

# Embedded Finance Revolutionising Cross-Border Transaction

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## INTRODUCTION

Scope

Key findings of embedded cross-border transaction

Key demand scenarios for cross-border transaction

Global cross-border transaction market projected to exceed USD40 trillion in 2028

Why relevant for regulators, financial services, non-financial services and manufacturers?

## KEY DEMAND FACTORS

Travel, e-commerce and remittances driving growth of cross-border C2C and B2C payments

Cross-border transaction breakthrough required to support travel, remittances and e-commerce

Majority of key markets yet to recover to pre-COVID levels for % foreign spend of credit cards

Intra-regional travel gaining traction in pursuit of value for money

Asian developed market residents tight on shopping while Indians show the opposite

Western European markets and US lead in attracting international visitors globally

Key source markets for leading tourism destinations

Overseas Chinese largely driving inbound tourism to China visiting friends and relatives

Significant opportunities to convert cash to cards in Western markets for cross-border travel

Cross-border transaction and transport critical to drive travel recovery in Asia Pacific

China simplifying Visa application and improving merchant acceptance of overseas cards

Ongoing development of bullet train network in China likely to facilitate cross-border travel

Shopping drives inbound tourism spending recovery in Asia Pacific

Low-cost carriers benefiting travel recovery while train price hikes increase the risk

Expansion of QR digital wallets for conversion of cash to drive financial inclusion

Key source markets for key Asian destinations

Foreign brand quality goods and relatively lower prices drive cross-border e-commerce

Singapore leads in cross-border retail e-commerce driven by high prices

Variety of logistics options supporting cross-border e-commerce growth in Singapore

Immigrants in developed markets and GCC countries sustain remittances outflows

Migration of students and workers picking up after the pandemic

Global trading disrupted by trade wars, real wars and COVID-19 pandemic

US and China reducing trading reliance, while Germany maintains stable ties with neighbours

Getting FDI is tougher than ever before

Concentrating FDI into top 10 markets for both outflows and inflows

## EMBEDDED CROSS-BORDER TRANSACTION DEVELOPMENT

Embedded cross-border transaction solutions: An increasingly competitive playing field

Embedded cross-border QR payment: Enabling partners' clients to pay locally just like locals

Market landscape of Alipay+ cross-border QR payment partners in Asia Pacific

Tactical-level collaboration enabled by strategic equity investment

Touch 'n Go Malaysia leverages Alipay+ to serve Malaysians using China railways

China UnionPay's cross-border QR payment collaboration extended from card partnership

UnionPay empowers partners to serve cross-border travellers

OCBC partners with UnionPay to offer cross-border QR payment to 47 markets

Central banks' teamwork to enable inter-operability of cross-border QR payment

Global expansion of fast payment services gaining traction - 70+ markets in Q3 2023

SEPA Instant Credit Transfer (SCT Inst) standardised fast cross-border transfer in Europe

Collaboration on cross-border fast payment

Vocalink facilitated cross-border fast payment between Singapore and Thailand

BCS and NPCI enable cross-border fast payment between PayNow and UPI

NETS enables usage of foreign QR digital wallets and cards on its networks in Singapore

Visa Direct powers Western Union, MoneyGram and Remitly for cross-border fast remittances

Wise powers digital banks and digital wallets for lower cost and faster remittance

Wise recorded 60 clients for embedded remittances in 2022 - mainly in Western markets  
Visa B2B Connect enables blockchain-based commercial cross-border transactions  
Ant Group's blockchain " Trusple " system powers banks to serve SMEs for cross-border trading  
UnionPay International (UPI) B2B business targets cross-border B2B trading firms

## KEY TAKEAWAYS

Increasing criminal risk in fraud, scams and laundering amid growing cross-border transactions  
Security and partnership critical to differentiate in embedded cross-border transaction market

## APPENDIX

China UnionPay's cross-border QR payment collaboration  
Euromonitor definition

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