

REMITTANCES IN SOUTHERN AFRICA

FACTSHEET

December 2024

* The factsheet does not include remittance flows to Zimbabwe due to the lack of data*

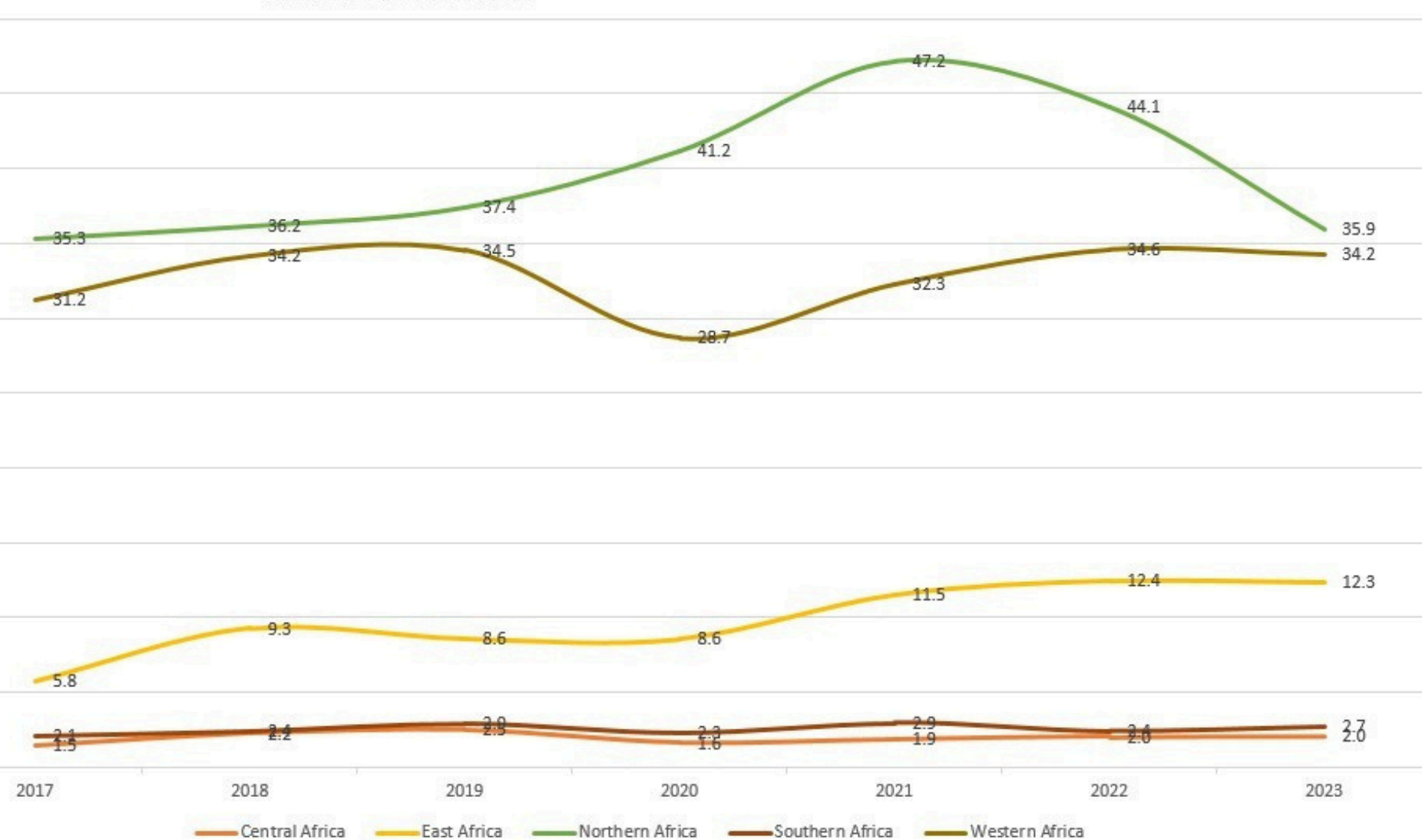


