

# Money Transfer Industry Trends and challenges



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# Let's examine the trends – and analyze them

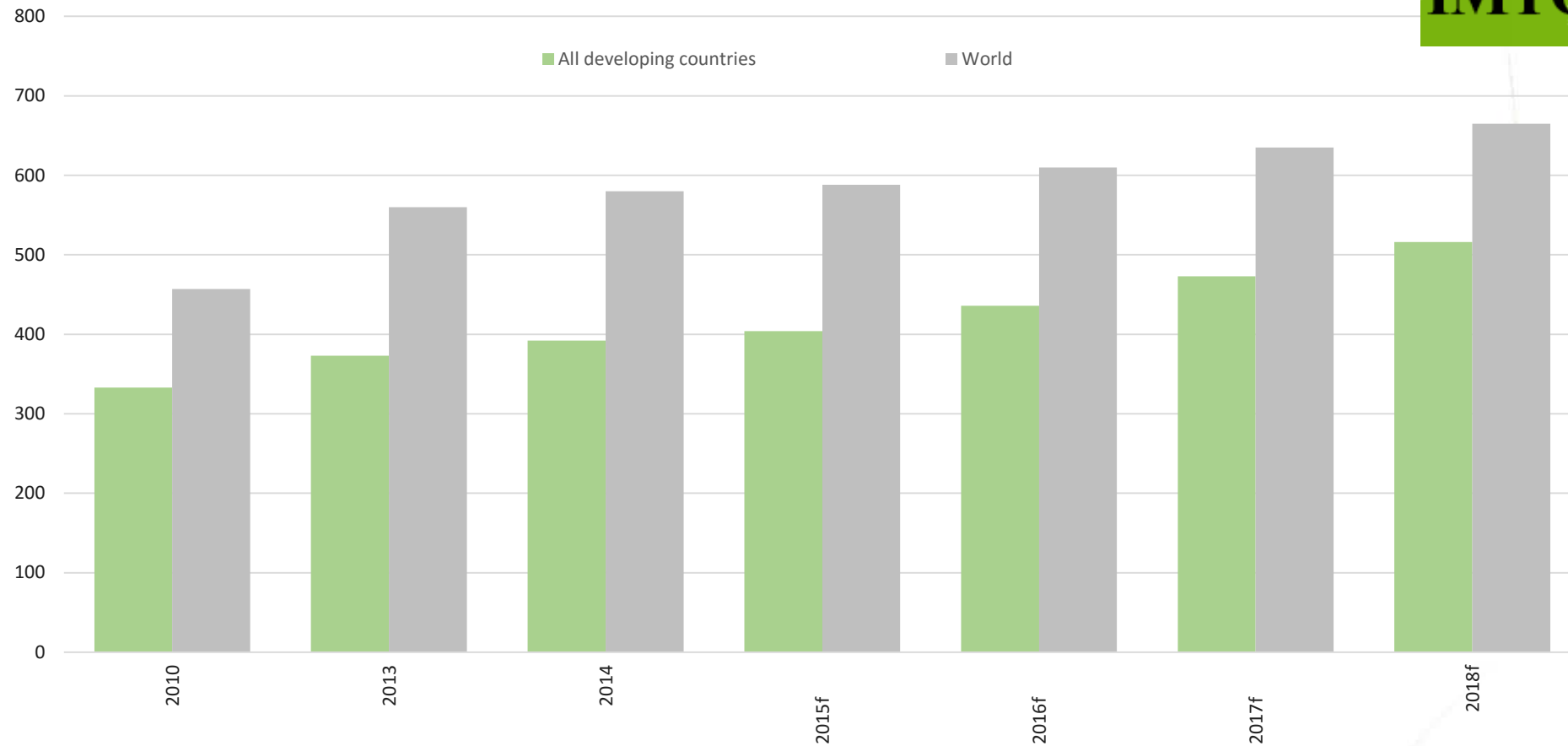
- Growth
  - Are we experiencing growth in all the regions?
  - Are we experiencing growth in all our channels?
  - What is happening in sending markets? Trends?
  - What is happening in receiving markets? Trends?
- Pricing
  - Is price pressure seen across all remittance corridors?
  - Is price pressure seen across all channels?
- Costs
  - What factors are contributing to operational cost increases?
- M & A
  - Are we experiencing a trend on more M&As? Why? Where?
- Developments to watch for

# Fact #1 – Remittance Volumes continue to grow



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World Bank estimates and projections for remittance flows

