

STATE OF THE INDUSTRY: *PAYMENTS IN EUROPE*

Some personal thoughts from Leon Isaacs, CEO, DMA Global



Leon Isaacs



International Development Agenda

- SDG 10.c – the 3 per cent target
- Global Compact for Remittances –
 - Objective 20: Promote faster, safer and cheaper transfer of remittances and foster financial inclusion of migrants
 - Objective 19 Create conditions for migrants and diasporas to fully contribute to sustainable development in all countries
 - International Day of Family Remittances – June 16

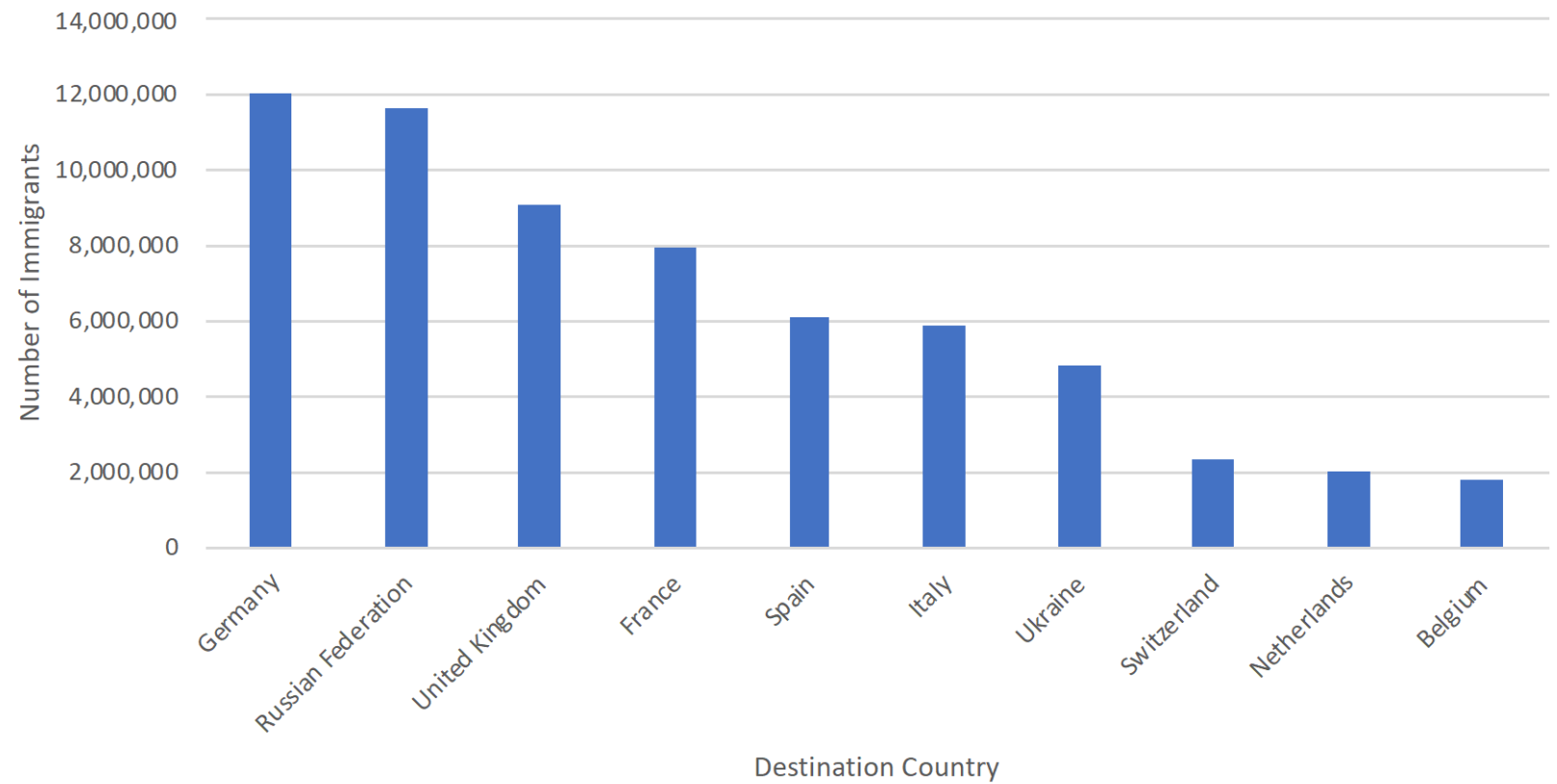


Political considerations and implications



Top 10 countries for receiving Migrants

Immigrants to Europe, Top 10 Destination Countries 2017

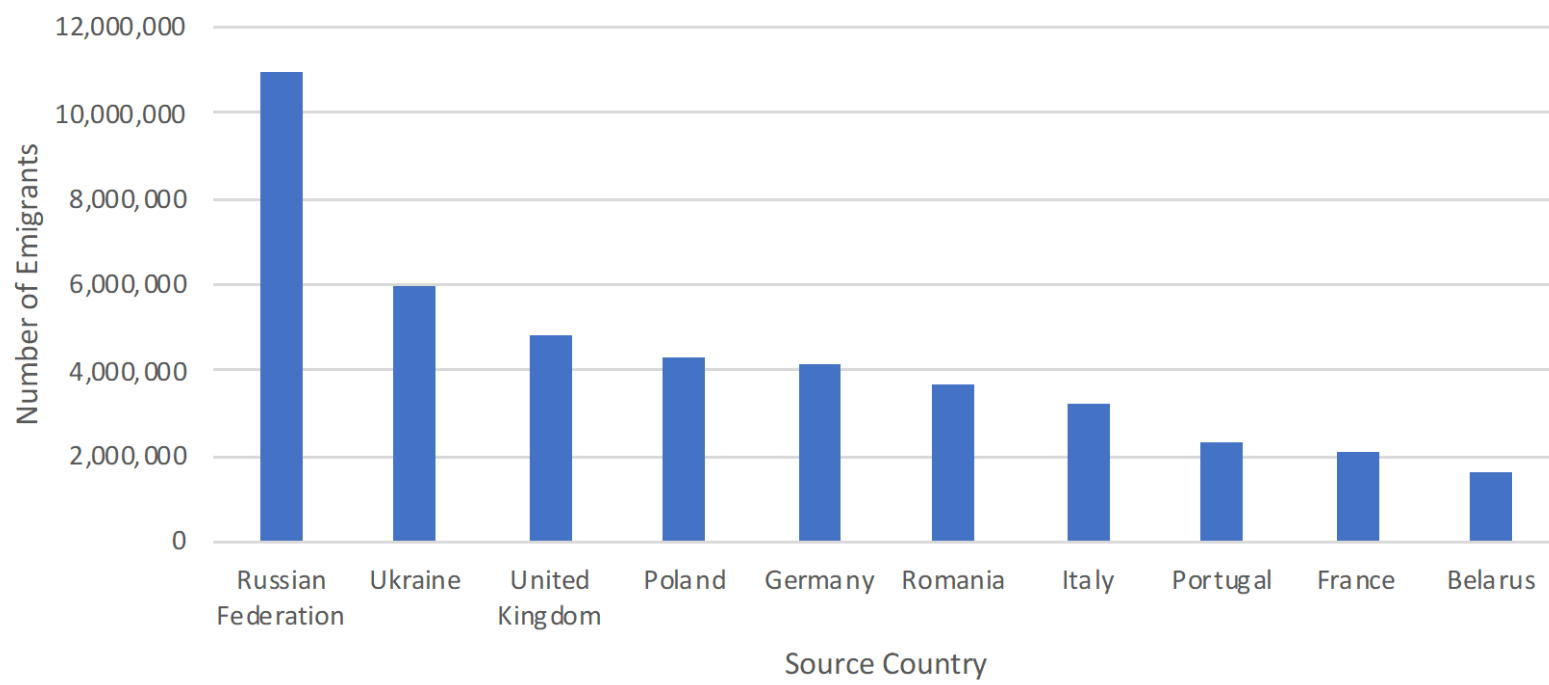


Destination Country (down)	Total Inbound Immigrants to Europe 2017
Germany	12,035,240
Russian Federation	11,651,435
United Kingdom	9,063,422
France	7,969,551
Spain	6,105,479
Italy	5,906,811
Ukraine	4,831,204
Switzerland	2,388,534
Netherlands	2,028,487
Belgium	1,772,458

