

Payments and e-commerce report

Western and Central Europe

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Dear reader,

Welcome to the PPRO regional payments and e-commerce report for Western and Central Europe. This year, we've changed how the reports are organised. Instead of reports based on geographical regions, we've broken our new reports down by geopolitical boundaries; the EU and the CIS.

E-commerce is one of the big business success stories of the last decade. It has created jobs, injected new dynamism into our economies, and given people, who wouldn't otherwise have had it, access to goods and services that improve their lives.

At PPRO, we're proud to help make possible the payments revolution that underpins the explosive growth of the e-commerce industry. But we're even prouder to have helped our partners and their merchants grow and succeed in more markets every year.

And that's what this report and its companions are really about. They are tools designed to give you the knowledge you need to open new markets. We hope you find them useful and we wish you every success.

Yours sincerely,

Simon Black
CEO, PPRO

Western & Central Europe: prosperity amid rising trade tensions

After years of low inflation making the exports of some euro members uncompetitive, inflation in the eurozone finally hit the ECB’s (European Central Bank) 2% target in 2018. Despite some tense times, for instance, when the new Italian government looked as if it might nominate a finance minister who wanted Italy to leave the eurozone, there have been no serious populist upsets to the economic system.

In his state of union address to the European Parliament, on 12 September 2018, President of the European Commission Jean-Claude Juncker promised to use the remainder of his time in office to prove to the people of Europe that the EU could deliver on the promises it had made for them: greater prosperity, security, and freedom.

Economic indicators are mixed. The political emphasis on optimism notwithstanding, consumer confidence in the eurozone fell in the four months leading up to September 2018.¹ In September, the Economic Sentiment Indicator measuring business and consumer confidence — hit by fears over global trade disagreements — fell from 111.6 points to 110.9 points.² However, unemployment fell to 8.1% in August 2018, the lowest rate since the financial crisis.³

An optimistic retail environment

Between January and August 2018, the volume of retail and wholesale trade in the European Union rose from 105.9 to 107.5 points (the baseline of 100 represents trade volumes in 2015).⁴ According to the Ecommerce Foundation,

the value of goods sold online in Europe in 2017 was €534 billion and was expected to reach €602 billion by the end of 2018.⁵

Analysts expect more and more Western Europeans to start looking online for bargains, rather than on the high street. PPRO’s latest research shows that e-commerce accounts for 13.4% of all retail in Western and Central Europe.⁶

The EU is currently in the process of finalising its Revised Payment Services Directive (PSD2). This will make it easier for bank customers to shop around for financial services, including payment services for e-commerce. The PSD2 was finalised and incorporated into national law on 18 January 2018. What the final draft will look like and how it’s implemented will have a profound impact on how payment service providers and e-commerce companies do their business.

The outlook outside the Eurozone

The Western and Central European nations outside the Eurozone are the Czech Republic, Denmark, Hungary, Norway, Poland, Sweden, Switzerland, and the UK.

The Nordic economies are ticking along nicely, albeit not quite at their previous pace. The OECD predicts growth of up to 1.7% for Denmark in 2018 rising to 1.9% in 2019.⁷ The Swedish economy was projected to grow at 2.8% in 2018 and 2.2% in 2019, with the end of fiscal stimulus, labour shortages and a potential fall in house prices acting as brakes on growth.⁸ The Norwegian economy grew by 1.8% in 2018 and will grow by 1.6% in 2019.⁹

The Czech Republic was projected to grow by 3% in 2018 and 2.9% in 2019.¹⁰ According to the OECD, labour shortages are the main bottleneck to continued high growth (the country’s economy has grown by 4.6% between 2013 and 2017).¹⁰

Hungary’s economy is projected to grow by 4.4% this year.¹¹ This is despite the Orban government’s continuing tense relationship with Brussels. In September, analysts at FTSE Russell announced that they would now class Poland as a mature rather than an emerging market.¹² The country’s economy was projected to grow by 4.6% in 2018.¹³

The exit negotiations with the United Kingdom drag on, frequently bogged down by, what appears to be, miscommunication and mismatched expectations on both sides. Continuing uncertainty over the future of the UK’s relationship with the EU is acting as a damper on the British economy.

