

# India's Digital Payments to witness three-fold growth by 2025

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Digital payments in India are expected to grow over three-fold to Rs 7,092 trillion by 2025 on account of government policies around financial inclusion and growing digitisation of merchants, according to a research report.

The country's digital payment market was worth around Rs 2,162 trillion in 2019-20, RedSeer Consulting said in its report.

## **Key Highlights**

- "The current 160 million unique mobile payment users will multiply by five times to reach nearly 800 million by 2025. This growth will be driven by a number of demand and supply-side drivers," the Bengaluru-based management consultancy said.
- "Mobile payments will drive around 3.5 per cent of total digital payments of Rs 7,092 trillion by the financial year 2025, up from the current one per cent. The total mobile payment users who currently stand at about 162 million would reach around 800 million during this period," the report said.
- According to the report, wallets will continue to play a key role in its growth with the continuous increase in both frequency and user base.
- By 2025, wallets are expected to have higher penetration and lower-income would eventually drive multiple small-ticket transactions, it said.
- According to RedSeer, digital payments share of grocery stores increased to 75 per cent due to COVID-19 as people preferred paying through mobile phones due to safety concerns.
- According to the report, the payment gateway aggregator market in India, which is currently estimated to be at Rs 9.5 trillion, is expected to grow by 2.4 times driven by large value

transactions. It is expected to grow at a compounded annual growth rate of 19 per cent in the next five years to reach Rs 22.6 trillion by the financial year 2025.

**SOURCE:***The Tribune*