



ECONOMIC LENS

Issue 17
12 July 2026

© 2026 ECES. All Rights reserved.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of ECES.

From Cash Withdrawal to Digital Payments *Can Pension Cards Accelerate Egypt's Transition Toward a Less Cash-Dependent Economy?*



Why Are We addressing This Question Now?

Very month, around **11.5 million** pension beneficiaries receive pension payments totaling nearly **EGP 38 billion**. Although Egypt has significantly expanded its digital payments ecosystem in recent years, including the gradual replacement of traditional pension cards with **Meeza cards**, a large share of these funds continues to be withdrawn in cash shortly after being credited to beneficiaries' accounts. Originally introduced as a payment instrument that enables purchases at merchants and service providers, **Meeza cards** are still used predominantly for cash withdrawals, reflecting a persistent preference for cash over electronic payments.

This behavior becomes particularly evident during pension payment periods and public holidays, when ATMs experience unusually high demand and long queues. The congestion observed during recent holiday seasons suggests that the issue is not a shortage of liquidity, but rather the continued reliance on cash as the primary means of accessing pension income.

These developments raise an important question: **Can pension cards evolve from being primarily cash withdrawal tools into convenient, everyday payment instruments that support a gradual transition toward a less cash-dependent economy?**

Current Situation: A Well-Developed Digital Infrastructure, Yet Cash Still Dominates

Egypt has made remarkable progress in advancing financial digitalization over the past decade, laying the foundation for a broader shift toward electronic payments.

- **Financial inclusion:** The financial inclusion rate increased from **27.4% in 2016** to **77.6% by the end of 2025**, bringing nearly **37 million** additional citizens into the formal financial system in less than a decade.
- **InstaPay:** By **June 2025**, the platform had reached more than **16 million** users, processing over **1.1 billion transactions** with a total value approaching **EGP 2.4 trillion**.
- **Mobile wallets:** The number of active mobile wallets increased by nearly **295%**, rising from **15.2 million** in 2019 to **60 million** by the end of 2025.
- **Point-of-sale (POS) terminals:** Egypt currently has approximately **1.35 million POS devices** deployed across the country.

Figure 1. Egypt’s Digital Payments Ecosystem

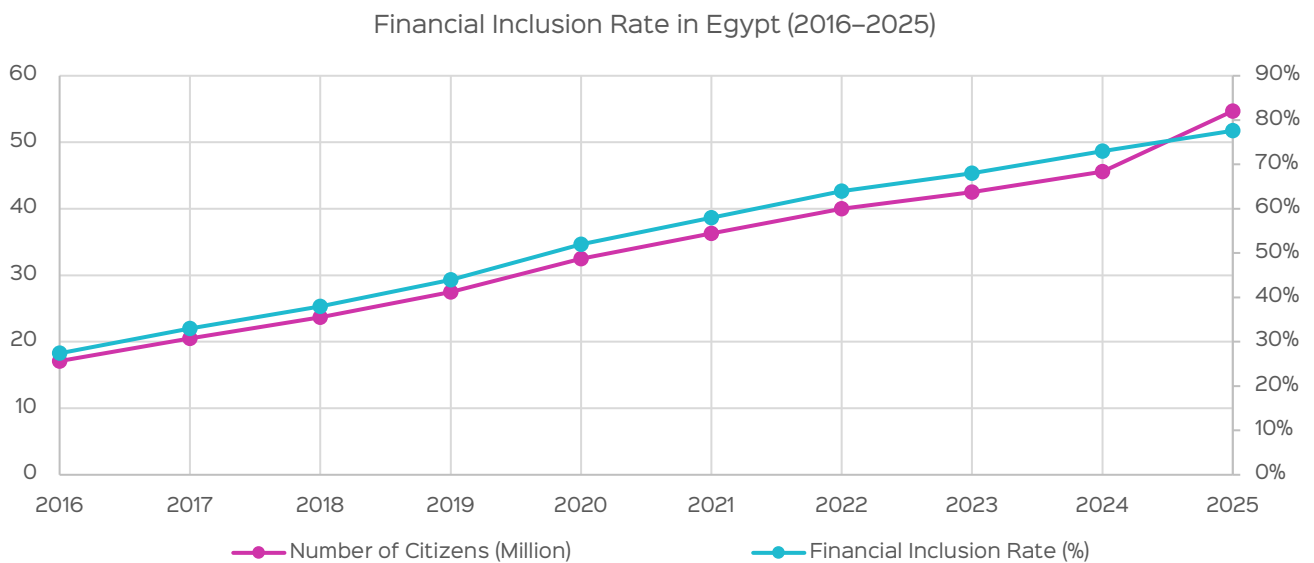
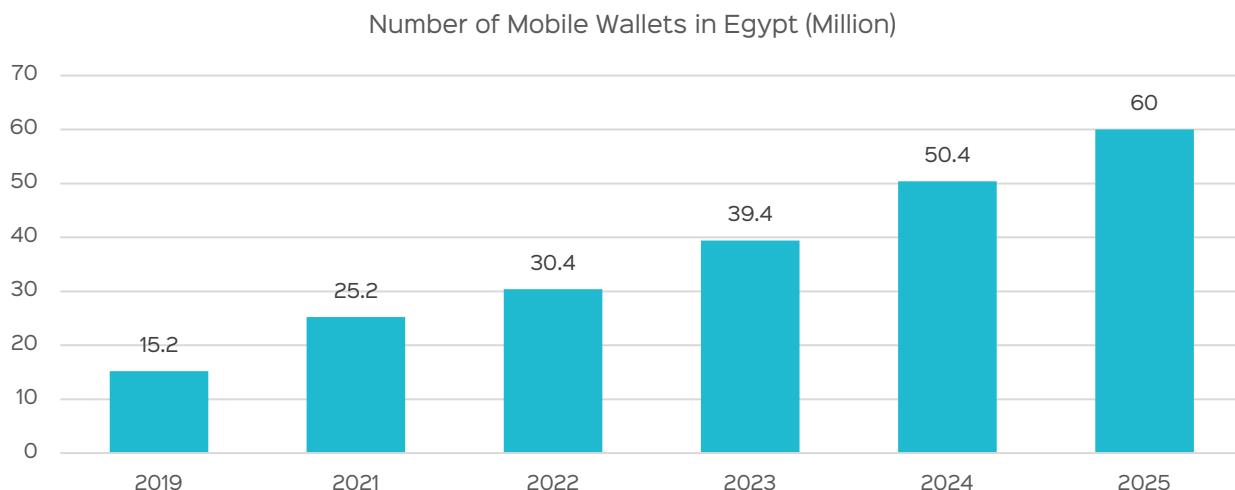


