“Digital remittances will unlock financial inclusion in the Middle East”, Oped in The National, 21 Jan 2026

The article titled “Digital remittances will unlock financial inclusion in the Middle East” appeared in the print edition of The National on 21st January 2026 and is posted below.

Digital remittances will unlock financial inclusion in the Middle East

Nasser Saidi

Financial inclusion remains a challenge for Arab countries in the Middle East. Only 50 per cent of adults in the region have a financial account, the lowest global score in financial account ownership, the World Bank says.

There are also wide gaps between the Gulf and the rest of the region, while women are disproportionately less likely than men to have accounts.

The gender gap in account ownership is most severe in the region, at 15 percentage points, more than double the average of other upper-middle-income countries.

Financial exclusion forces people into the informal cash economy, limiting their ability to save, invest and protect themselves from economic shocks. By contrast, globally, 78.7 per cent of people aged over 15 have an account with a bank, financial institution, or mobile money provider, up from 50.6 per cent in 2011.

Of the 1.3 billion adults that remained unbanked globally in 2024, the majority are located in the Arab region, Asia and Africa.

But digital technology is transforming the financial landscape. The *Global Findex Digital Connectivity Tracker* finds that 84 per cent of adults in developing economies own a mobile phone (in the Middle East and North Africa, it is a higher 89.3 per cent). Mobile phones and internet connectivity allow more people to access and use digital financial services. Mobile money accounts are gaining popularity as an alternative means of accessing financial services, with 2.1 billion registered mobile money accounts globally in 2024, according to the GSMA.

The Middle East is a global hub for migration, characterised by a unique demographic flow.

The Gulf Co-operation Council-South Asia (India, Pakistan, Bangladesh and Nepal) labour flow corridor is the single largest labour migration corridor into the Mena region.

Beyond South Asia, many migrants come from labour exporting Arab states such as Egypt, Jordan, Lebanon and Syria.

Remittance outflows from the Gulf clocked in at $131.5 billion in 2024, with $77 billion from Saudi Arabia and the UAE alone. For recipient countries such as Egypt, Jordan, Lebanon, India and Pakistan, these flows are not merely supplementary income; they are vital economic stabilisers that often outstrip foreign direct investment and official development assistance.

In Lebanon, remittances have become a critical lifeline amid economic collapse, representing 27.5 per cent of gross domestic product and more than 80 per cent of total external resource flows in 2023.

Money to send money

The traditional channels for remittances are costly and slow. High fees erode the value: when a migrant worker pays 7 per cent or more to send money home, it acts like a tax on development, with the reliance on cash agents an additional source of uncertainty and security risks.

The digital space offers a transformative opportunity. Digital remittances are not just about cost, efficiency and convenience; they are a gateway to broader financial inclusion.

The Mena region is already embracing this: in 2024, only 9.1 per cent of respondents to the Global Findex survey used a bank account for sending or receiving domestic remittances, compared to 26.3 per cent by all means including money transfers.

Empirical evidence finds a positive correlation between remittances and formal deposits/ credits, and using accounts for such transfers leads to remitters sending on average 30 per cent more than via informal channels.

By bypassing physical networks and leveraging mobile technology, the cost of sending money can drop to below the UN Sustainable Development Goals target of 3 per cent.

Digital transfers are near-instantaneous and secure, while also reducing the risks associated with carrying cash. Importantly, using digital channels creates a financial footprint.

For a migrant worker or displaced person who has never had a bank account, a digital remittance history can be the first step towards accessing credit, insurance and savings products. The success stories of M-Pesa in Kenya and Jazz Cash in Pakistan highlight mobile money services that have revolutionised financial inclusion by leveraging high mobile phone penetration – sporadic internet access is not a limiting factor in such cases. Both digital platforms have since expanded beyond simple transfers to offer loans, savings, insurance and merchant payments.

These models can be easily introduced in the Mena region, especially given the migration and expatriate labour patterns.

Users in Morocco are embracing digital payments, with various international money transfer operators present in the country (eg, Wise, Remitly, Xoom etc), and government and the central bank are working to streamline regulations for such operators.

In Jordan, "Digi#ances" (a CBJ-GIZ implemented project) aims to increase the use of digital financial services, including cross-border remittances via e-wallets, among unbanked Jordanians and refugees, with a specific focus on women.

Cross-border interoperability between payment systems is important, with the Arab Regional Payment System (Buna) aiming to streamline clearing and settlement across Arab currencies.

Blockchain technology holds the promise of offering transparent and immutable ledgers for cross-border transactions.

The use of central bank digital currency (CBDCs) also offers a transformational solution for financial inclusion. A retail CBDC can be stored in a digital wallet on a basic mobile phone (even without access to the internet), allowing unbanked populations in rural areas to receive funds directly and safely.

Superapps are imminent, with remittances just one feature within a broader set of lifestyle and financial services, embedding financial inclusion into users' daily digital experience.

