

India could be the next frontier for Apple Pay

Article

The news: Apple is reportedly in talks with Indian authorities about launching **Apple Pay** in the country and will speak to the **National Payments Corporation of India (NPCI)** to plan the rollout, two people familiar with the matter told TechCrunch.

The Big Tech firm is also reportedly talking with banks and regulators about launching the **Apple Card** in India, per Moneycontrol. Apple plans to partner with **HDFC Bank** for the co-branded card.

Zooming out: Apple can capitalize on strong digital payments use in India and the country's credit card market, which is ripe for growth.

- There were about **88 million credit cards in circulation** across India as of May compared with roughly **974 million debit cards**, per the Reserve Bank of India.
- And the government is trying to increase credit card use: The National Payments Corporation of India expanded the Unified Payments Interface (UPI)—the country's mobile bank-to-bank instant payments system—to link with credit cards. That should let more merchants take credit card payments indirectly.
- India has some of the world's strongest digital wallet use and real-time payments penetration, which sets up promising opportunities for the likes of Apple Pay.

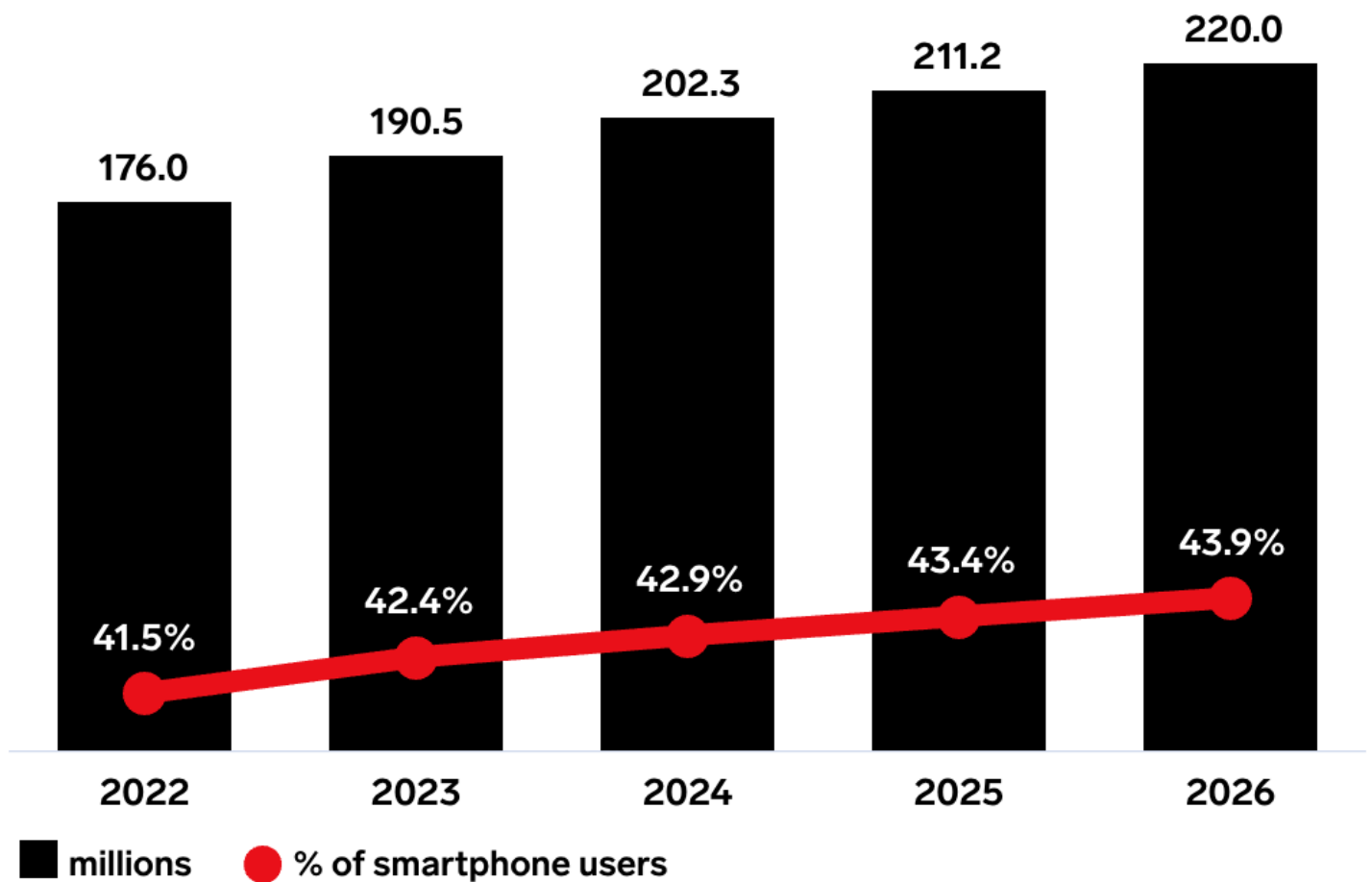
Why it makes sense for Apple:

- Apple can use cards and Apple Pay to strengthen customer loyalty and drive volume.
- New rules set for the end of next year will limit the payment volume that firms can process via UPI. That could open up the payments market and let Apple gain ground on more established rivals in the country.
- Apple views India as a key growth market and has ramped up production in the country. And it has room to grow: Apple only has about 5% of India's smartphone market, per CMR data. Launching Apple Pay and a credit card can support this wider push to build out operations there.

What's the catch? Apple will have to compete against major card issuers **American Express**, **Axis Bank**, and the **State Bank of India (SBI)**, which are all established in the market. And homegrown firms **PhonePe** and **Paytm** have a stranglehold on India's digital payments. That could make it tough for Apple to stand out and build market share.

Proximity Mobile Payment Users

India, 2022-2026



Note: ages 14+; mobile phone users who have made at least one proximity mobile payment transaction in the past six months; includes point-of-sale transactions made by using mobile phones as a payment method; excludes transactions made via tablet

Source: eMarketer, July 2022

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