

Digital Connectivity and Financial Inclusion in Arab Countries



REGIONAL NOTE

This regional note offers an overview of digital and financial inclusion in the Arab economies included in the Global Findex 2025. These economies are a mix of high-income, including Bahrain, Kuwait, Oman, and Saudi Arabia, and low- and middle-income Arab countries across Africa and Asia, including Algeria, Comoros, Egypt, Libya, Mauritania, Morocco, and Tunisia among the former, and Iraq, Jordan, Lebanon, and West Bank and Gaza among the latter.¹

The data show that Arab economies have embraced digital connectivity. Yet financial account ownership—the foundation of financial usage and health—remains lower than the global low- and middle-income average, driven by limited access for poorer adults and women. This highlights the difficulty economies face in driving a strong financial inclusion agenda and enabling broader economic participation if large percentages of their populations are excluded from the formal financial system. High phone ownership in Arab economies provides one of the foundations for account ownership, though the region must also innovate to deliver more affordable accounts, given that costs are among the most common barriers adults without accounts face.

Digital connectivity, a precursor to digital financial inclusion, is high in Arab nations, though there are access gaps

Across the low- and middle-income Arab economies in Africa and Asia, 90 percent of adults own a phone, higher than the world's low- and middle-income average of 84 percent. Two out of every three phone owners have a smartphone, which helps drive the internet usage rate to 68 percent—on par with the global low- and middle-income average.

Despite these high average digital connectivity rates, women are 9 percentage points less likely than men to have a phone across the low- and middle-income Arab countries, and 13 percentage points less likely to have a smartphone. This is consistent with the global low- and middle-income gender gaps. In contrast, poor and young adults are as likely as wealthier and older adults to have a phone in the region, though gaps exist at the country level.

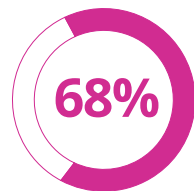
Digital Connectivity and Financial Inclusion

IN LOW- AND MIDDLE-INCOME ARAB COUNTRIES

► DIGITAL CONNECTIVITY

90%
OF ADULTS **OWN A
MOBILE PHONE.**

 Two-out-of-three phone
owners own a smartphone.

 **68%** of adults use
the internet.

Women are **9 percentage points less likely** than men to have a
mobile phone and **13 percentage points less likely** to have a smartphone.

► FINANCIAL ACCOUNT OWNERSHIP

40%
OF ADULTS **HAVE A
FINANCIAL ACCOUNT.**

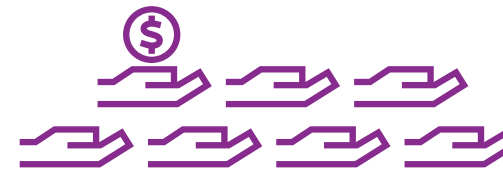
 Up by 16 percentage
points since 2014

 Women are 17 percentage
points less likely than men
to have an account.

In Arab countries **OUTSIDE OF AFRICA,**
only 20% of adults use their account
using a card or phone.

► FINANCIAL USAGE

Only 8% of adults borrowed
from a formal lender.



THAT'S JUST ONE IN SEVEN
BORROWERS. **THE REST BORROWED
FROM FAMILY OR FRIENDS.**

Almost 30% of adults and 22%
of women, made or received
a digital payment in 2024,
just half the LMIC average.

13%

**OF ADULTS SAVED IN AN
ACCOUNT**—well below

the LMIC average of 40%.

INFORMAL SAVING IS STILL FAR MORE COMMON.



Most government-to-person (G2P)
payment recipients received their
money into an account, though a
minority of wage recipients do so.

► FINANCIAL HEALTH

54%

**OF ADULTS COULD COME
UP WITH EXTRA MONEY**
to handle an emergency.



Around 70% of adults in
Arab countries name either
monthly expenses or medical
expenses are their biggest
financial worry.

20%

of adults in Arab economies borrow for
health, though only 2% do so formally.



