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LATAM Country Profile eBook

LATIN AMERICA AND
THE CARIBBEAN

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LATAM Country Profile eBook

LATIN AMERICA AND THE CARIBBEAN

Latin America and the Caribbean includes 20 sovereign states and several territories.¹ Geographically, it stretches from the Rio Grande between Mexico and the United States to Cape Horn on South America's southern tip, and from the Pacific Ocean in the west to the Atlantic Ocean in the east. It makes up approximately 13% of the world's land area. The "Caribbean" is made up of more than 7,000 islands off the eastern coast of Central America.

In 2019, the population of Latin America and the Caribbean numbered 648,120,947, representing 8.4% of total global

population. Latin America and the Caribbean is a young region, with a median age of only 29.5, and the population is currently increasing at a rate 0.82% per annum. Over 80% of Latin Americans live in cities and towns.²

In 2018, the nominal GDP of Latin America and the Caribbean was US\$5.787 trillion, down from US\$5.971 trillion in 2017 largely due to Brazil's slow recovery from its 2014-16 recession and economic crises in Argentina and Venezuela. Despite improving outlooks for Central America and the Caribbean, growth is projected to remain slow in 2019-20.

[1] World Atlas: [Link](#)

[2] All statistics from Worldometers: [Link](#)

Ecommerce Trends

Latin America's ecommerce market is young and relatively undeveloped, comprising only 4.2% of retail sales in 2018. Retail ecommerce sales across the region are projected to increase by 21.3% to \$71.34bn in 2019. Brazil is the largest market in the region, with 34% of all retail sales in 2019, but its growth rate has slowed in recent years, partly due to economic difficulties but also due to a maturing market. Mexico, already accounting for 28.9% of retail sales despite only half the population being ecommerce users, is expected to outpace Brazil, with forecasted growth of 35.9% in 2019.³

Smaller markets are also growing fast; Peru leads the pack with a compounded annual growth rate forecast of 36%. Popular ecommerce verticals across Latin America include clothing, electronics, digital media, and travel tickets.

Mobile commerce (mcommerce) is particularly vibrant in Latin America due to fast-growing smartphone penetration. Mcommerce across the region is predicted to grow by 36.3% in 2019, the fastest rate in the world.⁴

[3] eMarketer: [Link](#)

[4] eMarketer, *ibid*



Payment Trends

Overall, cards are the most used online payment method in Latin America and the Caribbean. However, many of the cards issued in the region are local cards, which limits access to cross-border payments. Less than 20% of online purchases in Brazil use cards that work internationally.⁵ Additionally, credit card and debit instalment payments are the norm for many larger ticket items. More digital shoppers in Brazil paid by credit card instalments than any other methods in 2018.⁶

There are an estimated 200 million unbanked individuals in Latin America and the Caribbean.⁷ With little access to financial services, these individuals pay for ecommerce purchases using cash or voucher systems such as Brazil's Boleto Bancário, Mexico's Oxxo, Colombia's Efecty and Peru's PagoEfectivo. It's not just the unbanked who use cash, either: in Argentina, 40% of online purchases are paid for in cash.⁸

With such a high proportion of unbanked or underbanked across the region, and smartphones rapidly becoming ubiquitous, mobile money could soon become the principal alternative to cash. The number of ewallet users in countries such as Argentina, Brazil, and Mexico is expected to increase over the next 5 years.⁹ Ecommerce wallets such as MercadoPago and PayPal already have a strong presence due to their connection to large ecommerce marketplaces such as MercadoLibre and eBay. RappiPay, a QR code based payment method, is currently available in Columbia, Argentina and Brazil, and plans to have 100,000 locations accepting RappiPay by the end of 2019.¹⁰ However, contactless mobile wallets such as Apple Pay have not yet taken off in Latin America, possibly due to lack of trust in the security of mobile payments.