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"Whoever controls digital currency will direct the future of money", Op-ed in Arabian Gulf Business Insight (AGBI), 18 Sep 2025

The opinion piece titled "Whoever controls digital currency will direct the future of money" was published in Arabian Gulf Business Insight (AGBI) on 18th September 2025.

Whoever controls digital currency will direct the future of money

CBDCs are tools of sovereignty in a world shifting eastward, edging away from dollar dominance

We are living in a rapidly transforming financial landscape.

In July the US passed the Genesis Act, the first formal federal framework for stablecoins. It mandates full reserve backing in US dollars or short-term treasuries – a bid to make

America the "crypto capital of the world", funding deficits while reviving the dollar's long-cherished "exorbitant privilege".

The prize is tempting. Global cryptocurrency value has rocketed from just $5 billion in 2015 to more than $3 trillion by mid-2025, fuelled by technology, institutional adoption, exchange-traded funds and speculative fever.

Yet crypto's story is one of boom and bust. Volatile prices, thin reserves and fragile pegs have repeatedly triggered bank-run dynamics. Stablecoins, e-money and cryptocurrencies are "currencies" in name only: they lack the unit of account, the store of value and the state guarantee that underpin true money.

That's why the next chapter won't be written by private tokens but by central banks.

The digital economy already accounts for $16 trillion – 14 percent of global GDP – and it is being supercharged by artificial intelligence. Such a system demands infrastructure with security, trust and scale.

Enter central bank digital currencies (CBDCs).

CBDCs come in two forms. Retail CBDCs extend digital cash to the public. Wholesale CBDCs streamline interbank payments and settlements. Both can cut costs, enhance security and integrate seamlessly with tokenised assets.

More strategically, they are becoming tools of sovereignty in a world shifting eastward, fragmenting and edging away from dollar dominance.

For many states, CBDCs are no longer optional – they are defensive shields against US financial power and offensive tools for economic inclusion.

The UAE has grasped this early. Its planned digital dirham could be live by the end of 2025, supporting domestic payments, cross-border trade and e-commerce.

It builds on the UAE's role as a crypto hub – home to Vara, the world's first independent virtual asset regulator and to pioneering tokenisation projects in real estate. Fractional ownership platforms let investors buy into Dubai property for as little as AED2,000 ($550). Tokenised assets are moving from theory to practice.

A digital dirham will make the payment system more efficient, facilitating transactions between individuals, businesses and governments, securely and at a lower cost.

It will widen access. Millions of expatriate workers and small businesses in the Gulf remain excluded from formal finance.

A state-backed digital currency can bring them into the fold securely, lowering remittance costs and expanding economic participation. Smart contracts will add automation, creating new efficiencies in trade and finance.

Globally, the race is on. As of July, 137 countries are exploring CBDCs; 72 are in advanced development and three have already launched.

China leads with its e-CNY, piloted in 29 cities with transactions topping $986 billion. The UAE, meanwhile, has conducted joint CBDC trials with Saudi Arabia and China through the Bank for International Settlements-backed mBridge project, and with Riyadh through Project Aber.

These efforts hint at an alternative financial architecture – one not reliant on the dollar.

Today, the greenback still accounts for nearly half of all international payments and dominates trade finance with an 82 percent share. But 98 percent of stablecoins are also pegged to the dollar, reinforcing its grip.

The stakes are geopolitical as much as financial. Imagine a trade transaction flowing between China and the UAE, settled instantly in e-CNY and digital dirham without touching dollars or the Swift payments system. That is no longer hypothetical – it’s already been tested.

Such flows foreshadow a future in which cross-border transactions are faster, cheaper and less dollar-dependent.

The UAE is well placed. It is the third-largest crypto adopter in Mena and among the top 40 globally, handling more than $30 billion in transactions in the year to June 2024, according to Chainalysis.

Decentralised finance usage in the country has grown 74 percent year on year, and the Dubai Land Department predicts tokenised real estate could reach $16 billion by 2033.

But the opportunity is also a challenge. Unless the UAE and other forward-leaning economies scale CBDCs quickly, they risk ceding ground to dollar-denominated stablecoins.

Washington has made its intentions clear. Beijing has already built its alternative framework. The global financial system is being redesigned – and whoever controls it will shape trade, power and trust in the digital age.

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"The Fintech Challenge: Transforming Banking, Finance, Payments & Central Banking", Presentation to the UAE Central Bank, 20 Nov 2018

Dr. Saidi provided a keynote address on “The Fintech Challenge: Transforming Banking, Finance, Payments & Central Banking” to the UAE Central Bank on Nov 20, 2018.
The presentation, given as part of the UAE Central Bank’s Strategy Session, covered issues like why Fintech is growing globally and in the MENA region, industry trends, as well as how central banks are adapting and embracing Fintech. Developing the right ecosystem for FinTech and how central banking could change over the next generation were also key discussion points.