

Sada Reddy: Development of e-money in Fiji

Statement by Mr Sada Reddy, Governor of the Reserve Bank of Fiji, at the launch of the Digicel Mobile Money Transfer Services, Suva, 15 July 2010.

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Executive Management & Staffs of the Digicel Fiji Limited,
Members of the Media,
Distinguished guests,
Ladies and gentlemen.

Today marks another achievement towards the development of e-money in Fiji. I congratulate Digicel and its partner Flex Pacific (Fiji) for this remarkable achievement, having only entering Fiji's cellular phone market in late 2008. The launch of Digicel Money today is a testament to the people of Fiji that Digicel is committed to providing competitive services. Today we have become a leading country in the Pacific region to offer mobile money services, an achievement that the people of Fiji should be proud of.

Mobile money is a quicker, easier and cheaper way of transferring money using mobile phone technology and network and customers will be able to use this service right away. However mobile money also has the capabilities to pay for bills and other goods and services and even has the potential to connect with banks and provide banking services to the unbanked. I believe that Digicel has phased its mobile money project and this will become possible in the near future. Mobile money service is important for Fiji because it is estimated that about 50 percent of Fiji's population does not have easy access to financial services. The launching of Digicel mobile money service would ensure bringing this number down to an acceptable level given its extensive network coverage.

Most of you may be aware that the Reserve Bank launched the "*E-money Fiji project*" on 9th of June this year to support the development of mobile money in Fiji. We have worked in close consultation and collaboration with the mobile network operators for the orderly and sustainable development of mobile money in Fiji. Following a provisional licence provided by the RBF early this year, Digicel undertook their pilot test phase on mobile money services, which was assessed as successful. I am happy to say that Digicel has met all the Reserve Bank requirements to gain approval for the full launch of Digicel mobile money.

Having said this, I wish to emphasize that the product will only be as useful as its ability to have great penetration in Fiji, particularly to the remote and maritime areas. Likewise, that the people of Fiji are able to witness and experience a reduction in costs for remitting funds domestically through this mode. Also, that Digicel's mobile money system is interoperable with other entrants in this market. Public awareness, customer education on the requirements to use the service, training and proper selection of agents and proper disclosure of charges are just some of the factors that will contribute to success in this new venture. These are some challenges that I wish to pose to Digicel at the outset as they endeavor on this significant accomplishment.

The RBF felt it appropriate to adopt a more flexible approach in our regulation of this particular payment system at these early stages in-order to allow this initiative to develop and thrive. We welcome innovation and investment and at same time will build up regulatory oversight as the market develops. We are currently working on a best practice Payment Systems Legislation, to licence and regulate all providers of the E-Money services in Fiji. The legislation will be based on four general principles of i). safety; ii). efficiency at the national level; iii). equitable access to all users; and iv). consumer protection. The draft legislation has been sent to experts for their comments.

The RBF's commitment to the Digicel mobile money initiative is because we realize the great potential this development will have in extending financial services to the unreached areas

and in the process, there will be greater economic activity in the remote and maritime areas hence eradication of poverty. Overall, that it will improve the lives of our people in these regions.

I wish Digicel mobile money every success and thank Digicel for continuing to have confidence in Fiji and contributing to our development.

Thank you.