[5] *The Payers Payment Method Report 2019*

[6] *Research Markets LATAM report: [Link](#)*

[7] *Author's calculations using World Bank Financial Inclusion data: [Link](#)*

[8] "E-Commerce Cash Payments Keep Growing In Latin America," *Chinagoabroad: [Link](#)*

[9] *The Payers Payment Method Report 2019*

[10] *Rappi partnering with Visa release: [Link](#)*

Argentina



Argentina is the largest Spanish-speaking country in the world and the second largest economy in Latin America, with a population of over 44 million and GDP of \$518.4 billion in 2018.¹¹ It has a mixed economy in which services contribute about one third of GDP and manufacturing around 17%: principal exports include soybeans and delivery

trucks.¹² In 2017, the nation's GDP briefly rose to US\$643 billion,¹³ but in 2018 a run on the Argentine peso caused the exchange rate to fall by over 50% despite interest rates at over 60%.¹⁴ GDP fell sharply and the country was forced to seek assistance from the IMF to service its large dollar-denominated debt pile.

Key Statistics At A Glance



Population:
44.495
million (2018)¹⁵



74.29%
of the population use
the internet (2017)¹⁷



49%
of the population have
bank accounts¹⁹



GDP per capita
\$11,653
(2018)¹⁶



82%
of adults have a mobile
phone (2017)¹⁸



24%
of the population use
credit cards²⁰

[11] World Bank, *ibid*.

[12] World Atlas: [Link](#)

[13] World Bank: [Link](#)

[14] "Argentina - the crisis in six charts," BBC: [Link](#)

[15] World Bank: [Link](#)

[16] World Bank: [Link](#)

[17] International Telecommunications Union: [Link](#)

[18] Spotlight, World Bank: [Link](#)

[19] World Bank: [Link](#)

[20] World Bank: [Link](#)

Argentina

Ecommerce Trends



\$3,432m

Ecommerce revenue²¹



28.9 million
(64.5% of population)

Ecommerce users²²



\$118.77

Average Ecommerce revenue per user²³



42% (2016)

Percentage of population transacting cross-border²⁴



52% (2017)

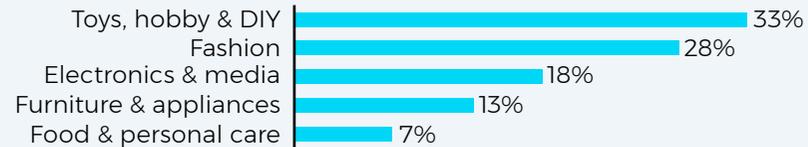
Ecommerce growth rate²⁵



10.1% (2018-23)

Projected ecommerce revenue compound annual growth rate (CAGR)²⁶

Major ecommerce categories (percentage of total revenue):²⁷



[21] Statista: [Link](#)

[22] Statista, *ibid.*

[23] Statista, *ibid.*

[24] Nielsen Cross-Border Connected Consumer Study: [Link](#)

