



G20
SOUTH AFRICA 2025



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SOUTH AFRICAN RESERVE BANK

Committee on Payments
and Market Infrastructures



Decoding Cross-Border Payment Flows in Sub-Saharan Africa: A High-Frequency Analysis of Granular Platform Data

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Speakers



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Agenda

1. The Policy & Data Context

The Payments Landscape in SSA
Our Data

2. Key Empirical Findings

Three Distinct Payment Archetypes
Digital Consumption Patterns
Real-Time Impact of Policy Uncertainty

3. Conclusion & Policy Relevance

Actionable Insights for the G20

The Challenge: A Fragmented Payment Landscape

- Sub-Saharan Africa's (SSA) digital economy is in a state of **rapid transformation**.
- Growth is hampered by a **highly fragmented payment landscape**.
- Each country has **unique, locally preferred payment methods** (mobile money, domestic cards, bank transfers).
- This creates **major friction for global merchants**.

One API to Connect Global Merchants with Local Consumers

- dLocal acts as the "**payments plumbing**" for emerging markets.
- A **single API connection** allows merchants to accept local payment methods in over 40 countries.
- This analysis focuses on **Pay-ins**: local-currency payments from consumers to global merchants, directly reflecting digital consumption.

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The Value of New Data: Closing the Information Gap

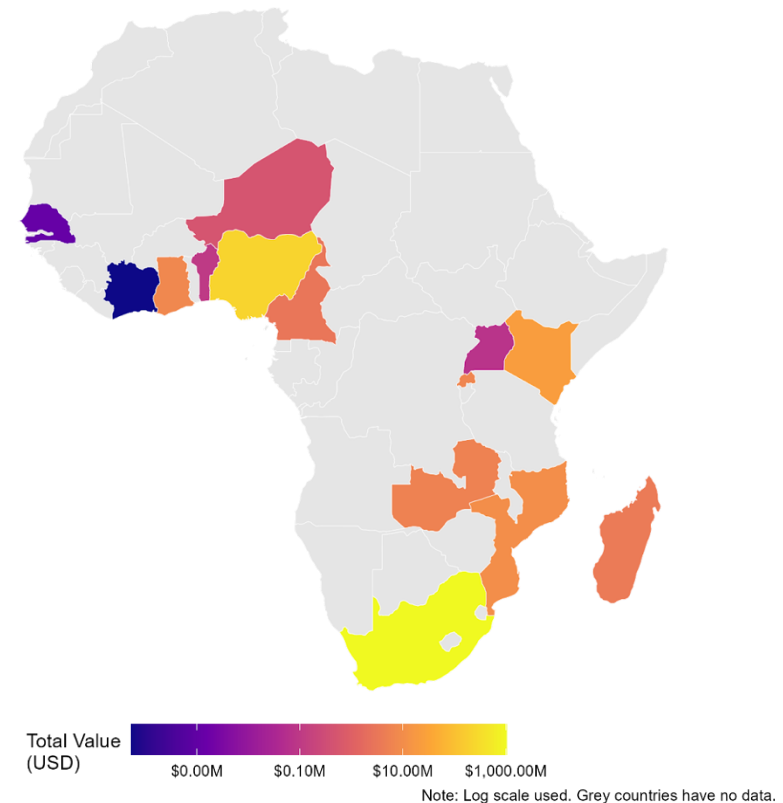
- Traditional data lags behind Africa's digital transformation.
- Official statistics, while essential, are often **aggregated and published with a significant delay**, creating an "information gap" for policymakers.
- Our approach: Use **proprietary, "organic" transaction data** as a powerful complement.
- This dataset offers a powerful complement to official statistics by providing:
 - **High-frequency & timely insights** (near real-time view)
 - **Granularity** (reveals unobservable trends & behaviours)
 - **Real-world behaviour** (based on actual consumer transactions).

