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**ACCOUNTING & AUDIT**

# Digital Payments to Hit \$6.6 Trillion in 2021, a 40% Jump in Two Years

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Even before the pandemic, cashless payments have become an appealing alternative for billions of people. However, with social distancing rules in place, more people started embracing contactless payments as a safer way to manage their money in both developed and emerging countries.

According to data presented by [Finaria.it](#), the global digital payments industry is expected to hit \$6.6trn value in 2021, a 40% increase in two years.

### **Mobile Payments to Almost Double and Hit \$4.6T Value by 2025**

The global digital payments industry has seen many innovations over the past few years, including mobile wallets, P2P mobile payments, real-time payments and cryptocurrencies. This new, simple-to-use, cashless payment methods have drawn many users.

Large players like Amazon, PayPal, Apple, and Facebook are continually investing significant amounts of money into online and mobile payment solutions. The ongoing development from separate online shops towards integrated online shopping ecosystems has created space for new business models and opportunities for digital payment methods.

In 2017, the entire digital payments sector was worth over \$3trn, revealed the Statista survey. By the end of 2019, this figure jumped by 55% to more than \$4.7trn and continued growing. Statistics show the global digital payments industry hit \$5.4trn value in 2020, almost a 16% increase year-on-year.

The entire sector is expected to continue its impressive growth in 2021, with transaction value jumping by 22% to over \$6.6trn. In the next four years, the digital payments market is set to reach \$10.5trn value.

With a global transaction value of about \$4.2trn in 2021, the digital commerce segment is set to make up by far the biggest share of the total digital payments market. The high transaction value in digital commerce is driven by a large number of products and services purchased online. It includes all eCommerce, eServices, and digital media transactions or bookings in eTravel. The entire segment is forecast to grow by almost 40% and hit a \$5.8trn by 2025.

Mobile POS payments are expected to contribute 37% or almost \$2.5trn to the digital payments value in 2021. However, the following years are set to witness impressive growth in the mobile payments segment, with transaction value surging by 90% to \$4.6trn by 2025.

## Europe Shows the Highest Growth in Digital Payments

Over the years, China and the United States developed into the world's leading digital payments markets, while Europe's share remained considerably smaller.

The Statista survey showed Chinese digital payments industry, as the largest globally, is expected to reach a \$2.9trn transaction value in 2021, a 16.8% jump in a year. The US market follows with \$1.26trn worth of digital payments, 22.6% more than a year ago.

However, Europe is set to witness the most impressive digital payments growth this year, with transaction value surging by 28.3% to \$1.17trn. By 2025, the European market is expected to hit \$1.95trn value. With a \$271.4bn worth of digital payments in 2021, the United Kingdom is the biggest digital payments market in Europe. Germany follows with a \$178.2bn transaction value.

The Statista survey revealed that, although growth rates show high double-digit figures in the Western world, relevant market expansion in the following years will be driven by mobile-first countries, especially China.

Statistics also show that most digital commerce users, or 987 million, live in China. By 2025, this figure is expected to jump to over 1.2 billion. However, US users generate the highest average transaction value in digital commerce out of the three major regions, \$2,590 in 2020. Statista data indicate this figure is set to reach over \$3,000 in 2021 and continue rising to \$3,751 by 2025.

**The full story can be read here:** <https://www.finaria.it/pr/digital-payments-to-hit-6-6t-value-in-2021-a-40-jump-in-two-years/>

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