

Our 2022 predictions that deserve a second look

Article

A look back: Last year, we made [four predictions for 2022](#). Here are two that were too close to call.

Prediction 1: We expected that Block would make its super app play in 2022.

Our reasoning: Block made several moves in 2021 that pointed toward it launching a super app this year.

- Block [closed its acquisition](#) of music streaming service Tidal and also [announced plans to purchase Afterpay](#). Expanding into these diverse segments made us believe it would

eventually house them in one super app platform.

- Block also rolled out a flurry of new solutions in 2021, like bank accounts and [crypto services](#)—deepening its reach into new business and consumer segments.

Why we're not calling it a loss: Block doesn't have a super app yet, but it took more steps toward becoming one this year.

- It expanded its Square ecosystem with new merchant tools like [credit cards](#) and [revamped solutions](#). It also expanded Cash App Pay acceptance [outside](#) of the Square ecosystem.
- It established stronger ties between its ecosystems to create more seamless customer experiences—like what's typically seen in super apps.
- At this point, Block offers many of the products and services that **PayPal** does—and PayPal introduced its super app in 2021.

Prediction 2: We thought multinational financial services companies would shift from partnerships to acquisitions in Africa.

Our reasoning: Africa was ripe for digital payments growth, and we believed firms would tap this opportunity through acquisitions. Full ownership would let companies like **Visa**, **Mastercard**, Block, and PayPal scale more quickly in the market.

Many of these multinational firms partnered with local players like Nigerian paytech **Flutterwave** and Zambia-based wallet **Digital PayGo** last year as cash use declined across the continent: The share of point-of-sale (POS) payments made with cash in the Middle East and Africa **dropped 16.3%** year over year (YoY) in 2021, [per](#) FIS.

Consolation prize: There were no major acquisitions like we expected, but there was an increase in investments into African fintechs—an impressive feat considering this year's funding crunch.

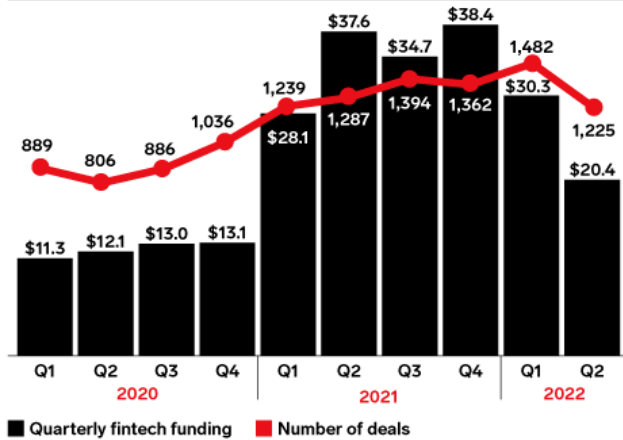
- **African startups snagged a record \$3.5 billion** in the first half of 2022, [according to](#) the African Private Equity and Venture Capital Association (AVCA).
- The financial sector [dominated](#) VC investments in Africa in H1, accounting for **44% of deal value** thanks to fintechs like **MFS Africa**, which [raised](#) \$200 million in June.

Widespread economic uncertainty likely scuttled acquisition plans in 2022. But market conditions haven't shaken confidence in the region's digital payments potential from the likes

of [Visa](#) and [Google](#), which means deal talks may arise down the road.

Quarterly Fintech Funding Worldwide, Q1 2020-Q2 2022

billions and number of deals



Note: fintech covers subcategories of banking, lending, payments, wealth management, insurance, and capital markets; equity financings into private companies only; includes the investment made in the quarter for tranching investments
Source: CB Insights, "State of Fintech Q2 2022," July 19, 2022

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