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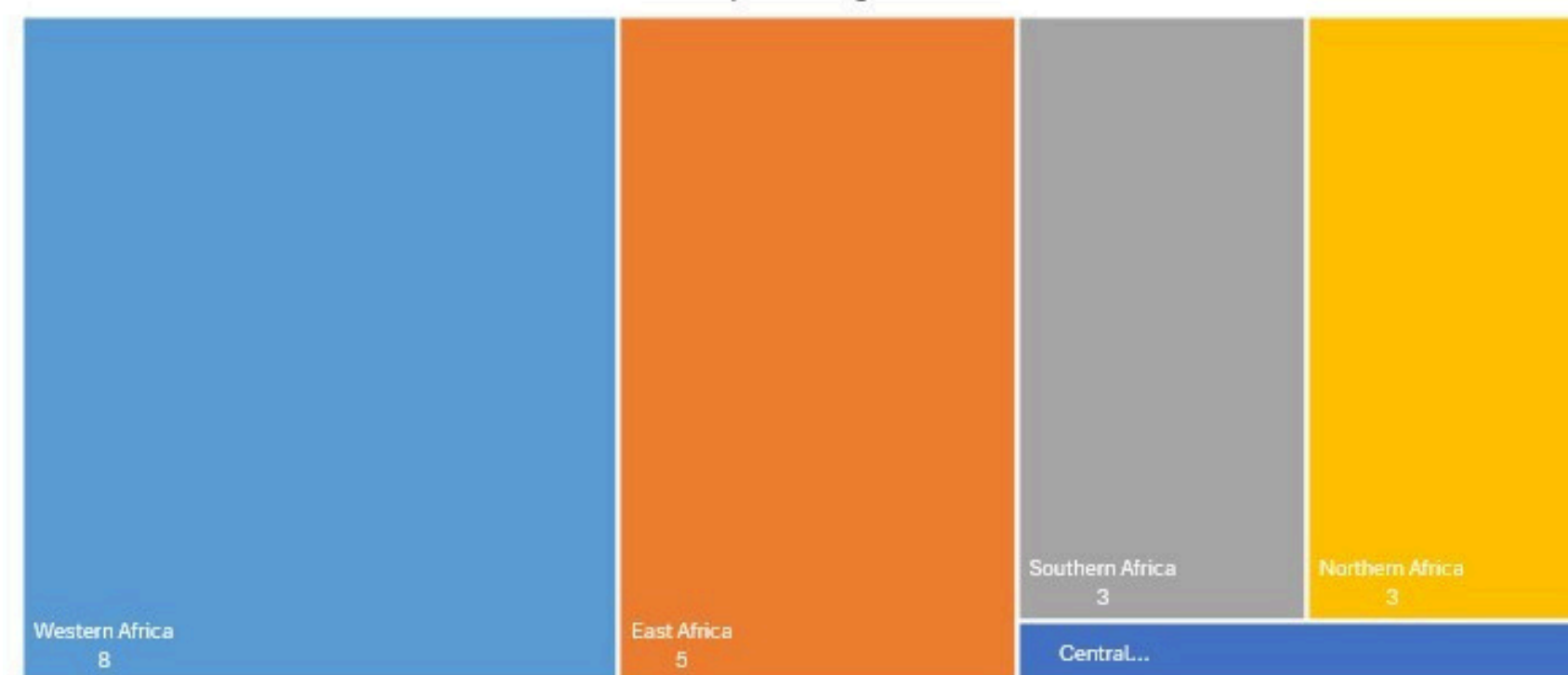


OVER THE LAST DECADE, REMITTANCES FROM SOUTHERN AFRICAN MIGRANTS HAVE INCREASED IN VOLUME REACHING AROUND \$3 BILLION IN 2023.

