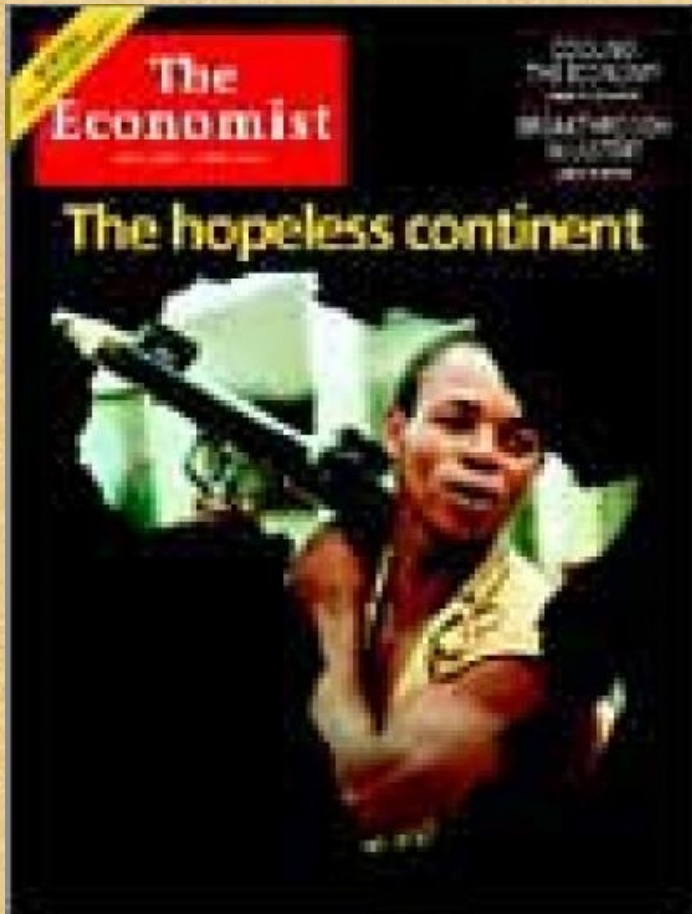


Can Innovation Keep Africa Rising?

Domenico Fanizza
Executive Director
African Development Bank
December 2017

The Africa Rising Story.....

