

**WORKSHOP ON FINTECH, PAYMENTS,
AND FINANCIAL INCLUSION**

*“Unlocking the Potential of Financial Innovation
for sub-Saharan Africa”*

Opening Remarks

By

**Honourable Onkokame Kitso Mokaila
Minister of Transport and Communications,
Botswana**

SALUTATIONS!

Deputy Director, African Department - Ms. Anne-Marie Gulde-Wolf and your colleagues from the IMF;

Special Director for FinTench at the Bank of Canada - Mr. Scott Hendry and your colleagues;

Chairman of Central Bank of Kenya, Board of Directors - Mr. Mohammed Nyaoga;

Permanent Secretary Finance and Economic Development, Mr. Solomon Sekwakwa;

Permanent Secretary, Ministry of Transport and Communications – Mr. Kabelo Antony Ebineng;

Governor of the Bank of Botswana - Mr. Moses D. Pelaelo;
CEOs of Banks and other Financial Institutions here present;

Representatives of other Central Banks and Cooperating Institutions;

Senior Government Officials and Heads of Parastatal Organisations here present;

Captains of Industry;

Members of the Media;

Distinguished Ladies and Gentlemen;

GOOD MORNING!

Distinguished Ladies and Gentlemen:

It gives me great pleasure to officiate at this conference on Financial Technology, Payments and Financial Inclusion. This is a timely and important conference for our region. Particularly at a time when the global growth momentum is weighed down by low productivity.

The theme **“unlocking the potential of financial innovation for Sub-Saharan Africa”** resonates very well with our current national strategies for inclusive growth, job creation and poverty reduction.

I therefore would like to express my sincere gratitude to the Bank of Botswana, the Bank of Canada and the International Monetary Fund (IMF) for organising this event.

Let me also appreciate the presence and roles of all officials of central banks, partner-institutions, and the

presenters; as well as representatives of the private sector who are willing to share their expertise and experiences on modern technologies that are reshaping financial services around the world.

We expect practitioners from the private sector to facilitate appreciation of the range and scale of Fintech adaptation and potential, as well as related opportunities and risks it presents. Policymakers and regulators on the other hand, are expected to share information, which supports the objective assessment of emerging developments towards a meaningful and facilitative policy and regulatory environment.

Ladies and Gentlemen:

At the outset, let me underscore the fact that: Financial technology, commonly referred to as Fintech, continues to transform the conduct and delivery of financial services, while embodying great potential to broaden the scope for financial inclusion and ultimately inclusive growth. There is no escaping the fact that financial technology is

pervasive in all areas of economic and social activity; as well as modern day global interaction.

Distinguished Guests:

It should be understood that the impact of technology on economic advancement is not a new phenomenon.

Fundamental economic analysis suggests that the factors of production - land, capital and labour - cannot generate a sustained increase in the quantity and quality of output without an infusion of new ways of doing things. Thus, globally, the leaps in growth have always been engendered by new technological innovation.

As you may be aware we are now in the fourth industrial revolution known as the digital revolution. This is characterised by unbounded exponential growth and a fusion of technologies across disciplines and sectors.

The fourth industrial revolution, potentially provides a platform for economic and social advancement and

inclusive growth; as, indeed, previous technological leaps benefited the earlier industrialising nations that are today's advanced economies.

It is often aptly observed that developing countries are quicker to harness and benefit from Fintech, because it enables them to overcome the constraints of low coverage and capacity associated with traditional infrastructure and services. For example, given the rapid mobile telephone penetration, developing nations have been able to increasingly surmount the constraints of limited fixed telephone line connectivity, low coverage of electricity supply and the sparse footprint of banking facilities.

Enhanced Broadband and Fintech have enabled these societies to sustain a rapid pace of financial inclusion especially with respect to remittances and payments for services.

Fintech adds impetus to organic growth of the financial

sector, as well as help accelerate productivity and expansion for other sectors.

Fintech is a source of inclusive growth as it provides diversified employment and income earning opportunities, which comprise of economic activities previously not covered by the traditional institutions and markets.

This is a development, whose great potential is recognised and applauded by the Botswana Government, in the process of pursuing its economic diversification (EDD) agenda, which includes transitioning to a knowledge economy.

Ladies and Gentlemen:

Cabinet recently approved the implementation of a National Broadband Strategy (NBS) whose thrust is to facilitate cost-effective and universal access to ICT. My Ministry, Transport and Communications, has been charged with the duty of implementing this strategy with an objective of growing the economy and attaining

substantial and sustainable spin-offs such as financial inclusion.

Successfully availing broadband will be key to augmenting financial inclusion through Fintech as an example. Accordingly, I encourage all of you to work with my ministry or with Government to ensure that the implementation of the NBS is a resounding success for the benefit of this economy, in general.

Distinguished Guests:

Allow me to highlight where Botswana is in the adaptation of Fintech. First, the country is well advanced in the provision of backbone infrastructure to facilitate requisite capacity for effective connectivity and wider geographical coverage.

Second, as I have earlier indicated, the Government has recently adopted the National Broadband Strategy, which among others provides for promotion of financial inclusion. This initiative incorporates the application of

Fintech to expand coverage and access to financial service.

Third, the financial and telecommunications sectors are increasingly collaborating to offer products and solutions that enhance convenience, speed, and efficiency in relation to remittances and payments for services. This facilitates access to financial services, other utilities and government services.

In addition we have institutions such the Communications Regulator that play a key role in ensuring access to affordable digital technology and its integration in economic activity.

Having spoken about the evolution and benefits of Fintech, let me outline a few of the elements that would be required to optimise the benefits.

A: There is need for relevant and adequate infrastructure to facilitate innovation, as well as economic activity and

expansion enabled by Fintech. These would relate to broadband internet connectivity and reliable electricity supply, among others.

B: The economy must have the skills and entrepreneurial capabilities required to handle the complexities, opportunities and risks associated with Fintech. Appropriate human and business development strategies are needed in this regard.

C: The policy and regulatory environment should be facilitative and recognise the potential strategic and complementary contribution of Fintech to industrialisation, inclusive growth and welfare enhancement.

In addition, regulatory collaboration and congruity is necessary among the efforts of those with oversight for various facets of the financial sector, communications and utility providers. In Botswana, we are in the process of enacting Electronic Payments Services Providers Regulations. The aim is to facilitate orderly application of

Fintech in financial services and payments. As we harness opportunities, we should recognise and mitigate the risks such as disruption and losses arising from system failure, cybercrime, misconduct and criminality, generally.

Lastly, there is need to upgrade consumer awareness and protection around Fintech in order to promote the benefits and illuminate the risks and mitigation strategies.

As I conclude, let me thank you again for being with us today and wish you a fruitful conference, which I am confident will generate beneficial outcomes.

For the visitors to Botswana, I hope that your stay in Gaborone will be most pleasant, and that you will get the opportunity to explore the city and the country.

Thank you!