

JPMorgan facilitates US payment processing for Alibaba to build out wholesale payments business

Article

The news: JPMorgan will process US credit card payments for **Alibaba.com**, Alibaba's B2B sales unit based in China. The bank will work with **Alipay**—the payments business operated by Alibaba's affiliate firm **Ant Group**—to facilitate the transactions, per a press release.

Why it's worth watching: Alibaba is one of the largest ecommerce platforms in the world and specializes in B2B ecommerce sales. Despite facing [regulatory challenges](#), the company still managed to [pull in \\$31.865 billion in revenues in Q2](#), up 34% compared with the same period last year.

Even though the majority of its business comes from China, the US makes up a sizable chunk of its volume—**approximately 30% of all Alibaba.com transactions** come from the US, [per PYMNTS](#). **And transactions involving US businesses grew 150%** year over year (YoY) from 2020 to 2021.

JPMorgan's opportunity: Bringing Alibaba.com into its business ecosystem helps open the door to higher revenues.

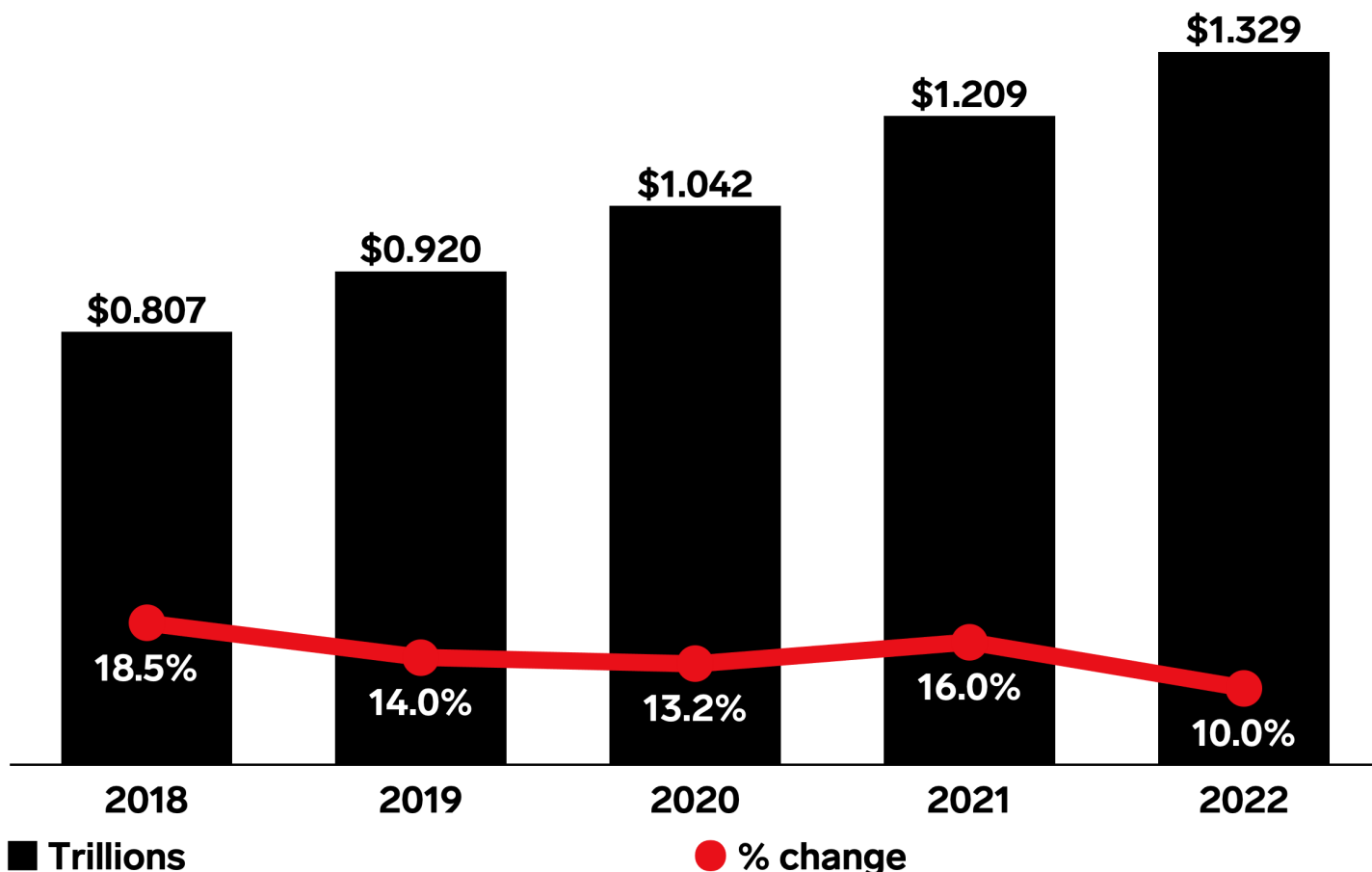
- A tie-up with Alibaba.com lets JPMorgan capitalize on the retail conglomerate's vast business: **Alibaba's retail ecommerce sales are expected to hit \$1.2 trillion this year**, [per eMarketer forecasts](#) from Insider Intelligence.
- And because JPMorgan is taking charge of Alibaba.com's US credit card processing specifically, it can grab a larger share of digital credit card volume in the US, which is **forecast to hit \$464.77 billion**, per [our forecasts](#).
- Alibaba.com can also help JPMorgan further build out its wholesale payments unit. The bank introduced a real-time payment service for corporate clients in August and acquired a majority stake of **Volkswagen's** payments business just last week. These moves, along with its tie-up with Alibaba, can help fuel expansion for the unit, whose **Q2 revenues rose 5% YoY** and hit \$1.5 billion.

Alibaba's gain: Bringing in JPMorgan's solutions can help enhance the payment process and overall customer experience in the fast-growing US market. And as Alibaba faces mounting [regulatory pressure](#) in China, it'll be increasingly important to sustain growth in global markets.

Related content: Check out [this article](#) for a closer look at Alibaba's recent growth, opportunities, and challenges ahead.

Alibaba Retail Ecommerce Sales

China, 2018–2022



Note: All years converted to USD using average 2019 exchange rates; Exchange Rate; includes gross merchandise value (GMV) for Tmall, Taobao marketplace and AliExpress Global on a calendar year basis; includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets; excludes Hong Kong. includes GMV figures from Tmall, Taobao marketplace and AliExpress Global for the calendar year; excludes Tmall Global.

Source: eMarketer, May 2021

Methodology: Estimates are based on the analysis of data from other research firms and government agencies, historical trends, reported and estimated revenues from major online retailers, consumer online buying trends, and macro-level economic conditions.

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