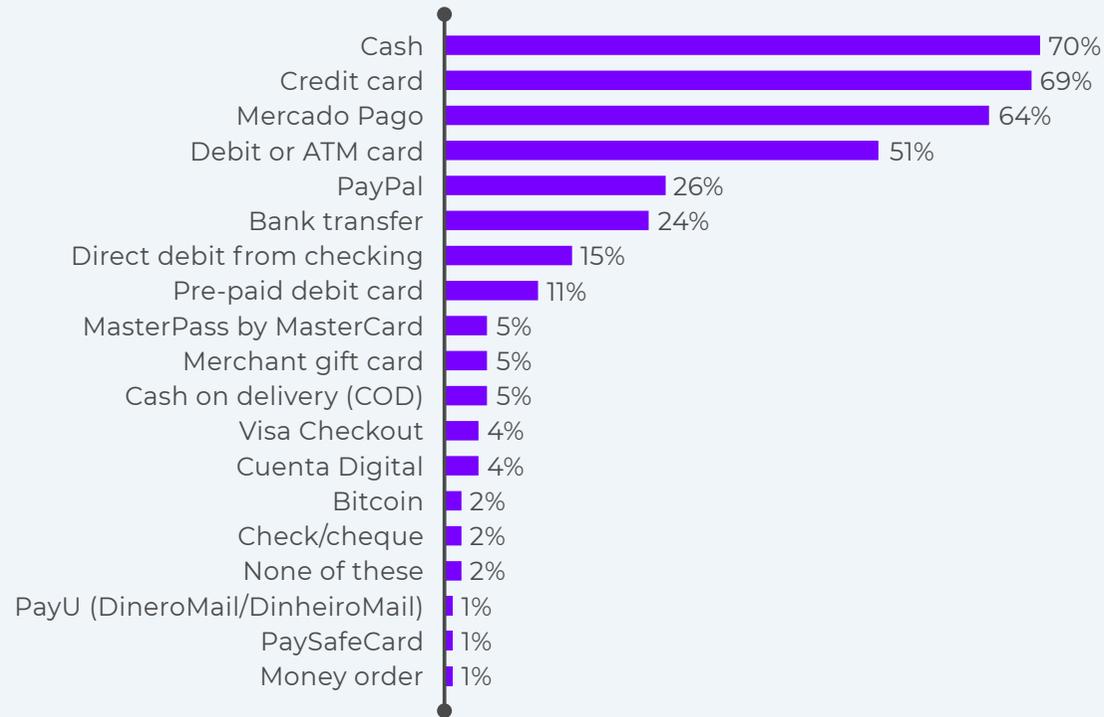
[25] Export.gov: [Link](#)

[26] Statista, *ibid.*

[27] Statista, *ibid.*

Argentina

Popular Payment Methods



Base: 2,018 Online adults
Sources: Consumer
Technographics Global Online
Benchmark Survey (Part 1), 2019

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FYI - Each question will have
a different base and possible
survey sources.

Brazil

Brazil is the largest country in Latin America and the ninth biggest economy in the world, with GDP of \$1.869 trillion in 2018. A former colony of Portugal, Brazil's national language is Portuguese and its currency is the Brazilian Real. Brazil's economy is dominated by services, which account for about three-quarters of GDP; agriculture and mining are

also important. Principal exports include coffee, soybeans and automobiles. Brazil experienced a deep recession in 2014-16 from which it is only slowly recovering: real GDP growth in 2017-18 averaged 1.1%.²⁸ Unemployment is high, at 12.44% in 2018, and wealth distribution is very unequal, with 10% of the population controlling 40% of the wealth.²⁹

Key Statistics At A Glance



Population:
209.47
million (2018)³⁰



67.47%
of the population use
the internet (2017)³²



70%
of the population have
bank accounts³⁴



GDP per capita
\$8,921
(2018)³¹



85%
of adults have a mobile
phone³³



27%
of the population use
credit cards³⁵

[28] IMF: [Link](#)

[29] World Atlas: [Link](#)

[30] World Bank: [Link](#)

[31] World Bank: [Link](#)

[32] International
Telecommunications Union: [Link](#)

[33] Spotlight, World Bank: [Link](#)

[34] World Bank: [Link](#)

[35] World Bank: [Link](#)

Brazil

Ecommerce Trends



\$15,279m

Ecommerce revenue³⁶



127.7 million
(60.5% of population)

Ecommerce users³⁷



\$119.69

Average Ecommerce revenue per user³⁸



44% (2016)

Percentage of population transacting cross-border⁴⁰



12% (2017-18)

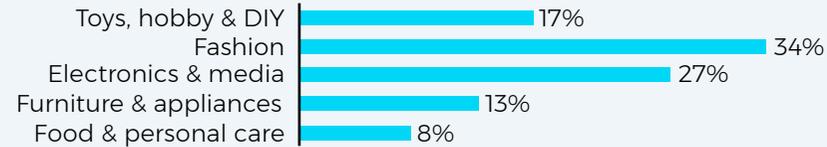
Ecommerce growth rate⁴¹



2.5% (2018-23)

