

Africa must accelerate digitalisation agenda

— Dr Addison

By Charles Benoni Okine

GOVERNOR of the Bank of Ghana, Dr Ernest Addison, says there is now a sense of urgency for Africa to accelerate the digitalisation agenda through innovation, investment and impactful policies to boost economic growth and development.

He premised his call on the fact that the rapid evolution of technology has impacted all facets of life globally. “For the financial sector, actualisation of novel technologies in the payment ecosystem has revolutionised business transactions, reshaped customer behaviour and redefined the nature of commerce. Presently, we stand on the precipice of a

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global digital era, especially with artificial intelligence,” he said as he justified his call.

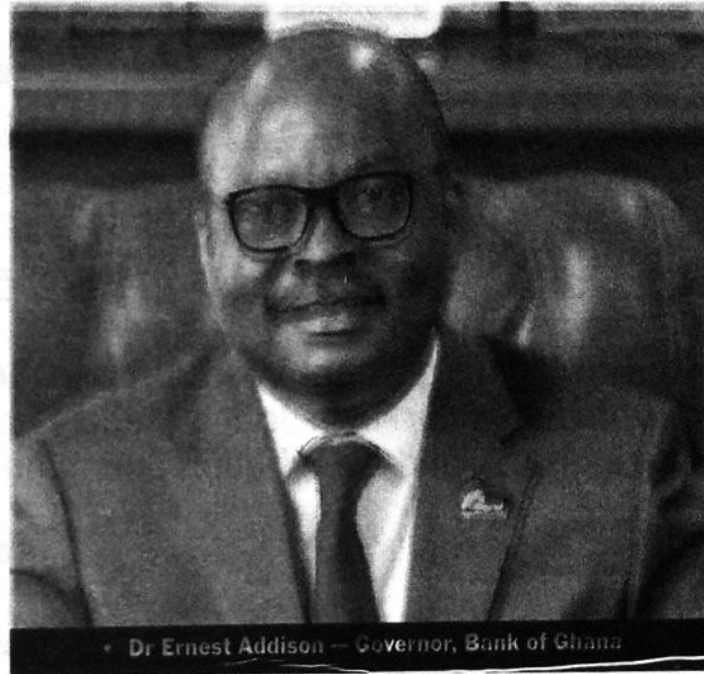
Dr Addison made the call at the opening of the 3i Africa Summit on the theme: “Unleashing the FinTech and digital economic potential of Africa” which captures the vision of Africa in a digital world and the essence of our collective endeavours for the next three days.

Digitisation race

“As Africans, we have an advantage in the digitisation race based on the bulging and tech-savvy youthful population, the high mobile phone penetration, the consistent expansion of mobile network access coupled with the rising home-grown FinTech solutions.”

“These factors have provided fertile grounds to accelerate the digitalisation agenda across the continent,” he said.

Meanwhile, he was quick to add that while those were commendable, it was important to note that lack of requisite investments in African FinTechs could slow the pace of



Dr Ernest Addison — Governor, Bank of Ghana

innovation and scalability of solutions in achieving the desired impact of a digitised Africa.

Dr Addison said the general lack of investor visibility was a major challenge for most local FinTechs.

The Bank of Ghana Governor also brought to the fore the regulatory aspects, saying: “The regulatory aspect is another major reason not to ignore the issue of deficient funding in the FinTech space.”

FinTechs should have the

ability to navigate regulatory requirements and meet compliance standards, which we all agree are non-negotiables, especially in Africa’s financial industry. Hence, the need to address the information gap between investors and FinTech start-ups to stimulate the payment ecosystem.”

Financial industry

Dr Addison said it was acknowledged that the last two decades have been eventful for

Africa’s financial service industry.

“High mobile phone penetration coupled with a pool of local technology talents has resulted in various FinTech solutions that have expanded access to financial service to the unbanked and the underserved.”

Mobile money, a gamechanger product that is central to most digital payment innovations in African countries, is enabling e-commerce and serving as an affordable solution for merchant acceptance of digital payments,” he said.

Dr Addison said micro, small and medium-sized enterprises (MSMEs) now have online presence, which has enabled them to expand their market reach outside the localities of operations.

“These developments, emerging from a thriving Fintech sector, are based on the conducive environment created by the widespread regulatory reforms and modernisation of payment system infrastructure, including mobile money interoperability.

With regard to intra-Africa trade, the Pan-African Payment and Settlement System (PAPSS) has been developed to support free trade across the continent in line with the objectives of the African Continental Free Trade Area (AfCFTA). This will enhance both domestic and cross-border payment systems and empower MSMEs by facilitating access to financing opportunities and broader domestic and global markets.