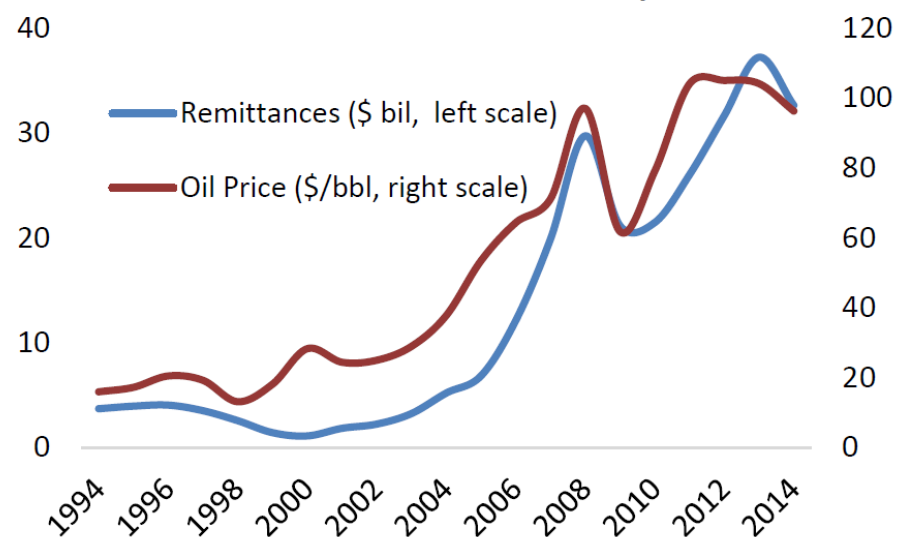


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# Fact #1 – Remittance Volumes continue to grow

- Are we experiencing growth in all the regions?
  - North America
  - South to South
- Where is not coming from?
  - Europe
  - Russia
  - The Gulf?
  - Middle East?

Figure 2: Russia's remittances outflows are closely related to the oil price



## Fact #2 – All Channels are growing

- Are we experiencing growth in all our channels?
  - What is happening in sending markets? Trends?
    - Traditional Agent-based models
    - Online/Mobile
    - Telco Channels
    - Cards
    - Alternative Payments



## Fact #2 – All Channels are growing

- What is happening in receiving markets? Trends?
  - Banks
  - Bank – NBFIs Networks
  - NBFIs Networks
  - Telco Networks
  - Retail Networks



## Fact #3 – Pricing Pressure has subsided

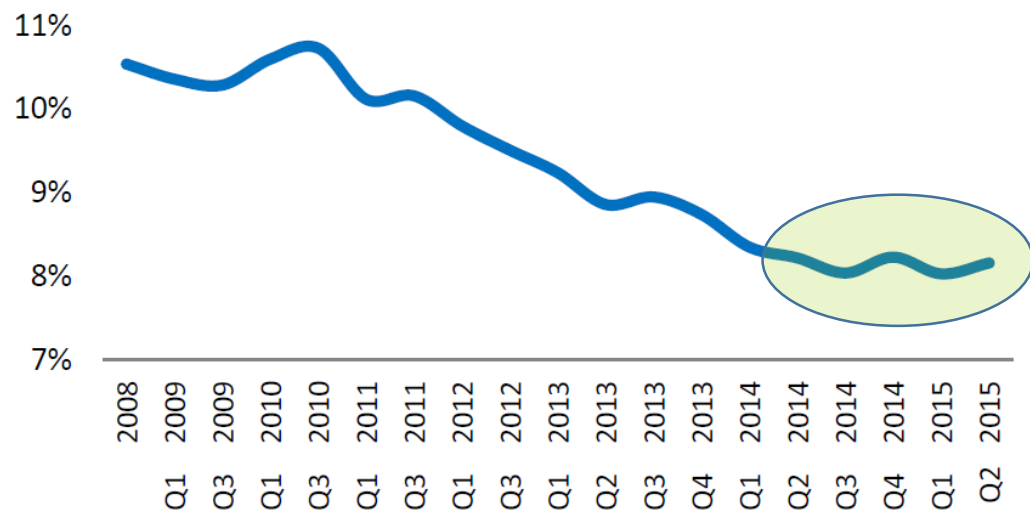




# Fact #3 – Pricing Pressure has subsided

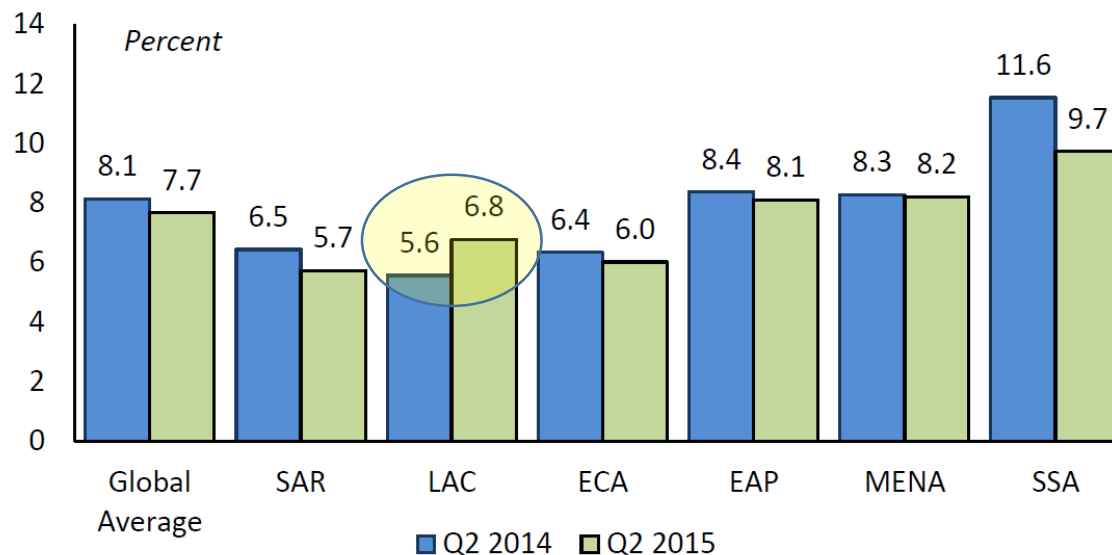
➤ Has remittance prices stabilized in recent months? Will they grow?