Projected ecommerce revenue compound annual growth rate (CAGR)⁴²

Major ecommerce categories (percentage of total revenue):⁴³



[36] Statista: [Link](#)

[37] Statista, *ibid.*

[38] Statista, *ibid.*

[40] Nielsen Cross-Border Connected Consumer Study: [Link](#)

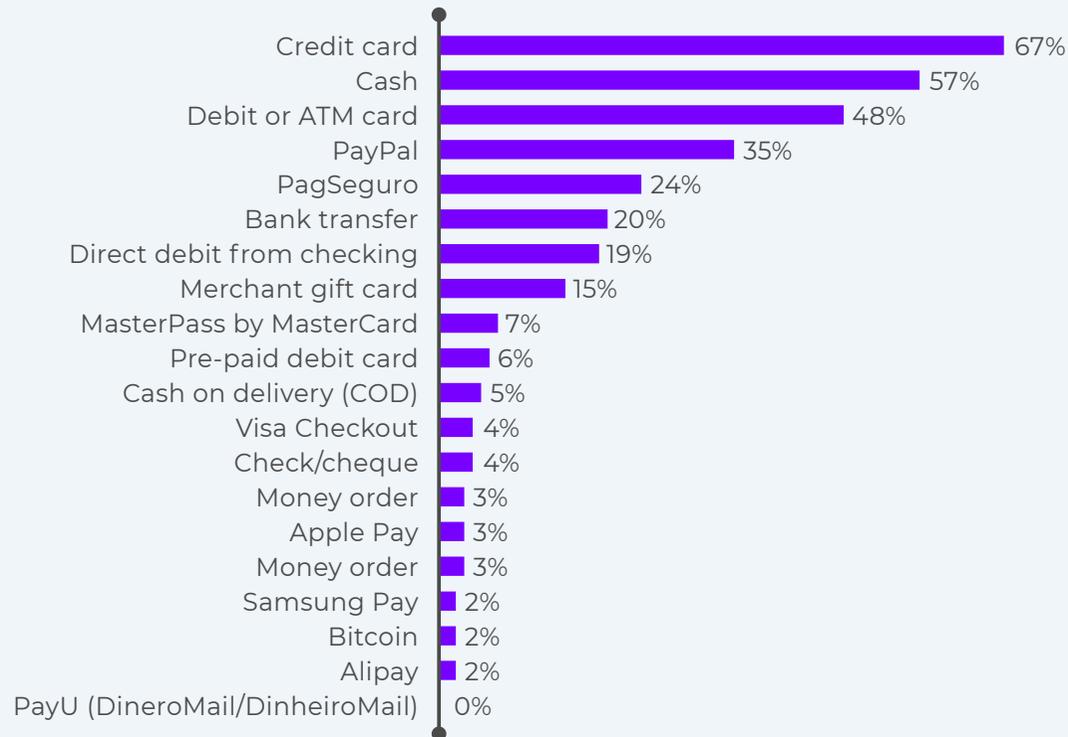
[41] Export.gov: [Link](#)

[42] Statista, *ibid.*

[43] Statista, *ibid.*

Brazil

Popular Payment Methods



Base: 2,043 Online adults
Sources: Consumer
Technographics Global Online
Benchmark Survey (Part 1), 2019

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Chile



Chile borders the Pacific Ocean in the west and the Andes mountains in the east. Approximately 80% of the country's land is mountainous. Chile has a stable market economy and democratic government, with GDP of \$298.23 billion⁴⁴ and unemployment of 7.2% in 2018.⁴⁵ It is currently the only South American member of the Organization for

