



Governor's Office

REMARKS BY THE GOVERNOR OF NATIONAL BANK OF RWANDA AT THE
LAUNCH OF THE SECOND PHASE OF THE
DIGITAL AWARENESS CAMPAIGN

At Kigali Serena Hotel

30th October 2019.

Deputy Governor National Bank of Rwanda

Other government officials here present,

CEOs of Banks, Telecoms and other companies here present

Our partners from the media fraternity

Ladies and gentlemen

Good Morning.

It is my pleasure to welcome you all to this breakfast meeting and I really thank you for honoring our invitation. This morning, we are gathered here to launch the second phase of the digital awareness campaign, following the one we did for merchants 2 years ago. This campaign will be much wider than the one of 2017. We intend to engage, the e-payment service providers, the consumers as well as merchants.

Special thanks to the payment industry that agreed to partner with us in this campaign towards a cashless Rwanda. We all know, it is not easy to change behavior

in a day, but with commitment and collaboration from the people seated in this room and other stakeholders, I am very certain it is doable.

Ladies and Gentlemen,

A decade ago, the idea of transitioning Rwanda to a cashless economy would have been unthinkable, but with the technology revolution and a world where the internet has taken over, the turning point to a digital led and enabled economy is now. Today with technology evolving at a breakneck speed, payments services and other financial products across the world are becoming fully digitized. For example, it is it is now much easier to transact using mobile phones, personal computers, various types of payment cards, and many other electronic devices.

This digital payment system is important because it enhances the efficiency of the financial system and the economy as a whole. It also promotes financial inclusion as it facilitates easy access to financial services.

Further to this, we also know that digital payments eases financial transactions, lowers the risk that goes with the use of traditional payment means, reduces transaction costs like trips to stores and banks, to mention but a few.

Ladies and Gentlemen

That said, as we gather here today, we ask ourselves; – *How can we fast track Rwanda's cashless journey.* It has not been easy and we still have a long way to go, but the good news is; we have a good story to tell.

Rwanda's cashless journey has been progressive, with digital financial services increasing over time. Over the last eight years, the value of e-payments to GDP increased from 0.3% in 2011 to 34.6% in 2019, and Retail payment services have kept growing due to the adoption of new technologies and easy access to payment systems by customers.

As of June 2019, traditional Points of Sale machines using cards had increased to 3,046, compared to 2,801 in 2018 and 227 in 2011. But the exciting story here is the

introduction of new types of POS since 2017, that are easy and almost costless to deploy. These include Virtual POSs like the QR code payment, Near Field Communication (NFC) PoSs like tap and go and the Mobile POSs like the Merchant number. In one year, they increased to 10,761 by June last and this had increased to 14,000 PoSs by June 2019.

Another big milestone in the use of digital financial services was the introduction of micro digital savings and digital loans. Digital loans increased in volume by 270%, from 99,027 loans worth 1.9billion in 2017, to a volume of 367,103 loans in June 2019 worth 14.2 billion. This has doubled the number of individuals accessing loans through formal financial services in just one year.

Ladies and Gentlemen

Despite the above commendable achievements, the Rwanda Payment Industry is still facing challenges ranging from;

- Limited number of touchpoints in terms of POS, Agents and merchants.
- Existing payment terminals concentrated in urban areas
- High cost of payment services both for cards and Mobile Financial Services.
- Low level of acceptance of e-payment devices by merchants
- Cash based culture in the Rwandan population
- Low financial literacy;
- Limited interoperability between providers, specifically for MFS systems, which restrains the operational and economic efficiency of the national payment system.

To address these challenges, there is a need to further develop systems and structures that will foster a cashless economy. In 2018, the cabinet approved the Rwanda Payment System Strategy (2018-2024), and one of the strategic objectives of the strategy among others is to foster an enabling environment for innovation in the payment system, calling for collaboration between the public and private sector

to promote better access, adoption, and usage of digital financial services and products.

This Strategy highlights that financial awareness and education are key enablers that must continuously be carried out to ensure Rwandans understand the benefits of using non cash means for their financial transactions. Also to ensure that information shared on various electronic payment systems is easy to understand, and options for conducting transactions are affordable, safe and secure.

Ladies and Gentlemen

It is against this backdrop that today, we come back with the second phase of the digital payment awareness campaign that targets both consumers and merchants. We intend to have targeted messages over several media channels but to also physically engage different audiences of consumers like workers in their workplaces. This campaign will aim at encouraging the workforce and other categories of consumers to embrace e-payments. Of course this will require merchants to accept e-payments in their business; and more so, the payment service providers to promote electronic payment channels that are cost effective and user friendly even to the segments of our population that are less literate.

In addition to this awareness campaign, BNR and the other key stakeholders commit to working together to ensure security of payment systems, reduction in the chances of duplication by promoting interoperability, an increase in the number of places at which customers can transact electronically, and guarantee that systems are operating 24hours/7 days.

As I conclude, I welcome all Rwandans to join this campaign as we embark on the journey of encouraging the nation to #GoCashless.

Thank you.

