




Workshop on "Digital Financial Inclusion": Policies and Regulation (Khartoum - Sudan, 24-25 August 2016)



**Mobile Payments Services in Sudan:
Toward Financial Inclusion
Opportunities and Challenges from
Telecommunication Regulatory Point of view**

Introduction

- ❖ The financial inclusion means the sustainable provision of affordable financial services that bring the poor into the formal economy . (ITU – Issue Brief Series – July 2016)
 - ❖ Large mobile operators in developing countries typically have 100 to 500 times more airtime resellers outlets than all of the banks branches put together .
(GSMA - Mobile policy handbook)
 - ❖ The development of mobile financial services in the future will have a major impact on financial inclusion .
 - ❖ Regulation, adequate agent networks, friendly interfaces, strong marketing are crucial for DFS growth.
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Mobile -Cellular Market: Development and Statistics

1997: first introduction of mobile-cellular services in Sudan

2005: Second mobile operator license issued

2006 : Third operator entered the market.

2006 : 3G services introduced.

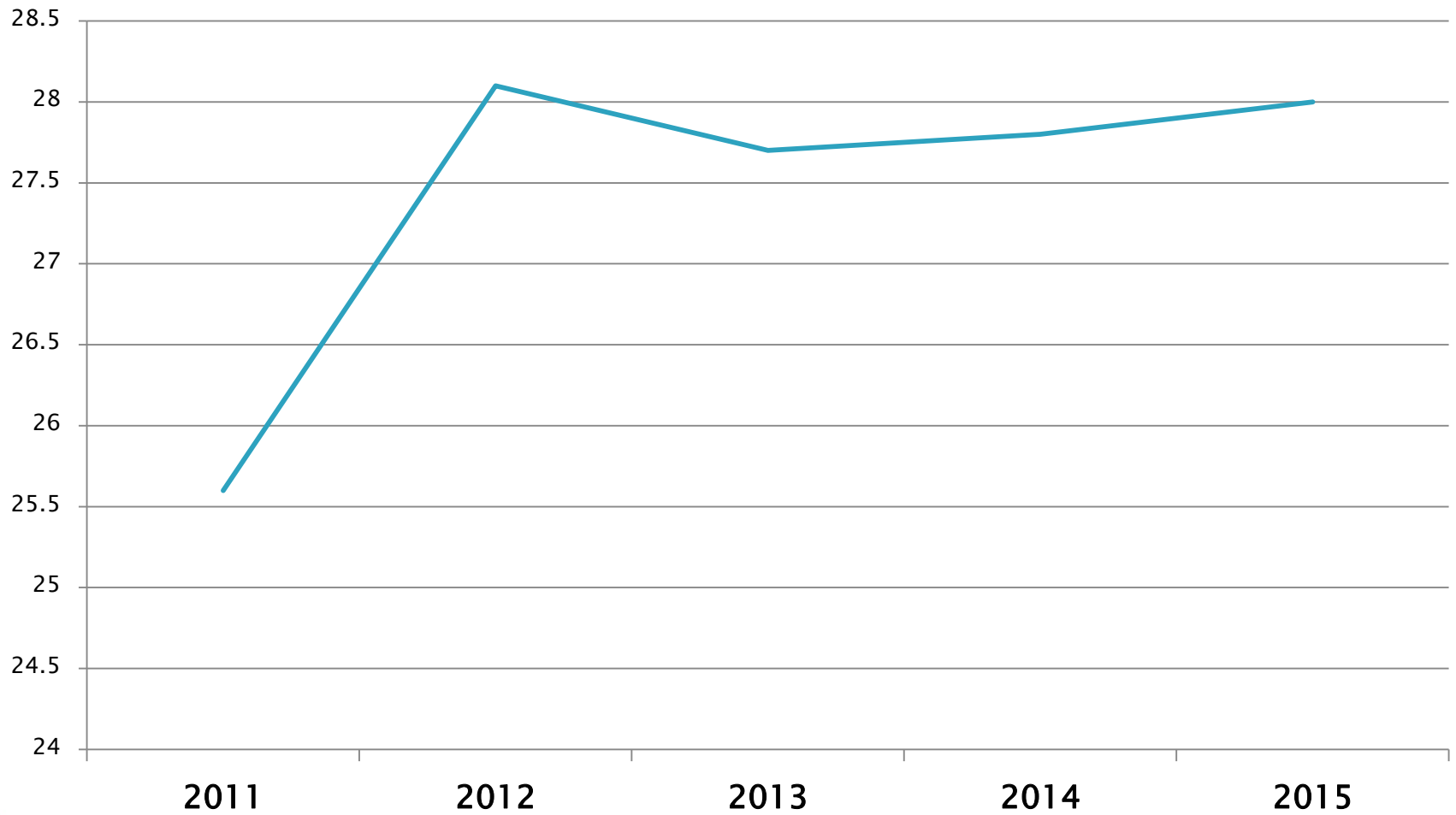
2015: implementation of mobile number portability.