Source: World Bank

Top 10 migrant outflows

Emigrants from Europe, Top 10 Source Countries 2017

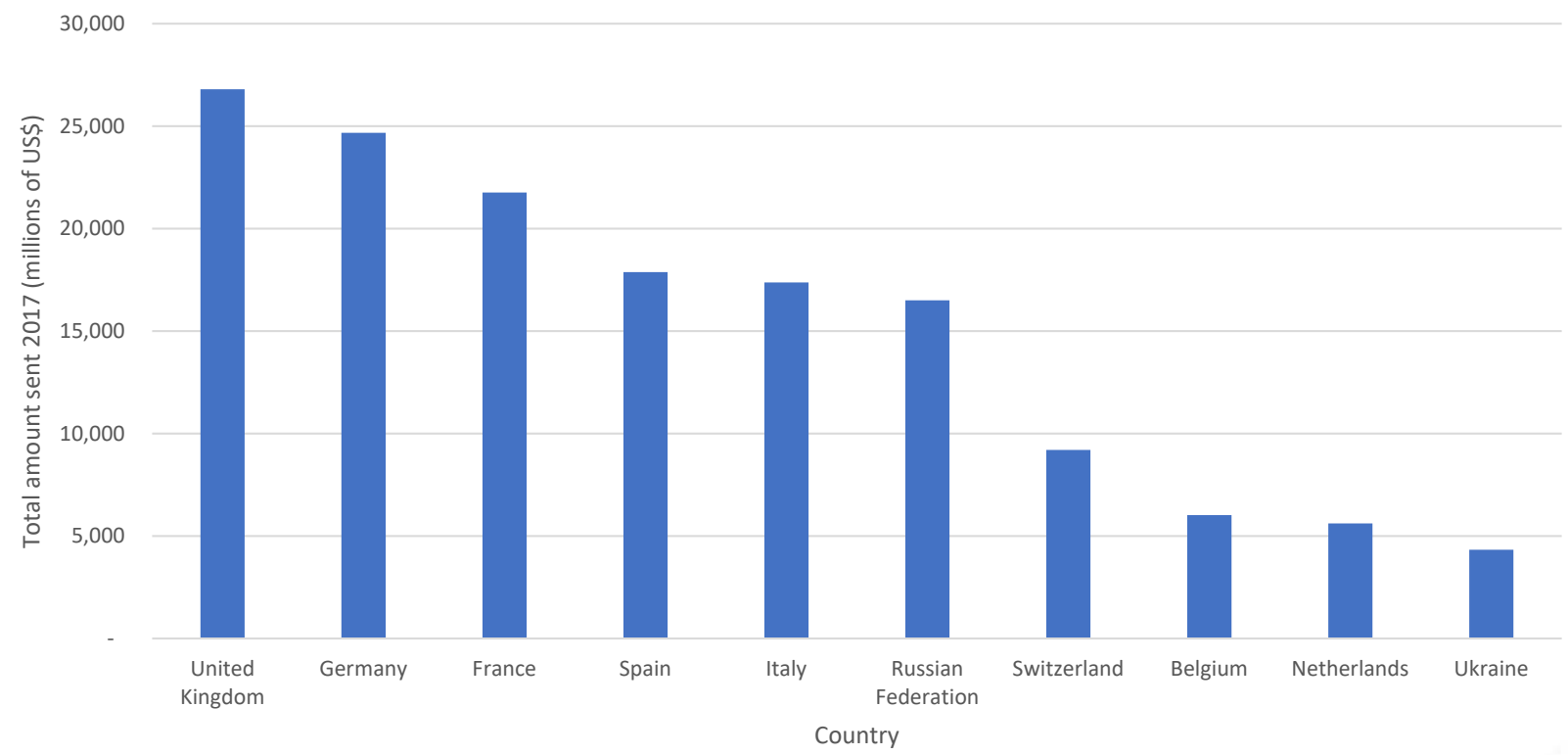


Source Country (down)	Total Emigrants from Europe 2017
Russian Federation	10,961,149
Ukraine	5,995,314
United Kingdom	4,812,435
Poland	4,294,296
Germany	4,141,718
Romania	3,662,849
Italy	3,236,049
Portugal	2,288,235
France	2,072,313
Belarus	1,646,080

