

# IMPACT OF ELECTRONIC PAYMENT ON REVENUE PROTECTION-Eskom Case

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## BACKGROUND

- Energy Sources availability is a concern
- Fossil fuels hence looking at other energy sources
- Access to Electricity still low in many countries
- -9% access in Malawi



# BACKGROUND

- As a result electricity utilities have pressure to meet demand
- Alternative sources being explored and encouraged
- Efficiency is the Key word
- Efficiency in Generation,
- Transmission
- Distribution
- This is to maximize Revenue!

# BACKGROUND Cont

- Need to protect the revenue which is due to utilities
- Utilities are now emphasizing on this aspect of the business
- Technology is being employed to achieve this, i.e improved gadgets as meters
- ICT has taken center role.
- ICT has revolutionalised how to conduct business
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# BACKGROUND Cont

- Around 3 decades ago payments were done by traditional means.
- Cheques and hard currency
- Then came payment of services and goods by electronic means
- But What are these electronic payment system

# TYPES OF ELECTRONIC PAYMENT

- Payment Cards
- Internet
- Person to Person (B2B)
- Mobile Payment



# EVOLUTION OF ELECTRONIC SYSTEM

- **Conceptualization (as early as 1887) credit card**
- **Card Introduction- “1946 Charge it”**
- **Debit card and Swiping (1978; 1979)**
- **Internet Shopping (1981)**
- **Mobile Payment (2007)**



# ADOPTED SYSTEM IN ESCOM

- **Cards**
  - Magesi card launched in 2012
- **Mobile Payment**
  - TNM Mpamba
  - Airtel Money
- **Business to Business ( P2P)**
  - Thru Banks
  - NBM, NBS, OIBM, FMB,



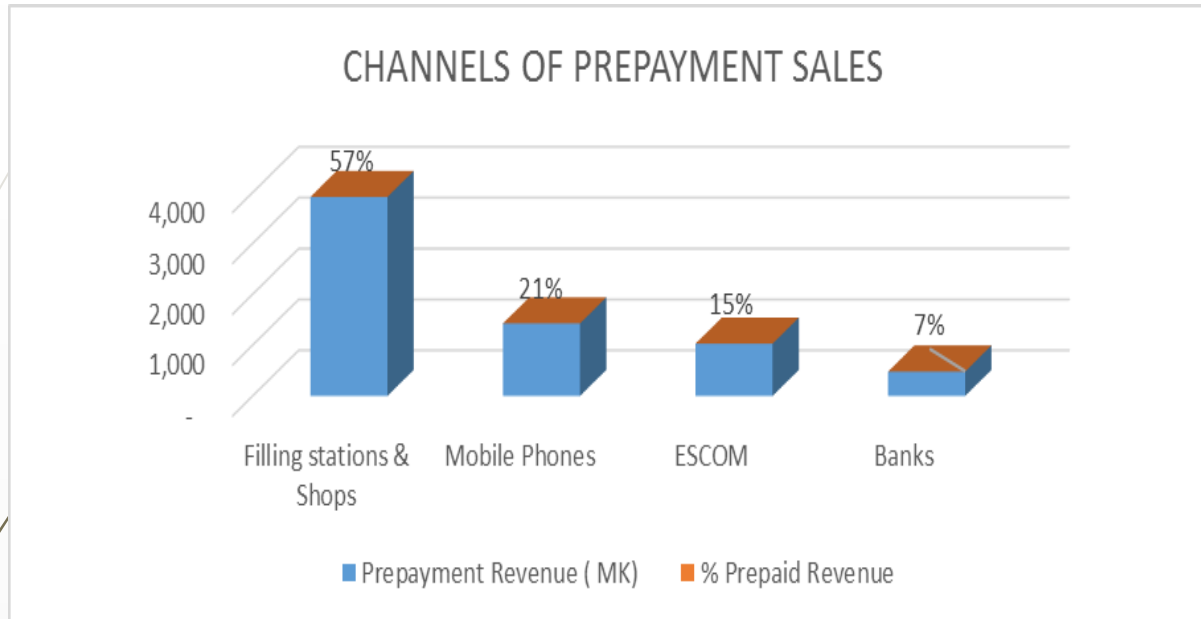


# OBSERVATIONS

- **Performance**
- **Prepaid Sales**
- **Positive Impacts**



# OBSERVATIONS



# OBSERVATIONS

- Positive Impacts
  - Convenient in terms of:
    - Save Time (travel, queuing, no observance of business hrs etc)
    - Environment (home, office)
    - Cost
- Challenges