2016: Licensing 4G services.



	2011	2012	2013	2014	2015
No. of Subscribers in millions	25.6	28.1	27.7	27.8	28
Penetration Rate	73.9	79.2	75.4	74.5	72.7

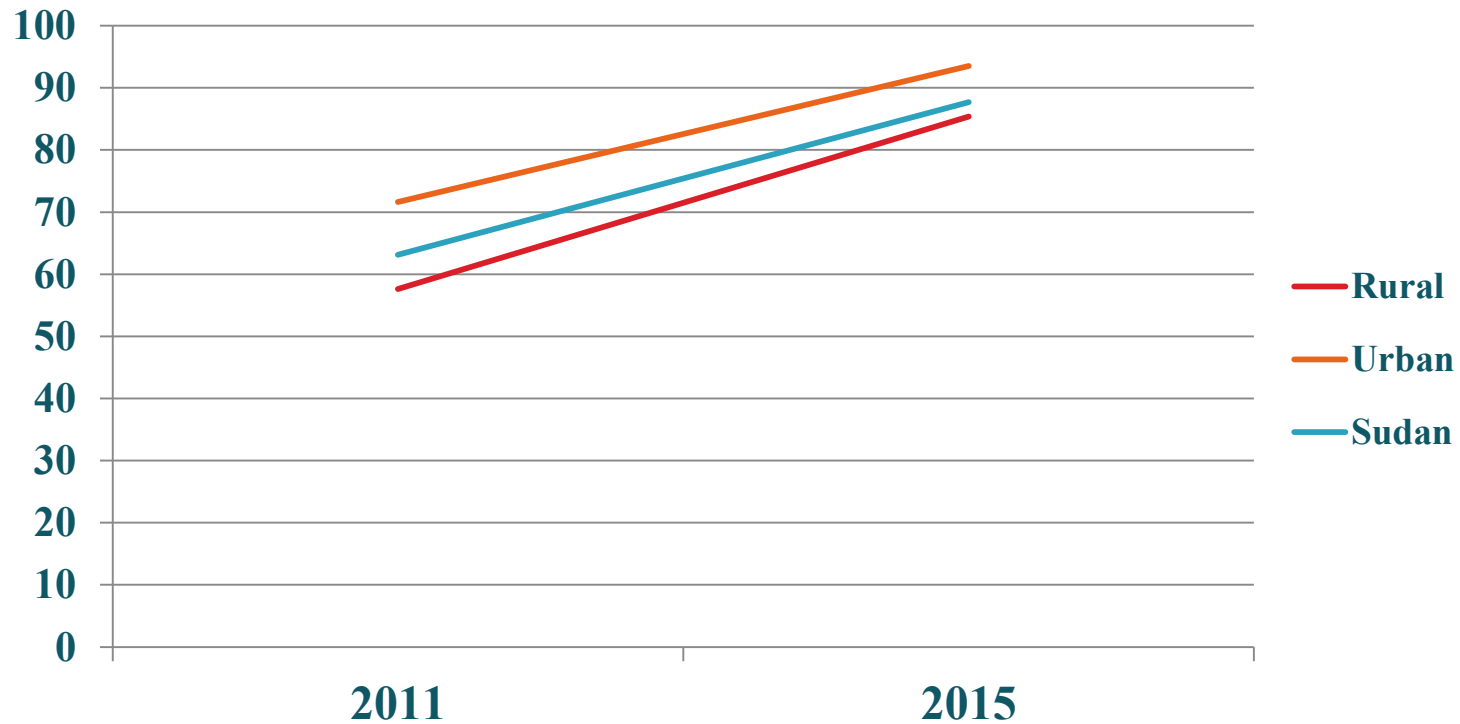
Mobile cellular subscribers (In millions)