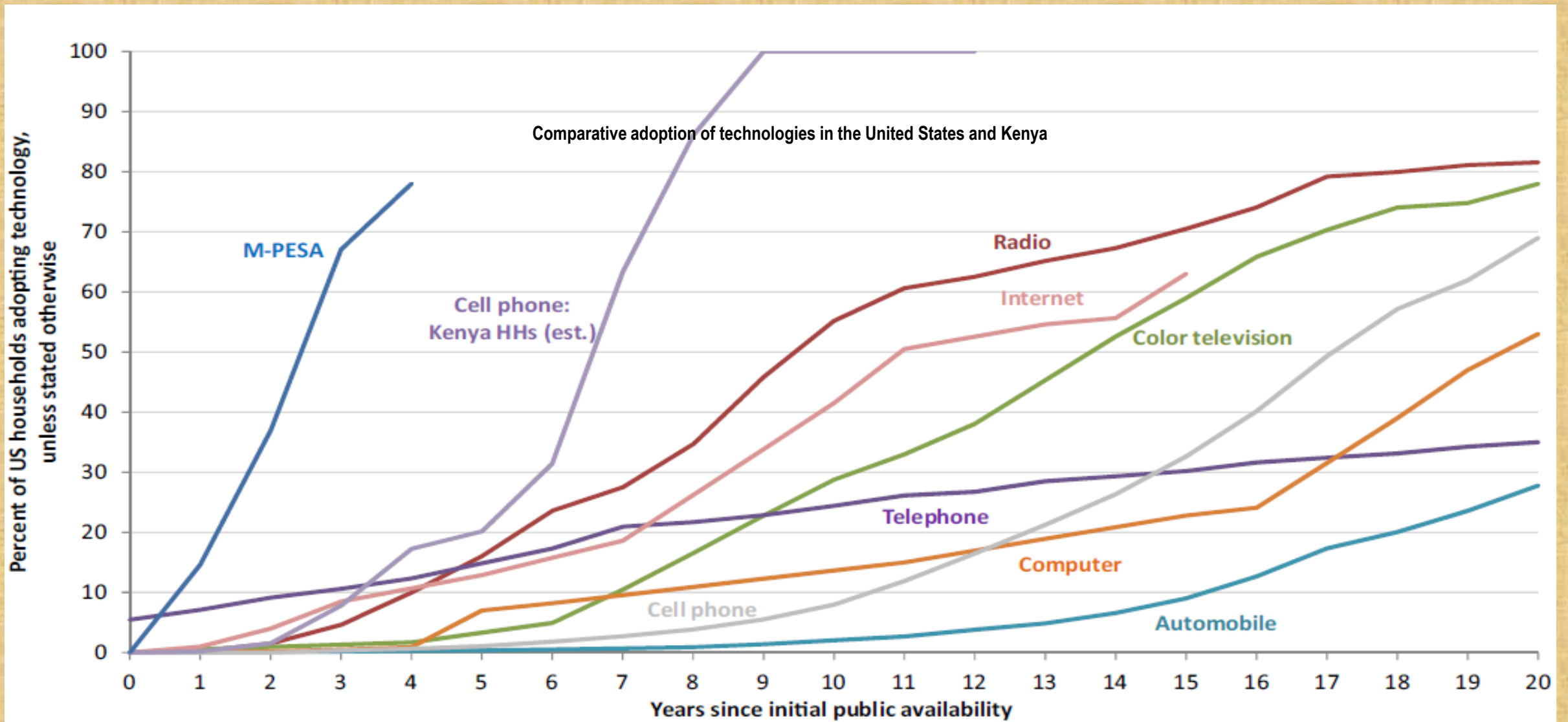


Africa is the most mobile-banked continent:

NUMBERS OF REGISTERED AND ACTIVE CUSTOMER ACCOUNTS²⁸ BY REGION
(DECEMBER 2014)²⁹



New technologies hold great promise:



Source: Figure 1 from Suri, Jack and Stoker (2014), "Documenting the Birth of a Financial Economy", PNAS, June 26, 2012 vol. 109 no. 26, pp. 10257-10262 .

Not only Kenya:



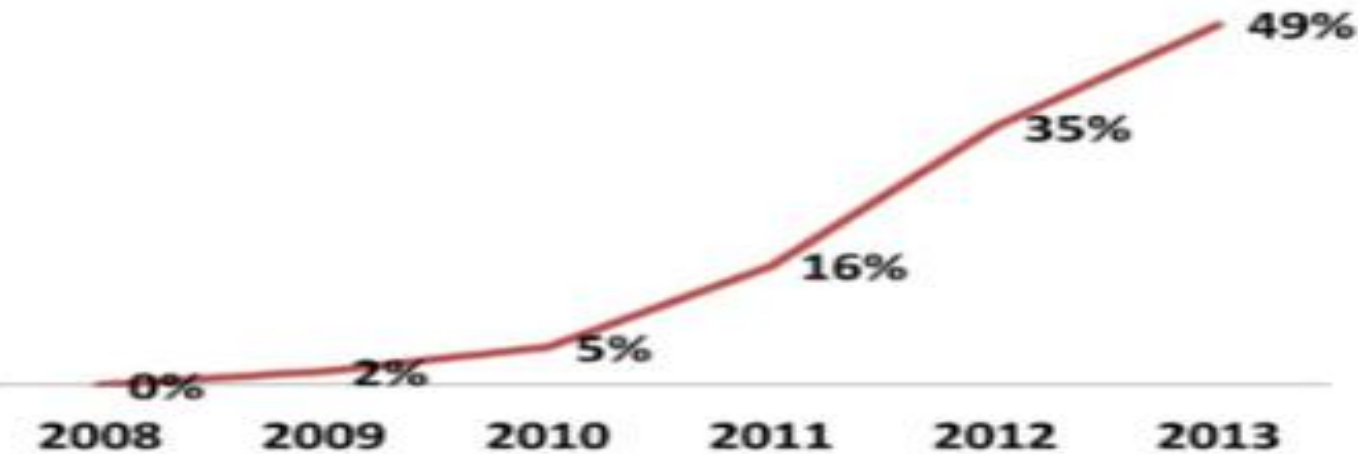
MFS Experiences in Tanzania

Usage Trends

Active accounts (90 days usage) %
of adult population 2008-2013

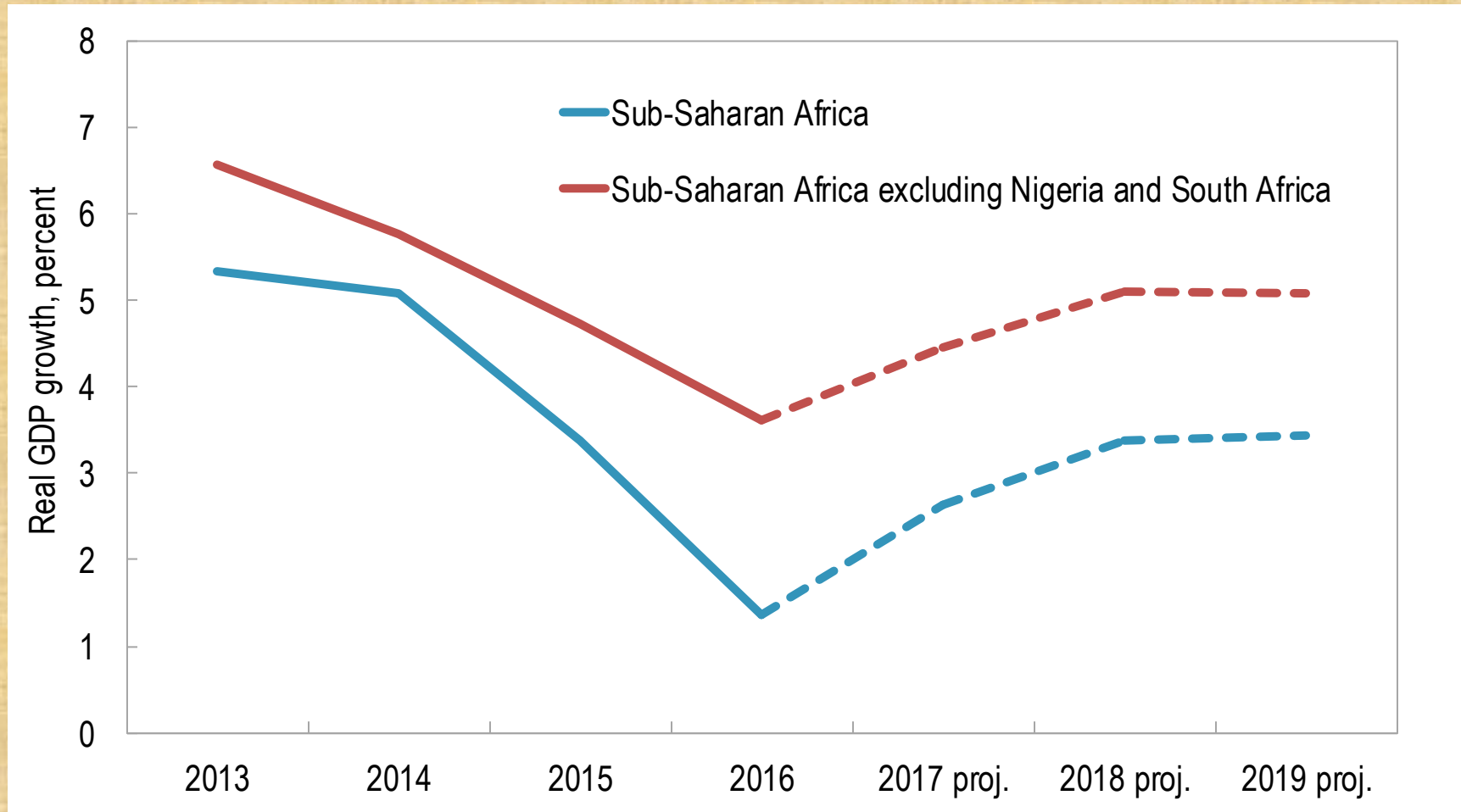
— Active accounts (90 days usage)

49% of adult
Tanzanians use MFS as of
December 2013
That is: **11.01 Million**
active users