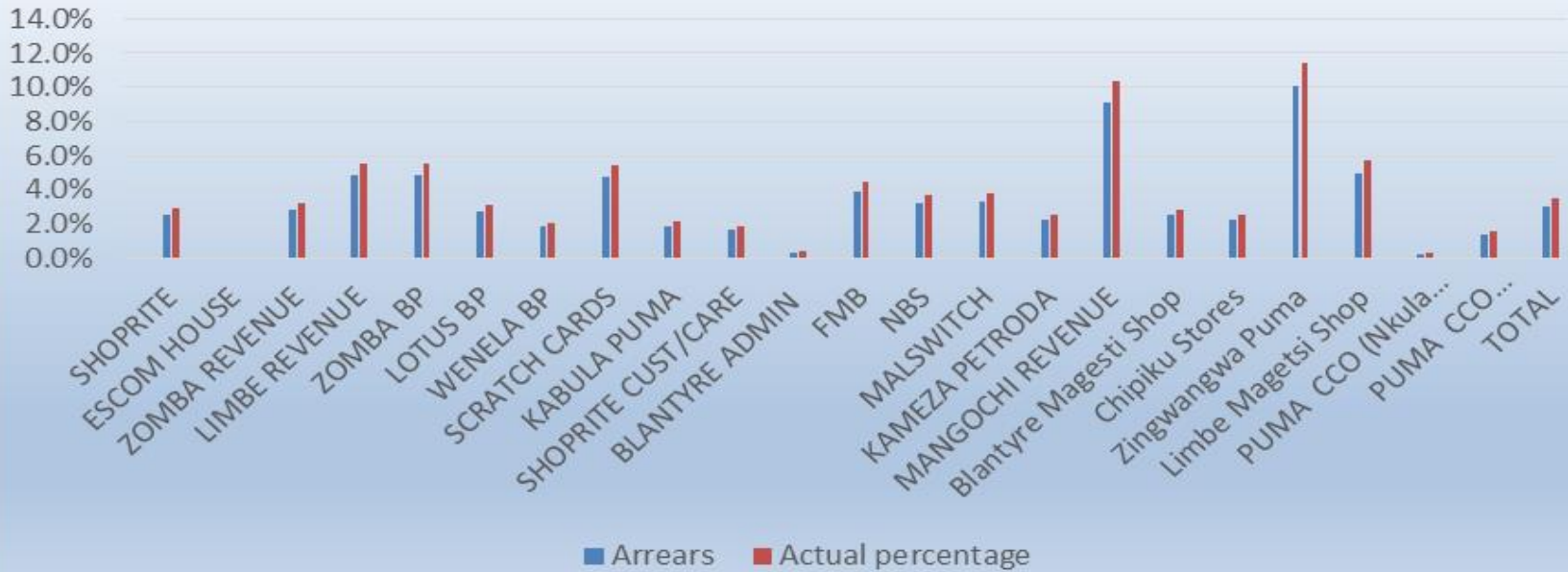
# CHALLENGES

- Network problems due to:
- Infrastructure problems
- Software
- Cyber Security



# ARREARS

Arrears as a %ge



# EMERGING ISSUES

- Arrears
  - Though % is small need to align with ISP
  - To have 100% prepaid
- Capacity Issues
  - To deal EPS
  - Ready for Cyber Security
- Future Direction
  - Investment decisions



# CONCLUSION

- EPS have improved the way to conduct business
- Electronic payment Systems will continue to grow
- With Mobile payment taking a larger share with time
- Utilities need to Enhance capacity to effectively Protect their Revenue with the emerging of EPS



# Thanks For your Attention

