

UPI is world's digital public good; will aid others build their versions

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NEW DELHI : The number of countries where the Unified Payments Interface (UPI) “is live” is set to double in the next 12 to 18 months, said Ritesh Shukla, the chief executive officer of NPCI International, the firm running India’s flagship retail payment and settlement system.

European countries will be a key focus for greater collaboration and commercial partnerships, including Lyra, a French firm that will be an interoperability partner for UPI in France. In addition, India and the UAE, home to a large number of Indians, are working to operationalize cross-border remittances and personal payments. Shukla also confirmed a conversation with Saudi Arabia on a possible UPI collaboration, reported by *Mint* in June.

Edited excerpts:

How do you think UPI has progressed in international markets?

There are two things we are doing overseas. There are many countries in the world which have similar problems we had before the advent of UPI. These are financial inclusion, supporting rural economies, fintech incubation, transparency and other things. We are looking at partnering with those countries to help them create their own versions of UPI in a very sovereign manner. And this outreach includes not only technology sharing but also sharing business know-how, which the way we operate this platform. So that’s the first part which we also call ‘infrastructure build’. The second pillar of our strategy is connecting UPI in India with other such ecosystems to serve two use-cases. One is merchant payments—when your visitors, including tourists, businessmen or even students are going overseas, they should be able to have the option of using UPI-

powered apps in different markets by scanning the QR codes. The second is remittances. We have about 30 million Indians who live outside India. They send about \$100 billion every year. Today, this experience is very, very fragmented, depending on which part of the world you live in. We are trying to see how we can standardize this whole user-experience.

Can we expect to see the linking between India and the UAE's cross-border payments system soon?

The cross-border remittances between UPI and the UAE's platform will be worked out because it has not even been two weeks since the MoU was announced. So we'll work on that. But having said that, you can use your RuPay card for making payments in the UAE and you can use your UPI powered app at over 26,000 merchants in the UAE and we are increasing this number. We are working on personal payments and cross border remittances.

What is the global ambition for UPI that NPCI has in mind?

The vision or the objectives that we are pursuing is to develop collaboration or help other countries create their own version of UPI. When something like the UPI comes in a developing country, the value that it creates is immense. And if we are able to achieve this in any country, it's the digital public good of the world. So we are saying that why should you reinvent the wheel? We have something that we have developed in-house using open-source technologies, which means that your cost of operations would be very, very affordable. This creates a lot of value in the sense that it helps in better citizen welfare delivery, it helps in promoting micro economic trends in financial inclusion. It has displaced cash. Managing cash costs about 1.5-2% of the GDP. So, there is a lot of savings one can derive and if India can help any country be sold in that space, create and there's a lot of positive positioning that you can derive from it. We are pursuing that, but that's more of a slightly longish play. We are in discussions with a lot of countries in the developing world and in the years to come things will materialize.

We have identified countries where there is a lot of outbound flow and these are countries like UAE, where we have already created acceptance there. We have a lot of visitors going to Nepal, Bhutan and Singapore. There are countries like Thailand and Sri Lanka, where a lot of Indians go to these places.

By creating acceptance of UPI-powered apps in those markets, not only do the Indians who are travelling there get benefitted but also the businesses which are serving tourists get benefitted because UPI acceptance creates a new set of segments for them to attract. These are the things that we're pursuing and of course, we are looking at creating real-time remittance corridors, but here again, we are very selective. There are reporting countries in terms of their hierarchy like UAE, Saudi and the US, and we are exploring partnerships with partners in these countries to be able to create ways that enable people living on the other side of the border to send money on a real-time basis.

How did our tie-up with France come about and are other EU countries looking at the model in any way?

In France, a company called Lyra is part of our interoperability strategy. What does that mean? That means that tomorrow, when technical integration happens, a tourist from India would be able to buy a ticket to the Eiffel Tower or to the Louvre Museum using their UPI- powered app.

So it's part of our interoperability strategy to enable Indians with UPI powered apps to make merchant payments when they visit the city of Paris and other tourist destinations in France. Europe is a very, very important corridor for travellers from India. We are also in discussion with other companies in Europe and in times to come those partnerships will also materialize. UPI is currently live in countries like Nepal, Bhutan, Singapore and UAE. We will be doubling in the next 12 to 18 months and we will have more countries that are relevant to Indian travellers in this area. There's a lot of technical work that's going on

What do we expect to see going forward?

NPCI International is just a three year old organization and the other players took 60-70 years to be where they are. I think in the last three years we have created a decent footprint. We have a huge pipeline that we are working on and in next 12 months, we will add, we will double this number and you know, we are going to, you know, create for Indians a pathway for Indians when they go out outside India, and at the same time for Indians who reside outside India, and have a need to send money back home. Right now, UPI is live with Nepal, Bhutan, Singapore and UAE.