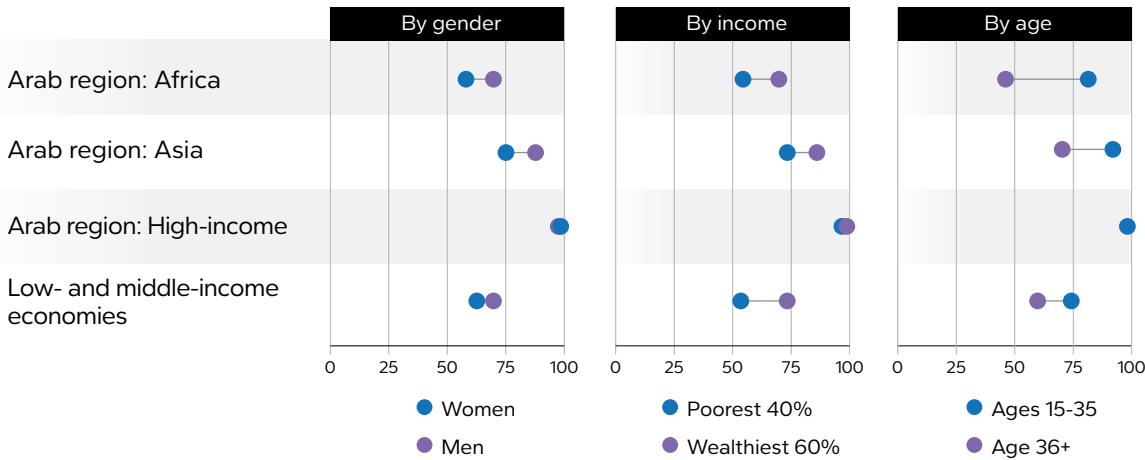
28% of adults could cover only two weeks
if they lost their main source of income.

Internet use corresponds with digital activity

Over 90 percent of adults in Arab economies who access the internet do so using a smartphone. Consequently, gaps in internet use mirror gaps in smartphone ownership discussed above (Figure 1). Specifically for women, 62 percent use the internet in low- and middle-income Arab countries compared with 74 percent of men.

FIGURE 1
Women and poor adults in low- and middle-income Arab countries are less likely to use the internet than men and wealthier adults

Adults who used the internet in the past three months (%), 2024



Source: Global Findex Database 2025

Iraq, Jordan, Lebanon, and the West Bank in the Asian region have higher-than-average internet usage rates and, by extension, higher adoption of a variety of digital activities. For example, social media is the most popular digital activity across all Arab economies, with almost 60 percent of adults engaging with it on average. In Iraq, Jordan, Lebanon, and the West Bank, that rate rises to between 72 percent and 84 percent of adults. Social media use is lower for women than for men, particularly in Comoros, Egypt, and Iraq, where women are around 20 to 25 percentage points less likely than men to use it.

Cost is the biggest barrier to owning a phone

When asked why they do not own a smartphone, half of adults with no phone or only a basic phone in these economies say they can't afford the device. Difficulty reading and typing is the second most common barrier. Not needing a smartphone is also a common reason people give for not having one.

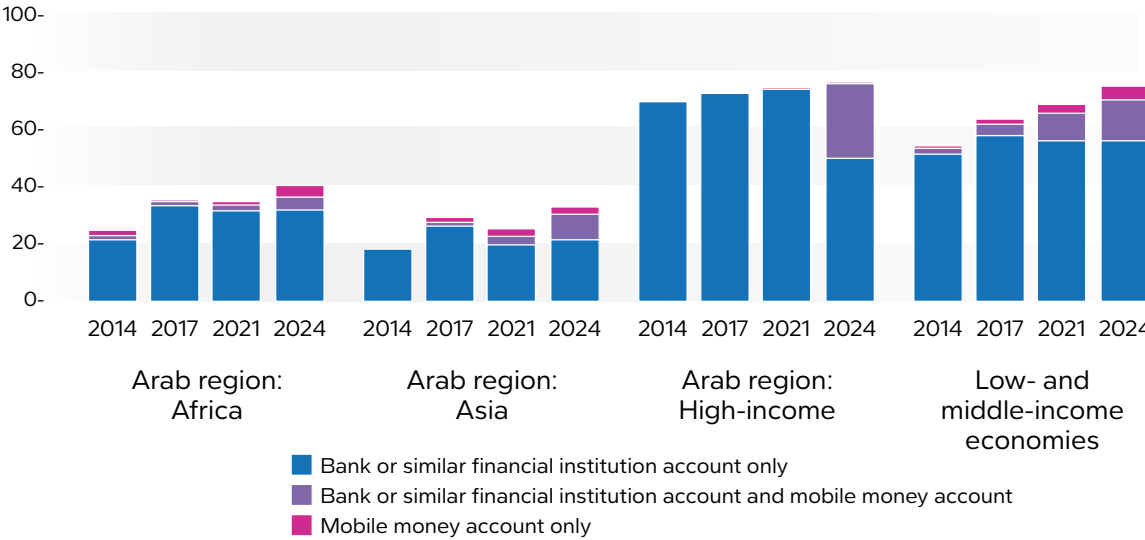
Financial inclusion rates in low- and middle-income Arab economies remain below the global average