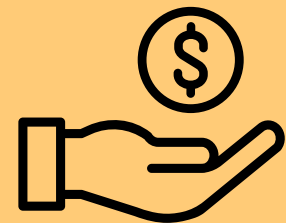
Remittance inflows to Africa



Remittances as percentage of GDP in 2023

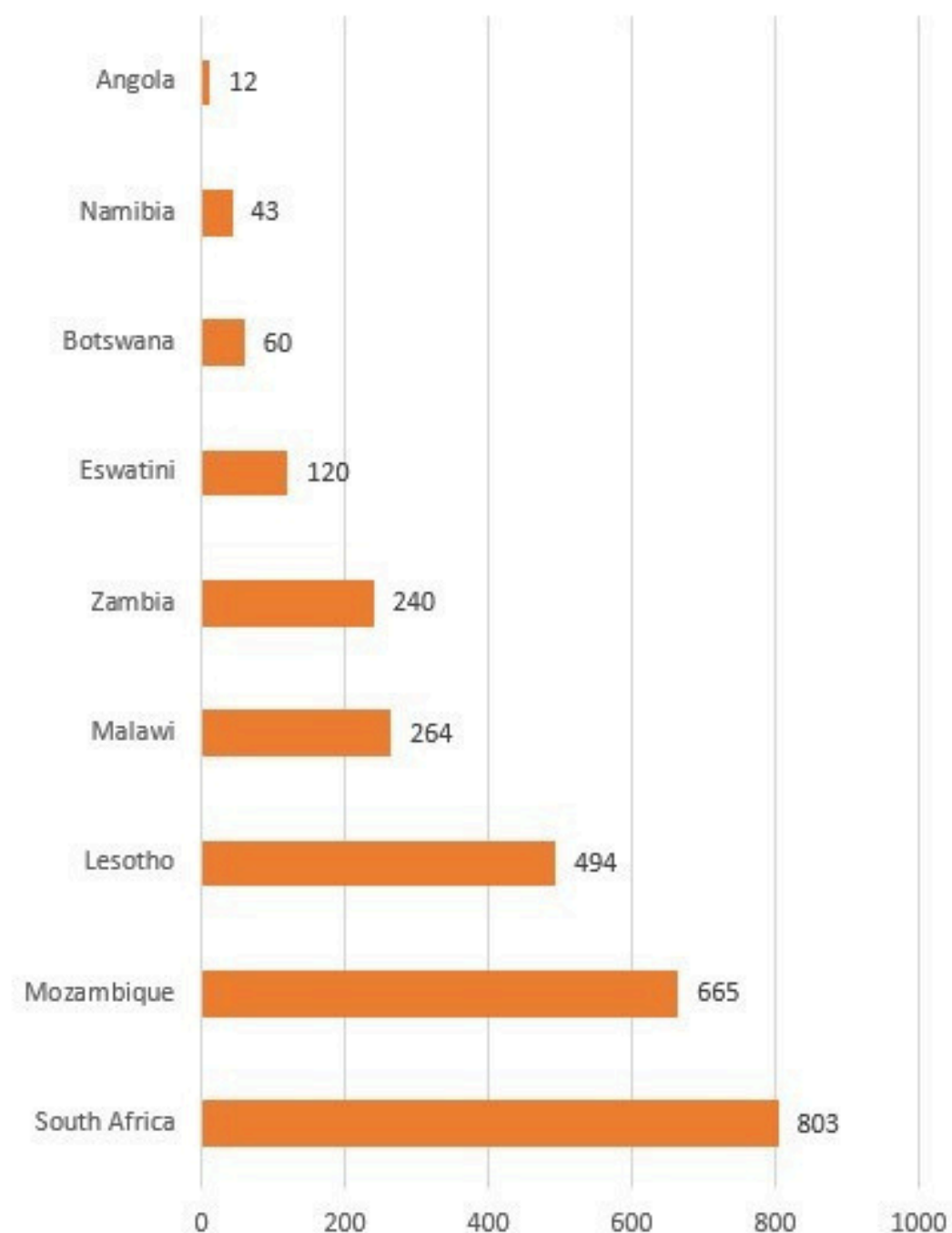