ICT– HH Surveys – Percentages of Mobile phone ownership per 100 Households

Life style	2011(%)	2015(%)	Growth(%)
Rural	57.6	85.4	48.3
Urban	71.6	93.5	30.6
Sudan	63.1	87.7	39

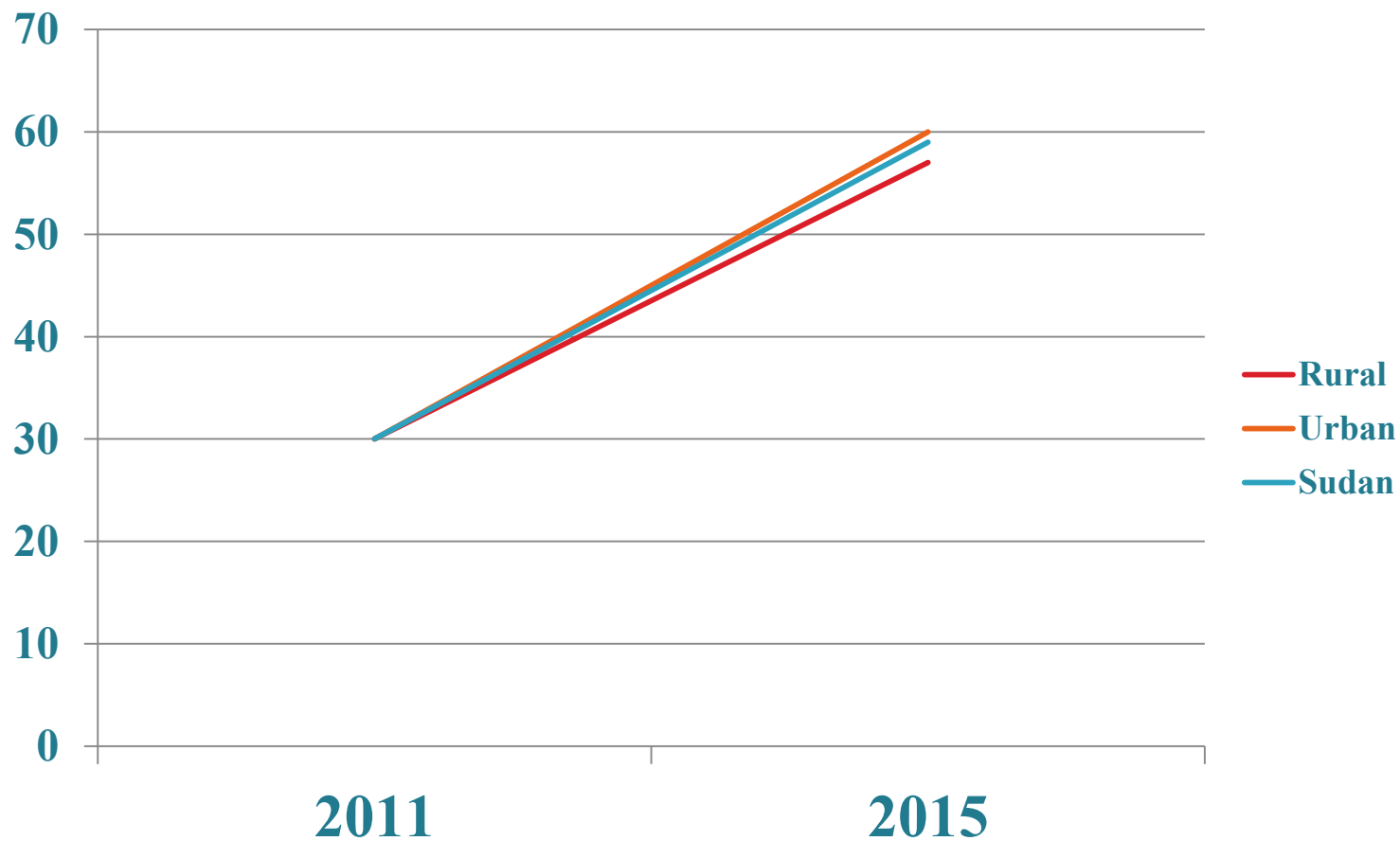
Mobile phone ownership as %



Monthly average expenses on mobile phone (households)

