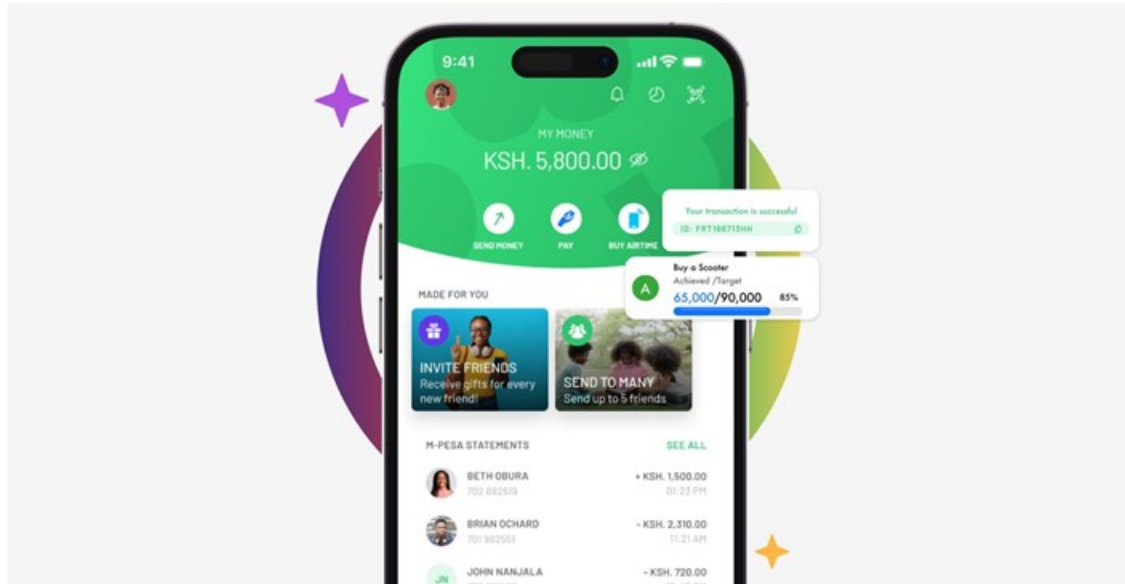


M-Pesa Safaricom, Onafriq ink deal to boost Ethiopian remittances

M-Pesa Safaricom has partnered with Onafriq, Africa's largest digital payments network, to streamline remittance flows into Ethiopia. The agreement will enable Ethiopians to receive money from abroad directly through M-Pesa, the popular mobile financial service that doesn't require a traditional bank account.



Safaricom dominates Ethiopia mobile money with M-Pesa

This development comes as remittances to sub-Saharan Africa reached \$54bn in 2023, an increase from the previous year, according to the World Bank. Ethiopia has seen particularly strong growth in remittance inflows.

While remittances play a vital role in poverty reduction and bolstering GDP, Ethiopia's share remains relatively low. Ethiopian diaspora director general Mohammed Endris has stressed that remittances can comprise up to 40-50% of GDP in some countries, whereas Ethiopia's diaspora remittances make up only 5%. Partnerships like this one aim to increase that percentage.



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19 Mar 2024



M-Pesa's integration of international transfers taps into Onafriq's expansive network, linking 500 million mobile money wallets and 200 million bank accounts for seamless cross-border transactions.

"Our goal is to make payments easier," said Paul Kavavu, general manager at Safaricom Ethiopia. "Ethiopia generates over \$5bn in remittances annually, and this partnership offers the diaspora a reliable channel to support loved ones."

Nika Naghavi, head of growth at Onafriq, believes the move aligns with Ethiopia's 'Digital Ethiopia 2025' strategy, which prioritises financial inclusion and digital innovation within the banking system.

"We believe payments should be simple and accessible," said Naghavi. "This agreement extends our African reach and solidifies our position as the continent's largest payment network, fostering economic growth and sustainable development."

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