Our Approach: A Comparative Analysis of South Africa, Nigeria, and Kenya

- Full dataset covers pay-in transactions across **14 SSA markets**.
- Strategic focus on three countries for key reasons:
 - **Materiality:** Collectively account for **over 97% of transaction value** in the sample (South Africa: 78%, Nigeria: 17%, Kenya: 2%).
 - **Market Diversity:** Most varied merchant portfolios (Nigeria: 58, South Africa: 44, Kenya: 20), enabling rich sectoral analysis.
 - **Payment Archetypes:** Represent three distinct payment ecosystems, perfect for comparative study.

Cross-Border Payment Values in Africa

Total USD value in last 12 months (May 2024 – Apr 2025)



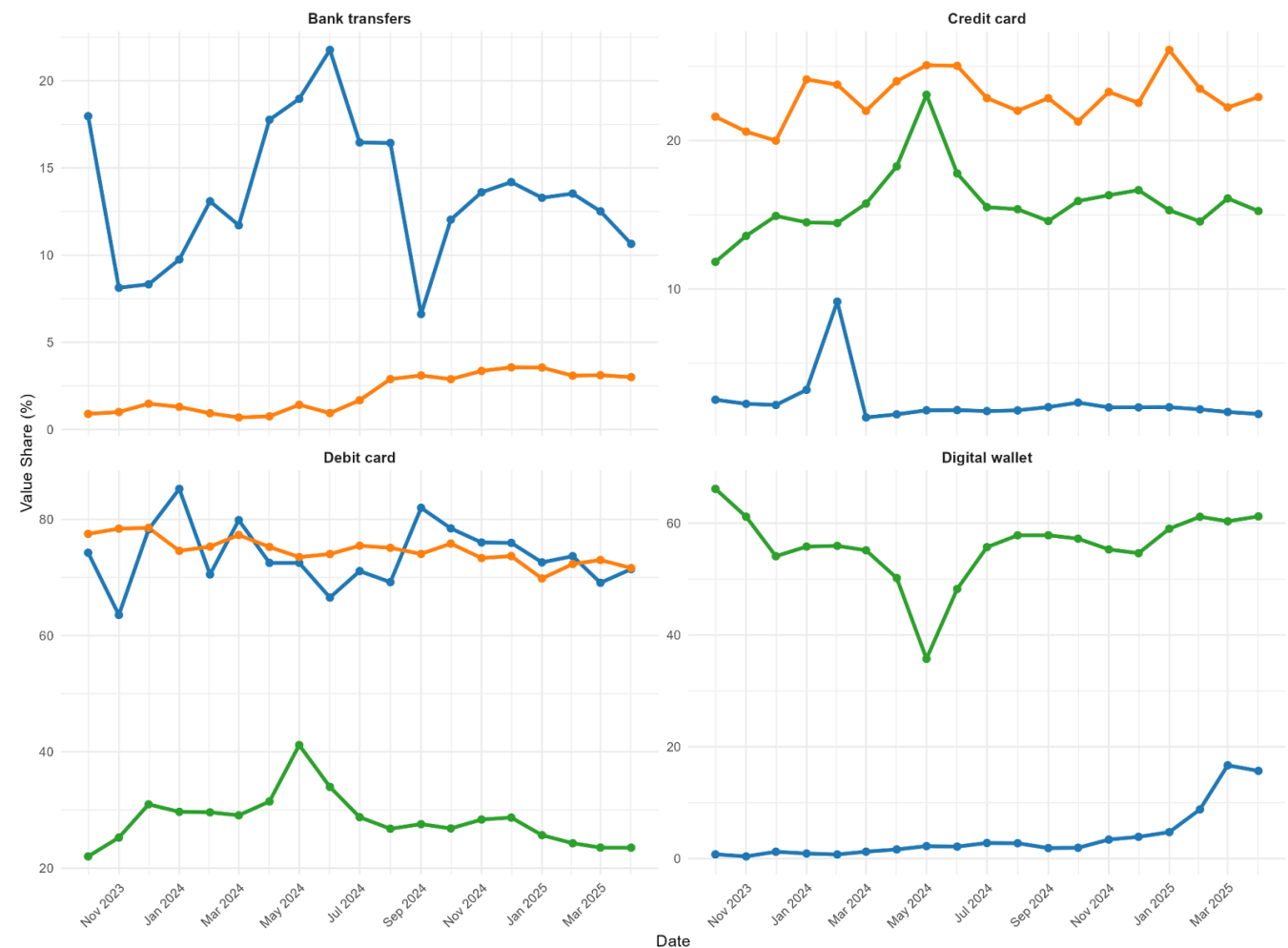
The Data: A High-Frequency, Granular View of Digital Commerce