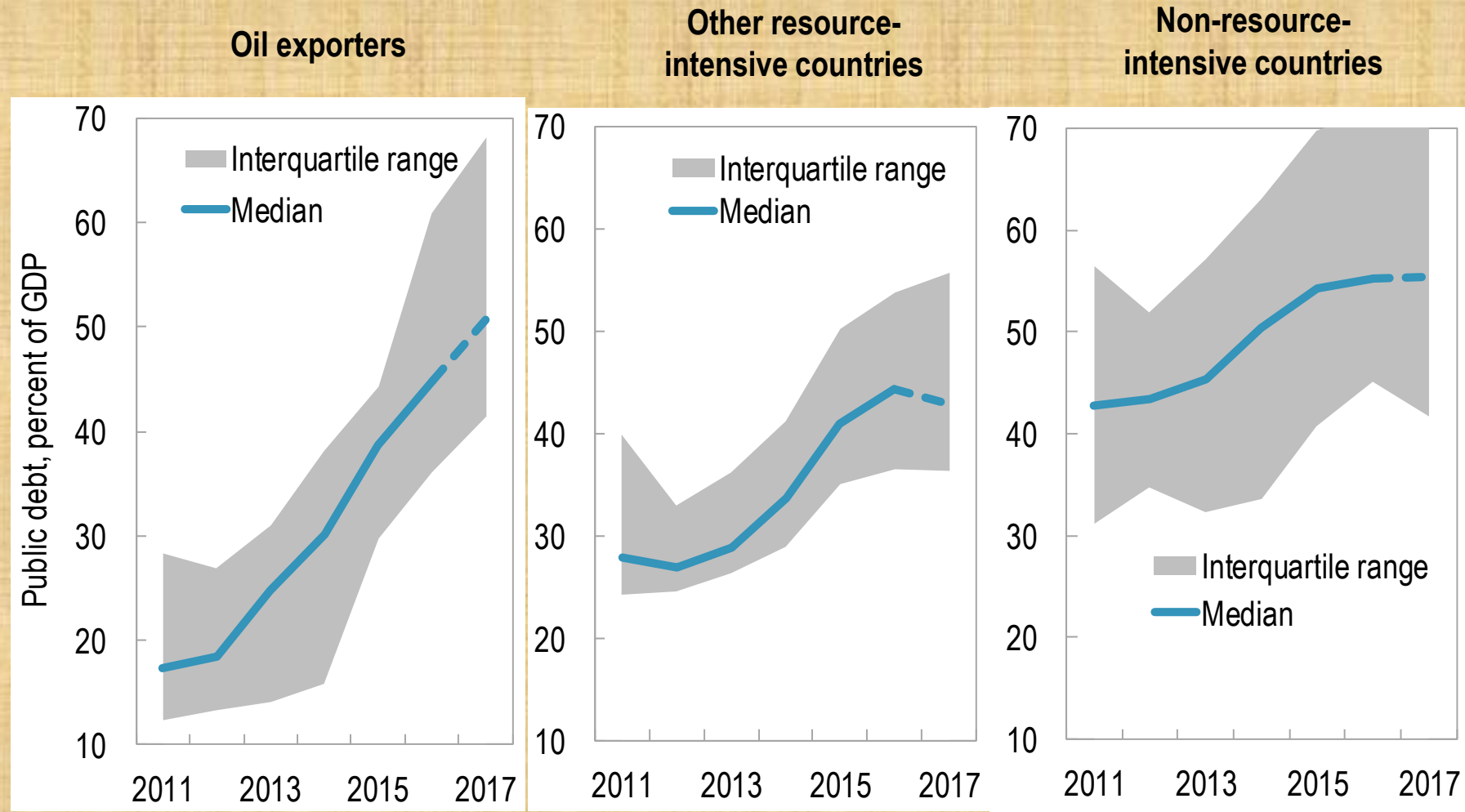
Source: Bank of Tanzania

Growth has picked up, but is set to remain subdued



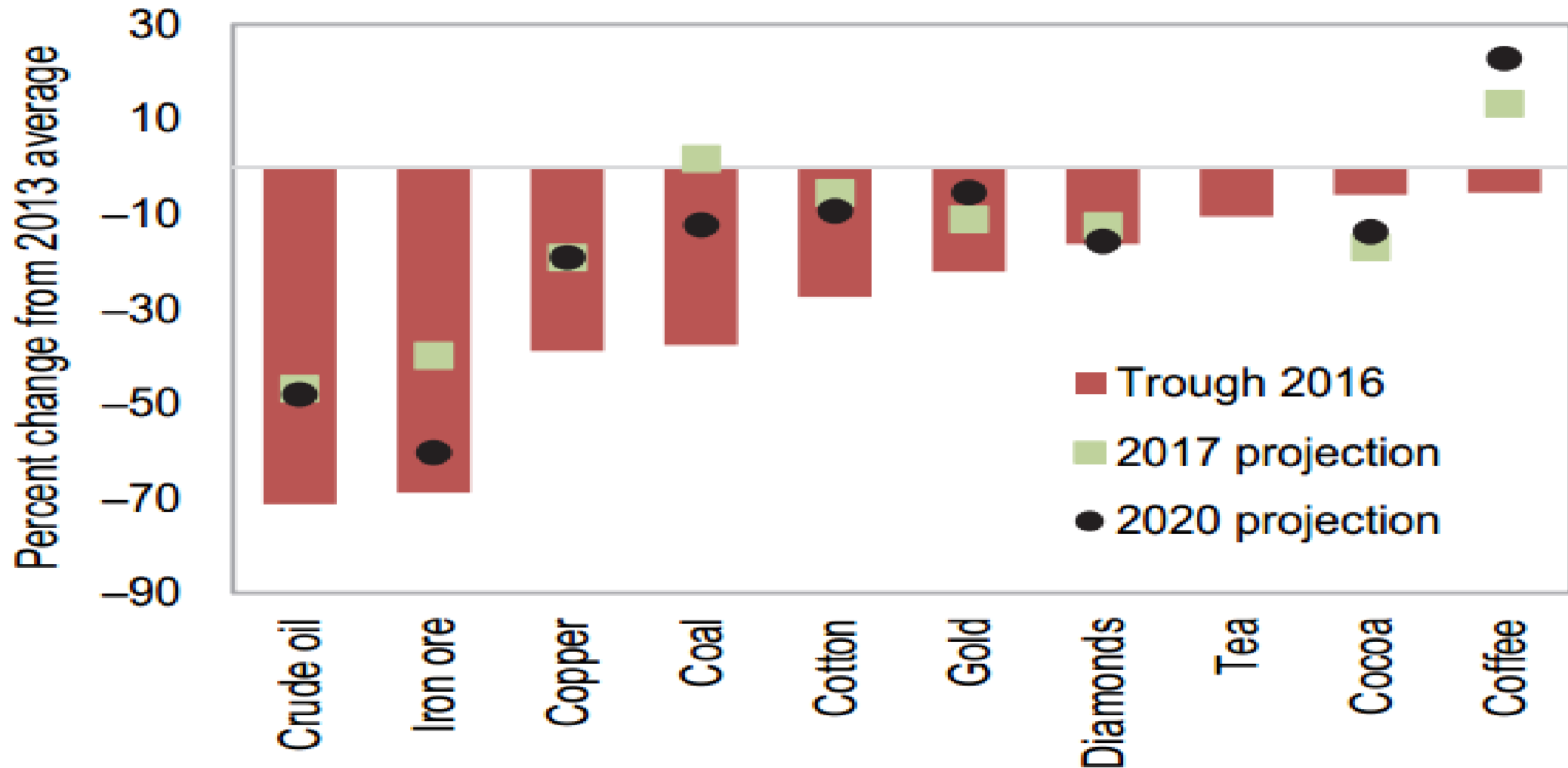
Developments in sub-Saharan Africa

Debt stocks have risen throughout the region



Oil prices remain well below 2013 and are not likely to rise

Figure 1.1. Change in Selected Commodity Prices since 2013



The Mobile Revolution:

