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

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 enable MSMEs to reduce the cost of handling cash and increase access to consumer financing.

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.

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.

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

470 million new jobs are needed by 2030 to overcome growing population and unemployment challenges.

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.
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.

**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.

**INDONESIA** Go-Jek adopted digital payments to improve 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.

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

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

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