Economic Cooperation and Development (OECD).⁴⁶ Copper mining is one of the country's largest industries and copper products are its principal export. Chile experienced a brief economic downturn 2013-15, but recovered quickly and in 2018 enjoyed GDP growth of over 4%.⁴⁷

Key Statistics At A Glance



Population:
18.730
million (2018)⁴⁸



82.33%
of the population use
the internet (2017)⁵⁰



74%
of the population have
bank accounts⁵²



GDP per capita
\$15,923
(2018)⁴⁹



90%
of adults have a mobile
phone⁵¹



30%
of the population use
credit cards (2017)⁵³

[44] World Bank: [Link](#)

[45] World Bank: [Link](#)

[46] World Population Review: [Link](#)

[47] World Bank: [Link](#)

[48] World Bank: [Link](#)

[49] World Bank: [Link](#)

[50] International
Telecommunications Union: [Link](#)

[51] Spotlight, World Bank: [Link](#)

[52] World Bank: [Link](#)

[53] World Bank: [Link](#)

Chile

Ecommerce Trends



\$4,000m

Ecommerce revenue⁵⁴



4.5 million
(24% of population)

Ecommerce users⁵⁵



\$166.67

Average Ecommerce revenue per user⁵⁶



69%

Percentage of population transacting cross-border⁵⁸



30% (2016-17)

Ecommerce growth rate⁵⁹



27% (2018-23)

Projected ecommerce revenue compound annual growth rate (CAGR)⁶⁰

[54] Statista: [Link](#)

[55] Export.gov: [Link](#)

[56] Author's calculation using figures from Statista and Export.gov (ibid.)

[58] Nielsen Cross-Border Connected Consumer Study: [Link](#)

[59] Export.gov: [Link](#)

[60] Statista, *ibid.*

[61] Ameriasmi: [Link](#)

Chile

Popular Payment Methods

Local Debit and Credit Cards

VISA



MAGNA

Red compra

e-wallets



Invoice/Coupon Payments



MULTIcaja

Base: 2,043 Online adults
Sources: Consumer
Technographics Global Online
Benchmark Survey (Part 1), 2019

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Colombia



Located in the northwest corner of South America, Colombia is the 37th largest economy in the world, with GDP of \$330.23 in 2018.⁶² It is one of the world's top producers of coffee and a major exporter of gold and precious stones, but its biggest exports by far are crude oil and coal, which together account for 57% of total exports.⁶³ The United

States is Colombia's biggest export market, but it is working to strengthen trade ties with Latin American countries, China and Europe. Colombia's economic growth tailed off after the Great Recession of 2008-9, but despite falling export prices in 2014-16 it avoided recession and in 2018 turned in economic growth of 2.66%.⁶⁴

Key Statistics At A Glance



Population:
49.469
million (2018)⁶⁵



62.26%
of the population use
the internet (2017)⁶⁷



46%
of the population have
bank accounts⁶⁹



GDP per capita
\$6,651
(2018)⁶⁶



84%
of adults have a mobile
phone⁶⁸



14%
of the population use
credit cards⁷⁰

[62] World Bank: [Link](#)

[63] The Bogota Post: [Link](#)

[64] World Bank: [Link](#)

[65] World Bank: [Link](#)

[66] World Bank: [Link](#)

[67] International
Telecommunications Union: [Link](#)

[68] Spotlight, World Bank: [Link](#)

[69] World Bank: [Link](#)

[70] World Bank: [Link](#)

Colombia

Ecommerce Trends



12 million (2017)
Ecommerce users⁷²



\$400
Average Ecommerce revenue per user⁷³



54%
Percentage of population transacting cross-border⁷⁵



64% (2015-16)
Ecommerce growth rate⁷⁶



22% (2018-23)
Projected ecommerce revenue compound annual growth rate (CAGR)⁷⁷

[72] Societe Generale, *ibid.*

[73] Author's calculations using figures from Statista and Societe Generale, *ibid.*