MPesa: Driving financial inclusion

MPesa Revenue
Kshs. Billion



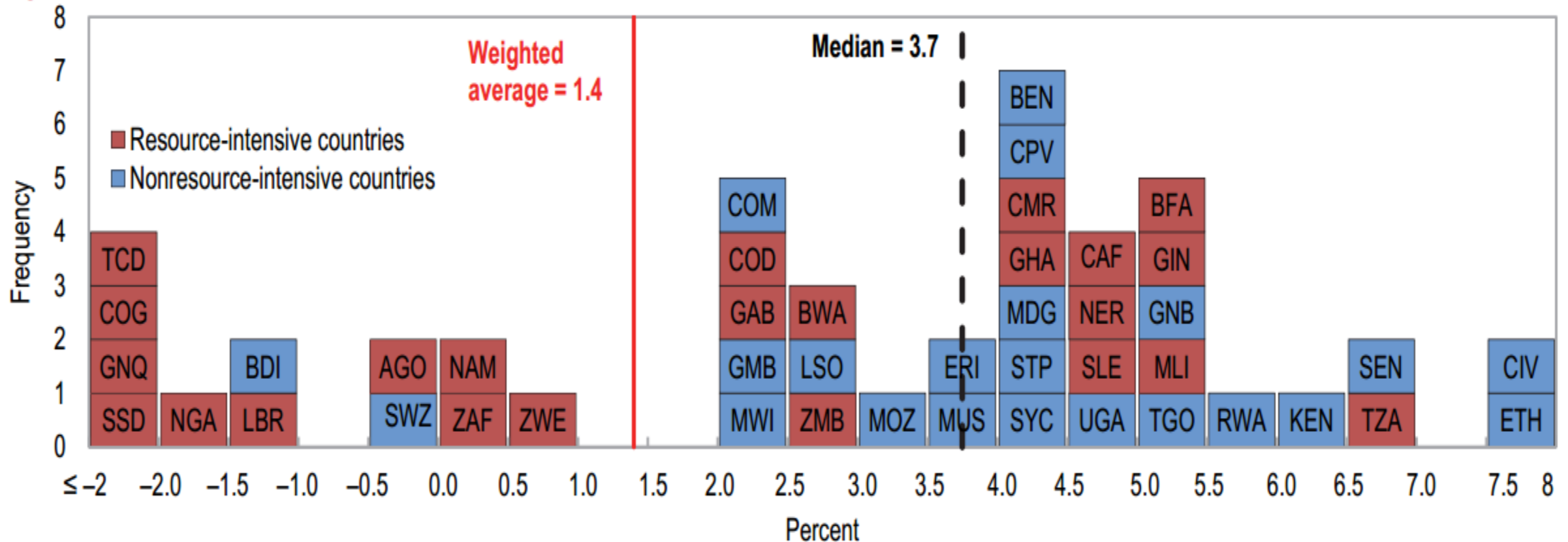
30-day Active MPesa Customers
Million



- 22.8% growth in MPesa revenue, driven by:
 - 14.0% increase in 30 day active users to 13.86m
 - 6.2 chargeable transactions per month per 30 day active users (13% growth)
- Total MPesa transactional value at Kshs 4.18tn in FY15 (26% growth)
- In March 2015, Lipa Na MPesa customers made payments of Kshs 11.6bn, of which Kshs 2.8bn was specific to merchants paying distributors
- 5.8% growth in MPesa agents compared to last financial year; now at 85,756 MPesa agent outlets
- M-Shwari: Increased active customers to 5.8m, 30 day active customer to 3.0m, Kshs 5.5bn on deposit and Kshs 2.1bn on loan with NPLs at 2.0%
- KCB - MPesa: registered customers 1.4m, Kshs 120m on deposit and Kshs 950m on loan

Performance in 2016: Quite a Diverse Picture...