A 2018 study by the KOF Swiss Economic Institute predicted that the number of full-time jobs in Switzerland would expand by 2% in 2019 while the relatively weak franc gives a boost to exporters.¹⁴

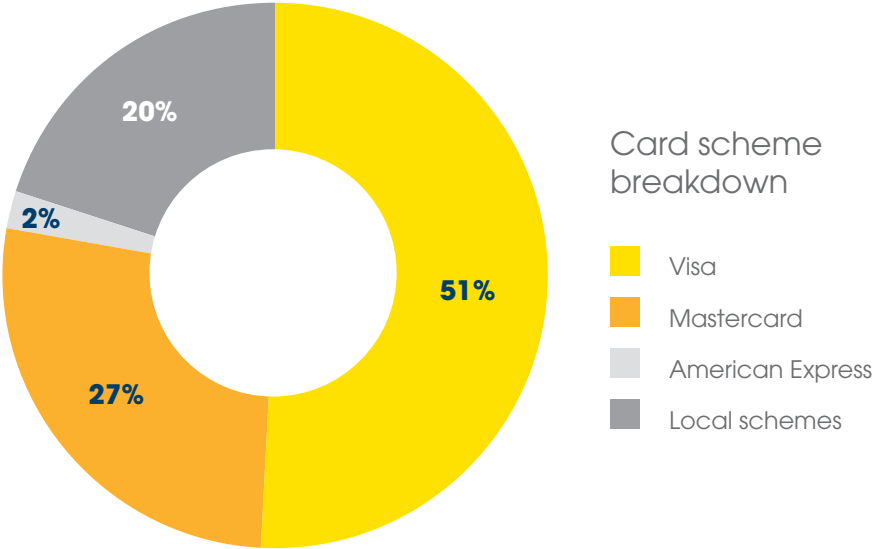
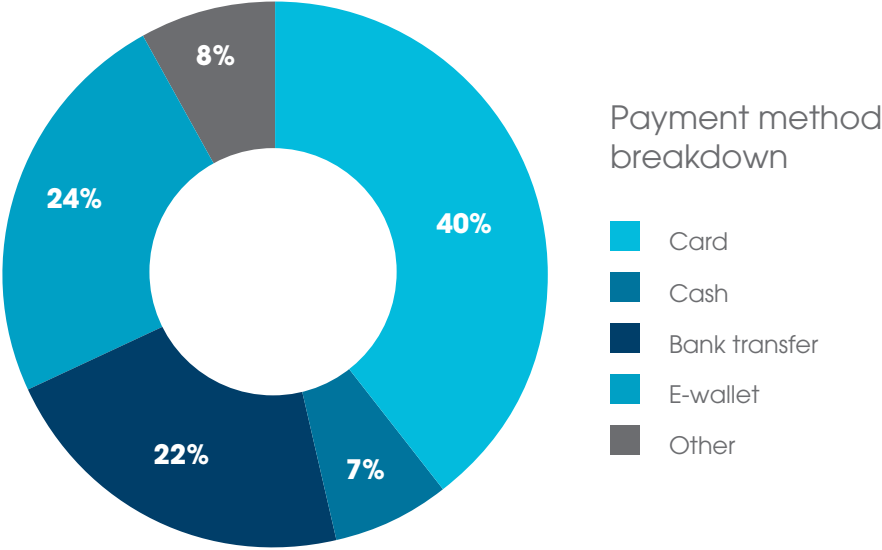
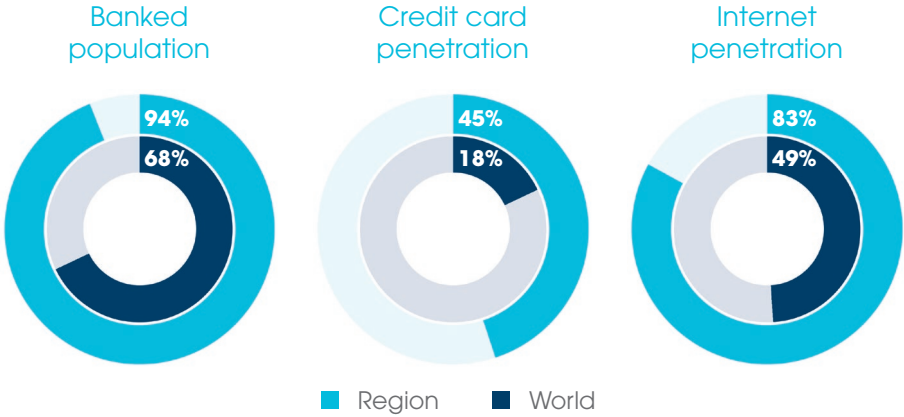
Overall, the economic outlook in Western Europe is healthy. And according to Eurocommerce Europe, 38% of all online shoppers in Europe are already shopping cross-border, indicating a high level of acceptance for new, innovative, and high-value online retailers and retail experiences.¹⁷