[75] Nielsen Cross-Border Connected Consumer Study: [Link](#)

[76] Export.gov: [Link](#)

[77] Societe Generale, *ibid.*

Colombia

Popular Payment Methods

Local Debit and
Credit Cards

VISA



e-wallets

Rappi

Invoice/Coupon
Payments



Bank Transfer



Mexico

Mexico is the 13th largest economy in the world. Its population is spread over a wide plateau and plains with two sets of mountains running through the country. Mexico has a market-oriented economy and democratic government, and is currently the only Central American member of the Organization for Economic Cooperation and Development (OECD).⁷⁹ Mexico's economy is tightly coupled to that of

the United States, by far its biggest trade partner, with which it recently negotiated a new free trade agreement to replace NAFTA. Its principal exports include crude oil, vehicles and vehicle parts, and computers. Mexico's GDP fell by 6% in the Great Recession of 2008-9, and it suffered a second downturn in 2014-16, but it has since recovered and in 2018 its GDP stood at US\$1.224 trillion.⁸⁰

Key Statistics At A Glance



Population:
121.191
million (2018)⁸¹



65.77%
of the population use
the internet (2018)⁸³



37%
of the population have
bank accounts⁸⁵



GDP per capita
\$9,698
(2018)⁸²



65%
of adults have a mobile
phone (2017)⁸⁴



10%
of the population use
credit cards⁸⁶

[79] World Population Review: [Link](#)

[80] World Bank: [Link](#)

[81] World Bank: [Link](#)

[82] World Bank: [Link](#)

[83] International
Telecommunications Union: [Link](#)

[84] Spotlight, World Bank: [Link](#)

[85] World Bank: [Link](#)

[86] World Bank: [Link](#)

Mexico

Ecommerce Trends



\$9,040m

Ecommerce revenue⁸⁷



64.7 million

Ecommerce users⁸⁸



\$139.81

Average Ecommerce revenue per user⁸⁹



64%

Percentage of population transacting cross-border⁹¹



28% (2016)

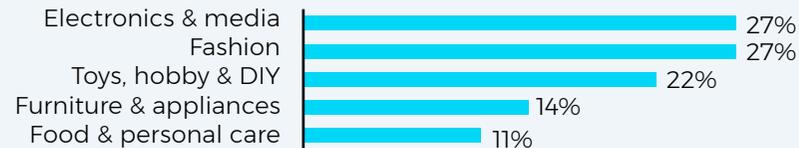
Ecommerce growth rate⁹²



8.4% (2018-23)

Projected ecommerce revenue compound annual growth rate (CAGR)⁹³

Major ecommerce categories (percentage of total revenue):⁹⁴



[87] Statista: [Link](#)

[88] Statista, *ibid.*

[89] Statista, *ibid.*

[91] Nielsen Cross-Border Connected Consumer Study: [Link](#)