Figure 1.3. Sub-Saharan Africa: Real GDP Growth Distribution, 2016

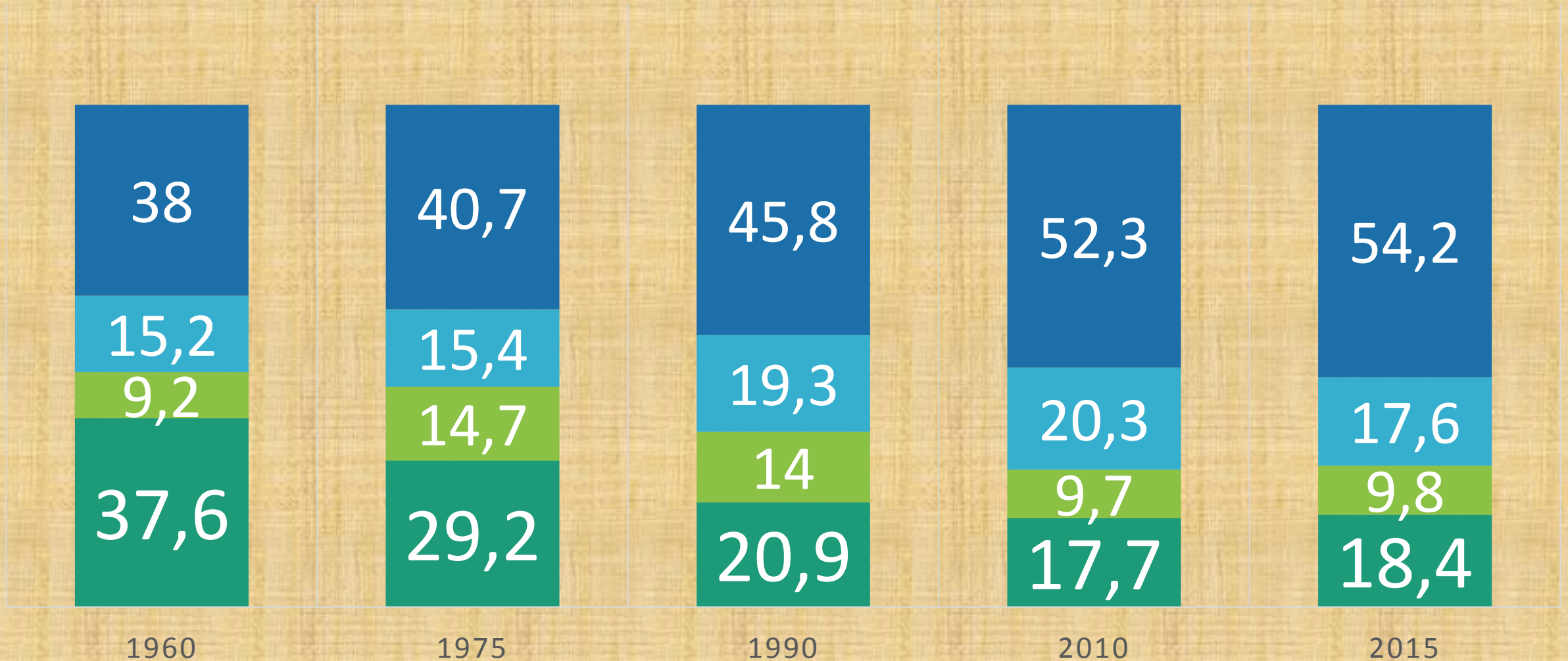


Source: IMF, World Economic Outlook database.

Structural Transformation in SSA (1)

VALUE ADDED

■ Agriculture ■ Manufacturing ■ Other Industry ■ Services



The Short-Term Outlook....

Table 1.1. Sub-Saharan Africa: Real GDP Growth
(Percent change)

	2004–08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sub-Saharan Africa	6.6	3.9	7.0	5.0	4.3	5.3	5.1	3.4	1.4	2.6	3.5
<i>Of which:</i>											
Oil-exporting countries	8.7	6.7	9.2	4.7	3.9	5.7	5.9	2.6	–1.4	0.9	2.0
<i>Of which: Nigeria</i>	7.7	8.4	11.3	4.9	4.3	5.4	6.3	2.7	–1.5	0.8	1.9
Middle-income countries	6.6	3.6	6.9	4.5	4.3	4.7	4.6	2.7	0.5	1.8	2.8
<i>Of which: South Africa</i>	4.8	–1.5	3.0	3.3	2.2	2.5	1.7	1.3	0.3	0.8	1.6
Low-income countries	6.3	5.2	7.2	6.9	4.5	7.2	6.8	5.6	4.4	5.2	5.6
Memorandum item:											
World economic growth	4.9	–0.1	5.4	4.2	3.5	3.4	3.5	3.4	3.1	3.5	3.6
Sub-Saharan Africa other resource-intensive countries ¹	4.9	0.6	4.8	5.2	4.1	4.3	3.4	2.5	2.0	2.8	3.6
Sub-Saharan Africa nonresource-intensive countries ²	6.0	4.9	6.4	5.4	5.8	6.4	6.6	6.6	5.8	5.7	6.1
Sub-Saharan Africa frontier and emerging market economies ³	6.8	4.2	7.3	5.1	4.5	5.2	5.1	3.6	1.5	2.6	3.5

