

Zim-SA business links commended

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Michael Chideme recently in SANDTON, South Africa

ZIMBABWE'S Ambassador to South Africa Mr Phelekezela Mphoko has commended Zimbabwean businesses for forging ties with their South African counterparts.

He said the move would boost economies in the region.

Ambassador Mphoko was speaking on the sidelines of a ceremony to mark the switching on of SmartPay Smartcard Solutions by Net1 of South Africa on Monday.

"We are encouraged by the co-operation," said Ambassador Mphoko. "My duty is to promote state to state relations and company to company relations.

"This is a good gesture. It shows the people of Zimbabwe are not sitting idle."

SmartPay Solutions is a revolutionary payment system that can operate offline to pay utility bills, buy groceries, send and receive cash among other financial transactions.

The concept would be piloted in Chitungwiza with an initial 20 000 households issued with smartcards.

The SmartPay card uses the biometric system (finger print) and not the traditional pin code which is subject to manipulation and tampering.

The concept, which is widely used in South Africa, Ghana and Iraq, seeks to tap into the unbanked market that is estimated to hold in excess of US\$3 billion that is circulating outside the formal banking system.

AgriBank will be the underwriting bank, which means that deposits will be held by the bank. Estimations are that Chitungwiza, which is owed several millions in unpaid bills, will be able to recoup money from residents using the smartcard.

Net1 chief executive officer, Dr Serge Belamant, said the new technology could work anywhere in Zimbabwe. Residents will be able to pay bills from anywhere in Zimbabwe for as long as they have a loaded smartcard and will not queue at council offices.

The municipality will be sending its bills electronically to enable people on the go to access their bills and pay in time.

"The system addresses the needs of the poor in Zimbabwe," said Dr Belamant. "The system that you have bought into delivers financial services to all people. It uses biometrics (fingers to identify who you are)."

SmartPay Switching Solutions general manager, Ms Miriam Mutizwa, said the idea behind the company was to "facilitate financial inclusion for the historically financially marginalised and underserved communities of our society".

She said the current banking system catered for only 20 percent of the population, implying that millions of American dollars in the informal sector remained outside the banking sector.

"One is able to transact in an offline environment using a smartcard," said Ms Mutizwa. "This is possible by having the value on the chip and having a point of sale that is able to read the real value without need for connectivity."

Ms Mutizwa said over 50 merchants, among them shops, supermarkets and fuel stations were registered to host points of sale in Chitungwiza in order to facilitate transactions within the area.

Officials from SmartPay and AgriBank witnessed the switching on ceremony in South Africa. The official switching on in Chitungwiza is scheduled for the end of the month.

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