Despite the widespread mobile phone and internet penetration across the region, account ownership, including digital financial service uptake, remains low. Strategies that have worked in other low- and middle-income economies to drive growth in financial account ownership have often relied on mobile money and other fintech accounts over the past decade.² Yet banks and similar financial institutions are the only options in some Arab economies, which may be one reason why account ownership growth has been both slower and more variable than in other regions. As of 2024, around 40 percent of adults have an account of any kind (see Figure 2). That rate is up by 6 percentage points since 2021, and by 16 percentage points since 2014.

The account ownership rate is higher in Comoros, Egypt, Jordan, Morocco, and the West Bank at around 45 percent—Comoros, Egypt and Jordan all allow mobile money providers to operate, which has contributed to higher access. Nonetheless, most account owners in the low- and middle-income Arab economies have an account with a bank.

FIGURE 2
Account ownership in Arab nations is below the low- and middle-income economy average

Adults with an account (%), 2014-2024



Source: Global Findex Database 2025

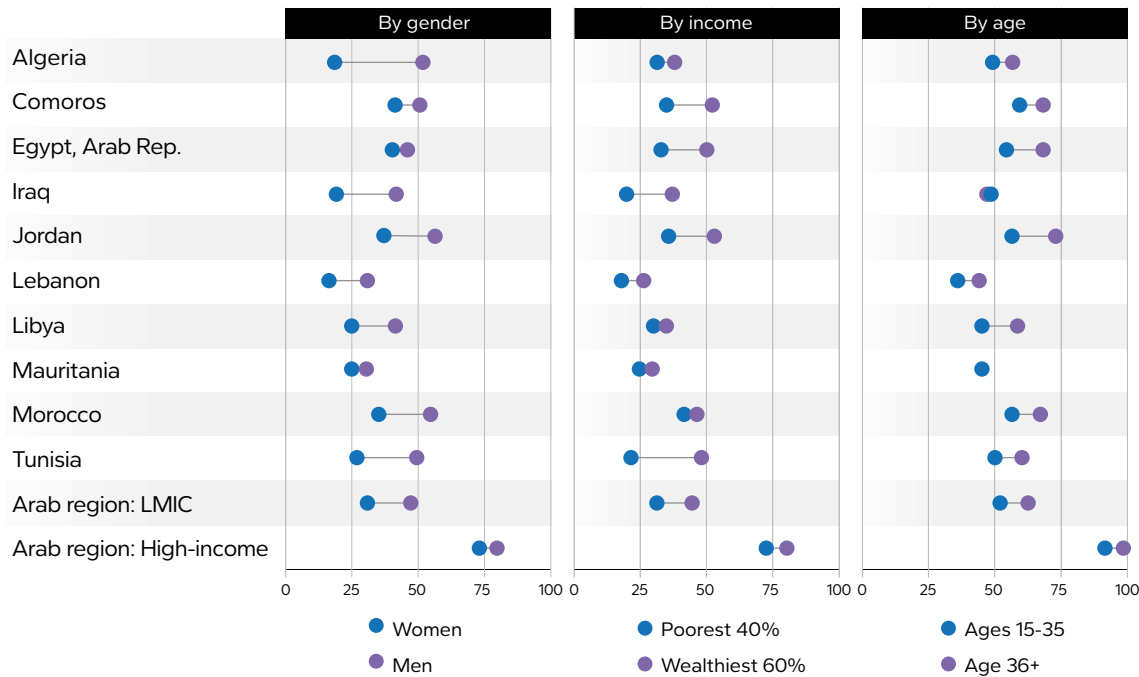
Account ownership is far less equitable for women, and for poor and rural adults