Source: World Bank

Transaction trends – top send markets

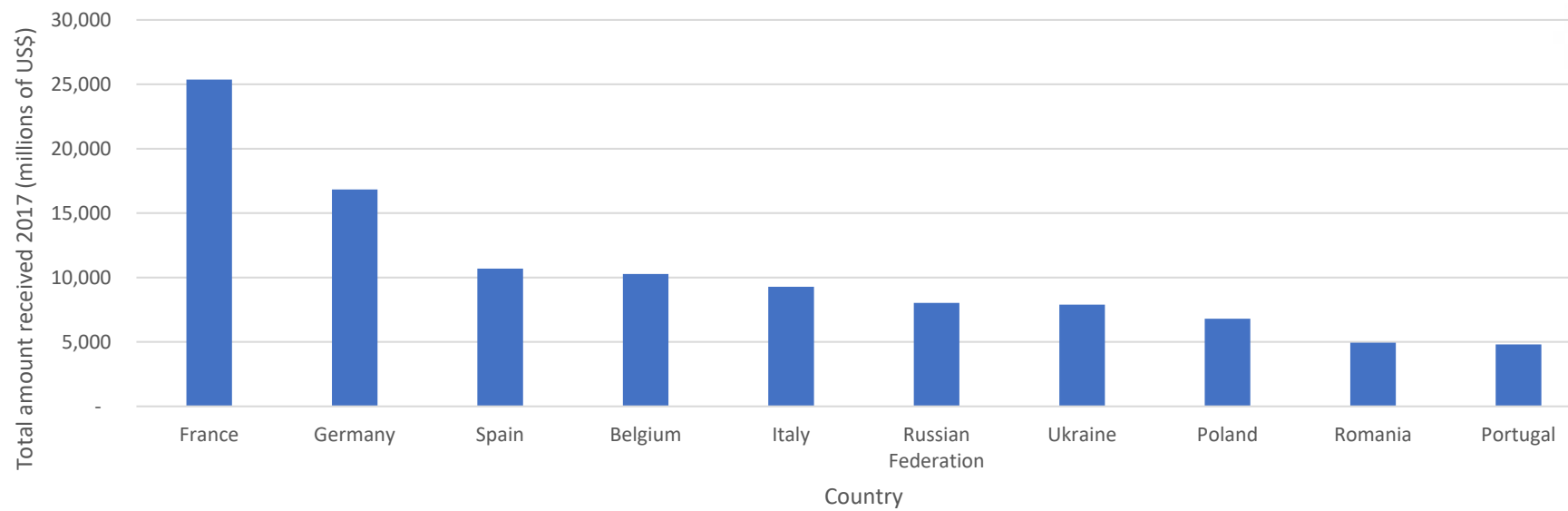
Top 10 largest send countries in Europe



Remittance-sending country (down)	Total amount sent 2017 (millions of US\$)
United Kingdom	26,801
Germany	24,671
France	21,758
Spain	17,874
Italy	17,369
Russian Federation	16,503
Switzerland	9,197
Belgium	6,022
Netherlands	5,615
Ukraine	4,328