1. Eurozone Consumer Confidence Disappoints Again. 21 September 2018, Seeking Alpha.
2. Eurozone Manufacturing, Consumer Sentiment Dims in September. 27 September 2018, Paul Hannon, The Wall Street Journal.
3. Euro Area Unemployment Rate. 1 October 2018, Trading Economics.
4. Turnover and volume of sales in wholesale and retail trade - monthly data. 3 October 2018, Eurostat.
5. Ecommerce in Europe was worth €534 billion in 2017. 2 July 2018, Ecommerce News.
6. Edgar Dunn Company research 2018.
7. Denmark - Economic forecast summary (May 2018), OECD.
8. Sweden - Economic forecast summary (May 2018), OECD.
9. Norway - Economic forecast summary (May 2018), OECD.
10. The Czech economy is thriving but labour shortages will limit growth. Fallou Fall, 16 July 2018, OECD.
11. Hungary - Economic forecast summary (May 2018), OECD.
12. Poland to Switch from Emerging to Developed Market by September 2018, 16 October 2018, Emerging Europe.
13. Poland - Economic forecast summary (May 2018), OECD.
14. Weak investment for entire year as UK firms show pre-Brexit jitters. 28 September 2018, Richard Partington, The Guardian.
15. Toyota says no-deal Brexit would affect investment. 2 October 2018, BBC News.
16. Study finds Swiss economy is looking up, but risks abound. 3 October 2018, SwissInfo.ch.
17. European Ecommerce Report 2018, Eurocommerce.

Regional payment trends

	Region	World
Population	480 million	7,4 billion
Population (15+)	406 million	5,5 billion
GDP (millions)	17,449,485	79,211,592
GDP per capita (\$)	40,886.00	10,741.00
B2C e-commerce	618.4 billion	2,932.9 billion
B2C e-commerce growth	10%	15%
Online population	396 million	3,6 billion
Smartphone penetration	72%	53%
Average online spend (\$)	2,673.00	2,335.00
Mobile e-commerce	43%	45%
E-commerce % of total retail	13%	16%

Currencies in this report are always depicted in \$USD



Austria	8
Belgium	10
Czech Republic	12
Denmark	14
Finland	16
France	18
Germany	20
Greece	22
Hungary	24
Italy	26
Netherlands	28
Norway	30
Poland	32
Portugal	34
Slovakia	36
Spain	38
Sweden	40
Switzerland	42
United Kingdom	44



9%
e-commerce growth

Austria

Bordering Switzerland and Germany, Austria is one of Europe's three German-speaking countries. Like most of Western Europe, Austria is increasingly diverse with a growing minority population. Following suit, the economy is also diverse and robust. In June 2016, unemployment peaked at 6.3%, its highest rate since 1945. But by July 2018, this had fallen to just 4.9% (well below the EU average of 6.8%). From 2012 to 2015, when the Eurozone economy was at its most sluggish, Austrian growth rates were at or below 1%. Since then, the country's economic outlook has improved, with the growth rate rising to 1.4% in 2016 and 3% in 2017. According to the Austrian Institute for Economics, the drivers behind rising growth are an increase in exports which has spurred firms to invest in new technology and to hire more workers. Due to a tight labour market, unemployment is down and wages are up, increasing consumer confidence.



