



## \$21 Trillion Opportunity In Cross-Border Payments

🔗 [business customers](#) [international](#) [RTP](#)

**Summary:** The cross-border payments market is valued at \$21T and is growing at a 90% compound annual growth rate. This is one big reason to consider providing cross-border payments to your business customers. We have four more: small and medium businesses are engaging in more foreign trade, they trust their banks for help, you generate more fee income, and you can strengthen your relationship with your customers.

Ever wonder which international land border is the longest? The Russia-China border may come to mind, yet that is only the 6th longest border at 4,209 km. The longest is the Canada-US border at 8,890 km. Not surprisingly, Canada is one of the top countries for American businesses to send and receive cross-border payments as well.

Community financial institutions (CFIs) can now offer cross-border payment capabilities to their commercial customers (and not just to Canada) far easier and less expensively than ever — which can spell great opportunity for all as the market is on fire.

Indeed, the [cross-border payments market, now valued at \\$21T](#), continues to grow by leaps and bounds with a 90% compound annual growth rate (CAGR), according to CB Insights. An explosion of global e-commerce is driving the increase, which is expected to reach \$16T by 2025.

CFIs will want to strongly consider cross-border payments, if they haven't already.

1. **More small and medium-sized businesses (SMBs) are getting in on the international act.** A majority (60%) of SMBs are now engaging in foreign trade and another 18% are gearing up, according to the OFX US SMB Cross Border Confidence Survey. Those that aren't currently in the game are missing out on roughly \$1.5MM on average in annual revenue by only selling their products and services domestically. Since SMBs are your bread and butter, chances are some of your customers are importers or exporters in need of cross-payment capabilities.
2. **Small businesses value & trust their banks.** Banking customer satisfaction is at a record high, which means they value your help. According to JD Power's latest [US Small Business Banking Satisfaction Survey](#), small businesses' satisfaction with their banks hit a record high of 822 (on a scale up to 1,000). This was up two points from 2019. If you consider the turmoil over the past year, CFIs really stepped up to support their small business customers when needed and reaped the benefits. Unsurprisingly, the overall trust level also increased. If your SMB customers are jumping into the global e-commerce game, they will look to you for guidance and advice because they know you can deliver.
3. **Generate additional fee income.** A [McKinsey & Co. report](#) said that revenues from cross-border payments totaled \$200B already in 2017 and are increasing by 6% annually. Revenues come from both transaction fees and foreign exchange revenues and margins are typically healthy, according to the report. That's more fee income to help diversify your bottom line.
4. **Tighten your customer relationships.** The more products and services you offer your SMB customers, the stickier they'll become. But to truly compete in this market, you'll need to make sure your pricing and processes are transparent and reliable, and that you can provide scale to customers that have growing volumes of international sales and/or purchases.

Now that you know the reasons why you should consider cross-border payments, you may be inclined to look for a partner who can help you deliver this service to your customers. If so, we can help with our suite of [international services](#), integrated with SWIFT gpi. Contact us today for more information.

## WHITE PAPER: FASTER INTERNATIONAL PAYMENTS

Businesses want faster international payments to help grow their business. Do you have the capabilities to support them with this? Find out more by downloading our white paper, "[SWIFT gpi: Faster International Payments](#)."

## ECONOMY & RATES

Rates As Of: 04/16/2021 06:08AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.02	-0.01	-0.07
6M	0.04	-0.01	-0.05
1Y	0.07	0.01	-0.04
2Y	0.17	0.01	0.05
5Y	0.85	-0.09	0.48
10Y	1.60	-0.15	0.68
30Y	2.28	-0.13	0.64
FF Market	FF Disc	IORR	QORR
0.07	0.25	0.10	
SOFR	Prime	QORR	
0.01	3.25	0.06	

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