

ICT and E-Business Strategies for Development

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Summary of Building the Payments Infrastructure

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Visa International is a global association, which helps its 21,000 member banks to make payments safer, more convenient and more efficient.

As an example, Visa is upgrading the global payments infrastructure by deploying a brand new IP-based access network – which connects each member bank to the VisaNet processing systems. And it is enabling growth in e-commerce through merchant monitoring and cardholder authentication technologies.

Visa recognises that the progressive move to electronic payments has significant economic benefits.

In all transition economies, payment cards are drawing people, en mass, into the banking system. This liberates capital and liquidity, reduces shadow economies, and maximises tax revenues.

Furthermore, at the macroeconomic level, electronic payments are substantially cheaper than paper or cash based equivalents. Recent studies suggest a four-fold aggregate saving is achievable, and that efficiencies translate into a one per cent saving in GDP.

Global Insight, an econometric forecasting firm goes as far as to suggest that a ten per cent shift in total expenditure on payment cards can lead directly to a half of one per cent increase in consumer spending – which, in turn, fuels GDP growth.

Visa suggests that these benefits have important implications for policy makers across all transition economies.

NB: presentation summaries are provided unedited as received from the authors and presenters