

erful financial services. The company plans to roll out its “Nokia Money” service in some of its markets in early 2010. The service has been designed to be as simple and convenient as making a voice call or sending an SMS.

For many consumers, especially in emerging economies, this will be the first time they have had any access to such financial services. Rural consumers, said Mr Paavola, will particularly benefit from money transfers and, for urban consumers used to online services, they will be able to pay utility bills, buy train and movie tickets, or top up their SIM cards, all through their mobile phones. The service is expected to be available across different operator networks and on virtually any mobile phone. Mr Paavola underlined that for the service to succeed, cooperation will be needed between regulators, banks, consumers and mobile device vendors, as well as international interoperability.

The session also looked at Kenya’s success story in bringing mobile financial services to millions of its unbanked population. Kenyan mobile phone service provider, Safaricom (an affiliate of Vodafone), has become well known for its money transfer service, M-PESA. It offers a simple way for people to safely transfer and carry money using their mobile phones, and is a necessity for Kenyans who have no other access to banking facilities. Launched by Safaricom in March 2007, M-PESA now has close to 7 million customers.

The significance of mobile banking to the Kenyan economy is better understood by looking at the value of M-PESA transactions compared with commercial bank deposits and the country’s GDP. According to statistics from the Central Bank of Kenya, in July 2007, the value of M-PESA transactions was about 0.17 per cent of commercial bank deposits. In July 2009, that value had grown to 4.36 per cent. Kenya’s annual GDP in 2008 was estimated at USD 30.24 billion, but in the month of July 2009 alone, M-PESA transactions accounted for USD 535 million. “M-PESA has transformed life in rural Kenya and revolutionized national payment systems” said Mr Poghio.

This success demonstrates the demand for easily accessible, secure cash payment services in emerging markets. The Kenya Communication Act that was