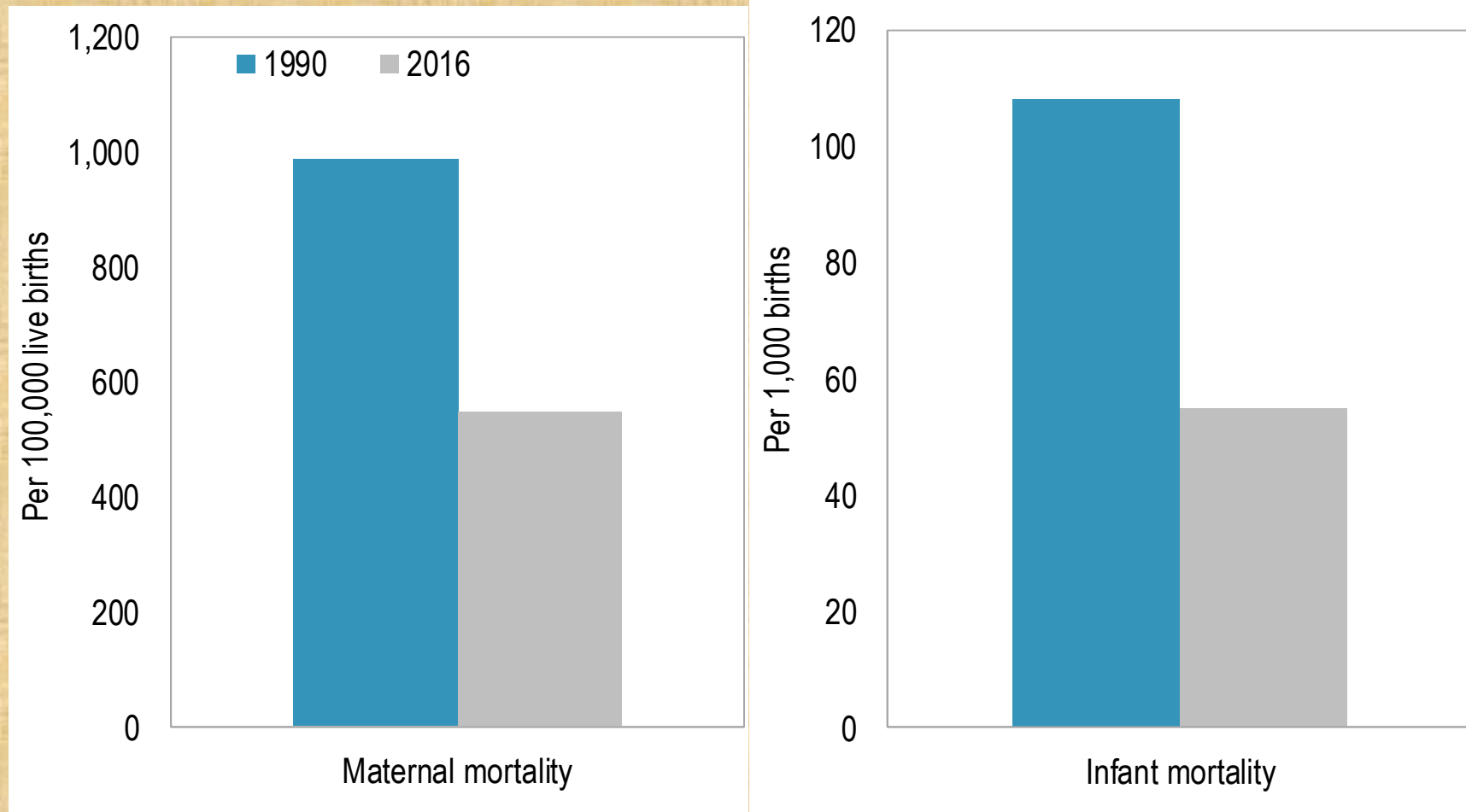
Source: IMF, World Economic Outlook database.

¹ Includes Botswana, Burkina Faso, Central African Republic, Democratic Republic of Congo, Ghana, Guinea, Liberia, Mali, Namibia, Niger, Sierra Leone, South Africa, Tanzania, Zambia, and Zimbabwe.

² Includes Benin, Burundi, Cabo Verde, Comoros, Côte d'Ivoire, Eritrea, Ethiopia, The Gambia, Guinea-Bissau, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Rwanda, São Tomé and Príncipe, Senegal, Seychelles, Swaziland, Togo, and Uganda.

³ Includes Angola, Cameroon, Côte d'Ivoire, Ethiopia, Gabon, Ghana, Kenya, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, South Africa, Tanzania, Uganda, and Zambia.

Important progress in human development



Developments in sub-Saharan Africa

The African Development Bank Group

AfDB Group

African Development Bank

African Development Fund

Nigeria Trust Fund

In Brief

Founded 1964

54 RMCs
27 Non RMCs

Capital=USD 95 billion

Our Clients

Middle-Income Countries

Low-Income Countries

Post-Conflict & Fragile Situations

The Bank's Assistance To Africa

Financing Products

Grants & Concessional Lending

Loans & Equity Investments

Type of Intervention

Projects & program-based operations

Technical Assistance
Non-project activities

Procurement

Goods

Works

Services



AFRICAN DEVELOPMENT BANK GROUP

AfDB's "High 5" Priorities

The High 5
Le Top 5
for transforming Africa
pour transformer
l'Afrique



1. Power and Light Up Africa



2. Feed Africa



3. Industrialize Africa



4. Integrate Africa



5. Improve Quality of Life of Africans