Top receive markets

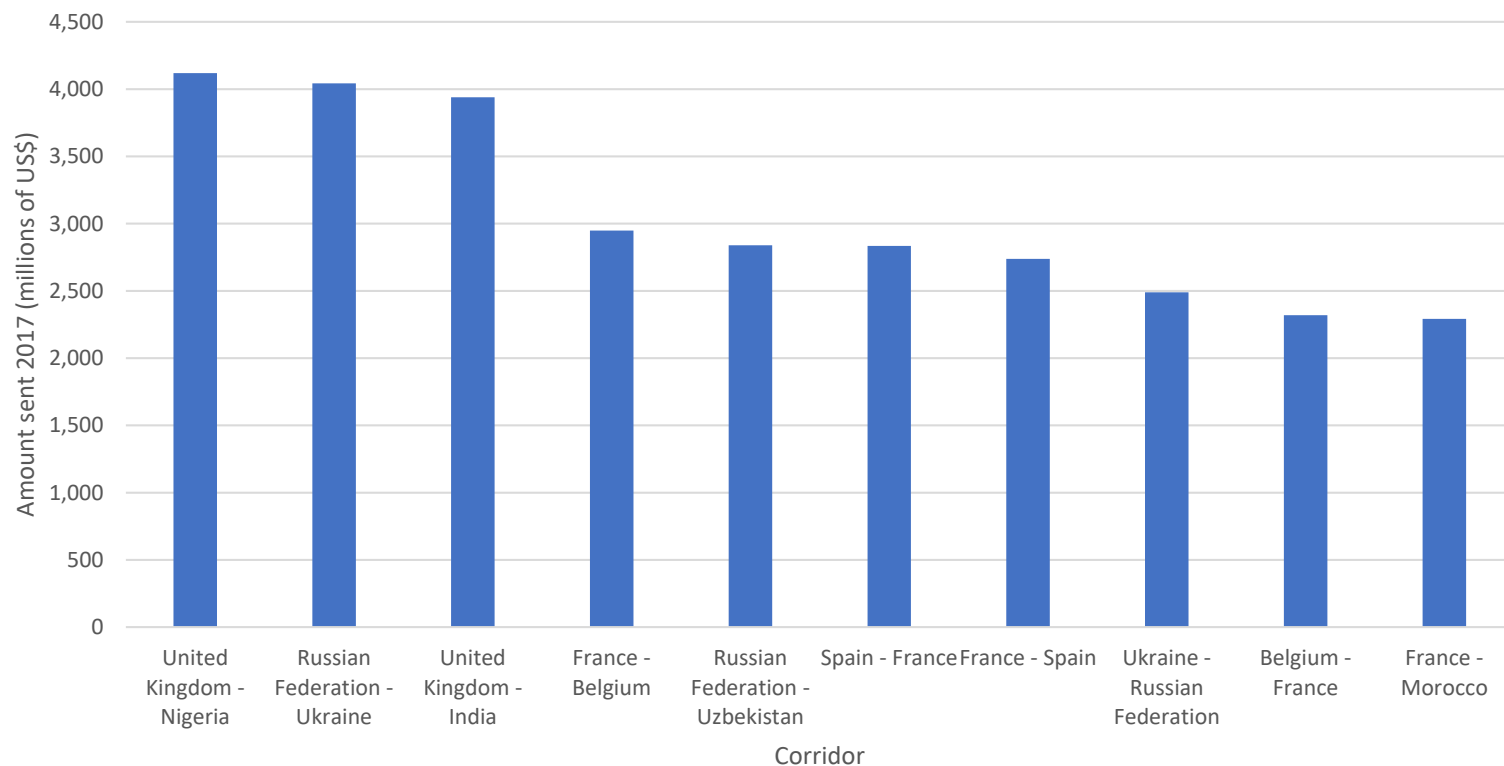
Top 10 largest receive countries in Europe



Remittance-receiving country (down)	Total amount received 2017 (millions of US\$)
France	25,372
Germany	16,833
Spain	10,692
Belgium	10,273
Italy	9,287
Russian Federation	8,026
Ukraine	7,895
Poland	6,805
Romania	4,944
Portugal	4,811