Financial account ownership rates remain 17 percentage points lower for women than men in low- and middle-income Arab countries. That is more than three times the global low- and middle-income account ownership gender gap of 5 percentage points. As of 2024, 31 percent of women have an account compared with 47 percent of men (see Figure 3).³

Poor adults are also 13 percentage points less likely to have accounts than wealthier adults—31 percent of adults living in the poorest 40 percent of households by income have one, compared with 44 percent of adults living in the wealthiest 60 percent. This is statistically consistent with the 12-percentage-point income gap across all low- and middle-income economies.

FIGURE 3
Women and low-income adults are less likely to have accounts in low- and middle-income Arab economies

Adults with an account (%), 2024



Source: Global Findex Database 2025

Saving, borrowing, and the use of digital payments are lower than average in Arab economies, though all have grown

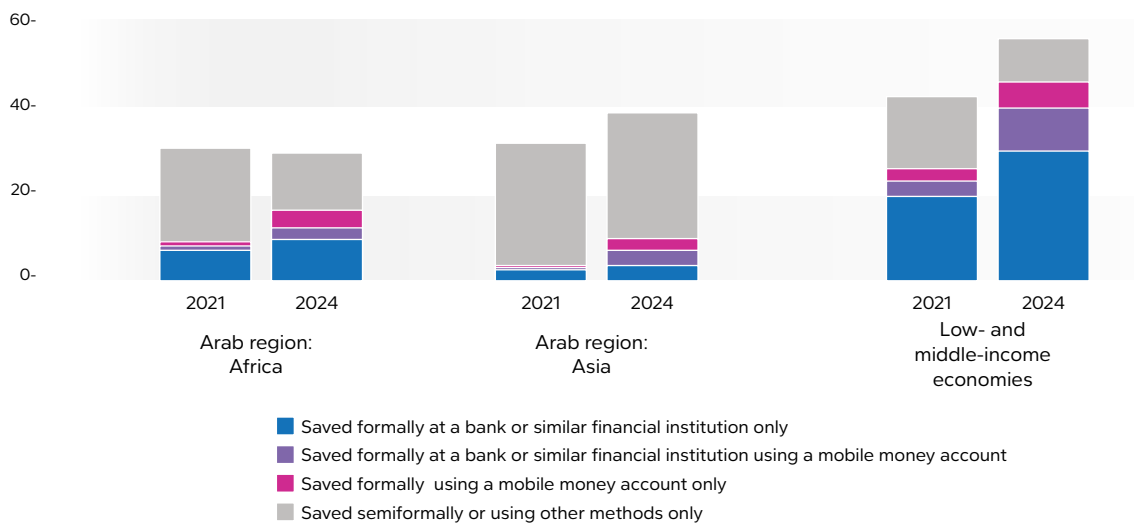
Accounts are the foundation for using financial services. As a result, low account ownership translates to low rates of using accounts to formally save, borrow, and make or receive a variety of digital payments.

Saving through informal channels is still the most common approach

Globally, the share of adults saving formally in an account increased dramatically between 2021 and 2024, reaching 40 percent of all adults. The increase was less pronounced among the low- and middle-income Arab countries, however. Only 31 percent of adults in these countries saved in any way, and 13 percent saved formally using an account (see Figure 4). Nonetheless, the share of adults saving formally almost doubled between 2021 and 2024 from 7 percent. And though saving is rare, about half occurs through mobile-enabled accounts, reflecting broader trends of mobile accounts offering a more convenient and affordable way to save. Women are half as likely to save formally than men: 8 percent of women do compared with 17 percent of men.

