Global Real-Time Payments Growth “Sustainable” As New Use Cases Push Transactions to Record Highs – ACI Worldwide Report

April 30, 2024

- *266.2 billion real-time payments transactions were recorded globally in 2023, a YoY growth of 42.2%*
- *49% of all real-time transactions worldwide were made in India, followed by Brazil (14%), Thailand (8%), China (7%) and South Korea (3%)*
- *Report highlights lessons learned from five of the world’s most successful real-time payments markets: India, Brazil, Indonesia, Malaysia and Netherlands*

OMAHA, Neb.--(BUSINESS WIRE)--Apr. 30, 2024-- Global real-time payments growth has reached sustainable levels with 266.2 billion real-time payments transactions recorded in 2023—a year-over-year (YoY) growth of 42.2%—according to the 2024 Prime Time for Real-Time report, published by ACI Worldwide (NASDAQ: ACIW), a global leader in mission-critical, real-time payments software, in partnership with GlobalData, a leading data and analytics company.

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While previous reports highlighted the economic benefits of real-time payments and consumer uptake around the world, this year’s report—now in its fifth edition—takes a deep dive into some of the world’s leading real-time payments markets, highlighting the factors that have enabled those countries to build successful end-to-end real-time payments ecosystems. The report also reveals that many of the newer market entrants around the globe are quickly catching up, with lawmakers and central banks around the world pushing for adoption, determined to reap the economic benefits of real-time payments and drive financial inclusion for their citizens.

Key Findings at a Glance

- Globally, 575.1 billion real-time transactions are forecast by 2028, representing a 2023-2028 compound annual growth rate (CAGR) of 16.7%. By 2028, real-time payments are expected to account for 27.1% of all electronic payments globally.
- India continues to dominate the global real-time payments market, with 129.3 billion transactions in 2023 – more than the rest of the world’s top 10 real-time payments markets combined. Of all electronic payments made in India, 84% are now real-time.
- Brazil saw a remarkable YoY growth of 77.9% in 2023, with 37.4 billion real-time payments transactions. Brazil is the undisputed real-time payments leader in Latin America, responsible for 75% of all transactions in the region. Other Latin American countries are pushing ahead with real-time payments modernization initiatives, looking to replicate Brazil’s success. Peru and Colombia are predicted to have the highest 2023-2028 CAGRs in the region, with 51.2% and 42.6%, respectively.
- Asia Pacific (APAC) is the largest real-time payments market, with 185.8 billion transactions in 2023, representing 24.0% of all electronic payments in the region. With four of the top five real-time payments markets by volume, the APAC region is projected to see over 351.5 billion real-time transactions by 2028, a 2023-2028 CAGR of 13.6%.
- The Middle East is the fastest-growing real-time payments market globally. Oman, Kuwait and Qatar all launched schemes in 2023, joining more established regional players like Saudi Arabia, Bahrain and UAE. The 2023-2028 CAGR for the region is 28.8% – transactions are expected to rise from 855 million to 3.0 billion by 2028.
- The European Union (EU) Instant Payments Regulation, passed in February 2024, is expected to drive instant payments volume across the Single Euro Payments Area, including the 27 EU member states. By 2028, instant payments are forecast to account for 13% of all electronic payments in Europe, up from 8% in 2023.
- North America is a major growth market to watch—primarily due to the launch of the FedNow service in the U.S. in 2023—with a projected 2023-2028 CAGR of 27.1%.
- Nigeria is the undisputed real-time payments leader in Africa, another major growth market. The country recorded 7.9 billion transactions in 2023; real-time payments had an impressive 82.1% share of all electronic payments in 2023.

Market Deep-Dives: Lessons from the Most Successful Real-Time Payments Markets

For the first time, this year’s report takes a deep dive into five of the most successful real-time payments markets worldwide—India, Brazil, Indonesia, Malaysia, and Netherlands—analyzing the driving factors and use cases that have allowed those countries to develop thriving real-time payment ecosystems with the power to transform businesses and improve consumers’ lives.

- **The Power of Collaboration**: Whether by government mandate or industry consensus, real-time payments systems thrive through active collaboration. Financial institutions, payment service providers, central banks and government institutions, merchants and third-party stakeholders must work together to build and operate successful real-time payments ecosystems.
- **Open and Inclusive Payments Ecosystems**: The most successful real-time payments markets are fostering fintech-rich environments. The research shows that fintechs and smaller banks play an increasingly significant role in the real-time

payment ecosystems of the world's leading markets. Larger banks will need to reevaluate strategies and forge new partnerships with fintechs to remain competitive in the rapidly growing real-time payments markets across the world.

- **Strong Incentives for Merchants**: Merchant adoption and uptake are crucial for real-time payments growth. The Indian government, for example, removed merchant discount rates and issued all merchants with QR codes for UPI acceptance, actively incentivizing merchants of all sizes to accept UPI payments.
- **Constant Flow of New, User-Friendly Use Cases**: Real-time payments thrive in countries where innovative use cases have found mass adoption by consumers or businesses. Whether utility or tax bills, transport tickets or road tolls, subscription payments, or the weekly grocery shop, consumers in the most successful markets are now paying in real time.
- **Cross-Border Real-Time Payments Links are the next Big Frontier**: Efforts to extend real-time to cross-border payments are finally paying off, and Asian countries are leading the way. Payments using India's popular UPI scheme can now be made in Malaysia, Indonesia, UAE and France, and users of Malaysia's DuitNow can now make QR code real-time payments from Indonesia, Singapore, Thailand and China.
- **Real-time payments fraud**: Generative AI is changing the nature and scale of fraud attacks, but the industry is rising to the challenge. Consumer rights initiatives, education programs and government interventions—combined with new AI-based anti-fraud technology and methods—are starting to make an impact.

"This year's report highlights the key success factors that have allowed some countries to forge ahead with real-time payments modernization and reap enormous benefits for consumers and businesses," said Craig Ramsey, global head of real-time payments, ACI Worldwide. "Modern real-time payments require collaboration, and they encourage a new generation of market entrants for banks to either compete or cooperate with – often both. The world's most successful real-time payments schemes, notably those in India and Brazil, also feature use cases that have proved popular beyond imagination."

"Real-time payments—and especially cross-border payments—are the future. They remove payments friction, provide greater liquidity in the financial system, and ultimately drive economic growth and financial inclusion," said Debbie Guerra, chief product officer, ACI Worldwide. "Banks should consider whether they are truly maximizing the real-time rails in their market, and whether limiting their commitment to the minimum also means limiting their potential share of the future of payments."

Note to editors: All key facts and figures at a glance can be found in our *Prime Time for Real-Time 2024 Infographic*.

About ACI Worldwide
ACI Worldwide is a global leader in mission-critical, real-time payments software. Our proven, secure and scalable software solutions enable leading corporations, fintechs and financial disruptors to process and manage digital payments, power omni-commerce payments, present and process bill payments, and manage fraud and risk. We combine our global footprint with a local presence to drive the real-time digital transformation of payments and commerce.

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