

## Africa Seeks to Unlock Huge Untapped Real-Time Payments Potential – ACI Worldwide Report

April 26, 2022

- 3<sup>rd</sup> Edition of ACI's Prime Time for Real-Time Report highlights real-time payments growth in the region and economic benefits unlocked by real-time payments
- 118.3 billion real-time payment transactions were made globally in 2021 – a YoY growth of 64.5 percent – set to rise to 427.7 billion in 2026, according to GlobalData
- Real-time payments are forecast to help generate additional GDP of US\$173 billion by 2026, up from US\$78.4 billion in 2021 – according to a Cebr economic impact study of 30 of the world's largest economies, including both industrialized and developing nations
- Cebr study outlines wide-ranging policy recommendations to maximize the economic impact of real-time payments

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CAPE TOWN, South Africa--([BUSINESS WIRE](#))--Africa's nations are looking to real-time payments to help drive economic growth and financial inclusion, according to the 3<sup>rd</sup> edition of [Prime Time for Real Time 2022](#), published by [ACI Worldwide](#), (NASDAQ: ACIW), in partnership with [GlobalData](#), a leading data and analytics company, and the Centre for Economics and Business Research. The report – tracking real-time payments volumes and growth across 53 countries – includes an economic impact study for the first time, providing a comprehensive view of the economic benefits of real-time payments for consumers, businesses and the broader economy across 30 countries. The report covers all G20 nations, excluding Russia. \*

"By allowing for the transfer of money between parties within seconds rather than days, real-time payments improve overall market efficiencies in the economy"

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The research shows that governments that advance the real-time modernization of their national payments infrastructure create a win-win situation for all stakeholders in the payments ecosystem: consumers and businesses benefit from fast, frictionless and hyper-connected payments services, financial institutions future-proof their business in a highly competitive environment by speeding up cloud-first and data-centric modernization, and national governments boost economic growth, reduce the size of their shadow economy and create a fairer financial system for all.

### [Africa Regional Highlights](#)

#### South Africa

- Real-time payments have failed to gain traction despite being available for more than 15 years. And accounted for only 0.8% of the country's total payments in 2021.
- Transaction volumes in 2021 were 123 million, predicted to rise to 499 million by 2026 – a CAGR of 32.4%.
- Real-time payments accounted for \$US15 million of economic output, equivalent to 0.003% of formal GDP in 2021, rising to \$US183 million and 0.03% of forecasted GDP in 2026, respectively.

#### Nigeria

- Unlike South Africa, Nigeria's decade-long relationship with real-time payments has evolved into Africa's most developed and successful real-time payments scheme.
- In 2021, the country recorded 3.7 billion real-time transactions 2021 which resulted in estimated cost savings of \$US296 million for businesses and consumers – which helped to unlock \$US3.2 billion of additional economic output, representing 0.67 % of the country's GDP
- With real-time transactions set to rise to 8.8 billion in 2026 – net savings for consumers and businesses are forecast to climb to \$US2.3 billion, helping to generate an additional \$US6 billion of economic output, equivalent to 1.01% of the country's forecasted GDP.
- According to the Cebr, the theoretical impact of all payments in Nigeria being real-time could add 4.4% of formal GDP by 2026. This does not suggest that there is no longer place for non-instant electronic payments or paper-based payments.

Despite the mixed success from the few existing real-time schemes, Africa remains a continent of untapped potential, with 20 states absent from any real-time payments scheme as of 2021.

"Africa is in an ideal position to capitalise on the lessons learned from other countries and continents and maximise the impact and benefits real-time payments provide," said **Santhosh Rao, Head of Middle East, Africa, and South Asia, ACI Worldwide**. "There is a renewed appetite and enthusiasm across the continent to increase financial inclusion and use real-time payments to build the continent's future digital economies."

"Real-time transactions and growth forecasts continue to rise globally, with emerging countries like India leading the way and outpacing developed

nations. As governments around the globe, especially step up their interventions in real-time payments, they are viewed as the primary enabler of economic growth and prosperity, providing consumers and businesses with cheaper, faster, and more efficient payment methods." **Jeremy Wilmot, Chief Product Officer, ACI Worldwide.** "In India, payments are increasingly becoming embedded into non-financial digital apps and services, with customers looking for a hyper-connected, frictionless user experience," continued Jeremy Wilmot.

"By allowing for the transfer of money between parties within seconds rather than days, real-time payments improve overall market efficiencies in the economy," commented **Owen Good, Head of Advisory, Centre for Economic and Business Research.** "Real-time payments improve liquidity in the financial system and therefore function as a catalyst for economic growth. This is especially important for our fast-paced and digital-led gig economies. Workers are paid quickly, allowing them to better plan their finances. Businesses have more flexible and reduce the need for burdensome cashflow management."

