

Mastercard signs new deals to capitalize on payments digitization in the Middle East and Africa

Article

The news: Mastercard signed two deals focused on expanding digital payments solutions in the Middle East and Africa.

- It **partnered** with payments fintech Sokin to support the rollout of Sokin's cross-border payments products across the region, per a press release. Sokin offers customers a multicurrency payments app and an accompanying debit card for a fixed monthly fee (depending on their country of residence). These tools let users make unlimited international money transfers and transactions. Under the multi-year partnership, Sokin will use Mastercard's digital banking and card services to scale the Sokin Card and app across 39 markets in the Middle East and Africa.
- Mastercard also **teamed up** with issuer-processor i2c and digital payments provider One Global to issue mobile wallets, per Zack's. The alliance will let banks, fintechs, and merchants access a broad set of financial tools to develop digital payment solutions for consumers in the Middle East and Africa. These providers will be able to go to market faster and more efficiently through Mastercard's Fintech Express program, which houses card and mobile wallet issuing tools.

Why it's worth watching: Digital payments are quickly gaining steam in the Middle East and Africa amid declining cash use. Despite having the highest cash penetration of any global region, the Middle East and Africa witnessed a sharp 16.3% year-over-year (YoY) drop in cash payments in 2021, **per** FIS. And between 2021 and 2025, the share of point-of-sale payments made with cash is expected to tumble 42% YoY.

Mastercard's recent partnerships—including a separate **tie-up** with Nigerian fintech **OPay** that took place earlier this month—add to a growing list of payment deals occurring in the market. **Discover**, **PayPal**, and **Visa** are among the international providers that have pursued the Middle East and Africa through tie-ups with local fintechs in the last year. We **predict** multinational providers will shift their focus from partnerships to acquisitions in 2022 to scale faster.

The big takeaway: Mastercard can use its card and mobile wallet tie-ups to gain a stronger foothold in the Middle East and Africa as the region continues to digitize.

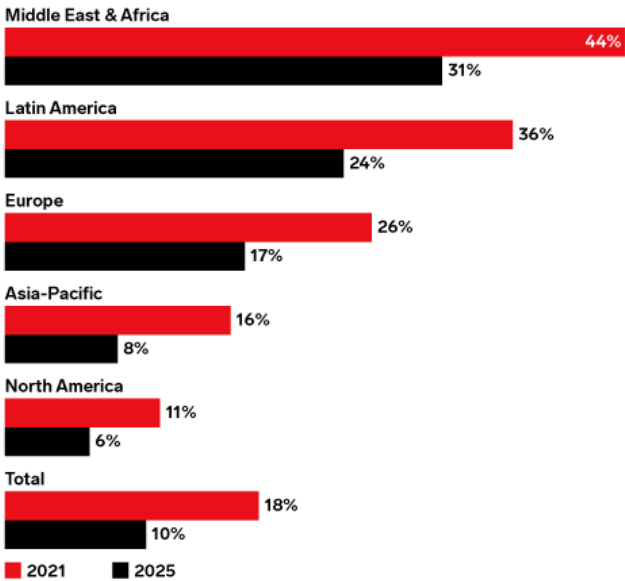
Cards may have a longer-term growth trajectory as more consumers enter the banking ecosystem. But mobile wallets are likely to see strong growth in the short term thanks to the prevalence of mobile money accounts and growing **mobile phone penetration**. What's more,

the Middle East and Africa are expected to see the fastest growth (+12.9% YoY) in proximity mobile payment penetration in 2022, [per](#) Insider Intelligence forecasts.

Related content: Check out [“Insider Intelligence’s Payments Trends to Watch in 2022”](#) report to learn about other key topics we’re keeping an eye on and how we think they’ll develop this year.

Share of Point-of-Sale Transactions Made with Cash, by Region, 2021 & 2025

% of total point-of-sale transaction value



Source: FIS, "The Global Payments Report," March 2, 2022

274340

eMarketer | InsiderIntelligence.com