

UnionPay International signs strategic memorandum of understanding with GIM-UEMOA

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A strategic memorandum of understanding was signed at Dakar, Senegal, on 14 July 2016 between UnionPay International and GIM-UEMOA, to establish an understanding to build a partnership between the parties whereby GIM-UEMOA becomes an UPI acquirer and processing service provider to financial institutions in the West African Economic and Monetary Union, UEMOA zone.



GIM UEMOA is a regional switch created by the Central Bank BCEAO of West African Economic and Monetary Union. GIM-UEMOA aims to provide to the local banks a payment infrastructure to process card transactions and to develop payment services.

The deal is a win-win, as this allows GIM-UEMOA zone to capture the world's largest cardholder base, being 5.4 billion UnionPay cards in issue and increase transactions carried by UnionPay cardholders. The relationship enables active cooperation between the two parties, in terms of acquiring and issuing UnionPay cards, helping to improve financial inclusion of the region. The two parties will also share resources and conduct marketing campaigns to promote economic development in the region.

In partnership with more than 1,000 institutions worldwide, UnionPay International has issued more than 5.4 billion bankcards, and enabled card acceptance in 160 countries and regions. At present, the UnionPay cards are accepted by more than 35 million merchants globally.

UnionPay International, a conglomerate in China and Asia, is fast expanding beyond its Asian home base. Though headquartered in China, it has made rapid inroads to the African market in the last six years. It was originally set up to service the growing number of tourist and business visitors from China who are UnionPay cardholders, but is now partnering with local banks and mainstream institutions to be able to issue cards to African customers.

To date, UnionPay cards can be used conveniently in 48 African countries. In Mauritius, 90% of merchants and 70% of ATMs accept UnionPay cards. In Seychelles, UnionPay cards are accepted at 30% of ATMs and POS, and will be fully accepted within this year. In Kenya, the acceptance scope of UnionPay cards will cover 70% of ATMs and POS terminals by the end of this year. Meanwhile, several African markets have issued UnionPay cards. Mauritius and Congo (Kinshasa), for example, have issued UnionPay debit cards, prepaid cards and commercial cards.

UnionPay's success in Africa is largely due to their understanding of developing countries' requirements. It differs from its competitors in several other aspects: for instance, it is a membership association which provides more growth and exposure opportunities for its members.

Unlike more developed markets, Africa is largely cash-driven. Studies suggest that for every point-of-sale transaction in Africa, there are more than 25 cash transactions.

UnionPay and GIM-UEMOA's partnership aims to increase financial inclusion of the region by developing appropriate financial products and increasing awareness on available financial services and strengthening financial literacy.

UnionPay sees this as a huge opportunity - there is tremendous room for growth across Africa, as more and more people switch from cash to other means of payment.

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