

'Digital Transformation Key For African Businesses' Success'

A Business Desk Report

KWABENA BOATENG, Divisional Director of Corporate and Institutional Banking at Fidelity Bank Ghana, has highlighted the importance of digital transformation and collaboration in creating the future of banking and African businesses.

He revealed this at the Ishmael Yamson & Associates Business Roundtable 2024, which took place recently.

The event, themed "African Businesses: Collaborating for Global Success," underscored the need of using technological advancements and strategic partnerships to drive growth and competitiveness.

Mr. Boateng's address focused on Africa's rapid digital transformation, which is being driven by a growing population, increased mobile phone penetration, and significant internet user growth. He cited Ghana as an example.

"Over the past decade, internet users in Ghana have grown from 5.3 million to approximately 24 million, indicating the deep integration of internet usage in society. The critical question now is how do we utilise this data effectively to drive digital banking," he remarked.

He emphasized the change to digital financial transactions, not-

ing that while 40% of Ghanaians had bank accounts, many remained dormant. In comparison, 60% of Ghanaians utilize mobile money, demonstrating the influence of internet connectivity on financial transactions.

"In the past year, 64% of Ghanaians initiated digital payments, signalling a significant shift from traditional banking to digitisation. However, debit card usage remains low at around 18%, due to the prevalence of mobile money," he pointed out.

Mr. Boateng stressed the necessity of collaboration among

African companies, saying, "No business can thrive in isolation, especially in a country where only 38% of people have bank accounts."

He claimed that to thrive, businesses must consider the broader African market.

He also cited the success of ZeePay, a Ghanaian company that recently bought a 51% share in a Zambian company, as an illustration of the value of regional expansion and collaboration.

ZeePay's operations across 20 African countries and over \$3 billion in facilitated transactions

demonstrate the global potential of African companies, he added.

Mr. Boateng applauded the rise of African FinTech companies like M-Pesa, EcoCash, Flutterwave, Paystack, Leatherback, and Onafriq.

These companies, along with Agritech solutions like Complete Farmer and Aerobotics, he said, were revolutionising financial services, cross-border payments, and agricultural productivity across the continent.

He said Fidelity Bank also collaborates with FinTech companies like Insano, ExpressPay,

ZeePay, and ITC.

"This mutual dependency between banks and FinTechs will drive the agenda of business collaboration in Africa, leading to global success," he added.

Despite the optimistic outlook, he acknowledged challenges faced by African businesses, including limited access to finance, underdeveloped infrastructure, and regulatory limitations.

Kwabena outlined a roadmap for greater success detailing the importance of collaboration, both within the private sector and with governments.

"Strategic partnerships can be a game-changer for African businesses," he stressed. "Imagine the possibilities if telecommunication companies join forces with local fintech startups, replicating the success of M-Pesa by Safaricom. This could lead to groundbreaking mobile banking solutions across the continent."

He also highlighted the crucial role of governments in creating an enabling environment. "Collaboration on critical infrastructure projects, like transportation and energy, is essential," Mr. Boateng said adding "The Rwanda Innovation Fund serves as a shining example of how public-private partnerships can support innovation and technology hubs."



A scene during the panel discussion