- **Source:** Proprietary, "organic" **pay-in transaction data** from dLocal's platform.
- **Scope & Granularity:**
 - **Time Period:** 18 months (November 2023–March 2025).
 - **Dimensions:** Aggregated by country, merchant, payment method, currency, and time (monthly/quarterly).
 - **Metrics:** Transaction volumes and financial values (USD & local currencies).
- **Processing:**
 - **Merchant Classification:** Systematically categorised using a large language model for consistency.
 - **Dataset Size:** Over **170,000 rows** of aggregated data after cleaning.
- **Caveat:** Data is **illustrative, not exhaustive**. It reflects dLocal's merchant portfolio, not the entire national landscape.

Finding 1: Three Distinct Payment Archetypes

Key Payment Methods: Country Comparison Over Time

Value share (%) for Digital Wallet, Cards and Bank Transfers



Country ● Kenya ● Nigeria ● South Africa

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Finding 1: Three Distinct Payment Archetypes

Our data reveals three distinct payment archetypes, each with its own dynamic trend over 18 months:



A mobile-first economy. Mobile money is dominant but also **highly sensitive** to external events, evidenced by a sharp dip in mid-2024.



A mature, bank-led system. This is confirmed by the **remarkable stability** in card market share, which is typical of a market with entrenched consumer habits.



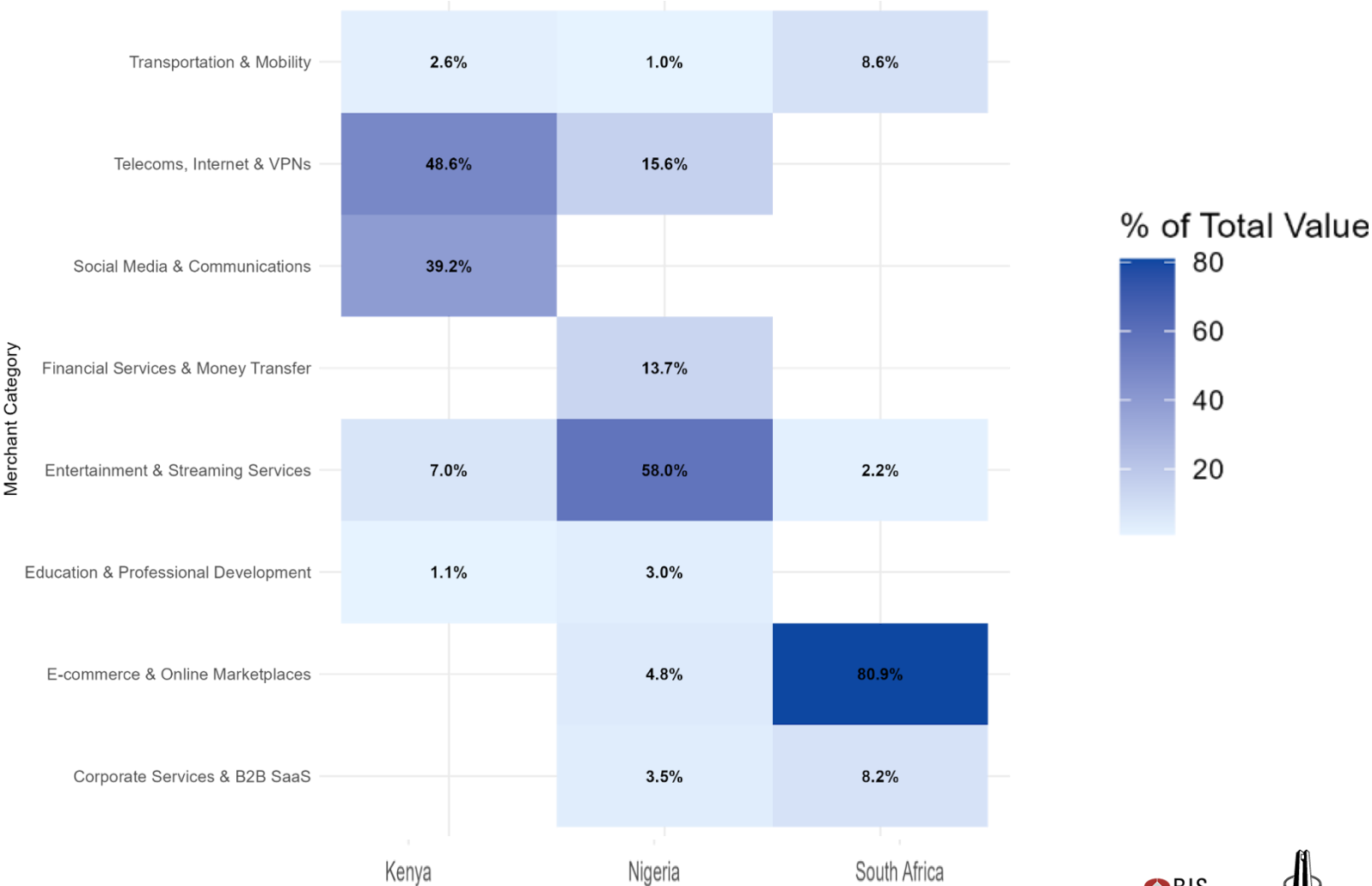
A dynamic, hybrid ecosystem. The data captures a classic **technology adoption S-curve** for digital wallets, which surged to nearly 20% market share, aligning with external benchmarks.