FIGURE 4
Only 13 percent of adults in low- and middle-income Arab economies save formally in an account

Adults saving any money in the past year (%), 2014-2024



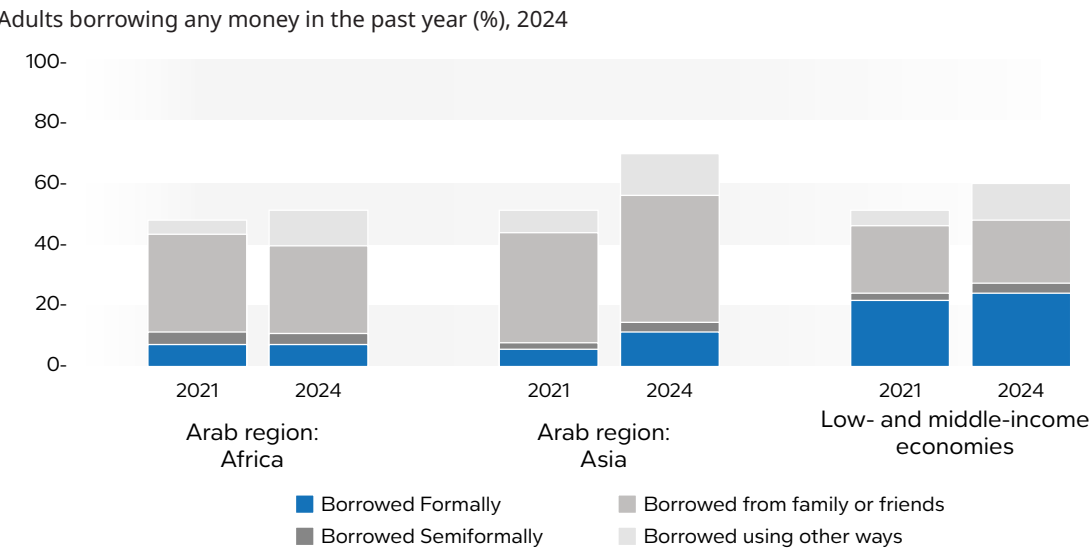
Source: Global Findex Database 2025

Note: People may save in multiple ways, but categories in the figure are constructed to be mutually exclusive. "Saved formally" includes all adults who saved any money formally. "Saved semiformally" includes all adults who saved money semiformally but not formally.

Most borrowers rely on family or friends

Borrowing also saw a significant increase among Arab economies to 55 percent of all adults in 2024, up from 48 percent in 2021. Most borrowing is from family or friends, with only 8 percent of adults (or one in seven borrowers) borrowing from formal lenders (see Figure 5). Women are slightly less likely than men to borrow (4 percentage points), though not less likely to borrow through formal methods.⁴

