KIWANJA.NET
MINDFUL SOCIAL CHANGE

MOBILE DATABASE · ARTICLE

MONEY TRANSFER

Author / organisation	GSM Association
Year recorded	2007
Region	Global
Category	Economic
Original source	gsmworld.com
Archive page	kiwanja.net/mobile-database/money-transfer/

This document is part of the kiwanja.net Mobile Database, an archive of more than 700 articles, reports and projects on mobile technology for development, collected between 2003 and 2010. It is reproduced here for reference; the original author's rights are retained.

Explore more. Browse the full archive at kiwanja.net/mobile-database.
Looking for support with your own social change work? See kiwanja.net/work-with-me.
Ken Banks offers coaching, mentoring and strategy support.

Press Releases

» Press Releases 2007

» Archive 2006

» Archive 2005

» Archive 2004

» Archive 2003

» Archive 2002

» Archive 2001

» Archive 2000

Members Press Releases

GSM Statistics

GSM TV - Video

Newsletters and Publications

ENQUIRIES
Mobile Money Transfer

Global Money Transfer Pilot Uses Mobile To Benefit Migrant Workers And The Unbanked

GSMA and MasterCard piloting a programme to make it far easier and cost-effective to transfer remittances globally

12th February 2007 - Barcelona, Spain: The GSM Association has launched a pilot programme aimed at tapping the ubiquity and ease-of-use of mobile communications to enable the world's 200 million international migrant workers to easily and securely send remittances to their dependents, many of whom don't have bank accounts. By exploiting the extensive reach of the mobile networks, the programme will complement existing local remittances channels and make transferring money internationally significantly more affordable.

Spearheaded by a special group of 19 mobile operators with networks in over 100 countries and representing over 600 million customers, the GSMA believes the programme could double the number of recipients of international remittances to more than 1.5 billion, while helping to quadruple the size of the international remittances market to more than $1 trillion by 2012.

To combine the strengths of the mobile and financial ecosystems, mobile operators are partnering with banks at a local or regional level, while the GSMA is setting up a pilot with MasterCard Worldwide, a global payments leader whose cards and network provide international authorization, clearing and settlement. The GSMA and MasterCard, which has a 25,000 member-bank network, plan to pilot a global hub that will link together national markets and the local payment systems run by mobile operators in partnership with those local banks. The hub will enable migrant workers to trigger international money transfers using their mobile phone and their families to be notified via their mobile phones.

"The creation of a global hub will enable the mobile networks, which now cover more than 80% of the world's population, to offer the world's burgeoning migrant population a convenient way to securely and cost-effectively transfer money to their families back in their home countries." said Rob Conway, CEO of the GSMA, the global trade association for mobile operators. "We are mobilising financial services for the billions of people who are unbanked and the underbanked."

"In its pivotal role at the heart of commerce, MasterCard has always been committed to harnessing its payment card products and advanced technology to help drive innovation, pioneer new forms of payment and help steer the future of global commerce," said Roy Dunbar, President, Global Technology and Operations, MasterCard Worldwide.

"This pilot provides a unique opportunity to use our global payments products and platform to help open up new business opportunities in developing countries. We look forward to working with local markets and partners to bring much needed payment and money transfer alternatives to the vast community of underbanked--as well as all consumers wishing to transfer money internationally."

"We believe that this coming together of the mobile and banking industry is a giant leap in mobile commerce," added Sunil Bharti Mittal, Chairman & Managing Director, Bharti Airtel and Board Member of the GSM Association. "It will revolutionise the money transfer industry with its advantages, such as reach, ease of use, and lower transaction costs and provide immense benefits to people in developing nations such as India."

India is both the world's fastest growing mobile services market and the biggest recipient of overseas remittances in the world, accounting for around 10% of the world market.

Mr. O. P. Bhat, Chairman, State Bank of India, India's largest bank, added: "We are happy to partner with the GSM Association in this landmark project. We piloted a project in a small Himalayan village of Pithoragarh in India with Airtel and have seen the tremendous results in this unbanked village. This project has the potential of transforming the lives and economies across the globe"

Smart Communications of the Philippines, another participant in the programme, plans to launch several pilot projects in collaboration with mobile phone operators and banks in Bahrain, Italy and other countries hosting large Filipino migrant populations.

In Bahrain, Smart will work in partnership with MTC Vodafone Bahrain and a leading bank in the Middle East. Through the Smart Services Hub, Filipino migrants and contract workers can remit funds back to the Philippines conveniently and affordably using their mobile phones. Smart also sees the need for a global hub that will be interoperable with the Smart Services Hub. As part of the GSMA programme, Smart plans to launch a pilot project with MasterCard as an authorization, clearing and settlement partner.

