

Comment: Alipay-Uber deal shows power of new players

The attention generated by the new global partnership between Alipay and Uber shows how rapidly the global payments market is changing.



Ten years ago Uber's ride sharing service did not even exist, while Alipay's online payment's system had only been in operation for two years and was practically unknown outside its home Chinese market.

Now these new players have a payments profile rivalling that of the established industry giants, an importance that comes from Alipay's 450 million users and the 12 million worldwide customers of Uber.

The new partnership will take Alipay's system global to the 70 countries where Uber operates. Uber will get access to the rapidly growing number of Chinese tourists who will be able to pay for rides on its service in yuan via the link with Alipay.

Alipay is now has a market valuation of US\$60bn while rival PayPal's value is a "mere" US\$48bn. This is still short of the US\$185bn value of the world's biggest payment network Visa Inc but the gap has been closing.

Alipay owner Ant Financial has completed a funding round that US\$4.5bn in what it claimed was the largest ever private placement by an internet company.