors are dominated by non-banks requiring the pricing to be weighted



## Remittance prices per licence category, and weighted remittance price per country (USD 55)

|                        | AD<br>(Bank) | ADLA 2<br>(Non-bank) | ADLA 3<br>(Non-bank) | ADLA 4<br>(Non-bank) | Weighted price<br>by licencee, 2021 | Weighted price<br>by licencee, 2019 |
|------------------------|--------------|----------------------|----------------------|----------------------|-------------------------------------|-------------------------------------|
| USD55 transaction size |              |                      |                      |                      |                                     |                                     |
| Angola                 |              |                      |                      | 12.9%                |                                     |                                     |
| Botswana               | 47.6%        | 12.6%                | 5.2%                 | 8.6%                 | 37.4%                               | 30,8%                               |
| Comoros                |              | 11.8%                |                      |                      |                                     |                                     |
| DRC                    | 36.7%        | 8.2%                 | 7.0%                 | 11.4%                | 20.2%                               | 21,1%                               |
| Eswatini               | 0.0%         | 10.0%                | 2.9%                 |                      | 1.6%                                | 1,0%                                |
| Lesotho                | 0.0%         | 10.2%                | 2.9%                 | 5.0%                 | 3.8%                                | 2,7%                                |
| Madagascar             | 46.1%        | 13.1%                | 6.8%                 |                      | 39.9%                               | 28,9%                               |
| Malawi                 | 59.2%        | 8.7%                 | 6.5%                 | 7.6%                 | 9.0%                                | 9,8%                                |
| Mauritius              |              | 14.2%                |                      | 14.3%                |                                     |                                     |
| Mozambique             | 36.2%        | 8.1%                 | 5.2%                 | 6.6%                 | 8.4%                                | 20,4%                               |
| Namibia                | 0.0%         |                      | 6.5%                 |                      | 0.1%                                | 1,5%                                |
| Seychelles             | 34.9%        | 4.7%                 |                      |                      | 34.6%                               |                                     |
| Tanzania               | 35.1%        | 11.7%                | 7.2%                 | 9.9%                 | 15.3%                               | 19,0%                               |
| Zambia                 | 36.4%        | 11.4%                | 5.3%                 | 11.8%                | 22.3%                               | 24,5%                               |
| Zimbabwe               | 35.9%        | 8.5%                 | 5.8%                 | 7.2%                 | 9.2%                                | 13,1%                               |



Lesotho and Eswatini are within the UN SDG target



Pricing is dropping in the majority of corridors



Pricing is increasing in Madagascar and Botswana

## Remittance prices per licence category, and weighted remittance price per country (USD 200)

|                         | AD<br>(Bank) | ADLA 2<br>(Non-bank) | ADLA 3<br>(Non-bank) | ADLA 4<br>(Non-bank) | Weighted price<br>by licencee, 2021 | Weighted price<br>by licencee, 2019 |
|-------------------------|--------------|----------------------|----------------------|----------------------|-------------------------------------|-------------------------------------|
| USD200 transaction size |              |                      |                      |                      |                                     |                                     |
| Angola                  |              |                      |                      | 4.6%                 |                                     |                                     |
| Botswana                | 16.6%        | 9.4%                 | 5.2%                 | 8.5%                 | 14.5%                               | 11,8%                               |
| Comoros                 |              | 7.1%                 |                      |                      |                                     |                                     |
| DRC                     | 11.1%        | 5.2%                 | 7.0%                 | 7.2%                 | 7.9%                                | 9,1%                                |
| Eswatini                | 0.0%         | 10.0%                | 0.8%                 |                      | 0.6%                                | 0,3%                                |
| Lesotho                 | 0.0%         | 10.0%                | 0.8%                 | 5.0%                 | 3.0%                                | 2,1%                                |
| Madagascar              | 13.8%        | 8.4%                 | 6.8%                 |                      | 12.8%                               | 8,5%                                |
| Malawi                  | 18.0%        | 8.0%                 | 6.7%                 | 7.6%                 | 8.0%                                | 9,3%                                |
| Mauritius               |              | 9.5%                 |                      | 6.0%                 |                                     |                                     |
| Mozambique              | 11.8%        | 8.0%                 | 5.2%                 | 6.6%                 | 7.2%                                | 11,5%                               |
| Namibia                 | 0.0%         |                      | 6.5%                 |                      | 0.1%                                | 0,8%                                |
| Seychelles              | 11.0%        | -0.1%                |                      |                      | 10.9%                               |                                     |
| Tanzania                | 11.0%        | 7.0%                 | 7.2%                 | 8.8%                 | 9.0%                                | 7,3%                                |
| Zambia                  | 11.0%        | 9.0%                 | 5.3%                 | 7.6%                 | 9.7%                                | 11,3%                               |
| Zimbabwe                | 10.8%        | 7.0%                 | 5.6%                 | 7.1%                 | 7.1%                                | 10,3%                               |