B2C e-commerce
10.9 billion USD

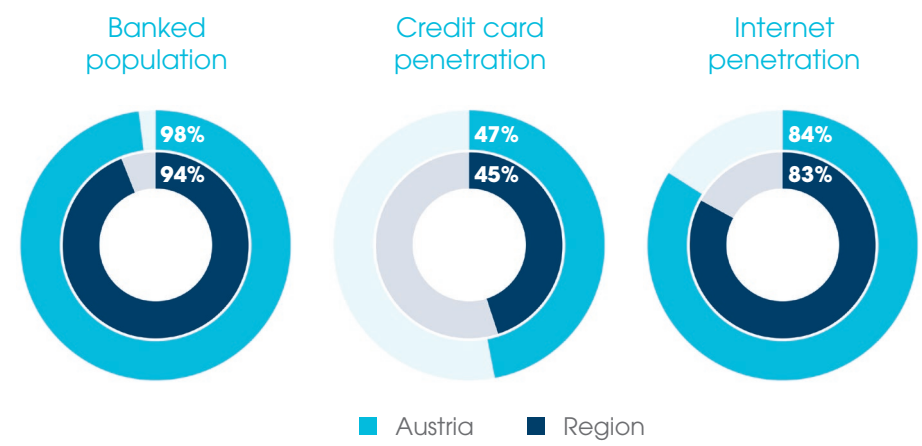


Mobile e-commerce
15% of total




Average online spend
1,999 USD


	Austria	Region	World
Population	8.8 million	480 million	7.4 billion
Population (15+)	7.5 million	406 million	5.5 billion
GDP (millions)	416,596	17,449,485	79,211,592
GDP per capita (\$)	47,291.00	40,886.00	10,741.00
Online population	7.4 million	396 million	3.6 billion
Smartphone penetration	94%	72%	53%
E-commerce % of total retail	7%	13%	16%




76% shop cross-border



77%



10%

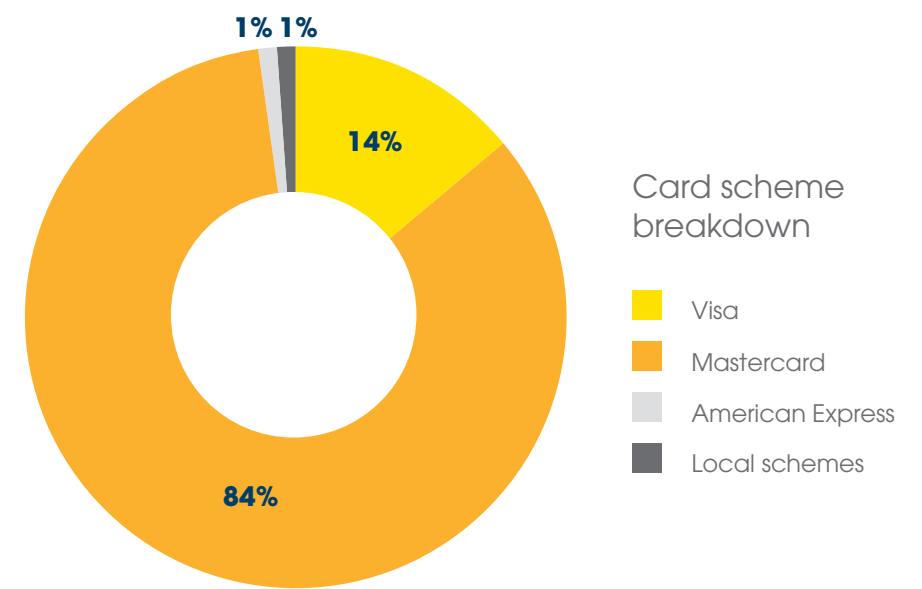
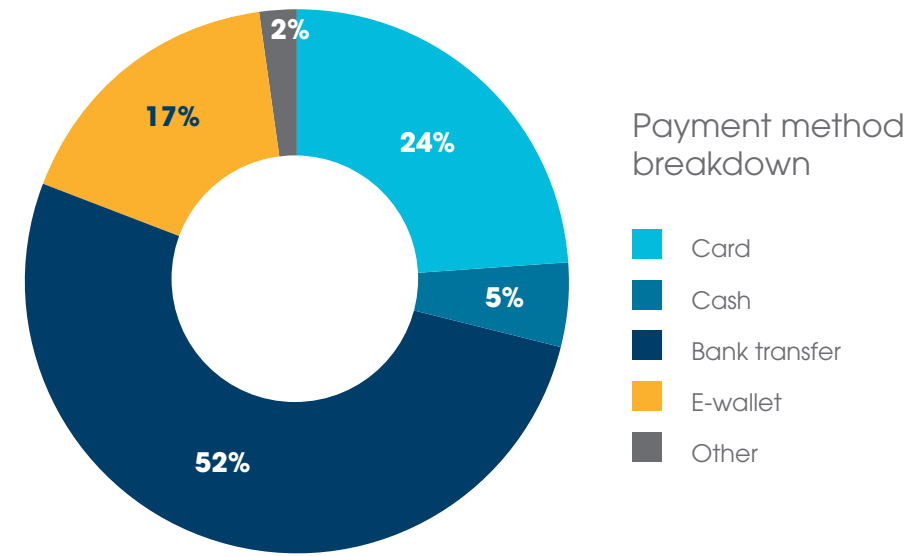