FIGURE 5
A small share of borrowing in Arab economies is formal



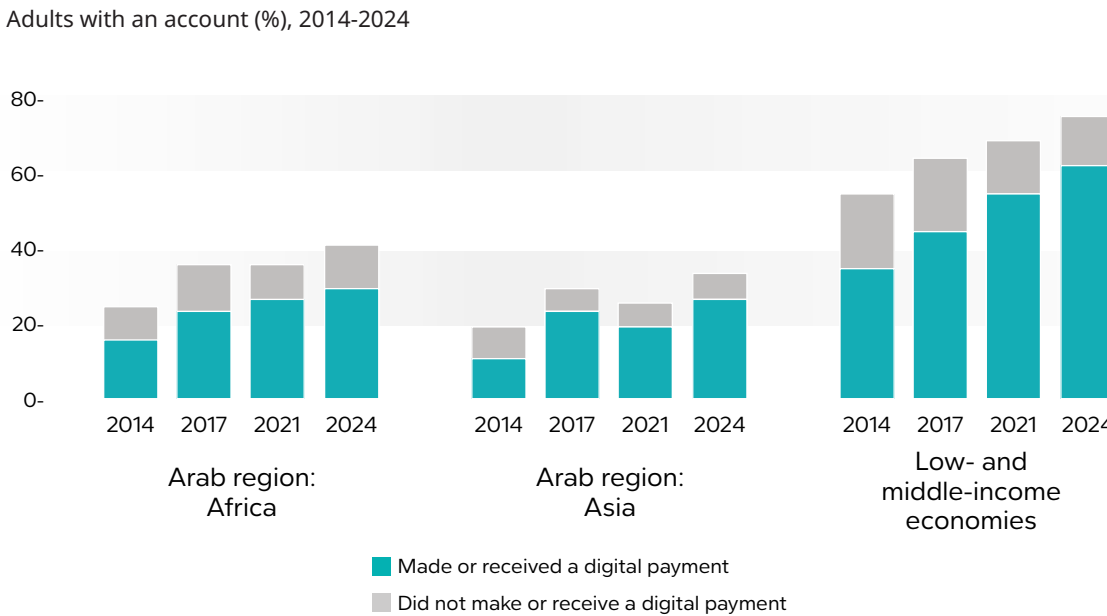
Source: Global Findex Database 2025

Note: People may borrow from multiple sources, but categories in the figure are constructed to be mutually exclusive. "Borrowed formally" includes all adults who borrowed any money from a bank of similar financial institution or through the use of a credit card or mobile money account. "Borrowed semiformally" includes all adults who borrowed any money semiformally but not formally. "Borrowed from friends and family" excludes all adults who borrowed formally or semiformally.

Digital payment adoption is lower than average, though with notable growth in some economies

Almost 30 percent of adults in low- and middle-income Arab economies made or received a digital payment in 2024 (see Figure 6). That share doubled over the previous decade, though it remains half the low- and middle-income average. Nonetheless, as a relative percent of account owners, payment use is like other low- and middle-income regions at around 80 percent. Only 22 percent of women use digital payments in low- and middle-income Arab economies compared with 36 percent of men.

FIGURE 6
Digital payment use in Arab economies is lower than the low- and middle-income average, though use by account owners is comparable

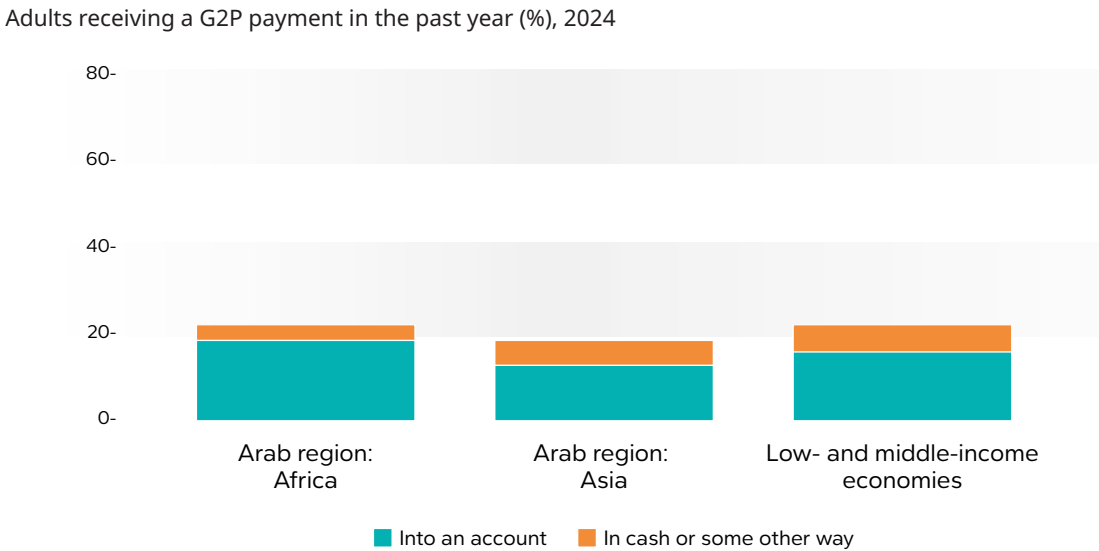


Source: Global Findex Database 2025

Digital payment adoption is higher than average in Egypt (36 percent), Jordan (38 percent) and Morocco (32 percent). The fact that all three have an interoperable fast payment system may help, given that they allow account holders to pay anyone, regardless of where the recipient has an account.