Lesotho and Eswatini are within the UN SDG target



Pricing is dropping in the majority of corridors



Pricing is increasing in Madagascar and Tanzania

## Regional average prices 2021, unweighted

- The unweighted pricing is how pricing is typically calculated (e.g., World Bank)

|                           | USD55 |       | USD200 |      |
|---------------------------|-------|-------|--------|------|
|                           | 2021  | 2019  | 2021   | 2019 |
| <b>Average prices</b>     |       |       |        |      |
| SADC total                | 15.2% | 15.7% | 7.3%   | 7.5% |
| SADC total, excluding CMA | 20.2% | 21.0% | 9.5%   | 9.9% |
| CMA only                  | 1.8%  | 1.7%  | 1.2%   | 1.1% |
| LMMZ*                     | 7.6%  | 11.5% | 6.3%   | 8.3% |

\*LMMZ – Lesotho, Malawi, Mozambique and Zimbabwe

## Regional average prices 2021, weighted

- The weighted pricing is how FMT calculated regional pricing in its 2019 Pricing Assessment report

|                           | USD55 |       | USD200 |      |
|---------------------------|-------|-------|--------|------|
|                           | 2021  | 2019  | 2021   | 2019 |
| <b>Average prices</b>     |       |       |        |      |
| SADC total                | 9.6%  | 12.2% | 7.2%   | 9.4% |
| SADC total, excluding CMA | 10.2% | 13.0% | 7.6%   | 9.9% |
| CMA only                  | 2.9%  | 2.6%  | 2.9%   | 2.0% |
| LMMZ*                     | 8.5%  | 11.2% | 7.0%   | 9.3% |

\*LMMZ – Lesotho, Malawi, Mozambique and Zimbabwe

## FMT proposal on how pricing should be calculated

- Average remittance prices targets will tend to overstate actual remittance prices, unless they are weighted to reflect the market share of service providers
- Consideration should be given to the price the largest group of remitters receive (the “modal” price)

|            | USD55       |                        |                          | USD200      |                        |                          |
|------------|-------------|------------------------|--------------------------|-------------|------------------------|--------------------------|
|            | Modal price | Weighted average price | Unweighted average price | Modal price | Weighted average price | Unweighted average price |
| Angola     |             |                        |                          |             |                        |                          |
| Botswana   | 47.6%       | 37.4%                  | 18.8%                    | 16.6%       | 14.5%                  | 10.2%                    |
| Comoros    |             |                        |                          |             |                        |                          |
| DRC        | 22.5%       | 20.2%                  | 17.1%                    | 8.1%        | 7.9%                   | 7.7%                     |
| Eswatini   | 1.4%        | 1.6%                   | 3.2%                     | 0.8%        | 0.6%                   | 2.7%                     |
| Lesotho    | 1.4%        | 3.8%                   | 3.6%                     | 0.4%        | 3.0%                   | 3.2%                     |
| Madagascar | 46.1%       | 39.9%                  | 23.4%                    | 13.8%       | 12.8%                  | 9.5%                     |
| Malawi     | 8.7%        | 9.0%                   | 20.3%                    | 8.0%        | 8.0%                   | 9.8%                     |
| Mauritius  |             |                        |                          |             |                        |                          |
| Mozambique | 6.6%        | 8.4%                   | 11.2%                    | 6.6%        | 7.2%                   | 7.6%                     |
| Namibia    | 0.0%        | 0.1%                   | 2.2%                     | 0.0%        | 0.1%                   | 2.2%                     |
| Seychelles | 34.9%       | 34.6%                  | 19.8%                    | 11.0%       | 10.9%                  | 5.4%                     |
| Tanzania   | 9.9%        | 15.3%                  | 13.6%                    | 8.8%        | 9.0%                   | 8.4%                     |
| Zambia     | 11.4%       | 22.3%                  | 13.5%                    | 9.0%        | 9.7%                   | 8.0%                     |
| Zimbabwe   | 8.5%        | 9.2%                   | 11.1%                    | 7.0%        | 7.1%                   | 7.1%                     |

# Conclusions

- How to further reduce pricing in the SADC region?
  - Provide digital store of value to non-banks in South Africa to reduce cost of cash handling and maintaining agent networks
  - Enable a mobile money service from SA outbound to SADC
  - Increase digitization of the last mile in recipient countries to reduce cash handling and agent network costs
  - Wider implementation of the SADC Transactions Cleared on Immediate Basis (TCIB) scheme
- Need to address non-transparent billing structure used by regional banks, which allows remitters and recipients to be subject to unexplained additional fees, levied at unpredictable intervals
- The need to achieve consensus on how pricing is assessed in order to inform appropriate market interventions - the target could be restated to include an access dimension ("Modal" price)
- Address data gaps on migrants in SA in terms of gender, level of financial inclusion and remittances behaviour



# Panel discussion



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**Adv. Magedi-Titus Thokwane**  
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*FinMark Trust*



**Mr. Harish Natarajan**  
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**Mr. Nicolas Vonthron**  
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20 years of making  
financial markets  
work for the poor



# Thank you

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