Validation: The data **confirms well-established patterns**. This provides a credible foundation for the novel insights that follow.

Finding 2: Diverse Digital Consumption Patterns

Market Share of Merchant Categories by Country

Percentage of total transaction value (categories with $\geq 1\%$ share)



Finding 2: Diverse Digital Consumption Patterns

The data shows a spectrum of digital commerce, from foundational consumer activity to spending that directly supports business and professional growth.



The market is led by a mature **E-commerce sector (50.9%)**. This is complemented by significant spending in **Corporate Services & B2B SaaS (8.2%)** and **Transportation & Mobility (8.6%)**.



Led by **Entertainment & Streaming (58.0%)**, alongside a diverse ecosystem supporting growth. The platform facilitates significant activity in **Financial Services (13.7%)**, **B2B SaaS (3.5%)**, and **Education & Professional Development (3.0%)**.



Anchored by **Telecoms/Internet/VPNs (48.6%)** → foundational spending on connectivity.

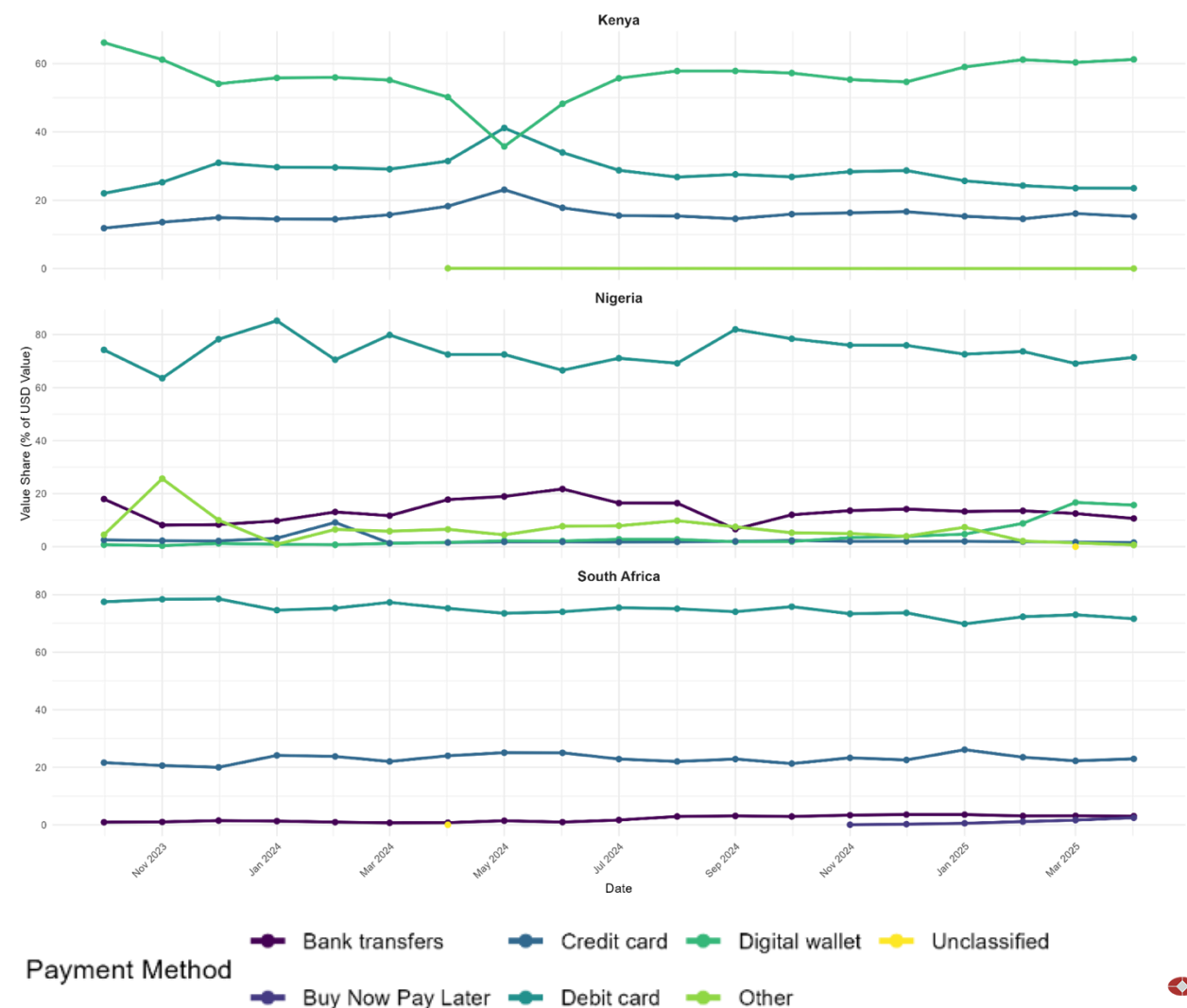
Finding 3: Real-Time Impact Analysis in Kenya

- **The Shock (May 2024):** Proposed tax hike on mobile money fees.
- **Immediate Consumer Reaction:**
 - Digital Wallet value share **plummeted from ~60% to <40%**.
 - Spending on '**Telecoms & VPNs**' **spiked** during protests.
- **The Reversal (June 2024):** Tax was scrapped after public pressure.
- **The Result: Immediate recovery** in Digital Wallet market share.
- **The Lesson:** Data reveals the high cost of **policy uncertainty** and the **high elasticity** of consumer behaviour.