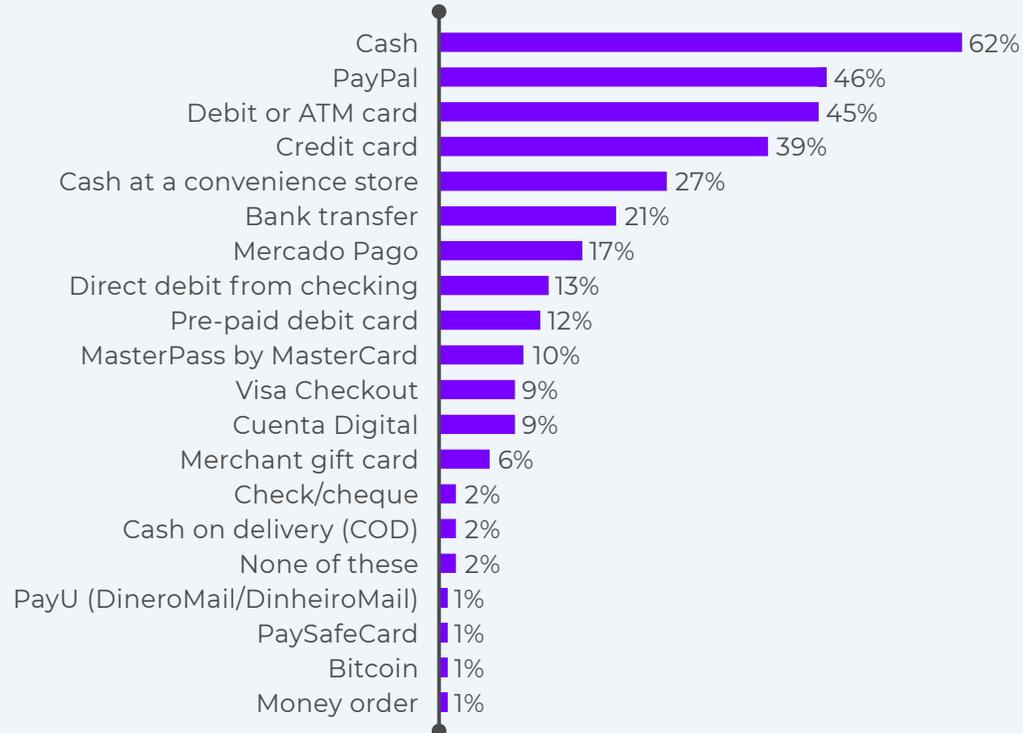
[92] Export.gov: [Link](#)

[93] Statista, *ibid.*

[94] Statista, *ibid.*

Mexico

Popular Payment Methods



Base: 2,020 Online adults
Sources: Consumer
Technographics Global Online
Benchmark Survey (Part 1), 2019

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Peru

Peru sits on the Pacific seaboard of South America and is bordered by Bolivia, Ecuador, Colombia, Chile, and Brazil. Its residents primarily speak Spanish and the national capital is the coastal city of Lima. Peru’s economy delivers robust GDP growth of 3-4% per annum:⁹⁵ in 2018, GDP stood at US\$222.24 billion.⁹⁶ Peru’s principal industries are mining,

fishing, manufacturing and tourism; its principal exports include copper, gold, zinc, textiles, and chemicals. Its principal trade partners include the United States, with which it has a long-standing free trade agreement.⁹⁷ Peru’s eCommerce market is in the very early stages of development but is set to grow fast as internet and mobile communications improve.

- [95] World Bank: [Link](#)
- [96] World Bank: [Link](#)
- [97] World Atlas: [Link](#)
- [98] World Bank: [Link](#)
- [99] World Bank: [Link](#)
- [100] International Telecommunications Union: [Link](#)
- [101] Spotlight, World Bank: [Link](#)
- [102] World Bank: [Link](#)
- [103] World Bank: [Link](#)

Key Statistics At A Glance

		Population: 31.989 million (2018) ⁹⁸			52.54% of the population use the internet (2018) ¹⁰⁰			43% of the population have bank accounts ¹⁰²
		GDP per capita \$9,947 (2018) ⁹⁹			79% of adults have a mobile phone (2017) ¹⁰¹			12% of the population use credit cards ¹⁰³

Peru

Ecommerce Trends



23% shopped on line

Ecommerce users¹⁰⁵



49% acquired services using a smartphone

Ecommerce users¹⁰⁵



198%
Ecommerce growth rate¹⁰⁷



36% (2018-23)
Projected ecommerce revenue compound annual growth rate (CAGR)¹⁰⁸

[104] Export.gov: [Link](#)

[105] Export.gov, *ibid.*

[107] Peruvian Chamber of Electronic Commerce via Societe Generale: [Link](#)

[108] Worldline: [Link](#)

Peru

Popular Payment Methods

Local Debit and
Credit Cards

VISA



e-wallets



Invoice/Coupon
Payments

safety pay



Bank Transfer



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