Cheap money transfer saves Ugandans in diaspora

Stone Atwine is reducing the cost of remittances to Uganda and looks to do the same in other 53 countries on the continent. **Jonathan Adengo** spoke to the remit.ug founder on how he has built the money remittance platform.

As Ugandans in the diaspora want to invest back home, money transfers are increasingly gaining momentum in the country.

Stone Atwine, a cofounder and CEO of *remit.ug*, has made it possible for Ugandans in the diaspora to send money directly to their phones through mobile money.

Atwine, like many inventors, had to go through different businesses to find his footing in the technology world.

Atwine won the SeedStar regional award in 2014. Remit is an online platform that delivers mobile money across Africa.

The Computer Science graduate from Mbarara University of Science and Technology, has worked in financial technology, building platforms for emerging markets.

His first job was a church systems administrator in 2003 to 2005. He was entrusted with the IT system of the church. Shortly after, Atwine says he started a computer training school and IT services centre in Mbarara.

"I used to teach people how to use computers and offer internet services to the community," he says.

It was during this time that Atwine started interfacing with information technology. But more interesting is the fact that Atwine was also working for *Vision Radio* in Mbarara from 2005 to 2010 as Disc Jockey. He did this along with his computer training school.

In 2010, he started working for payment solutions company in Uganda as the business development manager, a job that would later see him being posted to Kenya in 2011.

It was during this time that Atwine experienced challenges each time he tried to send his grandmother money back home for upkeep.

"I used to go to the bank, withdraw the money then look for a Western Union or MoneyGram outlet with IDs and other documents to send money to my grandmother," he narrates, adding: "My grandmother would also need to board a bus to go to Mbarara and look for a Western Union agent to be able to retrieve the money."

That is how he developed the idea of remit.ug, a system that provides affordable and convenient international remittances to people sending money to Africa especially to un-banked and under-banked rural dwellers. He started designing the money remittance service using VISA.

However, when he came back to Uganda in 2013, he shared the idea with his friends, one of whom had already designed a prototype for a similar idea. They then joined forces and came up with *remit.ug*.

Remit is a mobile payments service that allows people to make real time money transfers from Debit or Credit card to mobile money users in Uganda, Kenya and Rwanda.

Atwine explains that when designing the platform, he wanted to deal with the problems of convenience, cost and speed of sending money.

"Our transfers are instant to mobile wallets and we use the latest technology to offer a robust money transfer service," he explains

Prior to founding remit, he was the business development manager, Uganda and country manager Kenya at Payment Solutions Africa; a pan-African software company that facilitates access to affordable finance by mitigating risk for financial institutions.

Around the same time they started remit, Atwine had also cofounded Credit Yetu Finance, a microfinance company that provides credit to government employees.

At Yetu, he says, he now plays an advisory role helping the team whenever they need his services.

Capital

When rolling out remit, Atwine says, they did not spend much, "We did not raise a lot of investment."

They started together as four partners initially each agreeing to raise Shs1 million. However, along the way, he says some people opted out and they are now two people left.

They have raised more funds that have been sunk into the business. To date, Atwine says they have invested more than $40,000 (Shs137.2m).

He also employs six people who manage the system and run the day-to-day affairs of the company.

Challenges

Atwine has not been immune to challenges, saying the service requires a lot of money in terms of float to facilitate the transactions.

Another challenge which they have been able to overcome was regulation by the Bank of Uganda. This has been solved through signing partnerships with licenced entities such as telecommunication companies.

Atwine says they are also facing players from bigger competitors who have the advantage of being able to raise a large pool of funds.

They have also tried to incorporate bill payment services such as electricity, water, pay TV that can allow someone in the diaspora to pay bills directly for their families back home.

Despite the growth they

"Growth is good, we have increased our volumes at a rate of 15 to 20 per cent in a month," he explains.

He also says that being a startup, they have tried to reinvest all the proceeds they get back to the business to improve on their services.

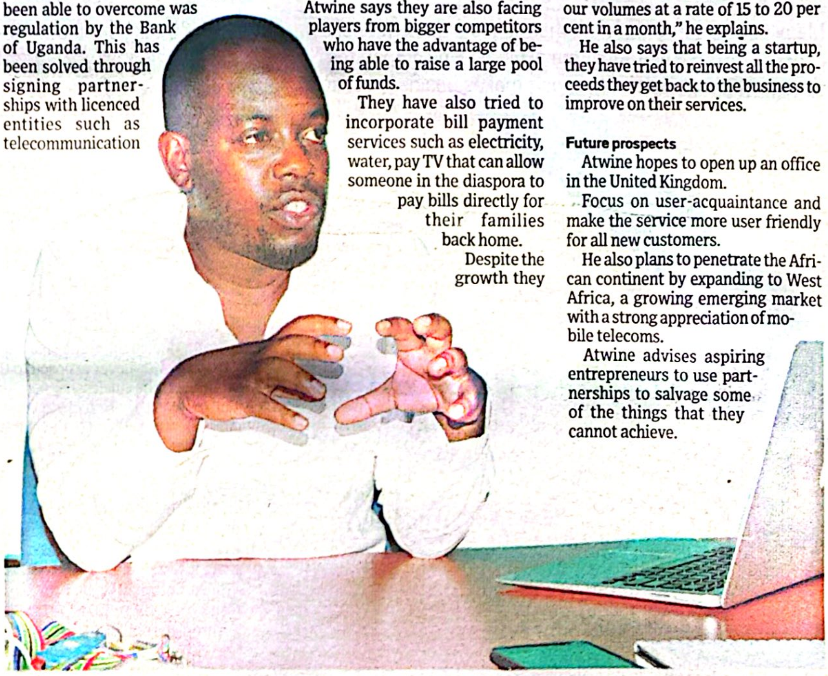
Future prospects

Atwine hopes to open up an office in the United Kingdom.

Focus on user-acquaintance and make the service more user friendly for all new customers.

He also plans to penetrate the African continent by expanding to West Africa, a growing emerging market with a strong appreciation of mobile telecoms.

Atwine advises aspiring entrepreneurs to use partnerships to salvage some of the things that they cannot achieve.



Stone Atwine gestures during the interview. Left below: Stone Atwine (C) displays a certificate he received last year where he was recognised as one of the top 200 economic emerging leaders. PHOTOS BY RACHEL AJWANG

COST

Remittances in Africa.
Africa is the most expensive corridor for global remittances. The World Bank estimates that nearly 12 per cent of the $60 billion in remittances to the continent are spent on fees. "That is over $7 billion of our hard-earned money going to internationally-owned mobile money transmitters," Atwine notes.

Low charges.
With new online platforms, all one requires is Internet and the costs are also further minimised. Remit.ug charges 4.9 per cent on the amount of money sent while world remit charges $5.99 to send $100. This, when compared to the traditional services such as Western Union and MoneyGram, is much lower.