



**LAUNCH OF GHANAPAY – MOBILE BANK WALLET FOR BANKS,
SAVINGS AND LOANS COMPANIES AND RURAL AND
COMMUNITY BANKS**

**SPEECH
BY
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Your Excellency, The Vice President of the Republic of Ghana, Dr. Alhaji Mahamudu Bawumia,
President of the Ghana Association of Banks, Mrs Mansa Nettey,
The Chief Executive Officer, GhIPSS, Mr Archie Hesse,
Chief Executives of Banks, Savings and Loans Companies,
Representatives of Financial Institutions and Telecommunication Companies,
Colleagues from Bank of Ghana,
Invited Guests,
Ladies and Gentlemen,

1. Let me specially thank His Excellency, the Vice President of the Republic of Ghana, Dr. Alhaji Mahamadu Bawumia for gracing this special occasion. We acknowledge your contributions over the years and continued support towards the digitalisation agenda of the Country.
2. Ladies and Gentlemen, today's launch of GhanaPay mobile wallet, marks yet another milestone in the digitisation of the financial system. Banks in Ghana are re-inventing themselves and have continued to respond positively to the competitive nature of the payment systems, characterised by increased consumer preferences for convenience and frictionless payment options. This collaborative effort of a common electronic wallet would enable economies of



scale through pooling of resources. By establishing this common GhanaPay mobile wallet, the cost of testing any new technology for each bank is reduced and allows new ways of doing business. Indeed, this is an exciting development for Ghana's payment systems landscape and demonstrates how collaboration with the banking sector can proffer solutions for the transformation and deepening of the payments ecosystem.

3. The banking sector demonstrated its resilience with the ability to offer critical support to businesses and households during this pandemic. The sector's push for electronic payments, especially during the critical lockdown times, enabled businesses and the public to make and receive payment using digital wallet. We also witnessed the banks' support to borrowers including moratoria, while ensuring that depositors funds were not compromised. These interventions were underpinned by past reforms to strengthen and retool the banking sector, alongside enhanced compliance, and regulatory standards.
4. Ladies and Gentlemen, Ghana's progress in migrating to electronic payments has been laudable. In less than a decade, GhIPSS Instant Pay transactions valued at GH¢420,000 in 2016 surged exponentially to GH¢31.4 billion in



2021. In tandem, both the value of mobile money transactions and registered mobile money agents also increased thirteen and four folds, respectively in 2021. Another key development was that Ghana's cash usage measured by Currency in Circulation as a ratio of Gross Domestic Product (GDP) declined from 6.8 percent in 2016 to 4.7 percent in 2021. In addition, Ghana's cheque usage per capita, which was 25.67 in 2016 declined to 18.9 in 2021.

5. The emergence of new business models in the banking sector, together with partnerships with financial technology (FinTechs) companies in offering of payment-related services, have also helped to bridge the financial inclusion gap. Beyond the opportunity to compete directly on product offerings and quality of services, the bank-FinTech collaboration would help in the realisation of common objectives and enable participants achieve economies of scale in the expansion of the payment networks, as well as reach critical mass of financial inclusiveness in the country. This collaboration is commendable and should therefore be sustained since payments represent an indispensable activity for businesses and individuals. Improving efficiency in financial transactions through electronic payments would not only increase productivity, but also minimise costs. Beyond this, and at the macro level,



migration to electronic payments also has the potential to improve Ghana's competitiveness and efficiency in cross-border transactions. The benefits from a successful migration to electronic payments in terms of efficiency, gains, and cost savings, are enormous and should be encouraged.

6. Today's launch of GhanaPay is one of such innovations in the financial sector that seeks to address some of the challenges associated with the current bank centric models by providing an open application that leverages on network infrastructure of the entire banking industry. With GhanaPay, merchants do not necessarily need to maintain banking relationships with several banks to receive bill payments from other bank customers. In addition, customers only need to maintain an account with a bank to make bill payments to the entire network of customers and merchants registered with GhanaPay. GhanaPay, therefore, facilitates resource pooling from the entire banking industry and reduces duplication. It is expected that the industry will be guided by this innovation and continue to retool and respond to the changing environment.

7. Beyond the tremendous success at making payments convenient and accessible to consumers, cash payments and cheques usage remain



prevalent, while electronic payment adoption is uneven across regions and segments of the population. In this regard, there exists opportunities for more inclusive and broad-based adoption of electronic payment. With the introduction of GhanaPay, the banking sector can address this market gap through continuous collaboration to expand merchant acceptance with greater focus on lower tier merchants. There is no doubt that the appropriate support for the payment systems value chain and public education, infrastructure light solutions such as the GhanaPay, can boost electronic payment acceptance.

8. The introduction of the GhanaPay is laudable, but there is still more room for expansion and banks must step up efforts to digitise the value chain for both merchants and users through digitisation of payments to distributors, wholesalers, and retail outlets.
9. Another important consideration is to enhance public confidence in the electronic payment systems to boost inclusive finance. Payments data provides deep insight in the consumer and merchant behaviour. Bank's have an enormous responsibility to ensure that data is not unsecured or mishandled. Data security, integrity and privacy form the basis of trust which is crucial for functioning of financial system.



10. Ladies and Gentlemen, going cashless is more than electronic payments.

It should be about putting the consumer at the centre of innovation for greater value creation in e-payment products that are competitively priced and frictionless. While standardised and interoperable systems may enhance competition and efficiency, it may also bring new forms of risks on account of the interlinkages. Banks must ensure operational resilience and constantly strengthen the cyber security of market infrastructures and endpoints against cyber-attacks.

11. To conclude, Ladies and Gentlemen, the introduction of GhanaPay complements the measures to accelerate Ghana's migration to electronic payments and we encourage the banking sector to collaborate and further explore more pioneering ways to attain greater efficiency in the payments ecosystem. On this note, let me congratulate GhIPSS and the banking industry again on the development of GhanaPay. It is my fervent hope that this collaborative spirit will be sustained and enhanced to move the country towards a successful migration to electronic payments and an efficient and effective payment system.

Thank you.