

SPEECH BY HON. ABDISALAAM ISSA KHATIBU (MP)
DEPUTY MINISTER FOR FINANCE AT THE CONTRACT SIGNING OF
FUNDS TRANSFER AGREEMENT BETWEEN UMOJASWITCH
CONSORTIUM AND BUSINESS CONNEXION ON
13 DECEMBER 2006 AT KILIMANJARO- KEMPINSKI HOTEL

Deputy Governor of the Bank of Tanzania,

Chairman of UmojaSwitch Consortium

Representatives of Business Connexion Tanzania Limited

Executive Director, Tanzania Investment Centre,

Board Members of the member Banks,

CEO's of Member Banks,

Members of the press,

Invited guests,

Ladies and Gentlemen,

I am greatly honoured to witness the signing of the agreement to set into motion the shared card payment switching infrastructure in Tanzania. Let me commend the member banks for a commendable pioneering to start the first switching infrastructure in the country of this magnitude in terms of the number of participating banks, the number of ATMs to be

installed over a span of five years and the envisaged outreach of the infrastructure, my warm congratulations!

When I was invited to this event and read the available information I was immediately enthused by the name Umoja. It evokes a sense of brotherhood, uniting for a purpose and in this case it is indeed fitting and proper name for the consortium because it identifies with what Tanzania is so proud and ardent supporter of regional groupings to accelerate growth and prosperity. I hope you will remain true to the name!

Ladies and Gentlemen,

The UmojaSwitch consortium is unique in case in Tanzania where competing banks have come together to utilize both economies of scale and afford their customers the convenience in most part of Tanzania. Such an alliance gives credence to the maturity of the Tanzanian Market on one hand while on the other it pioneers on a local scale the way to the future. You will agree with me that international switches such as Visa, Mastercard, Cirrus, Plus, Maestro etc are all the results of the quest to achieve convenience around the globe only attainable through pooling resources together among member institutions. Today it is possible to have an account in Tanzania and transact via a compliant ATM in Yaoundé Cameroon. Until a few years ago a customer in Tanzania could

only transact in his/her bank network only, exerting a higher competitive advantage to a bank with the most branches or ATMs. With the like of UmojaSwitch the real winner is the customer who will be able to transcend the confines of his/ her bank network by tapping the resources available in the shared infrastructure. It is worthy of applause to the tenacity and vision of Akiba Commercial, Azania, Eurafrikan, Dar Es Salaam Community, Twiga Bancorp and Tanzania Investment.

Ladies and Gentlemen,

In the recent past there have been many changes in the banking industry in particular. Banking is increasingly becoming an IT driven business whereby almost every service offered is largely dependent on IT. Banks are now striving for service excellence and increasing their competitive advantage through deployment of information systems. Moreover, banks are now refraining from the past traditions and are attracted to low costing technologies to build their infrastructure and modeling their business processes.

Ladies and Gentlemen,

The technologies that modern banks are attracted to include branch networking, IT based products and services, telephone banking,

electronic banking, smart cards, ATMs, internet banking, central automated cheque clearing, etc.

While each bank strives to improve its services and position itself in the market by deploying the latest technology, it has been difficult for Small and Medium Banks to embark on ATM and Switching technology single handedly as such technology requires substantial Capital Investment. On that basis it is expedient to form a consortium with the objective of implementing a shared card payment switching infrastructure.

Ladies and Gentlemen,

I would like to commend the Tanzania Investment Centre (TIC) for the support extended to this project. I would also like to commend Bank of Tanzania for the support rendered to the project. It is my hope that the UmojaSwitch success will go a long way in giving valuable lessons to the formation of a National switch or may even give way to the expansion of the UmojaSwitch infrastructure as a national switch itself.

Ladies and Gentlemen,

I would like to congratulate all members involved in the Umoja Switch and wish you the very best in giving your customers convenient, affordable and readily accessible banking in a 21st century setting.

Thank you very much for listening

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