



# Statistical Report

Growth of Digital Payments in Iraq 2020–2026

## Introduction

Iraq is witnessing an accelerating digital transformation in the payments sector, driven by intensive government efforts and increasing consumer awareness of the benefits of electronic transactions. This report aims to review and analyze the growth of digital payments in Iraq during the period 2020-2026, highlighting the most prominent statistics, government initiatives, and future challenges that shape this vital sector

# Key Growth Drivers



Several factors combine to drive the growth of digital payments in Iraq. Foremost among these is strong government support, represented by the directives of the Central Bank of Iraq to shift towards a digital economy. The increasing spread of smartphones and internet services also significantly contributes to facilitating access to electronic payment solutions. Additionally, partnerships between FinTech companies and traditional banks play a pivotal role in providing innovative services that meet changing market needs.

# Growth Statistics and Figures (2020-2026)

Digital payments in Iraq have witnessed remarkable growth over the past few years, and this upward trend is expected to continue:

- **Volume of Electronic Payments:** The volume of electronic payments has significantly increased, reaching approximately \$17 billion in 2024, with an annual increase of nearly \$1 billion [1]. Some estimates predict that the volume of digital payments will grow by 300% over the next two years [2].
- **Electronic Payment Cards:** The number of electronic payment cards exceeded 25 million by 2025 [3].
- **Point of Sale (POS) Devices:** POS devices have become widespread, with over 5 million devices distributed across all governorates by 2025 [3].
- **Mobile Banking Adoption:** Mobile banking adoption is expected to reach 65% of urban populations by 2026 [2].
- **Digital Identity and E-Government Services:** By 2026, 90% of the population is expected to have a digital identity, with 859 e-government services available [4].



## **Government Initiatives and the Role of the Central Bank of Iraq**

The Central Bank of Iraq plays a pivotal role in leading this transformation by issuing numerous instructions and regulations:

- **Mandatory Electronic Payments:** The Central Bank of Iraq has issued directives mandating all state institutions and the private sector (including gas stations, restaurants, stores, pharmacies, etc.) to provide electronic payment services [5].
- **Strategic Plan (2024-2026):** The Central Bank's strategic plan includes establishing the National Company for Payment Systems and implementing an integrated payment strategy aimed at keeping pace with global developments in financial technology [6].
- **Digital Payment Regulation No. 2 of 2024:** This regulation represents a transformative step towards enhancing Iraq's digital economy [7].

## **Challenges and Future Opportunities**

Despite significant growth, challenges still face the digital payments sector in Iraq, most notably the large volume of cash transactions outside the banking system and the need to enhance financial inclusion to integrate broader segments of society, especially in rural areas [8].

However, future opportunities are very promising. Iraq is expected to be one of the fastest-growing FinTech markets globally, with a compound annual growth rate exceeding 35% [2]. The use of Artificial Intelligence in fraud detection and credit risk assessment, and the development of innovative partnerships between FinTech companies and traditional banks, will contribute to driving innovation and expanding the scope of services.

## **Conclusion**

Iraq is steadily moving towards building a modern digital economy, supported by strong government will and increasing adoption of digital solutions. The anticipated growth in digital payments until 2026 reflects the enormous potential of this sector, heralding a more efficient and inclusive financial future for the country.

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