Expenses In SDG	2011	2015	Growth (%)
Rural	30	57	90
Urban	30	60	100
Sudan	30	59	97

Monthly average expenses on mobile phone



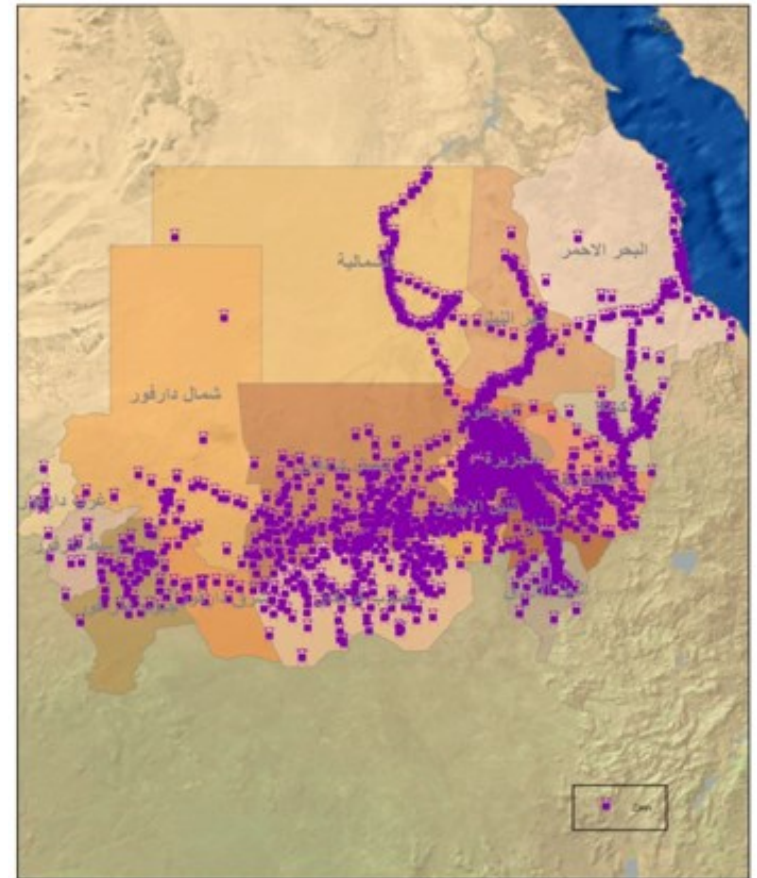
ICT Coverage In Sudan

Coverage	2011	2012	2013	2014	2015
Geographic Area	22.90 %	36.88 %	39.80 %	40.74 %	43.5 %
Populated Area	46.50 %	74.80 %	80.91 %	82.5 %	84 %

