

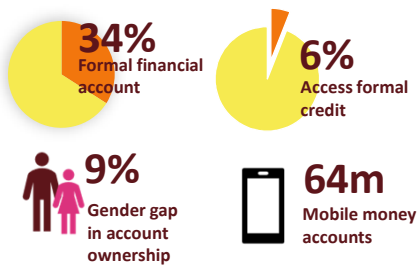
# Financial Inclusion and Trade

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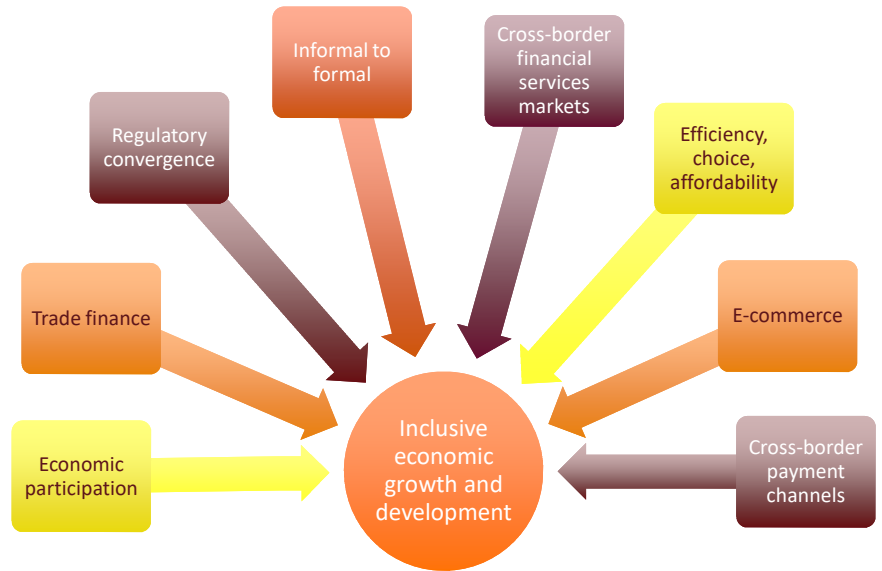
## Overview

- There are currently more than three billion people across the globe who are financially unserved or underserved
- This is important for trade, because it is very difficult to participate in international trade outside the formal financial system.
- Trade can also be an important contributor to financial inclusion, though increased services and regulatory improvements.

## Financial inclusion in sub-Saharan Africa



## Financial inclusion and trade: a symbiotic relationship

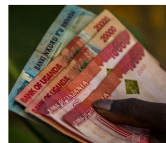


## What is financial inclusion?

Access and use of financial services to meet a person's financial needs

- Managing money and everyday transactions
- Sending and receiving payments
- Saving money
- Insuring against unexpected events
- Smoothing income over time
- Borrowing to invest in business or education

### Financing trade



Financial inclusion is essential to formal cross-border trade.

### Technology



Trade rules around data, and e-commerce can impact financial inclusion.

### Cross-border services



Increased trade in financial services can increase competition and choice for consumers.

### Risks



Strict regulatory rules and unfettered access in trade agreements can affect country policies on financial inclusion

## Recommendations

- Support efforts to increase financial inclusion, because without it, the excluded will neither benefit from trade, nor participate in it.
- When negotiating trade agreements, ensure that enabling conditions are created for cross-border financial services and the transmission of data across borders.
- Ensure that regulatory requirements under trade agreements will not prevent financial inclusion measures.

## Rwanda financial inclusion snapshot

Excluded Informal Other formal Banked



68% are formally included

9% are insured

15% access formal credit

40% send/receive remittances

34% have mobile money accounts

## Sources

World Bank Global Findex (2014)  
IMF 2017 Financial Access Survey  
Finscope Rwanda (2016)  
I2I data portal 2016