"Aside from lowering costs, we shall provide Filipinos overseas greater control over the manner in which their remittances are transmitted and used back home --- enabling them to send funds in the amounts of their choice, whenever they want, wherever they are," said Napoleon L. Nazareno, Smart President and CEO.

International remittances, which total more than $230 billion a year, are already a major source of income for many developing countries and a very important factor in their economic development. "The programme will resonate with governments because it makes the international payment market more transparent, encourages financial inclusion, reduces crime and boosts the flow of hard currency into their countries," added Mr. Conway.

The GSMA is also working with CGAP (the Consultative Group to Assist the Poor), a microfinance group housed at the World Bank, and the U.K. Government's Department for International Development to conduct a survey of the regulatory environment in about 20 countries, as a precursor to discussions with regulators in these countries about creating the optimum regulatory framework for money transfer and eventually mobile banking and mobile commerce.

Through its Development Fund, the GSMA will also work with mobile operators and financial services companies in individual countries to develop innovative approaches to using GSM mobile networks to further extend the role of mobile technology to deliver greater financial inclusion and lessen the digital divide.

For more information please see www.gsmworld.com/3gforall

More supporting quotes:

Mr Karel Pienaar, CTIO of the MTN Group
The MTN Group is proud to participate in yet another innovative telecommunications initiative in partnership with the GSMA. As a leading emerging markets operator covering a population of over 400 million, we are confident that this programme will have a positive impact in our markets. The programme complements MTN's other financial services products and innovations, including MTN Banking and Mobile Credit."

Sanjeev Aga, Chairman, COAI & MD, IDEA Cellular
"This project is another landmark initiative by the GSMA to push the boundaries in mobile applications. International mobile money transfer as a concept, is especially relevant for India due to its very large expatriate population. The Indian Diaspora will welcome the opportunity to securely transfer funds back to their families in India in a simple, expeditious and cost effective manner. I wish the project all success."

Arve Johansen, Deputy CEO Telenor and Head of Telenor Region Asia
"Remittances from workers abroad are substantially increasing. In the Asian markets where Telenor is present, workers' remittances amounted to a total of roughly 10 billion USD in 2004. Simultaneously, the mobile industry is continuously reaching out to new user groups, especially in emerging markets like the ones where Telenor operates. These trends give grounds for new methods of mobile usage, and this money transfer initiative clearly shows how the mobile industry is contributing to establishing helpful and innovative communication services for people across national borders."

Dr. Hans Wijayasuriya, Director/Chief Executive, Dialog
"Dialog is a keen participant in this initiative by the GSM Association. We believe that the development of a common standard for the global connectivity of country specific M-commerce implementations would facilitate the convergence of disparate systems and ultimately result in a robust and quality assured mechanism of mobile based commercial transactions on a global scale."

Mr. Ferdinand M. Dela Cruz, Consumer Business Group Head, Globe Telecom
"The creation of a global hub to connect various m-commerce platforms is a very important step to lowering the cost of cross-border remittances. With the continued growth of the migrant worker population worldwide, the pervasiveness of mobile networks should be maximized to provide existing remittance models an alternative to enable lower cost of delivery. This project is consistent with our own initiatives around building inter-exchange hubs and we remain a solid supporter of this GSMA initiative, especially in the area of trying to better understand the evolution of regulatory frameworks."

About the GSM Association:
The GSM Association (GSMA) is the global trade association representing 700 GSM mobile phone operators across 217 countries of the world. In addition, more than 180 manufacturers and suppliers support the Association's initiatives as key partners. The primary goals of the GSMA are to ensure mobile phones and wireless services work globally and are easily accessible, enhancing their value to individual customers and national economies, while creating new business opportunities for operators and their suppliers. The Association's members serve more than two billion customers - 82% of the world's mobile phone users. See: www.gsmworld.com & www.3gsmworldcongress.com

For more information please contact:

Mark Smith / David Pringle
GSM Association
Email:press@gsm.org

Back to the Press Release Index

Home | About GSM Association | The GSM Family | GSM Roaming | Using GSM | Media Centre | GSMA Events | Membership | Public Policy | Contact Us | Sitemap | Advertise

GSM World - the world wide web site of the GSM Association.

© GSM Association 2007
GSM and the GSM Logo are registered and owned by the GSM Association.

Anti-Trust Policy Statement | Disclaimer | Cookie Policy | Privacy Policy

* GSM customer counter, located on the homepage of GSM World is indicative only, estimated from market data collected by Wireless Intelligence. It is not a precise figure, nor usable for legal purposes