

# Google Wallet's South Africa launch may foreshadow broader growth plans

Article

**The news:** Google Wallet launched in South Africa, the wallet's first move into the African market, according to TechCrunch. Google said that customers at partner banks including

**FirstRand Bank, Discovery Bank, and Nedbank** can make contactless payments using their Android and WearOS devices.

Google Wallet also went live in Moldova, Qatar, Serbia, Azerbaijan, and Iceland—making the mobile wallet available in 45 countries.

**Key context:** Google Wallet replaced Google Pay in most markets earlier this year.

- Like Google Pay, Google Wallet lets users store payment cards and other digital documents like transit tickets, COVID-19 vaccine records, and loyalty cards. Wallet users can also make contactless payments anywhere Google Pay is accepted.
- The rebrand streamlined Google's services and opened up new use cases, which we expect can help minimize the company's fragmentation challenges.

**What it means:** Google Wallet may want to secure a foothold in the African market as global payment titans flock to the continent.

Companies like **Discover, PayPal, and Visa**—which just opened an innovation lab in Kenya—are rushing to take advantage of the region's mobile payments growth: **The number of proximity mobile payment users in the Middle East and Africa is expected to grow 13.5% year over year (YoY) in 2022**—the fastest growth of any global region—and hit 23 million, according to Insider Intelligence forecasts.

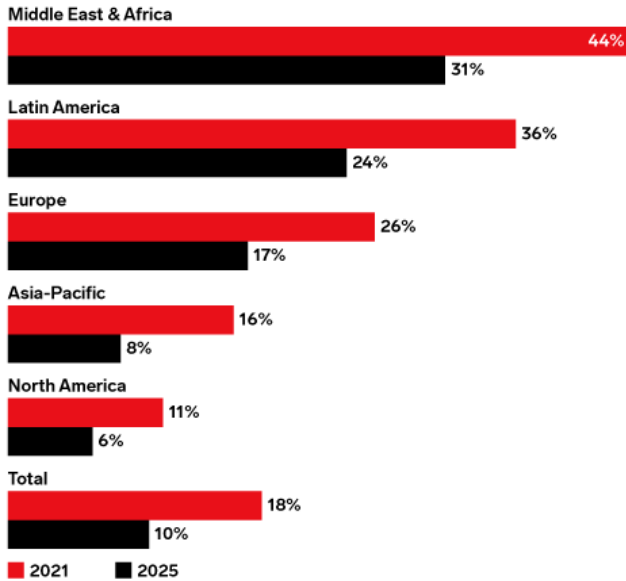
And declining cash use across the region will reinforce that trend: **The share of point-of-sale payments made with cash in the Middle East and Africa is expected to decline nearly 30% between 2021 and 2025, per** FIS.

**The opportunity:** Google can use South Africa as a launchpad into neighboring markets—especially those with high Android penetration.

Android accounted for **nearly 84% of mobile devices in Africa** in July, compared with just about 14% for Apple, per Statcounter data. Deepening mobile penetration in the region gives mobile payments the strongest growth potential of digital payments—presenting an attractive expansion opportunity for Google as it positions Wallet as an all-in-one mobile tool.

## 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

*This article originally appeared in Insider Intelligence's Payments Innovation Briefing—a daily recap of top stories reshaping the payments industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

- *Are you a client? [Click here to subscribe.](#)*
- *Want to learn more about how you can benefit from our expert analysis? [Click here.](#)*