"Developing nations continue to drive the majority of real-time volume gains, confirming the industry trend of the strongest growth coming from economies with minimal existing electronic payments infrastructure, and therefore heavier reliance on cash," said **Sam Murrant, Lead Analyst, GlobalData.** "Amid all this activity, mobile in its multiple forms will shape the trajectory of real-time payments for developing markets. India provides the template for mobile wallet integration with underlying real-time payment systems. Mobile will still be the leading form factor in developed markets. However, we may see banks' involvement sitting more behind wallets."

**Prime Time Real Time Report 2022 - All Global Figures-at-a-Glance**

**GlobalData - Real-Time Payments Growth:**

	2021	2026	YoY growth
Real-time transactions made globally	118.3 billion	427.7 billion	64.5%

	2021				
Five countries with the highest volume of real-time payment transactions	India 48.6 billion	China 18.5 billion	Thailand 9.7 billion	Brazil 8.7 billion	South Korea 7.4 billion

	CAGR 2021 – 2026				
Top 5 fastest growing real-time markets (where instant payments share of all electronic payments was 10% in 2021)	Brazil 56.8%	Oman 41.0%	India 33.5%	Philippines 31.7%	Malaysia 26.9%
Top fastest growth of real-time transactions by regions	South & Central America 51.3%	Middle East, Africa & South Asia 32.6%	North America 30.2%	Europe 23.0%	Asia-Pacific 15.0%

**Cebr Real-Time Economic Impact:**

	2021	2026
Aggregated net savings for consumers and businesses facilitated by real-time payments across the 30 countries observed	US\$46.6 billion	US\$184.0 billion
Formal GDP facilitated by real-time payments	US\$78.4 billion <i>(equivalent to 0.10% of the combined GDP of the 30 countries)</i>	US\$173.0 billion <i>(equivalent to 0.19% of the combined forecasted GDP of the 30 countries)</i>
Global number of jobs required to produce an equivalent level of output	4.9 million jobs	10.3 million jobs
India, Brazil, China, Thailand, South Korea – business and consumer level benefits	US\$37.0 billion combined	US\$164.6 billion combined

<b>India, Brazil, China, Thailand, South Korea – formal GDP supported by real-time:</b>	US\$54.6 billion <i>(Equivalent to 0.23% of the combined GDP of the five countries, or the equivalent output of 4.2 million workers)</i>	US\$131.7 billion <i>(Equivalent to 0.43% of the combined forecasted GDP of the five countries, or the equivalent output of 9.0 million workers)</i>
<b>U.S., Canada, U.K., France, Germany – business and consumer level benefits</b>	US\$2.1 billion combined	US\$5.5 billion combined
<b>U.S., Canada, U.K., France, Germany – formal GDP supported by real-time:</b>	7.3 billion <i>(Equivalent to 0.02% of the combined GDP of the five countries, or the equivalent output of 70.4 million workers)</i>	13.9 billion <i>(Equivalent to 0.04% of the combined forecasted GDP of the five countries, or the equivalent output of 118.9 million workers)</i>

**GlobalData - Consumer Payments Modernization:**

	<b>2021</b>
Over half of consumers worldwide now own and use a mobile wallet:	52.7 1%
	up 12.1% in the two years since 2019 (Covid-19 impact), and up 33.8% since 2018

**GlobalData - Fraud Trends**

	<b>2020</b>	<b>2021</b>
<b>Cases of card details being stolen online are falling – 2021 saw a slight decrease in cases</b>	17.5%	16.9%
<b>Cases of card details being stolen or skimmed in person are also falling – 2021 saw a decrease in cases</b>	15.5%	0.5%
<b>Digital wallet account hacks, identity theft and social engineering cases are rising. Percentage of total fraud cases:</b>		
Digital wallet account hacks	6.2%	7.3%
Identity theft	11.6%	12.0%
Social engineering	13.7%	14.4%

\*Note to editors: In the absence of a robust data set Russia was not included in the Cebr Economic Impact Study.

**About ACI Worldwide**

[ACI Worldwide](#) is a global leader in mission-critical, [real-time payments software](#). Our proven, secure and scalable software solutions enable leading corporations, fintechs, financial disruptors and merchants to process and manage [digital payments](#), power [omni-commerce payments](#), present and process [bill payments](#), and manage [fraud and risk](#). We combine our global footprint with a local presence to drive the [real-time digital transformation](#) of payments and commerce.

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