

Tencent's cross-border payments suite highlights growing need to boost global business

Article

The news: Tencent's fintech arm, Tencent Financial Technology, launched Tenpay Global to house all of its cross-border payment products, per a press release.

Tenpay Global will also now let **Weixin** users (**WeChat** users in mainland China) receive remittances from Tencent's global money transfer partners—including **Remitly** and **Wise**—directly to their wallets. Previously, users could only receive remittances to cards linked to Weixin.

Why it's worth watching: Tenpay Global highlights two key payments trends.

Chinese remittance inflow growth.

- China's remittance inflow volume is **expected to reach \$55.39 billion** this year, accounting for **7.2% of worldwide inflow volume**, [per](#) Insider Intelligence forecasts. Next year, that number will hit \$58.38 billion.
- China's vast local population, combined with its diaspora in major countries like the US, makes it an attractive market for global money transfer players to tap.

Mobile wallet popularity across China.

- Despite the near-ubiquity of mobile wallets like Weixin and **Alipay**, it wasn't until recently that remittance players started forging money transfer tie-ups with these providers. **Western Union**, for example, [signed a money transfer agreement](#) with Weixin in October.
- Establishing these connections is important for global providers that want to gain a foothold in China's remittance market: Mobile payment users are expected to account for **65.1% of China's population** this year.

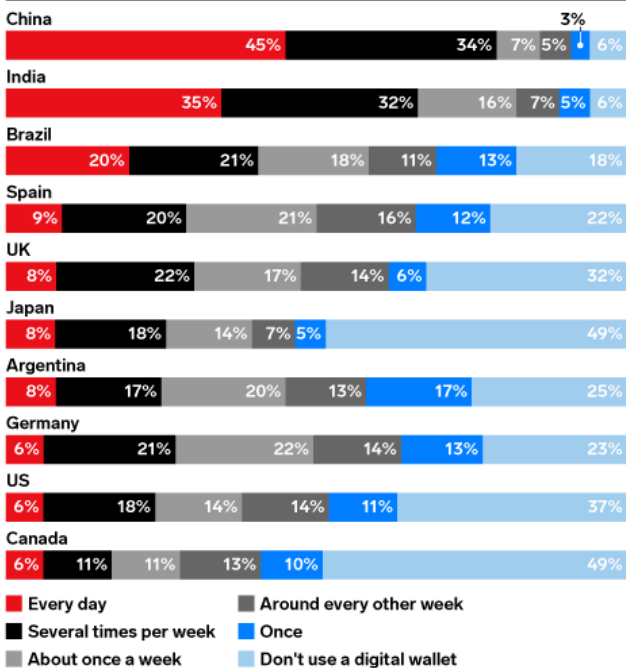
The bigger picture: As regulators [tighten their grip](#) on Tencent and rival **Ant Group**, these players are building stronger ties with global payment providers to bolster business.

Tencent is tapping demand from global money transfer players that want to enter China's remittance market. Feeding on this demand helps Tencent better serve its local client base by giving them access to various global remittance services. And tie-ups with remittance providers can boost its cross-border payments business and increase revenues.

Ant Group is taking a slightly different approach to its global business presence by building out Alipay+, the merchant solutions suite it launched last year. Alipay+ lets merchants accept several popular mobile wallets with a single integration—opening a new revenue stream for Ant Group and helping diversify its business.

Digital Wallet Usage Among Adults in Select Countries, May 2022

% of respondents



Source: Morning Consult, "The State of Consumer Banking & Payments H2 2022," Aug 16, 2022

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