

## **Austin Mwape: Improving financial transactions in Zambia**

Speech by Dr Austin Mwape, Deputy Governor-Operations of the Bank of Zambia, at the Official Launch of “Airtel Money”, Lusaka, 14 September 2011.

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The Managing Director of Airtel – Mr Fayaz King

The Former First Lady, Mrs. Maureen Mwanawasa

Management and Staff of Airtel

Chief Executive Officers and Representatives of various institutions present

Distinguished invited guests

Members of the press

Ladies and Gentlemen

Let me begin by thanking the management of Airtel for inviting me to this occasion, which marks the official launch of “Airtel Money” and may I also thank the Managing Director of Airtel, Mr. Fayaz King, for inviting me to speak at this important occasion.

As has already been stated, Airtel Money will provide an electronic wallet that will enable customers to make different types of commercial transactions conveniently, quickly and safely. Customers will be able to make person to person payments, make purchases and pay various utility bills using this product. Airtel Money will certainly contribute to improving the way in which we transact and will also provide an efficient tool that will give Airtel customers the ability to carry out financial transactions from the comfort of their own homes.

As you may be aware, the Bank of Zambia in consultation with key stakeholders has put in place an enabling environment to promote the development of modern payment systems in Zambia. For example the National Payment Systems Act which was enacted in 2007 gives powers for the Bank of Zambia to regulate and oversee operations of payment systems to ensure the effectiveness, efficiency and safety of payment systems so as to promote the stability and safety of the Zambian financial system.

Further, the Bank of Zambia through the National Payment Systems Vision and Strategy 2007–2011 and the Financial Sector Development Plan, has undertaken various activities that are focused on improving access to financial services for both the banked and unbanked population. You may recall the Topline findings by Finscope on our financial sector development systems and their recommendation to expand access to financial services to the unbanked population in remote areas. The launch of Airtel Money is expected to contribute positively to the financial inclusion agenda which in turn will have a positive impact on the economy at large.

In addition, the Bank is in the process of putting in place Electronic Money Regulations that will ensure that e-money transactions are operated within safe, efficient and secure bounds.

Distinguished guests, allow me to also comment on the recent B+ sovereign rating assigned to the country by world renowned rating agencies Standards and Poor and Fitch, as well as, the reclassification of Zambia as a middle income country by the World Bank. The rating and reclassification requires the central bank, the Zambian business community and Government to continue enhancing the financial system to ensure that it is robust and reaches the unbanked.

Ladies and Gentlemen, the product that is being launched today, demonstrates the way businesses are evolving to bring forth financial solutions that benefit customers. This service provides an important avenue for harnessing resources for financing development in our

communities as Airtel will partner with various stakeholders in different sectors of the economy. This will further enhance the development of the telecoms sector and its contribution to our economy.

Therefore, I wish to commend Airtel for introducing this product which is expected to contribute towards bridging the gap in financial service provision by catering for customers in remote areas who have no access to banking services. The product is expected to extend the financial inclusion agenda in that it will be far reaching thereby impacting positively on the Zambian public.

I am also informed that the product is expected to reduce the use of cash in the economy. As you may be aware, the Bank of Zambia has been working towards reducing the use of cash in the economy by encouraging the use of alternative electronic means of payment such as the product being launched today. It is initiatives and innovations like Airtel Money that will make it possible for the general public to have alternative methods of transacting other than cash and other transnational payment instruments.

To this end, I wish to mention that the Bank of Zambia with other stakeholders is in the process of putting in place a National Switch that will further enhance initiatives such as this one whose launch we are witnessing today.

Ladies and Gentlemen, the Bank of Zambia will continue to support any efforts and innovations by the private sector that extend the provision of financial services to the majority of our citizens. I look forward to seeing the product being launched today live up to the expectations of providing a safe, efficient, secure and reliable service to the Zambian people.

I hope that all customers will enjoy using the Airtel Money service.

With these few remarks, I wish to declare Airtel Money officially launched and wish it all the success.

Thank you.