

FEATURE

China moves closer toward a cashless society

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<http://www.shanghaidaily.com/business/benchmark/China-moves-closer-toward-a-cashless-society/shdaily.shtml>

ALTHOUGH it is the first time Laura Primiceri has visited China, the British woman has quickly adapted to cashless life in Beijing.

She was aware of the prevalence of China's mobile payment before her arrival in February and downloaded WeChat and Alipay, the two most popular mobile payment services in China.

"I use them here for payment quite frequently. It's much better than what we use in England," Primiceri said.

During five months studying in Beijing, the overseas student learned that the cashless trend was now taking hold in the country with mobile payment often a daily necessity.

Irresistible trend

"The cashless society is what we are moving toward," said Xiao Ligang, a cab driver in Beijing, "It is irresistible."

"Almost every taxi driver I know is using WeChat Pay," Xiao said.

Unlike paying with credit cards in western countries, China's cashless payment refers to mobile payment on smartphones.

In Beijing, even senior citizens buy vegetables at the community market with their smartphones; office workers pick up colorful shared bicycles after scanning their QR codes; and street artists provide QR codes for donations.

Whether it is making an appointment to see a doc-tor, ordering take-away from a restaurant, or buying a ticket at home for a film that is about to begin, Beijingers can do it on their smartphones.

"Mobile payment saves a lot of time for us and help us effectively avoid counterfeit money," said Ren Tingting, a cashier at Century Mart, a chain supermarket in Beijing.

Global leading coffee shop chain Starbucks has eyed the huge number of mobile payment users in China and partnered with Chinese Internet giant Tencent to make WeChat mobile payment available in all its coffee shops in China.

More cashless cities

To expand its cashless service, Ant Financial, the financial affiliate of e-commerce giant Alibaba, plans to launch a cashless promotion week from August 1 to 8, when China will be "1,698 days away from being a true cashless country," it claims.

Chen Liang, senior PR director of Ant Financial, said the company had signed with the governments of four other cities: Wuhan, Fuzhou, Tianjin and Guiyang, to promote city-wide cashless support solutions.

"The Cashless City Promotion means mobile payment can reach all the places where cash is needed," Chen said, adding that mobile phone users would no longer have to worry about whether they have cash on them.

By the end of 2016, Alipay's e-payment solutions had covered 357 Chinese cities, where people can use it for paying all kinds of bills ranging from car maintenance and medical bills, to bus fares, train tickets and even to buy pancakes for breakfast at the local market stall.

Going cashless has also become normal for Tibet-ans. Restaurants, souvenir shops and movie theaters in Tibet all provide online payment services. QR codes have become



Australian Tim Clancy and American Geoffrey Banta pay for their breakfast through mobile payment at a roadside stall in Hangzhou city, east China's Zhejiang province in April 2017. — Imaginechina

common on vendor booths selling Tibetan jewelry.

Similarly, August 8 has been designated Cashless Day, an annual activity promoted by WeChat Pay, the e-payment arm of China Internet giant Tencent.

In addition to China, WeChat Pay covers more than 130,000 overseas businesses in 13 countries and regions, supporting settlements in 10 currencies, including the British pound, Hong Kong dollar, US dollar, Japanese yen and Canadian dollar.

Catherine Hou, president of the Chinese Cuisine and Hospitality Association of Canada, said she had been working to make WeChat Pay available at the up-coming Mississauga Mid-Summer Night Music and Food Festival set for July 29 and 30.

“Mobile payment can greatly benefit Chinese tourists coming to spend their summer holiday in Canada, as well as Chinese Canadians, who are active users of Chinese e-payment,” Hou said.

Tourism Toronto announced plans in May to bring WeChat Pay to Toronto.

In addition to WeChat Pay, 450 merchants in Canada are getting access to e-payment solutions offered by Alipay, Souheil Badran, president of Alipay North America, announced in Toronto last month.

Globally, Alibaba's e-payment arm, Alipay, has entered more than 200 countries and regions supporting settlements in 18 varieties of currencies with more

than 40 million overseas merchants using Alipay for settlement.

“With the mobile payment services in more countries, Chinese tourists tend to carry less cash abroad than before,” said Zhao Kun, a tour guide at CITIC Travel. Zhao said convenience was the main reason for using mobile payment.

Security concerns

However, the seeming panacea for payment transactions has also aroused security concerns.

Digital payment enables merchants to receive detailed information about consumers, including phone number and email addresses, compared with traditional credit and debit cards, which mainly involve purchases receipts. “I use mobile payment a lot in China, but I am quite concerned about my privacy,” said Li Xinyu, a student from North Korea at Tsinghua University. “I am afraid my personal information might be leaked.”

Only a small amount of money, about 1,000 yuan (US\$147) to 2,000 yuan, is usually stored in my Alipay account, Li added.

“Maybe a credit card is safer. Alipay or WeChat is more convenient. I am more confident in the use of credit card because they barely go wrong. If the battery smartphone dies or there is no wifi, I cannot use Alipay or WeChat to pay,” Primiceri said.

Although the mobile payment giants are seeking to expand their overseas service, tour guide Zhao Kun told Xinhua that some tourists, especially senior ones, have worries about the safety of paying via Alipay and WeChat when travelling abroad, despite the rising popularity of mobile payment in most North American and South-east Asian countries.

The Chinese government is obliged to maintain a fair and square marketing environment and bring the mobile payment enterprises into full play, said Pan Helin, an economist at the Chinese Academy of Fiscal Sciences.