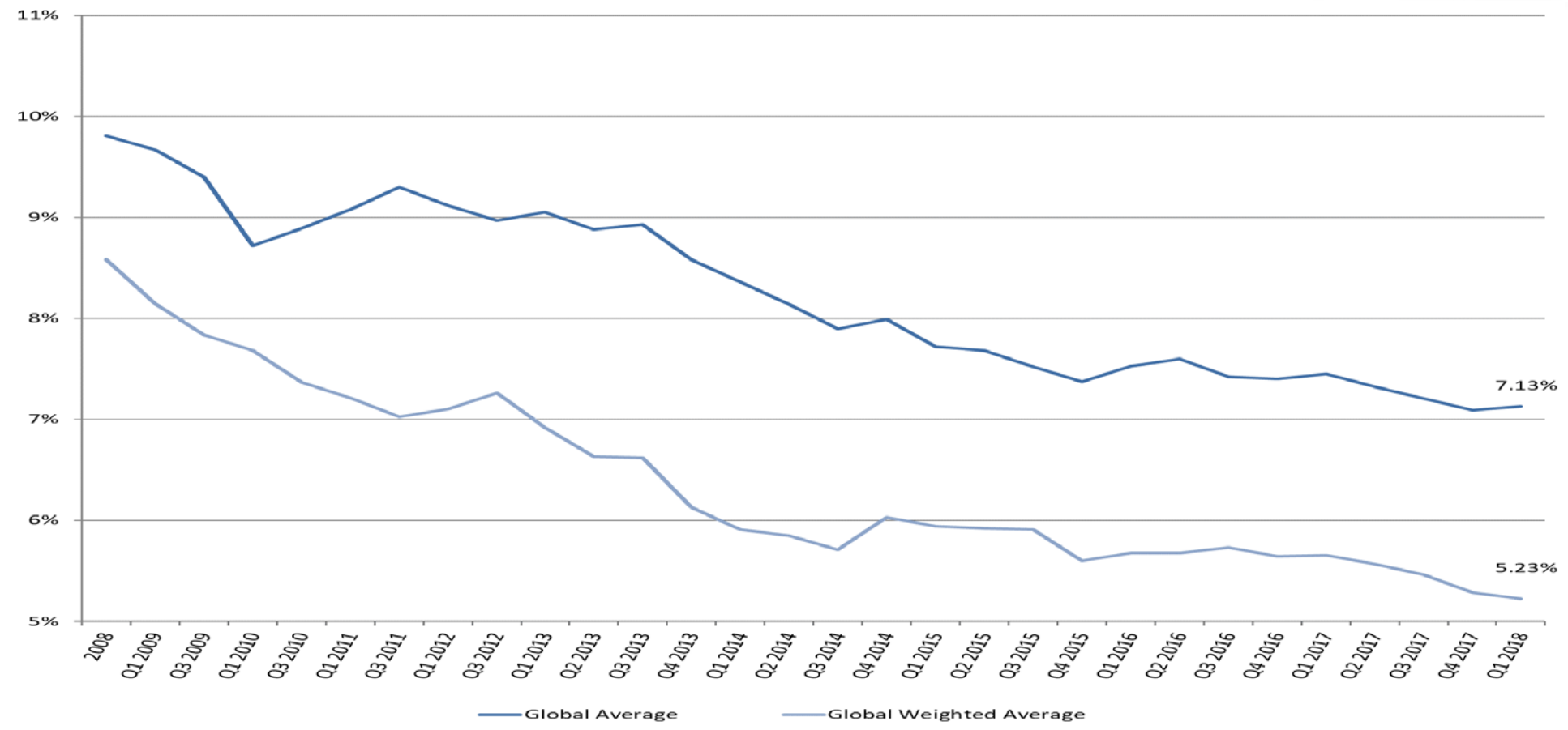
Largest send corridors

Top 10 largest European outbound corridors



Largest European Outbound Corridors	
Corridor	Amount sent (millions of US\$)
United Kingdom - Nigeria	4,119
Russian Federation - Ukraine	4,043
United Kingdom - India	3,940
France - Belgium	2,949
Russian Federation - Uzbekistan	2,839
Spain - France	2,835
France - Spain	2,738
Ukraine - Russian Federation	2,490
Belgium - France	2,319
France - Morocco	2,292