Figure 3: The cost of sending \$200 has fallen



Source: Remittance Prices Worldwide, the World Bank

Figure 5: The average cost of sending \$200 is highest in Sub-Saharan Africa



Source: Remittance Prices Worldwide, the World Bank.

## Fact #3 – Pricing Pressure has subsided

- Is price pressure seen across all channels?
  - Traditional Agent-based models?
  - Online/Mobile?
  - Telco Channels?
  - Cards?
  - Alternative Payments?



## Fact #4 – Operational Costs are increasing

- What Costs are increasing and why?
  - Compliance
  - Regulation
  - Bank Access
  - Technology

~~Bank Access~~



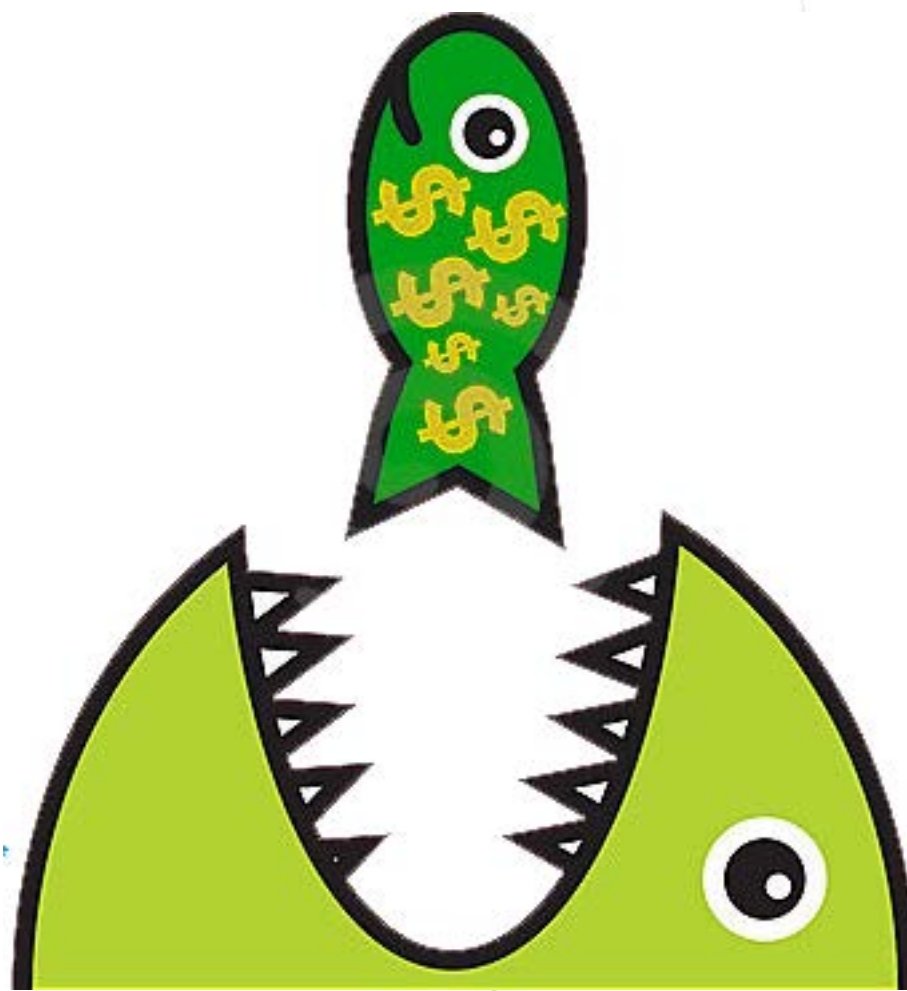
## Fact #4 – Operational Costs are increasing

- What Costs are decreasing?
  - Leaner Teams
  - Sales Team Bonuses
  - Agent Compensation
  - Distribution Networks Growth
  - Agent Credit Risk



## Fact #5 – M&As are increasing

- Are we experiencing a trend on more M&As?
- Why?
- Where?
  - USA
  - Europe



## Fact #6 – New Products linked to Remittances are emerging

- Are they interesting to offer?
- What Products should we consider
  - Airtime
  - Bill Payment
  - Prepaid Card
  - Check Cashing
  - Cash in – Cash out
  - Packaging
  - Lending





**Fact #7 – Am I missing something?**

# THANK YOU

If you want to contribute to IMTC, expressing or presenting ideas, participating on a panel, contributing with information, etc. please contact us at [help@imtconferences.com](mailto:help@imtconferences.com)