



SPEECH BY THE GUEST OF HONOUR,

DR G GONO

GOVERNOR OF THE RESERVE BANK OF ZIMBABWE

**AT THE LAUNCH OF ECO-CASH BY ECONET WIRELESS
ZIMBABWE LIMITED**

VENUE: THE JACARANDA ROOMS 2 & 3.

RAINBOW TOWERS

DATE: THURSDAY 29 SEPTEMBER 2011.

TIME: 1800 HOURS

SALUTATIONS

- Mr. Chairman, Econet Wireless Zimbabwe and CEO TN Bank
Mr. T. Nyambirai;
- Honourable Ministers here present;
- Chief Executive Officer, Econet Wireless Mr. D Mboweni;
- Commercial Director, Econet Wireless Mr. G. Barbaressos;
- TN Bank and Econet Wireless Senior Management
Distinguished Guests, Members of the Media;
- All Buddies and real friends here present;
- Ladies and Gentlemen.

INTRODUCTION

1. I feel greatly honoured and privileged to have been invited to this special occasion, to celebrate the introduction of a new and innovative financial product; Eco-Cash, being launched this evening by Econet Wireless, in partnership with TN Bank.
2. As we have already heard from our previous speakers here tonight, Eco-Cash offers a mobile banking platform which allows users to send or receive money anywhere in the country using their cellular phones and other communication devices.
3. We are encouraged, as a Central Bank, to see our local banks partnering with relevant stakeholders and producing innovative products, realising that the traditional banking practices must now be complimented with up-to-date communications infrastructure, so as to provide our communities the best financial services the world has to offer.
4. Today therefore marks a significant milestone in our journey, as country, towards ensuring that our financial services sector is backed by modern technological advancements which are accessible to, and are also beneficial to all Zimbabweans

TECHNOLOGY AS A BRIDGE TO FINANCIAL INCLUSION

5. Ladies and Gentlemen, what we are witnessing here today dovetails with the strategic vision that we have as the Central Bank for financial inclusion the country.
6. By this we mean that financial services must of necessity be accessible to every citizen in the country regardless of wherever they are within the borders of Zimbabwe.
7. Our research has shown that while being active participants in economic activity in the country, communities in rural and peri-urban areas, have not been fully integrated in the mainstream economy partly has a result of inadequate banking services in their respective areas.
8. It is our firm belief therefore, that mobile banking products such as Eco-Cash, will go a long way in ensuring the participation of such marginalised groups into the formal financial system of the country.

BANK USE PROMOTION

9. Ladies and Gentlemen, the economy of Zimbabwe is also set to benefit from mobile banking products particularly since such services directly encourage banking, as opposed to keeping one's earnings in hard cash.
10. This by itself is in line with the national drive to encourage the use of the formal banking sector, as outlined in the provisions of the Bank Use Promotion and Suppression of Money Laundering Act [Chapter 24:24] and other relevant legislation.
11. As Monetary Authorities, we therefore take this opportunity to take cognisance of the efforts of a number of other banking institutions that have partnered with Mobile Network Operators in providing similar mobile banking and electronic-based financial products to the transacting public.

THE GROWTH IN ELETRONIC TRANSACTIONS IN ZIMBABWE

12. Let me take this opportunity to inform you, ladies and gentlemen, that our financial system has witnessed a significant growth of electronic transactions over the past year; itself a

reflection of the growing confidence in our banking sector by the transacting public.

13. The period 1 January to 31 August this year, has seen the financial sector recording electronic transactions worth a cumulative US\$21 billion. This represents an increase of 62% from the US\$13 billion recorded during the same period last year.
14. Without doubt, this upward trend should continue, as our banks together with their strategic technological partners, continue to unveil innovative financial products and services such as the one we are celebrating here tonight.
15. As the Central Bank we shall continue to play our part in providing a supportive and enabling environment through which electronic banking platforms will continue to thrive.

ICT AS AN ENGINE FOR ECONOMIC DEVELOPMENT

16. The continued growth in ICT infrastructure in Zimbabwe is commendable, given that global trends have shown how such progress has a positive impact on the performance of any country's economy.

17. An extract from a 7th of February 2008 issue of the Economist reads as follows:

18. **Open Quote:** “MOBILE phones are frequently held up as a good example of technology's ability to transform the fortunes of people in the developing world. In places with bad roads, few trains and parlous land lines, mobile phones substitute for travel, allow price data to be distributed more quickly and easily, enable traders to reach wider markets and generally make it easier to do business. The mobile phone is also a wonderful example of a “leapfrog” technology: it has enabled developing countries to skip the fixed-line technology of the 20th century and move straight to the mobile technology of the 21st.” **Close Quote.**

19. A recent World Bank report suggested that for every 10 percentage-point increase in broadband penetration, economic growth could rise by 0.73 percentage points in developing economies particularly in Africa.

20. Ladies and Gentlemen, it is little wonder why over the past decade; the growth of mobile technology across developing countries has been phenomenal.
21. Examples that come to mind include the significant growth of mobile based payment initiatives such as M-Pesa in Kenya and G-Cash in the Philippines.
22. From where we stand as a Central Bank, we are encouraged that Zimbabwe is now more geared than ever before, to capitalise on ICT developments for the benefit of its own people and the economy at large.
23. We therefore take this opportunity to commend initiatives being undertaken by both Government and the private sector to ensure that the country fully benefits from appropriate and relevant technologies suitable for the Zimbabwean environment.

CONCLUSION

24. Let me conclude by saying that the road to the launch of Eco-Cash was not an easy one. This initiative was first brought to our attention as far back as July, 2010.

25. Between then and now, it has been a tough exercise of rigorous assessments and regulatory checks at the hands of our technocrats from the Central Bank.
26. I therefore wish to commend Econet Wireless and TN Bank for having passed the first test. As Monetary Authorities, we shall continue to provide the necessary oversight so as to ensure that the product continues to comply with existing banking regulations.
27. Ladies and gentlemen, join me once again in congratulating Econet Wireless and TN Bank on the successful launch of their very own mobile banking product.
28. With these few remarks, I declare Eco-Cash officially launched.
29. I thank you.

DR. G. GONO
GOVERNOR

29 September, 2011