Source: World Bank-KNOMAD



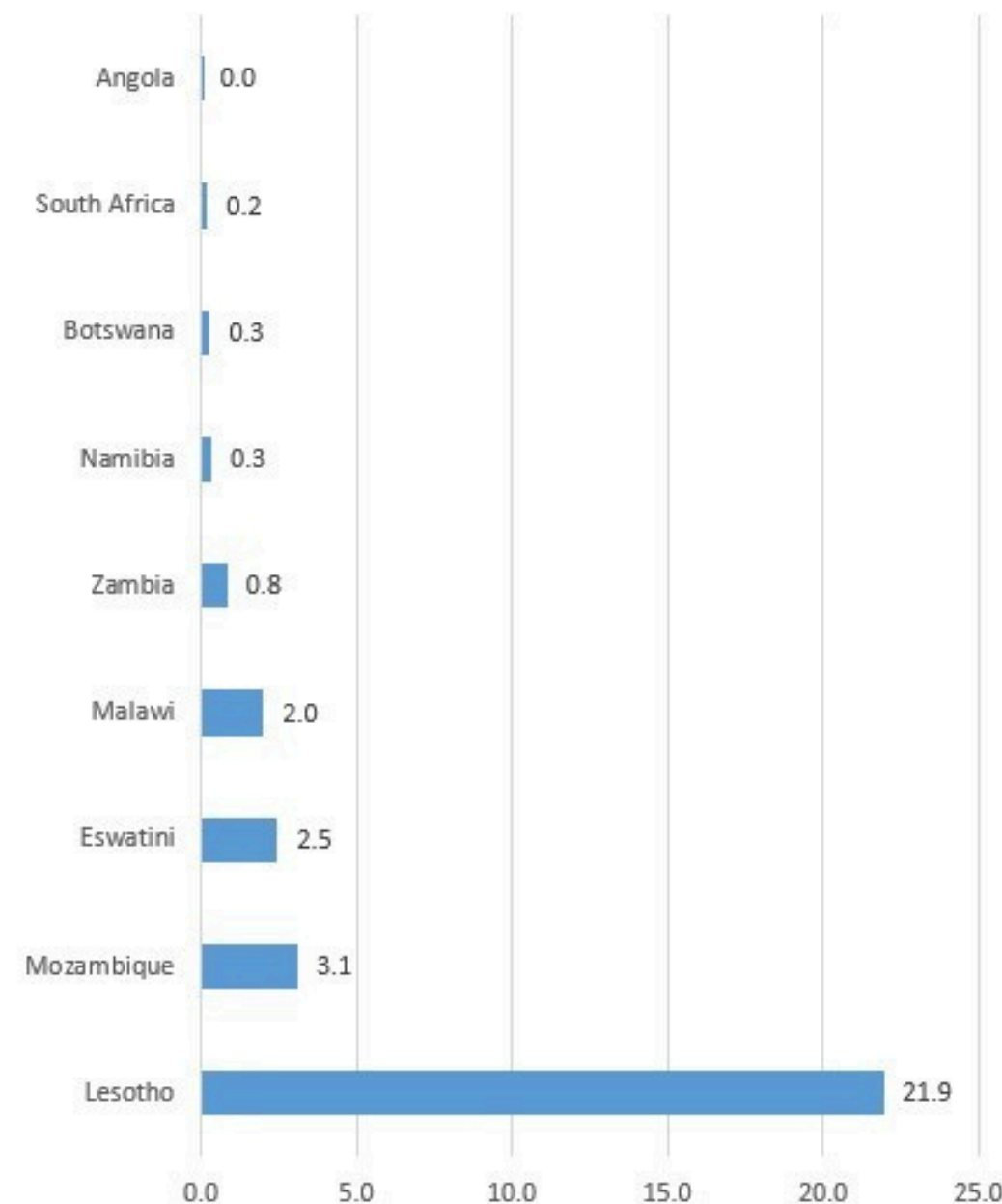
SOUTH AFRICA CONTINUED TO RECEIVE THE LION'S SHARE OF REMITTANCES TO THE SUB-REGION IN 2023

