

Smart Card - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The Smart Card Market size is estimated at USD 18.69 billion in 2024, and is expected to reach USD 28.22 billion by 2029, growing at a CAGR of 8.59% during the forecast period (2024-2029).

The rising digitalization, increasing demand from online shopping, demand for healthcare, and access control applications are the primary factors augmenting the growth of the smart card market.

Key Highlights

- Smart cards provide methods to securely identify and authenticate the cardholder and third parties who want access to the card. For instance, a cardholder can use a PIN code or biometric data for authentication. Smart cards also provide a way to securely store data on the card and protect communications with encryption.
- The demand for smart cards has been growing each year with applications in various end-use industry markets due to the recent introduction of other security and privacy issues for advanced smart card security applications. Globally, the banking and finance industry is expected to account for a significant share of the smart card market. With critical financial operations being the industry's core, security remains the primary focus. This supports the adoption of advanced authentication solutions and promotes the acceptance of the smart card within the sector.
- The initial cost required for the smart card used for access control and other applications is high as it uses readers and chips of high quality for its functioning. The deployment of readers and chips requires additional costs, which increases the overall cost of smart cards, restraining the growth of smart cards.
- During the COVID-19 pandemic, the business for smart cards specific to telecommunications and healthcare was less affected than other verticals. The upsurge of healthcare data brings up new challenges in providing efficient patient care and privacy. Smart cards solved both challenges by providing secure storage (dramatically more than 150 bytes that can be stored on a

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magnetic stripe card) and easy data distribution. Increasing healthcare expenditure is anticipated to propel the use of smart cards in the healthcare market.

-For instance, according to the Centers for Medicare & Medicaid Services, US health spending is projected to reach nearly USD 6 trillion by 2027. Moreover, the emergence of COVID-19 has prompted several nations to develop vaccination-proofing plans, which are also anticipated to aid market growth. Digital credentials are expected to play a major role in managing the pandemic.

Smart Card Market Trends

BFSI is Expected to Drive Market

- Smart card use in the BFSI industry has many advantages, including secure data transfers and the security of private information. Smart cards are also used as payment authentication cards, access control cards, and credit or debit cards in the banking, financial services, and insurance (BFSI) industry. By loading the smart card with money that can be transferred using cryptographic protocols to a vending machine or an account, they can be used as electronic wallets.
- The banking sector has long recognized the advantages of magnetic stripe card technology and has transitioned to memory chip or microprocessor-on card technology. However, the necessity for smart cards for protected payments has grown over the past decade due to a rise in fraud rates.
- The expansion of neo-banks and the field of digital financial technology has had a direct impact on the market under study globally. India is one example of a developing nation that has embraced cashless transactions. Government agencies have supported them in promoting the use of cards and other cashless payment methods, fueling a supplementary market for smart cards.
- The market's expansion has been further aided by financial institutions' use of smart card technology and different collaboration agreements. For instance, ICICI Bank declared last year that it partnered with Greater Chennai Corporation and Chennai Smart City Limited to launch the Namma Chennai Smart Card, which aims to offer the people of Chennai, India, a uniform solution for a variety of payments.

Asia Pacific to Witness Highest Growth

- Since smart cards are more widely used in the Asia Pacific area, demand from the BFSI, healthcare, retail, and government sectors is likely to dominate the market.
- A big consumer base and the presence of major smart card manufacturers in China are expected to result in a strong demand for smart cards in the region. Smart cards were adopted by a number of banking institutions, which helped the market expand.
- For instance, China Construction Bank (CCB) declared last year that they are testing a biometric 'hard wallet' smart card that enables users to store digital yuan and confirm payments made using the central bank's digital currency with their fingerprints. With the help of cutting-edge fingerprint authentication and recognition, the stored value on the card is further protected.
- To establish various types of smart cards in the nation, several banks operating in the region have partnered with smart card creators. Axis Bank, ICICI Bank, and SBM Bank are a few Indian banks that released smart cards in the latter or first quarter of the previous year.
- In addition, MoriX Co., a Tokyo-based electronics company, collaborated with Fingerprint Cards AB last year to develop and introduce biometric payment cards using the T-Shape module from Fingerprints. These cards are anticipated to be integrated with payment cards using conventional automated manufacturing techniques.
- To support market expansion, new initiatives, and developments are encouraging other end users to use smart cards. Transit cards were recently offered for users of public transportation in more than 300 Chinese cities by Octopus, one of the smart card

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operators in Hong Kong. Users of Octopus transit cards will be able to pay for public transportation in mainland China's buses, trains, and ferries as part of the company's offshore development plan. The maximum top-up amount for the Octopus card will initially be HKD 3,000 (USD 386), with the option to convert to digital Octopus cards in a phase two launch.

Smart Card Industry Overview

The Smart Card Market is fragmented because of the presence of several global companies. Some of the key players are HID Global Corporation, CardLogix Corporation, Thales Group, etc. Key players in this market are introducing new innovative products and forming partnerships and collaborations to gain competitive advantages.

In January 2023, a new innovation center dedicated solely to next-generation card technologies with a dedication to sustainability was inaugurated by dzcard, the top secured smart card solution and digital security provider in Southeast Asia. The lab, which is situated in Bangkok, Thailand, will serve as a platform for the co-creation of goods with dzcard's clients and partners. The lab's focus is on creating and evaluating solutions and products that are sustainability-oriented. They are dedicated to utilizing environmentally friendly production techniques, employing sustainable resources, and creating items that have less of an impact on the environment. Their objective is to develop smart card solutions that not only satisfy client needs but also work toward a more sustainable future.

In April 2023, for passengers using the Kanpur metro in India, the GoSmart National Common Mobility Card was launched. The NCMC card was initially introduced in Uttar Pradesh by the Kanpur Metro. The primary advantage of this card is that it is an interchangeable transport card, meaning that it may be used for other NCMC-compliant retail, parking, metro, bus, and other transportation services throughout the nation. Travelers can easily traverse the entire nation with the NCMC card. Along with facilitating smooth mobility, this also helps travelers save time and energy.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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