3%

Top e-commerce segments

Airlines & Hotels
Clothing & Footwear
Media & Entertainment

-  Billpay
-  eps
-  Pay later
-  SEPA Credit Transfer
-  SEPA Direct Debit
-  Slice it
-  Sofort





16%
e-commerce growth

Belgium

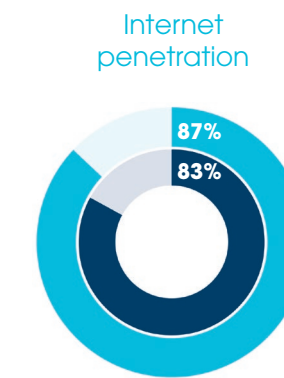
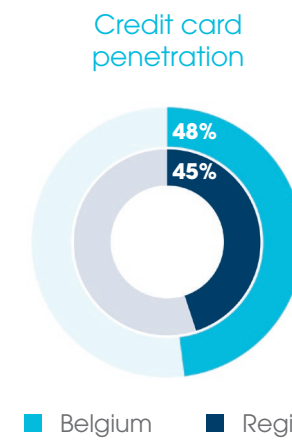
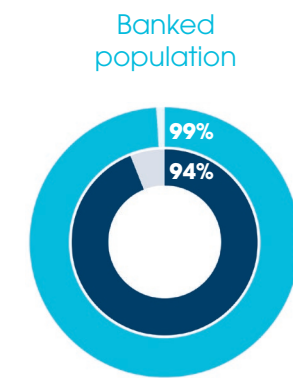
Belgium was created in 1830, merging the southern French-speaking provinces of Wallonia with the northern Dutch-speaking Flemish provinces. The two merged communities struggled to find balance and in 2011, they found themselves unable to agree on a coalition deal. As a result, Belgium went 589 days without an elected government. Despite this, the country has an enviable reputation for stability and good governance. In 2017, the economy grew at a rate of 1.73%, up from the previous year. The debt-to-GDP ratio is 103%, higher than most other EU countries (only Portugal, Italy, and Greece have higher ratios). The government is committed to market reforms, including the liberalisation of the labour market.


B2C e-commerce
12.1 billion USD

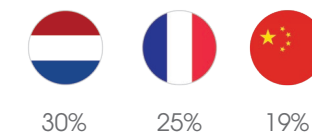

Mobile e-commerce
15% of total


Average online spend
1,767 USD

	Belgium	Region	World
Population	11.4 million	480 million	7.4 billion
Population (15+)	9.4 million	406 million	5.5 billion
GDP (millions)	492,681	17,449,485	79,211,592
GDP per capita (\$)	43,324.00	40,886.00	10,741.00
Online population	9.8 million	396 million	3.6 billion
Smartphone penetration	70%	72%	53%
E-commerce % of total retail	14%	13%	16%