Figure 2. Financial Inclusion and Mobile Wallet Growth



Source: Central Bank of Egypt, Financial Inclusion & Payment Systems Indicators Report, December 2025

Table 1. Key Indicators of Egypt's Digital Payments Ecosystem

Indicator	Value
Number of Pension Beneficiaries	11.5 million beneficiaries
Total Monthly Pension Payments	EGP 38 billion
Average Monthly Pension	Approximately EGP 5,000
Financial Inclusion Rate (2025)	77.6%
Citizens with Bank Accounts or Active Payment Instruments	54.7 million
InstaPay Users	More than 16 million
ATMs	26,160 machines
Point-of-Sale (POS) Terminals	1.35 million devices
Number of Mobile Wallets	60 million
Meeza Cards Issued to Pension Beneficiaries	Approximately 6 million cards

Source: prepared by ECES based on the Central Bank of Egypt (CBE), Financial Inclusion and Payment Systems Indicators Report, December 2025; the National Organization for Social Insurance (NOSI); and eFinance Investment Group, InstaPay Statistics, June 2025.

The indicators above demonstrate the remarkable progress Egypt has made in expanding digital financial services and payment infrastructure. Financial inclusion nearly tripled between 2016 and 2025, while the number of active mobile wallets increased by nearly **295%** between 2019 and 2025. At the same time, digital payment channels expanded rapidly through the widespread adoption of InstaPay, the deployment of approximately 1.35 million point-of-sale (POS) terminals, and the gradual replacement of traditional pension cards with around **6 million Meeza cards**. **Together**, these developments demonstrate that Egypt has largely established the digital infrastructure required to support a gradual transition toward a less cash-dependent economy.

However, the expansion of digital infrastructure has not always translated into changes in payment behavior. Although Meeza cards were introduced to enable beneficiaries to make electronic payments directly at merchants, **many pension beneficiaries continue to use them primarily as cash withdrawal cards**. As a result, billions of Egyptian pounds are converted into physical cash every month, placing recurring—and largely avoidable—pressure on ATM networks and cash distribution systems. **In some rural communities, informal intermediaries have also emerged, collecting pension cards from beneficiaries, withdrawing cash on their behalf, and returning the money to them**. While this practice may help overcome practical barriers faced by some beneficiaries, it reinforces dependence on cash and creates a new layer of intermediation that digital payment systems were originally designed to eliminate.