Coverage by MNO Operators up to Mid 2015

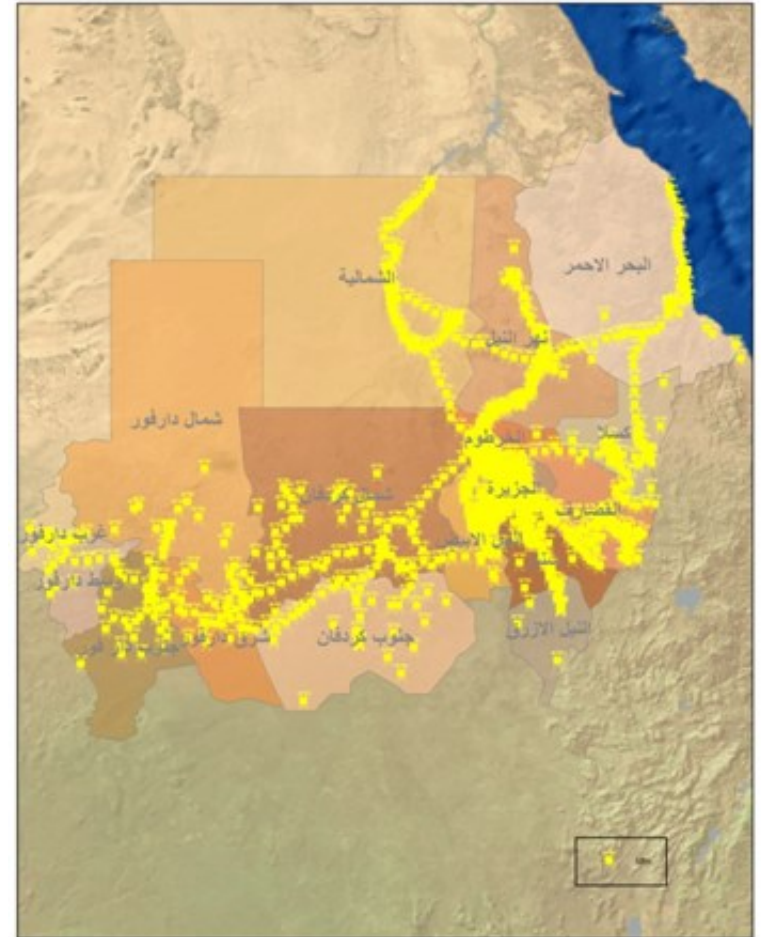
1- ZAIN – Sudan Coverage

- ▶ Total Number of Towers 2315
- ▶ Number of 3G Towers 1151
- ▶ Coverage of Geographic Area 37.07%
- ▶ Coverage of Populated Area 75.37%