Remittances in \$ million in 2023



Source: World Bank-KNOMAD

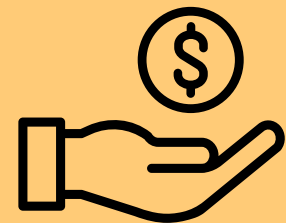
Average of % of GDP in 2023



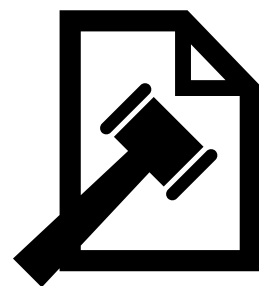
Source: World Bank-KNOMAD

LESOTHO IS THE COUNTRY MOST RELIANT ON REMITTANCES, HOWEVER, REMITTANCES PLAY AN IMPORTANT ROLE EVEN WHEN REPRESENTING A SMALL PERCENTAGE OF THE GDP

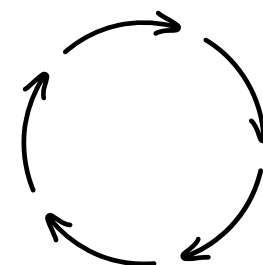




MAIN CHALLENGES HINDERING REMITTANCES INFLOWS TO SOUTHERN AFRICA



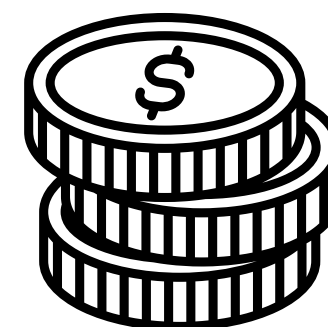
Regulatory
barriers



Heavy reliance on
informal channels



Low technological
infrastructure and
innovation



Under-developed
financial sector
and limited
financial inclusion



High banking
transfer costs





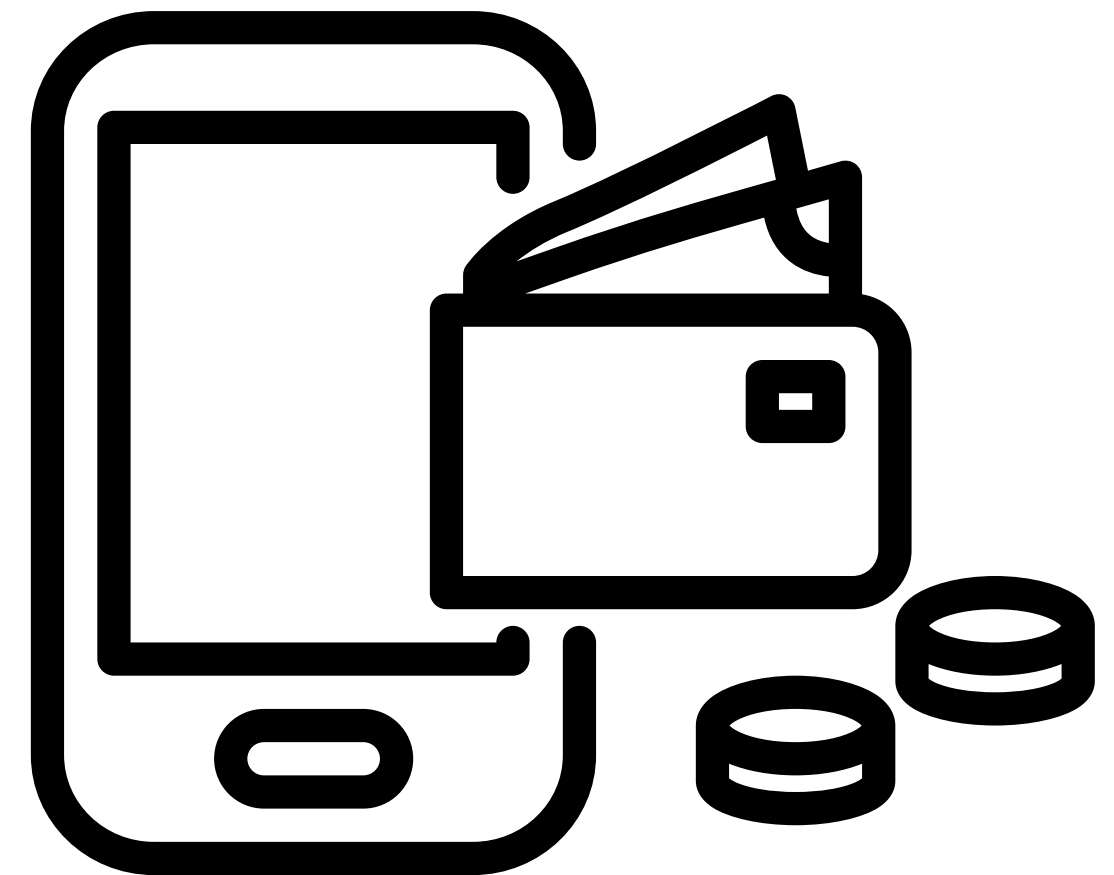
IN 2023, THE OVERALL COST OF SENDING MONEY TO SOUTHERN AFRICA WAS HIGH AVERAGING AROUND 13.5%. THIS WAS LARGELY DUE TO THE HIGH FEES ASSOCIATED WITH BANK ACCOUNT TRANSFERS