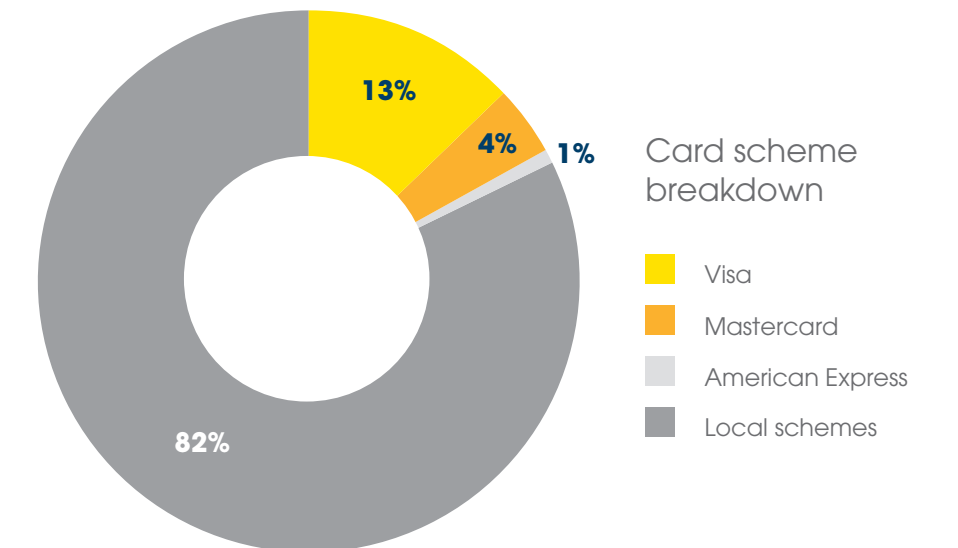
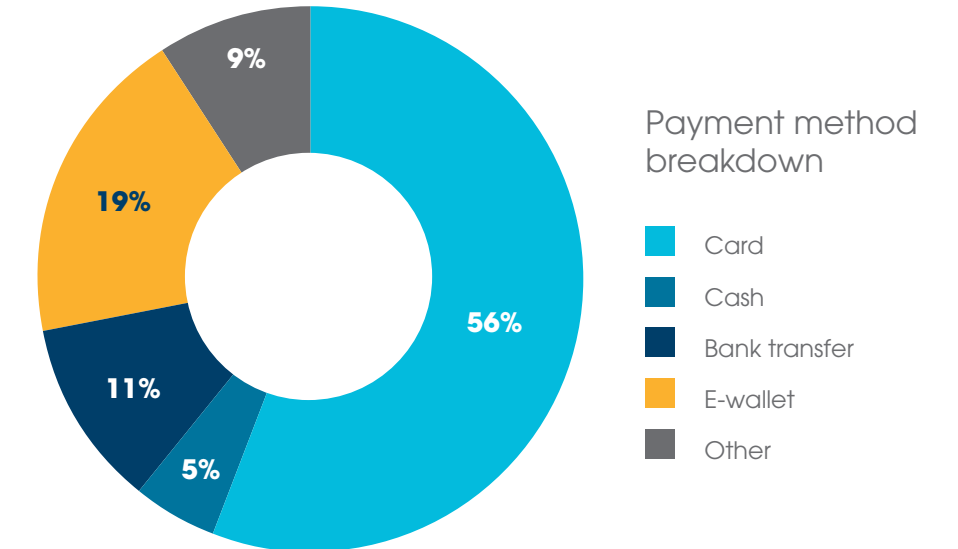


68% shop cross-border



Top e-commerce segments

Airlines & Hotels
Clothing & Footwear
Electrical Goods




 AfterPay  Bancontact  ING Home'Pay  Pay now  Payconiq  SEPA Direct Debit  Trustly




12%
e-commerce growth

Czech Republic

Consisting of the historical provinces of Bohemia and Moravia, the Czech Republic has managed the transition from planned economy to a free market with success. Average consumer incomes continue to trend upward. Over 80% of Czech exports in physical products are manufactured goods, as opposed to raw or partially processed materials. Germany is the country’s single biggest export destination, absorbing 32% of the Czech Republic’s exported goods. The country is a key part of what’s known as the German Central European Supply Chain Cluster. Largely in part due to a positive business environment created by successive Czech administrations. According to a 2017 report by KPMG, the country is the regional leader in factors such as the quality of local suppliers, the banking environment, the quality of transport infrastructure, and the amount companies are willing to spend on research and development.



