



FINMARK NEWS

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www.finmarktrust.org.za

Locking into local

With discussions about a Namibian Financial Sector Charter under way, the Namibian financial sector is moving to redress imbalances in the financial system. Data from the first round of FinScope in the country in 2004 show that more than half the population, 51.1%, are banked, while 45.2% are financially excluded, and less than 1% relies on the informal sector exclusively for financial services. This means that banks are the main providers of financial access.

As a contribution to the charter debate, FinMark Trust has released a study, *Access to financial services in Namibia*. One significant fact detailed concerns the uptake of financial products in relation to income. At the lower end, where most of the population finds themselves, access is limited to one or two products; and at the upper end access is almost unlimited with about 17 products.

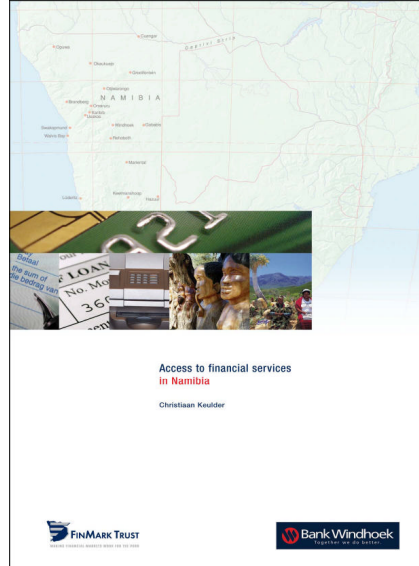
"This suggests that it is at the upper-end that most development has taken place in the past, even though only a small section of the population falls into this cluster," the report notes.

One explanation is that, in the past, products designed for other markets (more specifically the South Africa) were exported as is to Namibia. By ignoring local conditions and needs, these products contributed little to the lower end of the Namibian market.

This is changing. Bank Windhoek, First National Bank of Namibia and Standard Bank of Namibia have all launched new products recently, designed to meet the needs of the poor and the unbanked. These use cellphone technology and mobile ATMS – or have simply changed the product offering, such as Bank Windhoek's Easy Save products.

FinScope Namibia 2007 has begun. It will be useful to see to what extent these homegrown products will shift the banking access frontier.

A copy of the report is available at http://www.finmarktrust.org.za/documents/2007/July/Namibia_booklet.pdf



New report: Access to financial services in Namibia (see left)

Calculating costs

At the public hearings of the Jali Commission into bank charges and the national payment system, the banks dismissed a proposal to introduce a simplified banking product for the middle-income market that makes it easier to compare charges. Instead they made a counter proposal to introduce an online fee calculator or helpline to help customers assess costs.

A website to compare costs between banks comparing costs already exists (www.bankmonitor.co.za). FinMark has supported the development of this Infochoice website, which allows users to compare banks' products and fees.

In the US a similar website is being promoted by one of its regulators. The Office of the Comptroller of the Currency has announced the launch of www.HelpWithMyBank.gov, dedicated to providing answers for customers.

Any such website in South Africa would have to be independent to have any credibility, and a start has been made with the bankmonitor site.

For latest research & news of coming events, visit our website www.finmark.org.za

Getting value

The 8th annual seminar on *Business Service Markets and Value Chains* is an opportunity to catch up with the latest global development trends.

Themes include value chain analysis, with a review of available methods and experiences of implementing these; a closer look at what it means to apply the "making markets work for the poor" approach to development; and how certification is putting pressure on small producers who are struggling to comply with the increasingly stringent standards required by supermarkets and exporters.

The conference will be held in Chiang Mai in Thailand from September 24 to 28. Registration closes in August.

See <http://mmw4p.org> or email PSDSeminar@itcilo.org for details.

Legal workshop

Women for Housing, which aims to empower women to play a leadership role in the housing field, conducts regular training courses. It is holding a workshop on *Legal Issues and Contracts* on June 23.

If you want to attend the workshop or need more details contact Lindiwe on 072 389 2082 or email her: lindiwe@womeforhousing.org.za.

Next FinMark Forum

Please join us on Wednesday, August 29, for our next FinMark Forum when Illana Meyer of consulting company Eighty20 will be talking about housing finance.

Please note the change of venue for this Forum.

Time: 17:30–18:45 (drinks afterwards)
Temporary Venue: Old Mutual Square, Isibaya Building, 93 Grayston Drive, Sandton
RSVP: Tamara at 011 315 9197 or tamarab@finmark.org.za

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