



# Welcome to the Digital Empire! Ready to Go Cashless?

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## Planning Trip to China

When you plan a business trip to another country, the first thing you have to do is to check the validity of your passport and exchange for the local currency. Exchanging money can be a hassle as you have to physically go to the exchanger at the airport in your country or at the destination. Varied exchange rates add another botheration and security is also a concern.

## Cash is Going Out of Fashion

In China, paying in cash is going out of fashion. Believe it or not, the circumstances surrounding the payment methods have been changing rapidly from traditional banknotes to digital currency.

Thanks to the advancement of financial technology you can pay with your mobile phone by showing or scanning the QR code at virtually any place, from a

fancy Michelin-starred restaurant in a five-star hotel to a street vendor. Not surprisingly, some stores even no longer accept cash payment.

## Government Promote Digitalized Economy

The Chinese government is promoting the digitalization of public services including tax payment, paying utilities, booking train and flight tickets, etc., and local governments are moving steadfastly with the audacious plan. In the city of Shenzhen, some districts started issuing electronic receipts, a bold attempt to reduce paper waste and to improve the convenience of the residents.

If you want to call a taxi, you can probably consider using the Chinese Uber called DiDi. It provides the same service as Uber and the platform deducts the fee from your e-wallet on your payment app. During the Chinese New Year, many people send relatives or friends so-called red pocket or "lucky money" electronically instead of handing the paper envelope face-to-face.

## WeChat and Alipay

Two of the most popular online payment services are WeChat Pay and Alipay. The Chinese tech giant Tencent runs WeChat platform which holds approximately 1.15 billion monthly active users, while China's e-commerce giant Alibaba provides similar

service Alipay, which occupies approximately 30% of the market share. Chinese Online transaction volume for 2019 stood at 2.69 trillion RMB, a staggering increase compared with the volume of 505 billion RMB a decade ago.

Both services are similar to LINE Pay, which is the biggest third-party online payment service in Japan. One of the differences between the two is that Chinese e-payment covers more spectrums of the places including some foreign countries where you see Chinese tourists. It will startle you if you see a UFO catcher at a game arcade in Osaka accepts WeChat Pay.


The e-payment service the two giants offer was primarily a prepaid service and different from a credit card. Users needed to top up cash values from bank accounts and to do so you must have a China bank account until very recently.



Online Payment

## Online Payment Now Available for Tourists

International tourists could not enjoy the convenience of mobile payments in China until recently because it required having a local Chinese bank account and a phone number. But since December 2019, both WeChat and Alipay simultaneously launched service for international travelers.

You can link your credit card with one of those mobile payment services without opening a Chinese bank account. Your mobile number elsewhere also meets the requirement. Now you can go cashless like Chinese people without needing to carry loads of cash. 



Alipay & TenPay