GS-3 - S&T.

3. As the value of payments via UPI has progressed, the penetration into rural areas, remains a challenge. Explain.

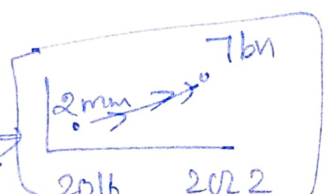
Unified payment Interface is a digital Payment & transaction tool for cashless payment. 2021 Study shows India alone occupy 40% of global online transactions

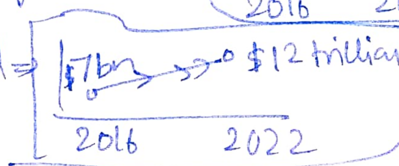
Efforts taken

1. Unified payment Interface 2.0 → to penetrate to rural areas through feature phones based payment (UPI123)

2. Round The clock → 'Digisathi' - for addressing queries related to digital products

Performance

1. The Transactions by volume → 

by value increased → 

2. Global reach. Bhutan & Nepal became 1st countries to use India's Unified payment Interface - QR code in their countries.

Similar reach in other countries eg: UAE, Singapore.

Advantages → 1. Help Indian students, travellers etc. in foreign for payments access to Rupay card
2. Reduce cost of printing notes, improve commerce
3. Increase competition against VISA card etc

Issues:

Penetration into Rural Areas - Challenge.

Factors hindering

1. Digital awareness is less - with respect to digital products like smartphones and feature phone
2. Low bandwidth, reach of technology; Most areas Installations were made → but services are not provided.

Way forward

Effort must be taken to improve digital & financial literacy, awareness of New digital products and ~~increase~~ enable platform to cater to increasing traffic through new Infrastructure.

This may enable to increase the reach of digital transactions deep into rural areas