B2C e-commerce
4.8 billion USD

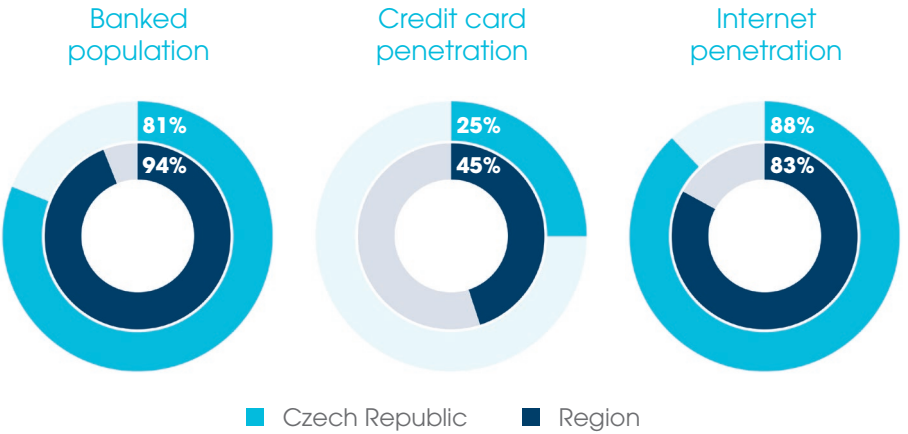


Mobile e-commerce
46% of total




Average online spend
743 USD


	Czech Rep.	Region	World
Population	10.6 million	480 million	7.4 billion
Population (15+)	8.9 million	406 million	5.5 billion
GDP (millions)	215,726	17,449,485	79,211,592
GDP per capita (\$)	20,368.00	40,886.00	10,741.00
Online population	8.1 million	396 million	3.6 billion
Smartphone penetration	66%	72%	53%
E-commerce % of total retail	10%	13%	16%



19% shop cross-border



1st

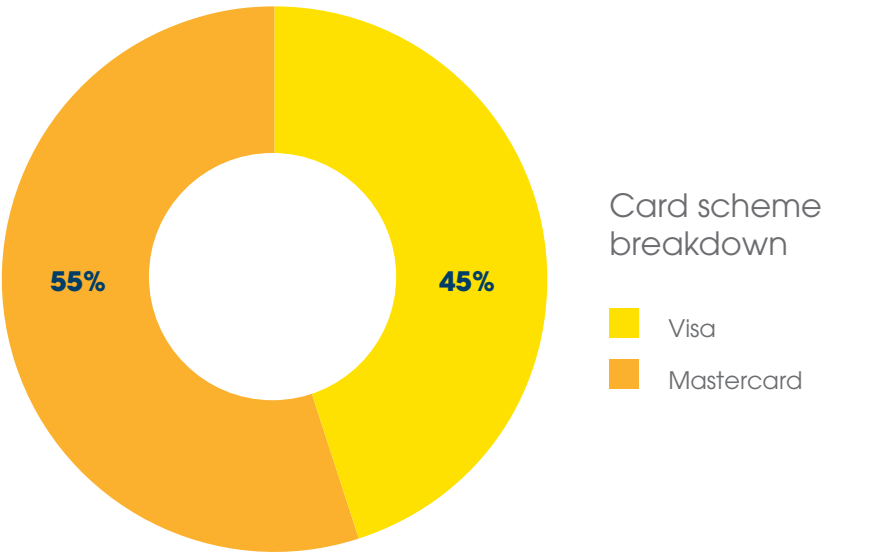
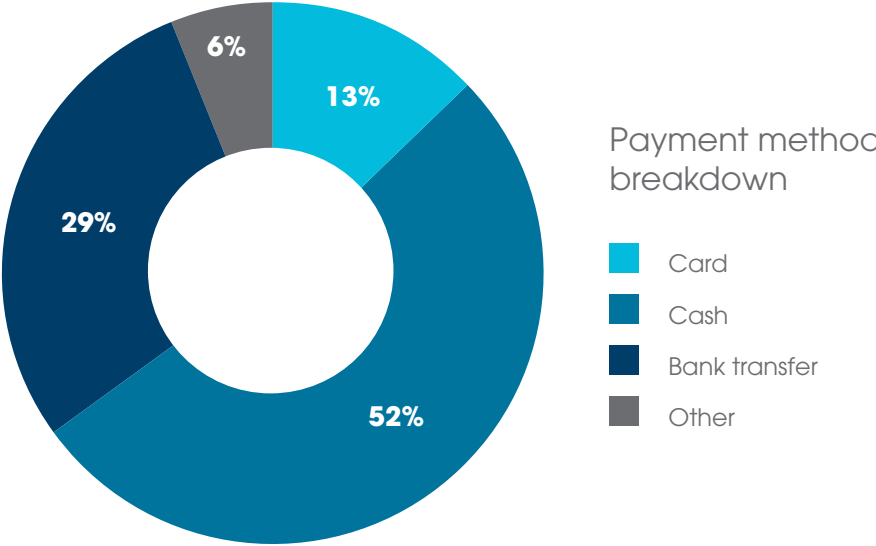


2nd

Top e-commerce segments

Airlines & Hotels
Media & Entertainment
Electrical Goods

 Entercash  GoPay  Paysafe:cash  PayU  TrustPay





8%
e-commerce growth

Denmark

Denmark is one of only three EU members in Western Europe to not adopt the Euro and keep its own currency. Regardless, the country's economic growth has closely tracked those of similar North European economies within the Eurozone. According to World Bank figures, economic growth in 2017 was 2.24%. In 2017, the country became foreign debt-free for the first time since 1834. The country faces a growing labour shortage, with employment levels at a record high. There are signs the economy may be suffering. Direct foreign investment in Denmark fell in 2016 and 2017. The latest OECD forecast predicts that both a tightening labour market and growing fiscal deficits will dampen growth. A poor 2018 growing season is also expected to hurt agricultural exports while weaker international markets have hurt companies such as Lego, Novo Nordisk, and Vestas.