Government-to-person (G2) payments are highly digitalized across all Arab low- and middle-income economies, and most G2P payment recipients get paid into an account (see Figure 7). In contrast, a minority of wage recipients receive their money into an account.

FIGURE 7
Most G2P payment recipients received their money into an account



Source: Global Findex Database 2025
Note: Because an abridged questionnaire was administered in Algeria and Libya, averages exclude data for these economies.

Digital merchant payment use is rare in low- and middle-income Arab economies. Only 8 percent of adults make them, though Comoros, Iraq, and Mauritania all saw significant increases in adoption between 2021 and 2024.

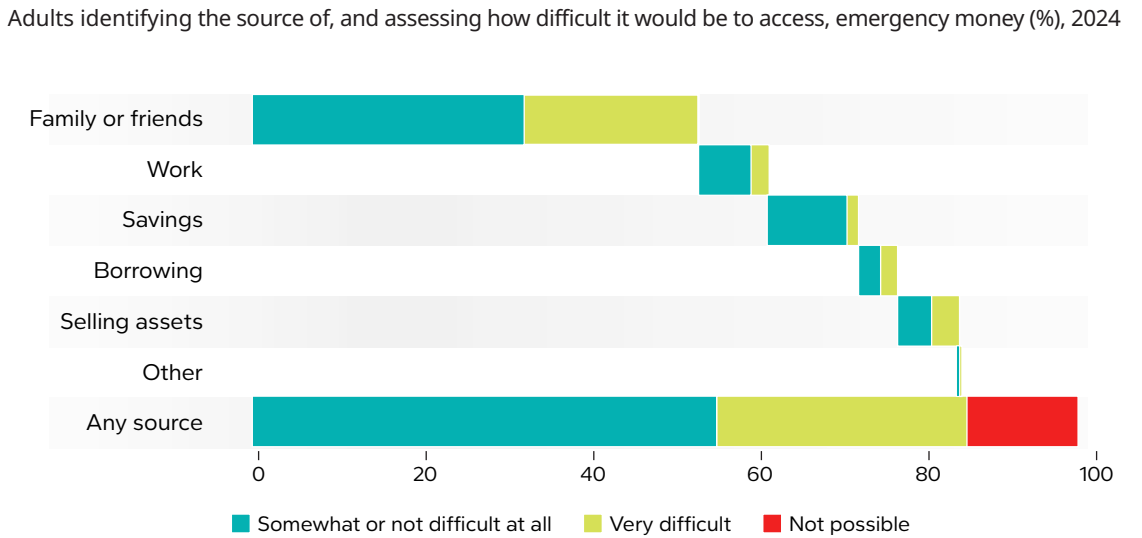
Adults in low- and middle-income Arab economies lack financial resilience and confidence

Low account ownership and formal saving has a negative impact on the financial health of adults in Arab low- and middle-income economies. When asked how they would manage an unexpected shock, such as a loss of income or a sudden expense, 54 percent of adults in low- and middle-income Arab countries say they could, without much difficulty, access extra money equivalent to 5 percent of per capita gross national income (equivalent to around 10,000 Egyptian pounds or 150 Jordanian dinar).⁵

This is the same as the low- and middle-income average, though only 51 percent of women say they can come up with extra money compared with 57 percent of men. In every region in the world, savings are the most reliable source of extra money, in that people who would use it are most likely to say that getting extra money to manage an emergency would not be hard (Figure 8). In contrast, money from family and friends is the least reliable source, despite being the most common. These dynamics hold in low- and middle-income Arab economies and contribute to equity gaps in financial health. Nonetheless, over half of adults who would rely on family and friends in an emergency say the money would not be hard to get, making it more reliable than elsewhere.

Regardless of the source of extra money, the amount people in low- and middle-income Arab countries could access would not last long. The largest share of adults—28 percent—said they would be able to cover less than two weeks of expenses with the extra money they could access. That contrasts with the more than two months named as the most common period adults could cover among all low- and middle-income economies. It points to the fragility adults in the region face because of their limited financial account ownership and low financial services usage.

FIGURE 8
54 percent of adults in low- and middle-income Arab economies could access extra money to deal with an emergency, usually from family or friends



Source: Global Findex Database 2025
Note: A small share of adults did not know or refused to disclose their main source of emergency money.