Mobile money continued to be the cheapest transfer instrument in 2023



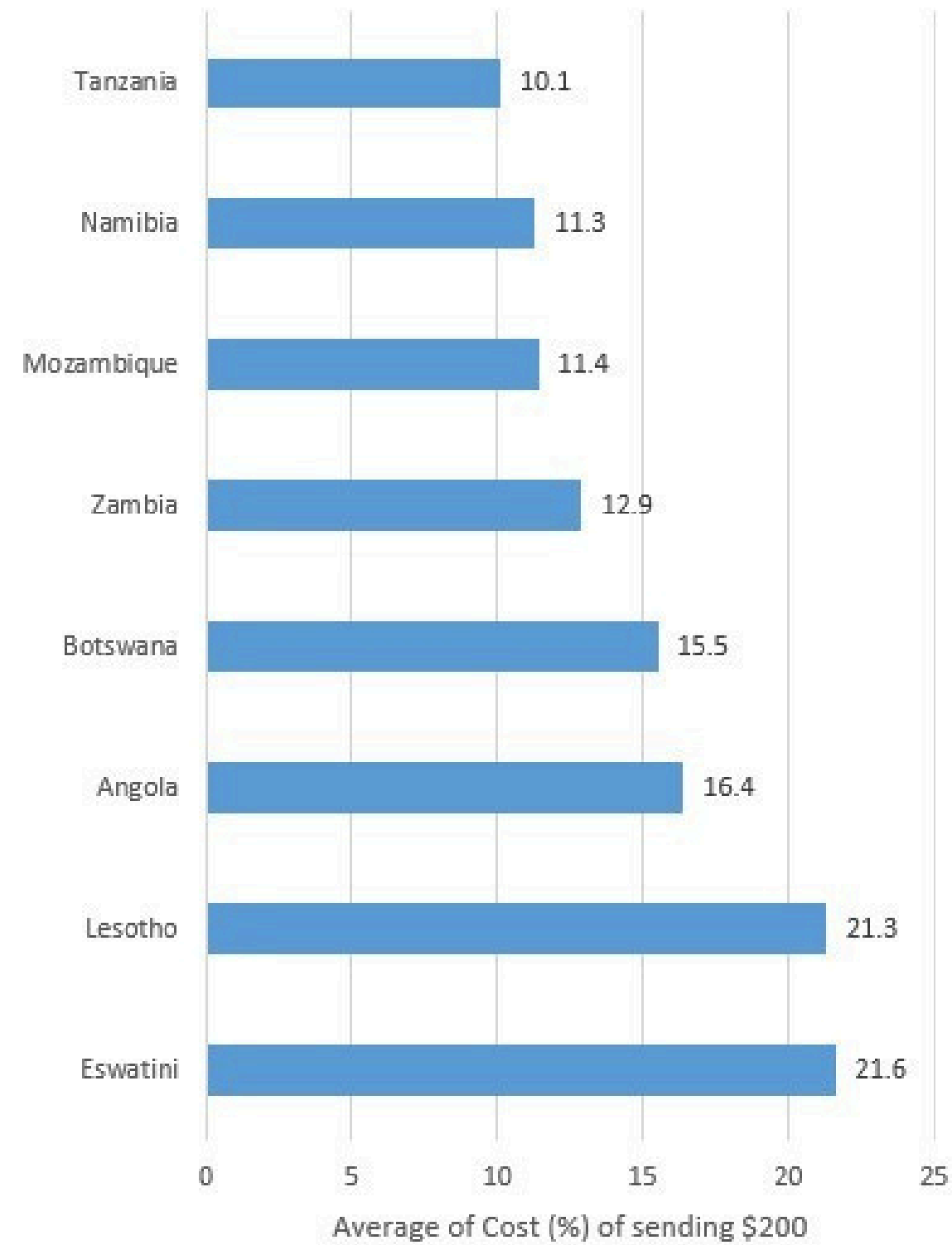
Source: World Bank, Remittance Prices Worldwide

