

PRESS RELEASE: Stanchion Charts Ethiopia's Digital Payments Growth Opportunities

Alice Umutesiwase <alice@stanchionpayments.com>
To: "info@araweelonews.com" <info@araweelonews.com>

Mon, Mar 3, 2025 at 4:05 PM

Dear Editor,

I have a press release from Stanchion Payments Solutions, a leading global PayTech solution provider, that would interest you and your readers.

If you require additional information from Stanchion, please don't hesitate to contact me.

Kind regards,

Alice

PRESS RELEASE: Stanchion Charts Ethiopia's Digital Payments Growth Opportunities

Stanchion Payment Solutions, a leading global PayTech solutions provider, has identified significant opportunities for development and growth in Ethiopia's fast evolving payments landscape during a recent follow-up market visit to the country led by Chief Growth Officer, Norman Frankel.

The visit highlighted Ethiopia's ambitious digitalisation agenda amidst significant economic reforms, including currency devaluation and the opening of banking sectors to foreign investment. Despite infrastructure challenges, Ethiopia's payment ecosystem shows remarkable potential for innovation and growth.

"Ethiopia's payments industry is desperate to innovate and digitalise," said Frankel. "With a population of more than 132 million people – making it the 10th most populous country globally and 2nd in Africa – the market presents substantial opportunities for financial institutions embracing digital transformation."

Stanchion's visiting team members observed rapid infrastructure development across Addis Ababa since their previous visit eight months ago, with completed highways cutting back on traffic congestion, new modern buildings and expanded green spaces. "The country is brimming with a vibrant energy, it feels safe and is driving fast its digitalisation programme as per the government's 2025 and 2030 digitalisation plans," said Frankel.

During the visit, Stanchion collaborated with local partner Savvy Information Technologies to host two seminars on driving digital experiences, covering both issuing and acquiring aspects of the payment's ecosystem. The team also served as headline sponsors for the one-day Digibank event, where Frankel delivered a keynote address on enabling bank card issuers to deliver hyper-personalised experiences at fintech speed and participated in a panel discussion on Ethiopia's journey toward a cash-lite economy. The delegation rounded off their visit with

strategic meetings with executives from the country's two leading payments industry providers and several of Ethiopia's largest banks.

Key findings from the visit include the rapid growth of Ethiopian Telecom's mobile money scheme and the country's development of a domestic payments network as a cost-effective alternative to international schemes. However, challenges remain in implementing CPACE standards for contactless cards and integrating tokenisation capabilities with digital wallets.

"They had not prioritised virtual cards as part of their strategy, but we have seen this be a key driver of success for digital transformation in banks and the rise of neobanks" says Frankel. "For many Ethiopian banks and the national switch, virtual card issuance is a good strategy that can build local knowledge while offering faster implementation and lower costs."

Frankel noted that while contactless POS terminals are in market, the volume of these terminals is limited to major cities and even there they are not widely available. "While a fast way of accelerating these would be to introduce SoftPOS or Tap to Phone solutions that use smartphones, a major hurdle is that low-cost smartphones often don't have the chipset for the NFC capability, making them ineligible or incompatible for SoftPOS payment acceptance," said Frankel. "As such, the market will need to work out how to leapfrog this and provide the relevant smartphone devices to the merchants."

The team also identified critical knowledge gaps regarding post-digitalisation challenges, such as increased demand for cryptographic encryption services and the need for enhanced transaction monitoring and fraud management solutions.

"However, despite all the challenges, Ethiopia is proving it's on a mission – a rapid one at that – to digitalise. They have a good track record when executing their ambitious goals: Addis Ababa is the seat of the African Union, hosts the seat of the United Nations of Africa, its national airline is the largest in Africa, and the government recently started the roll-out of digital identity cards," said Frankel. "We believe the industry will find solutions to some of its current obstacles, and the larger banks do have substantial customer bases through which to recover business case return on investment."

Frankel highlights that Stanchion's payment fabric technology offers payment integration capabilities that can help Ethiopian financial institutions modernise their payment systems, accelerate innovation and manage the transition efficiently. "We believe we can add value to the industry and bring international experience, solutions and payment fabric product technology to help the banks deliver their product roadmap," says Frankel. The company plans to return to Ethiopia in the coming months to continue identifying areas of growth and to support the market's digital transformation journey.

Joining Frankel from Team Stanchion on the trip was Chief Product Officer, Pierre Aurel and Managing Director Africa, Rudolf Smit.

About Stanchion Payments

Stanchion Payments is a global fintech solutions provider with a leadership position in creating payment fabric technology and powering payment change. Our technology offers payment integration capabilities, enabling the modernisation, transformation, accelerated innovation and efficient management of payment systems. Over the past two decades, Stanchion has

expanded its offerings and solutions across the globe with offices in South Africa, Australia, the United Kingdom, the United Arab Emirates and the United States.

ends