Approaches to increasing account ownership and usage to enable financial health in low- and middle-income Arab economies

Global Findex data highlights several avenues for increasing account ownership and promoting account usage, with the aim of helping people become more financially healthy.

High phone ownership in Arab economies provides a foundation for account ownership—two-thirds of adults without accounts already own a smartphone. Yet cost remains a barrier: the largest share of adults without accounts in the region say they do not have one because they do not have enough money to make it worthwhile, or because accounts are too expensive. Furthermore, between 20 percent and 50 percent of adults without an account say they do not need one because a family member has one. Affordability can mean many things in this context, but accounts with no minimum balance requirements, and predictable and transparent fee structures make it easier for people with limited funds to use accounts without fear of incurring additional costs. Making accounts more affordable could help nudge more adults without accounts to open one, including those with low incomes.

Combining more affordable, digitally enabled accounts with digital payments could also help address the cost issue while providing an initial motivation for opening an account—for example, to receive a G2P or wage payment. Such an approach could also address another common barrier: distance to a branch. This barrier is particularly burdensome for people living in rural areas, especially in the Arab countries where rural people remain less likely to own accounts, such as Comoros, Egypt, and Mauritania.

Other barriers are less about access and infrastructure and more about financial capabilities and confidence. In low- and middle-income Arab economies, for example, between 40 percent and 65 percent of adults without accounts would need help using one if they opened it. That may dissuade people from account ownership. Lack of experience does not have to be a limitation, however. Research shows that receiving payments into an account allows recipients with low financial literacy to “learn by doing,” thereby gaining financial capabilities with practice.⁶

Addressing these barriers requires targeted approaches. Delivering a compelling customer value proposition through tailored products and offering financial literacy programs in a context of strong consumer protection could help. Gender-specific approaches are also essential. Product design features created with women’s needs in mind, combined with onboarding processes that address the barriers women face, are necessary to increase gender equity in financial inclusion.

Endnotes

1. Note that Algeria and Libya received an abridged version of the questionnaire and are therefore not included in any of the averages on internet use or receiving payments.
2. The Global Findex asks adults whether they have used a mobile money provider included in the GSMA Mobile Money Deployment Tracker. The GSMA’s tracker includes telecom- and fintech-led platforms that offer financial services via mobile phones and typically operate independently of traditional banks. This group generally excludes adults using digital wallets that function primarily as app-based payment tools. Some mobile money account providers listed in the GSMA’s tracker, however, could be legally licensed as a bank or are typically supported by a bank partner, or some of their services could be linked to bank accounts.
3. The Global Findex reports data as whole percentage points, although it calculates that whole based on rounding up or down from the tenths place. Sometimes this rounding creates a discrepancy between the reported size of a gap and the difference between its rounded end points. The full reported gap in these cases is nonetheless accurate.
4. The Global Findex uses a 4-percentage point threshold for statistical significance. As a result, the difference in borrowing behavior between women and men just meets that threshold.
5. These numbers reflect 5% of the respective economy’s 2023 gross national income reflected as purchasing power parity.
6. “Breza, Emily; Kanz, Martin; Klapper, Leora. 2020. Learning to Navigate a New Financial Technology: Evidence from Payroll Accounts. Policy Research Working Paper; No. 9495. World Bank.



About the Global Findex Database

Since 2011, the Global Findex Database has been the definitive source of data on the ways adults around the world access and use financial services and manage financial shocks. Results from the first survey were published in 2011 and have been followed by subsequent survey results from 2014, 2017, 2021, and 2024. The most recent edition is based on nationally representative surveys of about 145,000 adults in 140 economies and conducted over the calendar year 2024. It includes updated indicators on access to and use of formal and informal financial services, including includes data on saving, borrowing, making payments, and managing financial risk, as well as globally comparable data on ownership of mobile phones, internet use, and digital safety.

The database, the full text of all assets, and the economy-level data underlying all figures, along with the questionnaire, the survey methodology, and other relevant materials, are available on the Global Findex website at <http://globalfindex.worldbank.org>.