These developments suggest that the next stage of financial inclusion is no longer about expanding access to financial services, but about encouraging their effective use. Financial inclusion should not be measured solely by the number of bank accounts or payment cards issued, but also by the extent to which these instruments are actively used in everyday transactions.

Without greater adoption of digital payments, continued investment in financial infrastructure will generate diminishing returns, and progress toward a less cash-dependent economy is likely to slow despite the availability of modern payment systems.

The evidence suggests that the main challenge is **not the availability of digital payment infrastructure, but rather the extent to which it is being utilized**. Pension cards are already capable of supporting electronic transactions in most cases, yet they continue to be used primarily as tools for cash withdrawals. The gap can be understood through three key dimensions:

- **Behavior:** Cash withdrawal habits remain deeply ingrained among many pension beneficiaries, and changing these habits will require time, incentives, and greater confidence in digital payment methods.
- **Acceptance:** Some merchants and service providers still do not accept electronic payments, leaving beneficiaries with little choice but to carry cash.
- **Awareness:** Many pensioners are unaware that their cards can be used directly for purchases without first withdrawing cash from an ATM.

Encouraging beneficiaries to use their pension cards directly at supermarkets, pharmacies, hospitals, and public transportation services could significantly reduce reliance on cash while providing a more convenient and secure payment experience, eliminating the need to queue at ATMs every month.

What can we do about it?

Addressing these challenges requires coordinated action by beneficiaries, merchants, financial institutions, and regulators. The following policy options aim to strengthen digital payment adoption while reducing unnecessary reliance on cash among pension beneficiaries.

- **Targeted financial incentives:** Introduce cashback programs (e.g., 1–2%) for purchases made directly using Meeza pension cards. Providing small but immediate financial rewards would encourage beneficiaries to use their cards for everyday purchases instead of withdrawing their pensions entirely in cash.
- **Financial incentives for merchants:** Introduce temporary incentive schemes for merchants that actively accept Meeza card payments, particularly small retailers and businesses in rural and underserved areas. Since some merchants discourage electronic payments because of transaction fees, reducing merchant service fees, offering tax incentives, or partially subsidizing digital payment costs could increase acceptance while encouraging wider use of electronic payments.
- **Universal acceptance of Meeza cards:** Expand the acceptance of Meeza cards across all businesses frequently used by pension beneficiaries—including supermarkets, pharmacies, hospitals, clinics, and public service providers. **Encouraging beneficiaries to use digital payments without ensuring that merchants are able and willing to accept them is unlikely to change payment behavior. In other words, awareness without enablement will deliver little impact.**

- **Strengthen enforcement and consumer protection:** Introduce clear regulations requiring merchants with electronic payment facilities to accept Meeza card payments. Merchants who refuse electronic payments without a legitimate technical reason should be subject to appropriate penalties. A dedicated hotline or digital complaints platform should also be established to enable beneficiaries to report non-compliant merchants, ensuring that electronic payment rights can be effectively enforced.
- **Dedicated customer support:** Establish a toll-free hotline or WhatsApp support channel to assist pension beneficiaries with technical questions related to Meeza card usage, PIN management, transaction issues, and payment procedures. Providing accessible support would help reduce both technological and psychological barriers to digital payment adoption.
- **Seasonal awareness campaigns:** Launch targeted communication campaigns before pension payment dates and major religious holidays to remind beneficiaries that Meeza cards can be used directly for purchases without first withdrawing cash. These campaigns should also encourage merchants to promote electronic payments and highlight the convenience, security, and time-saving benefits of using digital payment methods.

Conclusion

- Egypt already possesses much of the infrastructure needed to support digital pension payments. With 11.5 million beneficiaries receiving approximately EGP 38 billion every month, even a gradual increase in the use of pension cards for direct purchases could significantly reduce pressure on ATM networks during peak periods, save time and effort for beneficiaries, and further strengthen financial inclusion.
- The objective is not to eliminate cash, but to expand the choices available to pensioners and enable them to manage their benefits in the way that best suits their needs. Rather than viewing pension cards solely as instruments for withdrawing money, they can evolve into fully functional everyday payment tools. Combined with broader merchant acceptance, sustained financial awareness efforts, and well-designed incentives, this transition could benefit both pension beneficiaries and Egypt's broader journey toward a more efficient, inclusive, and digitally enabled economy.

The infrastructure is already in place. The next challenge is to ensure that the entire digital payments ecosystem is ready—through greater awareness, effective enablement, wider merchant acceptance, and practical solutions wherever barriers to digital payment adoption still exist. Only then can meaningful behavioral change take place.