

Future of digital financial services in Africa

 By [Nicci Botha](#)

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According to the World Economic Forum, there are 700m people using digital financial services globally, of which half are in Africa, said Dr Hanlie Smuts, associate professor at the University of Pretoria and moderator of the panel discussion on the future of digital financial services in Africa at the AfricaCom conferences at the Cape Town International Convention Centre.



Image source: Getty/Gallo

She then asked panellists to give their overviews of where digital financial services were on the continent.

Antonia Esser, senior associate at Cenfri, said interoperability was key. "We need to get systems to speak to each other. This raises the question of where the line is between cooperation and competition, or rather coopertition."

On the other hand, Ramatoulaye Diallo Shagaya, director of mobile financial services in the Orange Sonatel, said, interoperability is built in because currency by its nature is interoperable. "The coopertition should be on customer experience rather than services."

Role of partnerships

Esser said that the industry is moving towards an ecosystem because no single country has the ability to scale digital services on its own.

Therefore digitalisation of the whole value chain was necessary. While digital wallets have vastly improved financial transactions in Africa, somewhere along the line in rural areas, there will be a supplier that needs to be paid in cash, she said. So partnerships with businesses such as petrol station where customers could access cash are important.

“Partnerships are important for innovation too. They create an ecosystem to innovate,” Shagaya said.

The next big thing

Digital financial services is one of the sectors where Africa is a leader, Shagaya said, adding that she was optimistic about the future.

“The future is definitely digital money, not mobile money, so that customers can switch easily between cash and digital money,” Esser said.

ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

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