Finding 3: Real-Time Impact Analysis in Kenya

Payment Method Value Share Evolution by Country

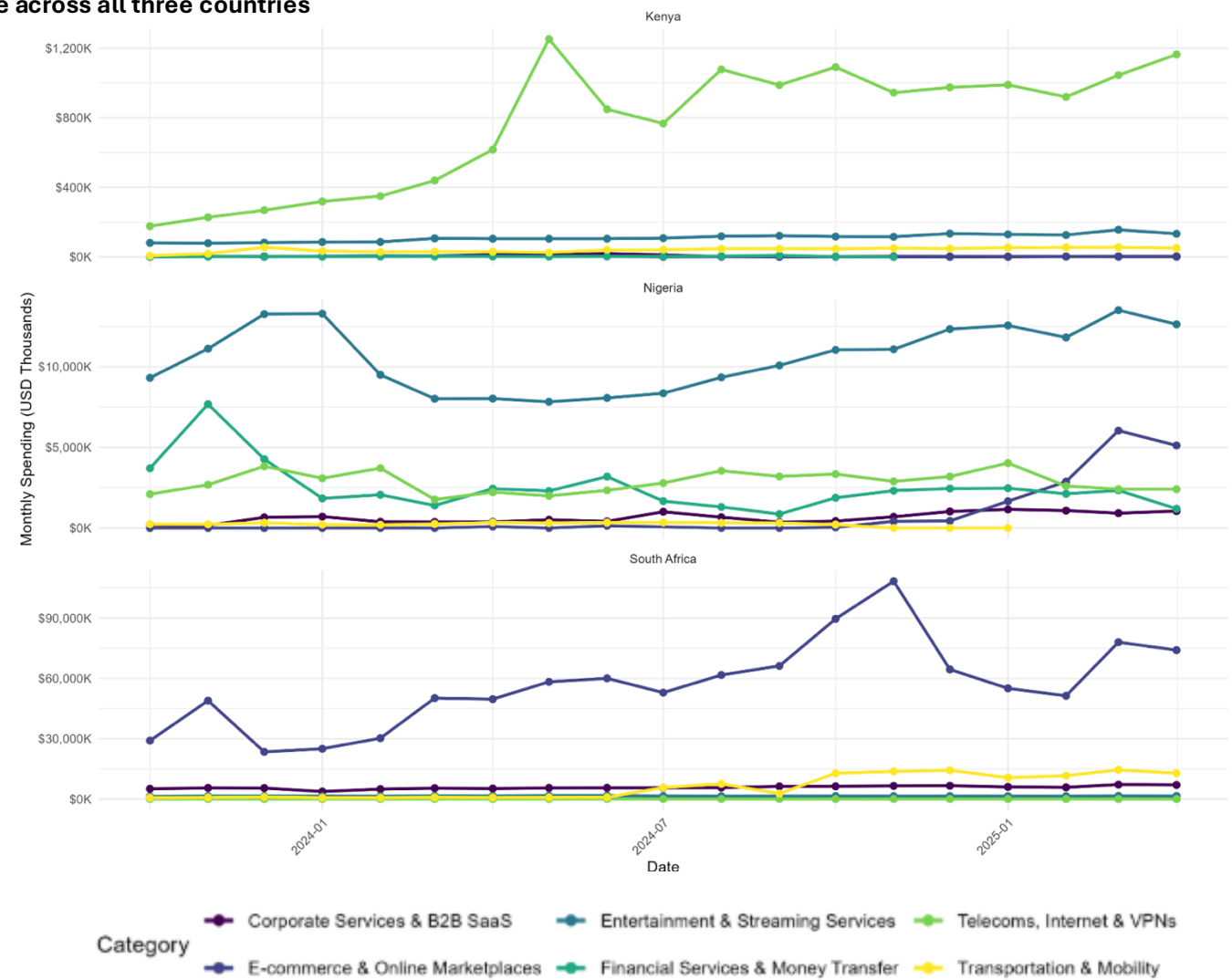
Percentage of transaction value over time



Finding 3: Real-Time Impact Analysis in Kenya

Monthly Spending Trends by Category

Top 6 categories by total value across all three countries



Conclusion: The Unique Value of High-Frequency, Granular Data

This analysis provides a model for using proprietary data for **timely, granular insights** unavailable in high-latency official statistics.

- **Quantifies market dynamics:** Reveals *how* trends evolve in near real-time (e.g., Nigeria's rapid wallet adoption), not just static snapshots.
- **Shows spending composition:** Granular, merchant-level data shows the specific mix of, for example, E-commerce, B2B SaaS, and Education, revealing *what* is being purchased.
- **Acts as a real-time policy barometer:** High-frequency data links disparate events (e.g., tax policy and VPN spending) and measures the immediate economic cost of policy uncertainty.
- **The way forward:** Foster **ethical public-private data partnerships** to gain this dynamic, granular view for evidence-based policy.

Thank you



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