More than half of the payments made by MSMEs in 2015 were in cash or check, which increased costs.

**Solutions**
When MSMEs digitize payments, they start generating data that can be used for credit scoring, which can then be used to make decisions on access to financing.

Digital financial services allow MSMEs to reduce the cost of handling cash and increase access to consumer financing.

**Challenges**
280 million adults still receive private sector wages and salaries in cash, excluding them from the many benefits of digital financial services.

Micro, small & medium enterprises (MSMEs) cannot scale without access to credit. Despite their growth potential, there was over $5 trillion worth of unmet demand for credit in 2015, partly due to lack of a credit history or collateral.

More than half of the payments made by MSMEs in 2015 were in cash or check, which increased costs.

**The Opportunity**
Digital financial services fuel low-cost business models with the potential to create 95 million new jobs and add 6% to global GDP by 2025.

470 million new jobs are needed by 2030 to meet SDG 8.

The opportunity:
By digitizing salary and trade payments, businesses can offer their employees and business partners a direct channel to financial inclusion – increasing economic opportunities and resilience.

When MSMEs digitize payments, they start generating data that can be used for credit scoring, which can then be used to make decisions on access to financing.

Digital financial services allow MSMEs to reduce the cost of handling cash and increase access to consumer financing.

Micro, small & medium enterprises (MSMEs) cannot scale without access to credit. Despite their growth potential, there was over $5 trillion worth of unmet demand for credit in 2015, partly due to lack of a credit history or collateral.
“Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.”

AFGHANISTAN  Workers at one firm increased their savings after choosing to have a portion of their salaries automatically deposited into mobile phone savings accounts. During the first six months, the average worker saved approximately 37% of their salary.⁸

CHINA  Ant Financial and MYbank have used digital payment transaction data to underwrite more than $70 billion in cumulative loans to 5 million small businesses, microenterprises, and entrepreneurs since 2015.¹⁰

BANGLADESH  Digitizing wages of factory workers in the garment sector could save up to 85% of transaction costs of the factory within two years.¹¹

INDONESIA  Go-Jek successfully used cashless payments to solve two key challenges for Indonesians, namely logistics and payments, building an entire suite of services in its mobile app. The company distributes over $700 million in earnings to its drivers and partner MSMEs annually.⁹

ETHIOPIA, INDIA, AND NIGERIA  could add 10–12% to their GDP by 2025 if digital finance is widely adopted.¹²

* These represent only a few of the many important challenges and solutions. They should not be read as an exhaustive list.

1  UN, 2016
2  McKinsey, 2016
3  Demirgüç-Kunt et al., 2015
4  IFC, 2017
5  World Bank, 2016
6  Zetterli and Pillai, 2017; Klaper & Singer, 2014
7  Klaper & Singer, 2014; McKinsey, 2013
8  Blumenstock et al., 2017
9  Jakarta Post, March 22 2018
10  Ant Financial, 2018
11  Better Than Cash Alliance, 2017