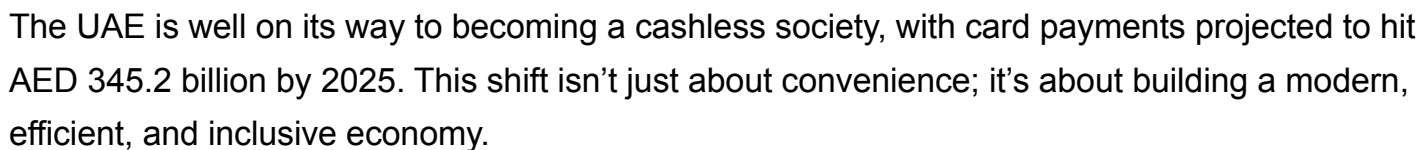




UAE Card Payments Set to Reach AED 345.2 Billion in 2025 with 7.3% Growth



The UAE is quickly becoming a hub for **digital payments**, and the numbers are speaking for themselves. With card payments expected to reach AED 345.2 billion by 2025, reflecting a 7.3% growth, it's clear that the country is embracing the cashless revolution. This shift to digital payments is making life easier for both businesses and consumers, offering faster, more secure ways to pay. Whether it's shopping, dining out, or paying for services, people in the UAE are increasingly relying on their cards and mobile phones to make transactions, leaving cash behind.

- **Projected Market Size:** Card payments in the UAE are expected to reach AED 345.2 billion by 2025.

- **Growth Rate:** The market is poised for a compound annual growth rate (CAGR) of 7.3%.
- **Adoption Drivers:** Increased smartphone penetration, rising e-commerce activity, and government support for digital initiatives.
- **Popular Payment Types:** Debit cards dominate the market, but credit and **prepaid cards** are quickly gaining traction.
- **Industry Leaders:** Key players include local and global banks, fintech companies, and payment gateways like Foloosi and Noon Payments.
- **Reasons to Buy into the UAE Cards and Payments Market: Future-Ready Infrastructure:** The UAE is a leader in **fintech**, with initiatives like Dubai Smart City and Abu Dhabi's Hub71 boosting digital payments.
- **Consumer Demand:** A tech-savvy population is eager for innovative payment solutions.
- **Regulatory Support:** Government policies are designed to enhance digital transformation in the financial sector.
- **High Smartphone Penetration:** With over 95% smartphone penetration, **mobile wallet** adoption is set to soar.

Challenges in the UAE Cards and Payments Market:

1. Cybersecurity Concerns

As digital payments rise, so does the risk of cyber threats. Ensuring robust security measures is critical.

2. Digital Divide

While urban areas adopt digital payments swiftly, rural areas may lag due to lack of awareness or infrastructure.

3. High Competition

The market's rapid growth has led to stiff competition among payment service providers, each striving for innovation.

Opportunities for Businesses:

1. Enhanced Customer Experience

Offering multiple payment options, including mobile wallets and BNPL, enhances customer satisfaction.

2. Cross-Border Payments

The UAE's position as a global business hub presents opportunities for seamless international transactions.

3. Loyalty Programs

Integrating loyalty rewards with payment systems can attract and retain customers.

Key Drivers of Card Payment Growth:

1. Rapid Expansion of E-Commerce

With online shopping becoming the norm, card payments are indispensable. Whether buying essentials or splurging on luxuries, cards enable fast, hassle-free payments that cater to the growing e-commerce sector in the UAE.

2. Tourism and a Global Crowd

As one of the world's top travel destinations, the UAE welcomes millions of tourists annually. Cards are the **payment method** of choice for international visitors. Additionally, the expatriate community prefers cards for their convenience, transparency, and ease of managing expenses.

3. Tailored Banking Perks

Banks in the UAE go beyond traditional banking by offering irresistible benefits for cardholders. Cashback on purchases, loyalty rewards, installment plans, and exclusive discounts make every transaction rewarding.

4. Instant Accessibility and Ease

Card payments allow for instant transactions, whether online or in-store. There's no need to worry about carrying the exact amount or waiting for change, making every payment quick and smooth.

5. Ease of International Use

Many cards issued in the UAE are globally accepted, making them a convenient choice for travelers and expatriates. This global reach enhances their utility for international transactions

and remittances.

6. Enhanced Security for Transactions

With advanced fraud detection systems, secure payment gateways, and features like OTPs (one-time passwords), cards provide peace of mind. Users feel confident knowing their transactions are safe and their money is protected.

7. Wider Acceptance by Businesses

Businesses of all sizes, from small local shops to large retailers, now accept cards. This widespread acceptance means consumers can use their cards almost anywhere, adding to their convenience.

8. Government Support for Digital Payments

The UAE government actively promotes digital payments as part of its vision for a smart economy. Initiatives and policies supporting electronic payments have created an environment where card usage is easy, secure, and encouraged.

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