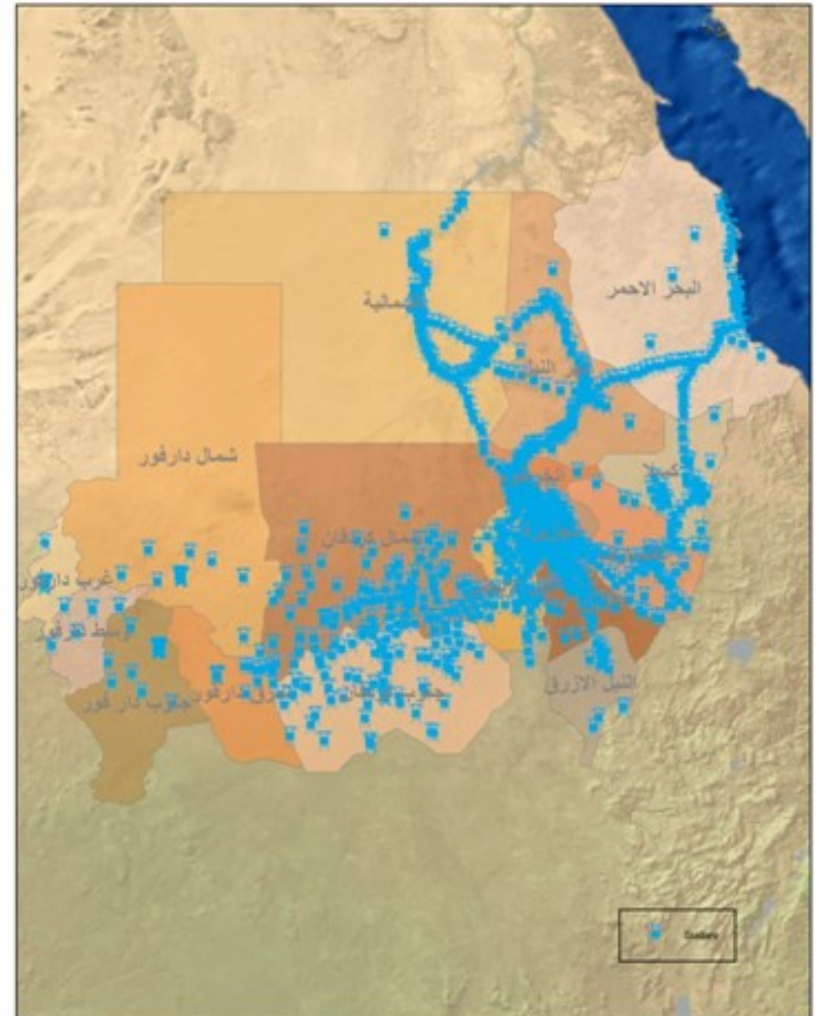
2-MTN-SUDAN Coverage

- ▶ Total Number of Towers 2028
- ▶ Number of 3G Towers 935
- ▶ Coverage of Geographic Area 26.04%
- ▶ Coverage of Populated Area 52.94%



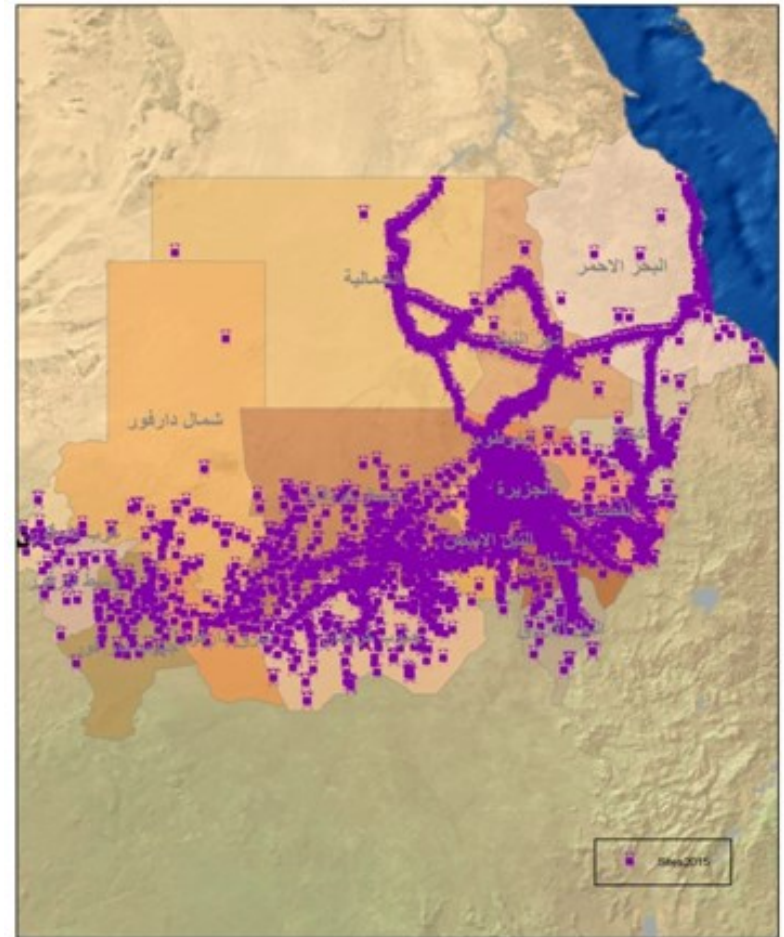
3- Sudani Coverage

- ▶ Total Number of Towers 1490
- ▶ Number of 3G Towers 568
- ▶ Coverage of Geographic Area 18.64%
- ▶ Coverage of Populated Area 37.89%



TOTAL Coverage

- ▶ Total Number of Towers 5833
- ▶ Number of 3G Towers 2654
- ▶ Coverage of Geographic Area 40.74 %
- ▶ Coverage of Populated Area 85.2 %

