Micro, small, and medium enterprises in emerging economies have an unmet financing need of $5.2 trillion every year.¹

### THE OPPORTUNITY
Digital finance enables small businesses to grow, innovate, and reach new markets, bringing more people into the digital economy.

| CHALLENGES* | SOLUTIONS*
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro, small, and medium enterprises (MSMEs) in emerging economies face constraints in access to finance, hampering their growth potential.²</td>
<td>Digital financial services can help MSMEs build payment histories and credit scores that can serve as collateral, resulting in greater access to finance.³</td>
</tr>
<tr>
<td>Cash payments for suppliers and distributors can be expensive – as high as 20% of annual company turnover in some emerging economies.⁴</td>
<td>Digitizing supply chain payments can lead to significant efficiency gains and increased revenue for MSMEs.⁵</td>
</tr>
<tr>
<td>Cash payments are largely untraceable, making it costly and complex for companies to fight fraud and theft and confirm if payments were made in full.⁶⁷</td>
<td>Digitizing payments can help businesses avoid disparities in wage payments in factories and ensure compliance with labor standards, as well as significantly reduce fraud in supply chains.⁸</td>
</tr>
</tbody>
</table>
“Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.”

AFRICA  Kopo Kopo uses electronic transaction history to assess the creditworthiness of MSMEs and grant them short-term loans. In three years, the company has provided over $4 million in cash advances to over 1,000 merchants.⁹

MEXICO  Grupo Bimbo worked with small retailers to help them adopt digital payments. Sales revenue increased by up to 30% for participating merchants.¹⁰

BANGLADESH  Garment factories that digitized their payments to staff and vendors reported a 53% time savings for their administrative and finance teams.¹¹

INDIA  Gap Inc. digitized the salary payments of roughly 95% of its factory workers, ensuring that workers’ wages were paid in full, including overtime. This led to a 15% – 20% reduction in worker attrition.¹²

EMERGING ECONOMIES  In agricultural industries, farm productivity can increase up to 60% when mobile payments are bundled credit.¹³,¹⁴,¹⁵

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