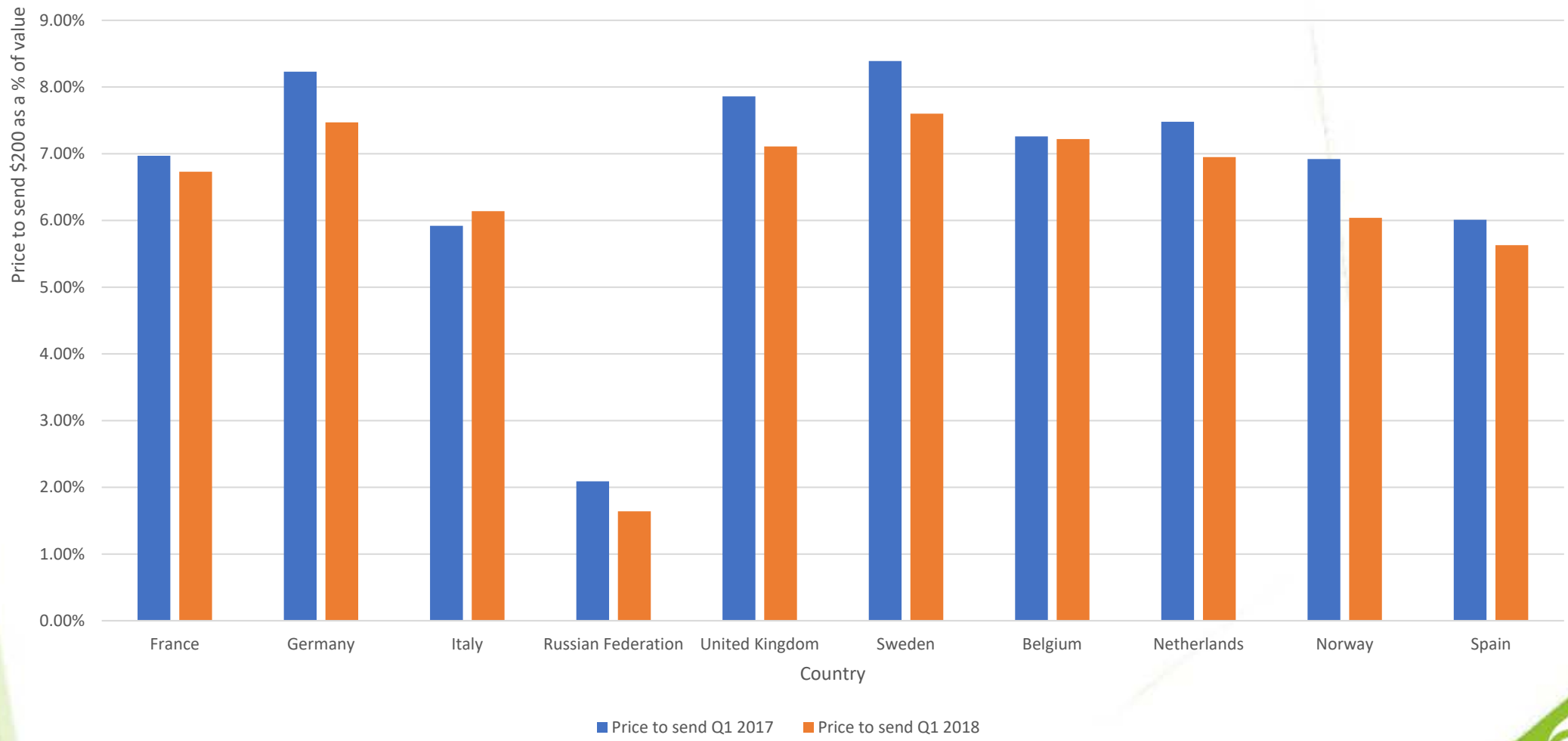
Global weighted average cost



European pricing trend - \$200

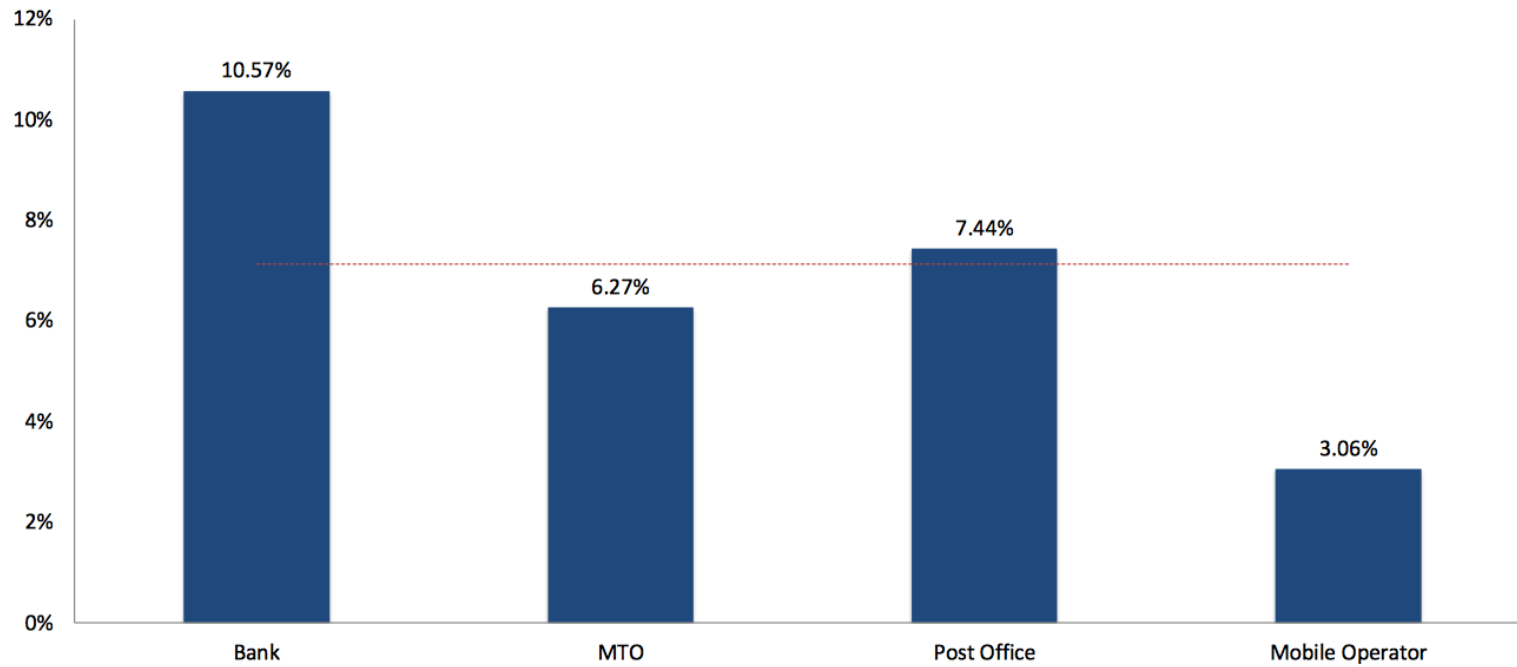


Cost to send from European countries Q17 and Q18 (RPW data)



Mobile is the cheapest method

Figure 11 Total average by RSP type



Regulation

- PSD2
 - Application for reauthorisation in UK
- GDPR
- AMLD5

Derisking – what is really happening?

- 5 years on and no improvement. Multiple agencies interested – FATF, BIS, Regulators, development agencies.
- More studies
 - FSB report on derisking
 - World Bank study
- Banks generally not opening accounts in Europe
- IAMTN trying to seek support for a code of conduct/charter
- Not going to get better any time soon – banks have no incentive to resolve this and regulators don't seem to want to provide the comfort banks crave



Consolidation

- Derisking
- PSD2
- Market pressures – compliance costs
- Technology



Innovation

- *Mobile*
- *Cash Resilience*
- *Settlement*
- *Blockchain*
- *Cryptocurrency*



"My team has created a very innovative solution, but we're still looking for a problem to go with it."

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