

Stripe's UnionPay partnership might attract sellers looking to tap Chinese cross-border ecommerce

Article

The news: After a yearlong beta, China-based card network **UnionPay** and **Stripe** deepened their partnership so Stripe sellers can accept payments from UnionPay cardholders, including in Chinese currency. They can also automate returns and disputes and manage these payments through their existing Stripe dashboard.

Some key context: Both firms have been broadening their partnerships and hunting for expansion this year.

- Stripe **brought** its issuing business to **Europe**, launched in the **United Arab Emirates**, and partnered with major players like **GoFundMe** and **Atlassian** to extend its reach.
- UnionPay **struck** a deal with buy now, pay later (BNPL) giant **Splitit** and tied up with major platforms like Russian marketplace **Ozon**.

Stripe's opportunity: Fully enabling UnionPay acceptance helps expose Stripe's sellers to a massive potential base with an appetite to spend.

- In 2019, UnionPay was the largest card network worldwide: It counted **8.4 billion branded cards worldwide, up from 6.69 billion in 2017**, **per** The Nilson Report—nearly all of which are in China. Likewise, the network's **transactions grew 15.2% annually to 151 million**, giving it a **32% share of the market** and placing it **second to Visa**.
- **Eighty-seven percent** of respondents in China **surveyed** by iResearch made an overseas online purchase at least once a month, indicating there's robust interest in cross-border shopping in the market. **And Chinese consumers spent \$100 billion on ecommerce goods and services outside of China** last year, per **Finextra**.

Now that Stripe sellers can easily accept UnionPay and yuan-based transactions, they can capture some of this volume and boost sales—ultimately growing Stripe's overall volume. And it might attract new clients to the platform that want easier access to China-based commerce at a time when many businesses—and small businesses in particular—are **looking** for new payment providers.

UnionPay's long-term plans: UnionPay's international ambitions could see a slight lift from this strategy.

UnionPay's acceptance network abroad is strong: Earlier this year, the network **announced** that **as many as 55 million merchants in 180 countries and regions now accept UnionPay cards**. These gains come from major partnerships with terminal providers and acquirers

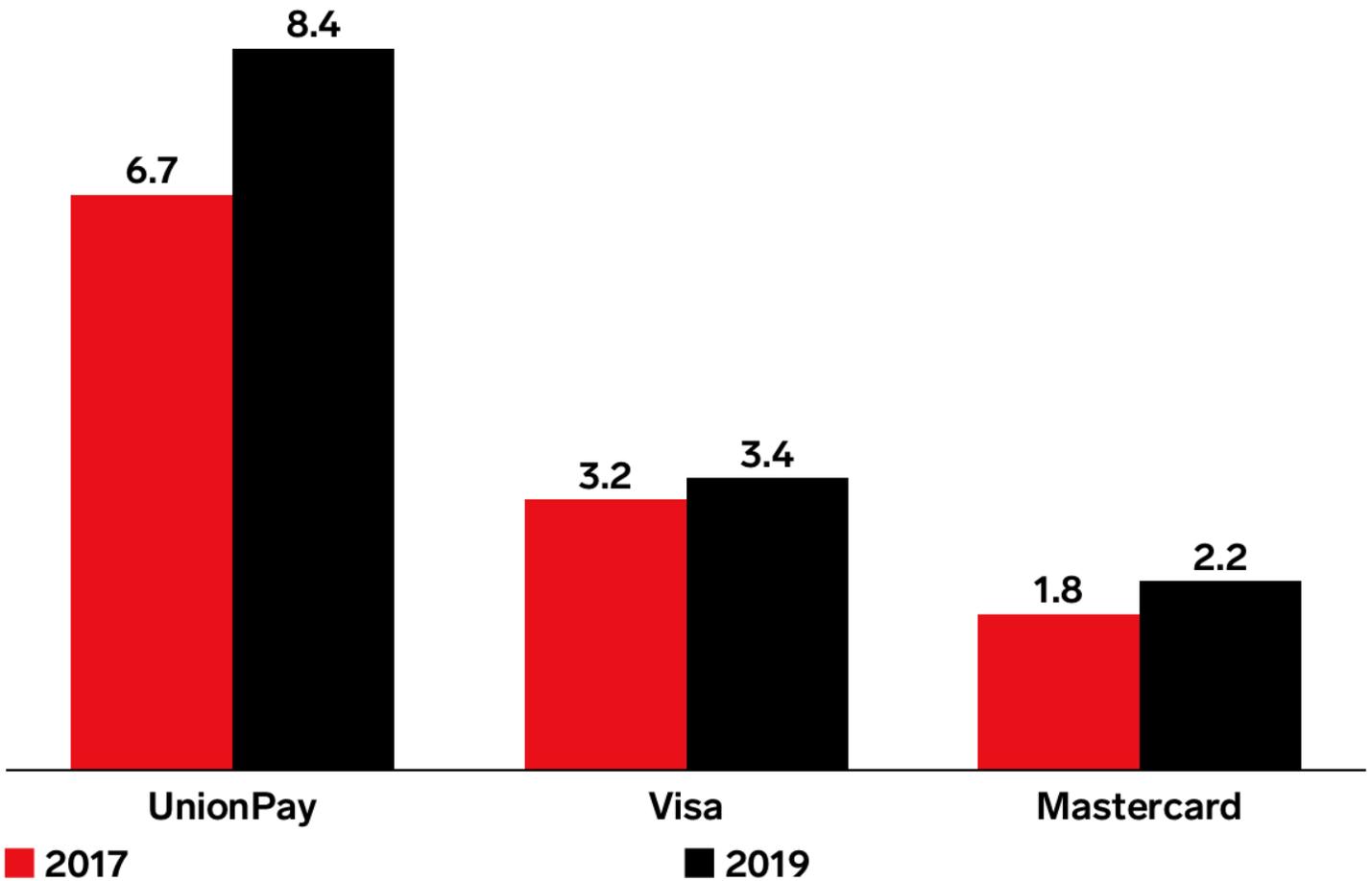
globally: For example, in early 2020, UnionPay and **PayPal** inked a partnership similar to Stripe's deal.

But the brand's issuing business outside of China remains small relative to both its business at home and competitors worldwide as it angles for international reach. Broadening its acceptance network might be a way to attract further interest from partners abroad and could crack the door open for a larger global gain.

Go deeper: To learn more about how payment service providers (PSPs) like Stripe are working to become merchants' one-stop shops for financial services and introducing new services to attract these sellers, check out our [*Small-Business Payments Disruptors*](#) report.

Payment Cards Worldwide, by Network

billions



Source: The Nilson Report, 2018; 2020

Methodology: Data is from The Nilson Report's publicly available Charts & Graphs Archive.

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