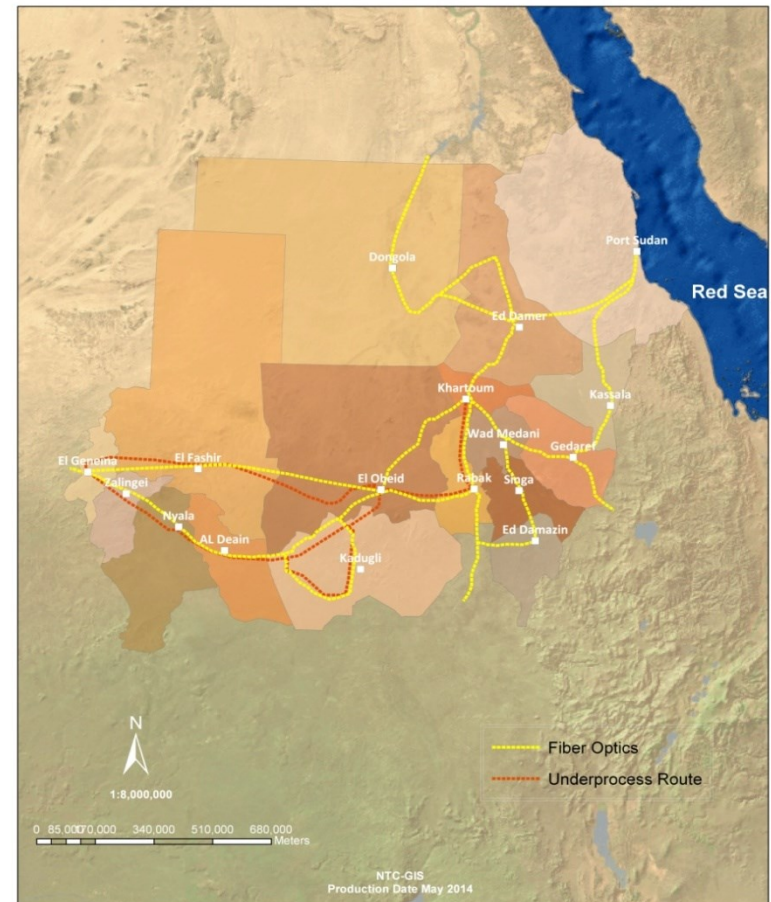


Fiber Optic Length & Coverage


- ▶ SUDATEL NETWORK **12,135 Km**
- ▶ CANAR NETWORK **5,863 Km**
- ▶ ZAIN NETWORK **3,076 Km**
- ▶ ELECTRICITY NETWORK **6,000 Km**
- ▶ PETROLUM NETWORK **3,562 Km**
- ▶ TOTAL LENGTH **30,636 Km**



Sudan Fiber Optics Network



Opportunities

- New business area and revenue stream .
 - A new Wave in Payments and Remittances .
 - Creating Jobs and Income (specially for SMEs).
 - Customers Satisfaction .
 - Innovative Services & Solutions .
 - E – government projects (Economy Growth) .
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Challenges

- Challenges vary in stages of the projects

(KYC , pricing , incentives to innovate)

- Joint regulation framework (finance and telecom) .

Harmonization of the Telecommunications/ICT regulations with the relevant financial legislation and regulatory policies

- consumer protection, cyber security, privacy and data protection.
 - Regulating airtime transfer .
 - Mobile number portability: affects on competition in telecom Market .
 - Interoperability.
 - Quality of Service: KPI for each component .
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DFS framework

To insure providing digital financial services in a safe , sound , and sustainable manner the coordinated framework should include

1. Collaborating to determine supervision ,reporting ,research ,monitoring and recordkeeping requirements .
2. Clear procedures for supervision of DFS .
3. Developing standards and guidelines as deemed necessary .
4. Implementing strategies and policies aimed at enhancement for financial inclusion .
5. Inspecting DFS participants and providing technical expertise .
6. Sharing information (used only for lawful purposes) .
7. Providing opinions and comments on legal regulatory instrument .
8. Developing and disseminating materials to participants on the regulation .



Conclusion

- Shared framework has been developed by all stakeholders (business model, regulations, technical specifications of the system) .
- NTC and CBOS have started building joint regulation since 2010 .
- Telecommunication regulatory authority (NTC) has started reviewing all the cross-cutting regulatory issues .
- Ceiling Airtime Transfers proposal planned to be applied gradually according to the diffusion levels of mobile payments .



THANK YOU

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