Digitalization of remittances (mobile money) is the solution for cheaper, safer and faster remittances





**THE TRANSFER COST ON SOME CORRIDORS IS EXTREMELY HIGH
MAINLY DUE TO ELEVATED BANKING FEES**



Source: World Bank, Remittance Prices Worldwide

THE WAY FORWARD

Support innovative
business models and
fintech partnerships.

Put in place
comprehensive
consumer protection
laws and promote trust
and cybersecurity.

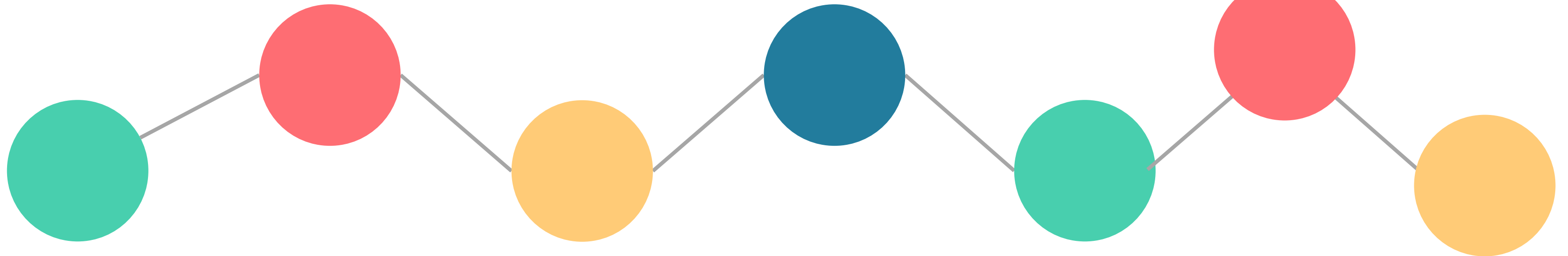
Provide clear
information on fees and
exchange rates.

Promote sustainable
business models for digital
remittances.

Harmonize policy
framework for robust
Public-Private
Partnerships (PPPs).

Simplify digital user
interfaces and
implement educational
programs.

Encourage
competitive pricing
and market
competition.





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