B2C e-commerce
17.6 billion USD

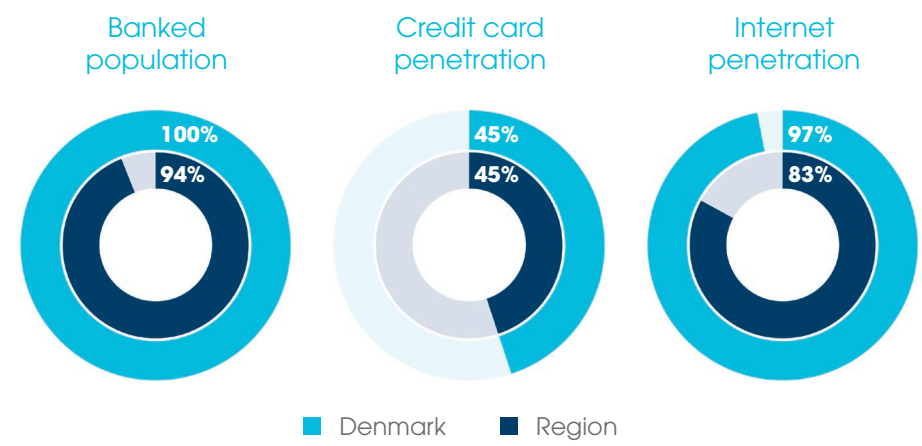


Mobile e-commerce
33% of total




Average online spend
3,820 USD


	Denmark	Region	World
Population	5.8 million	480 million	7.4 billion
Population (15+)	4.8 million	406 million	5.5 billion
GDP (millions)	324,872	17,449,485	79,211,592
GDP per capita (\$)	56,308.00	40,886.00	10,741.00
Online population	5.5 million	396 million	3.6 billion
Smartphone penetration	84%	72%	53%
E-commerce % of total retail	13%	13%	16%




46% shop cross-border



28%







21%

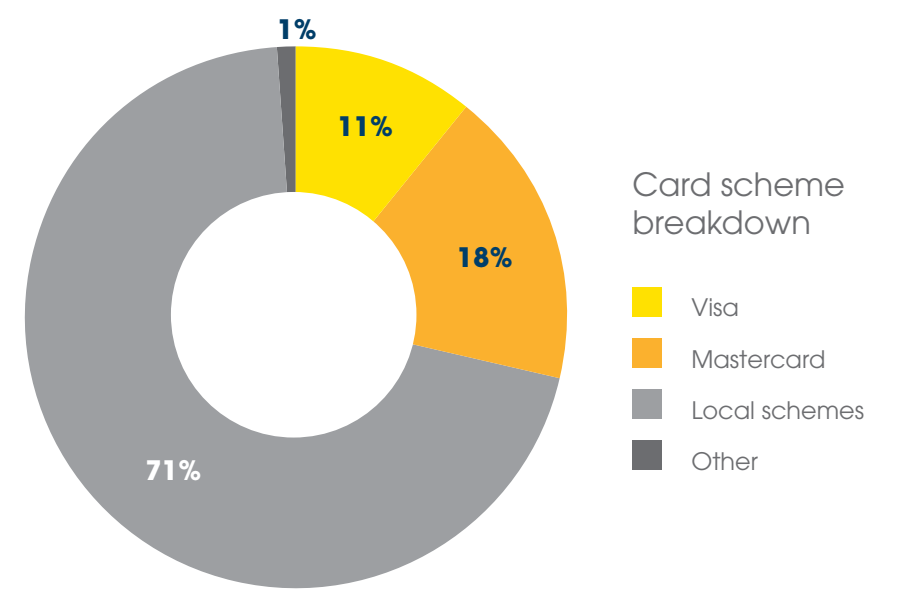
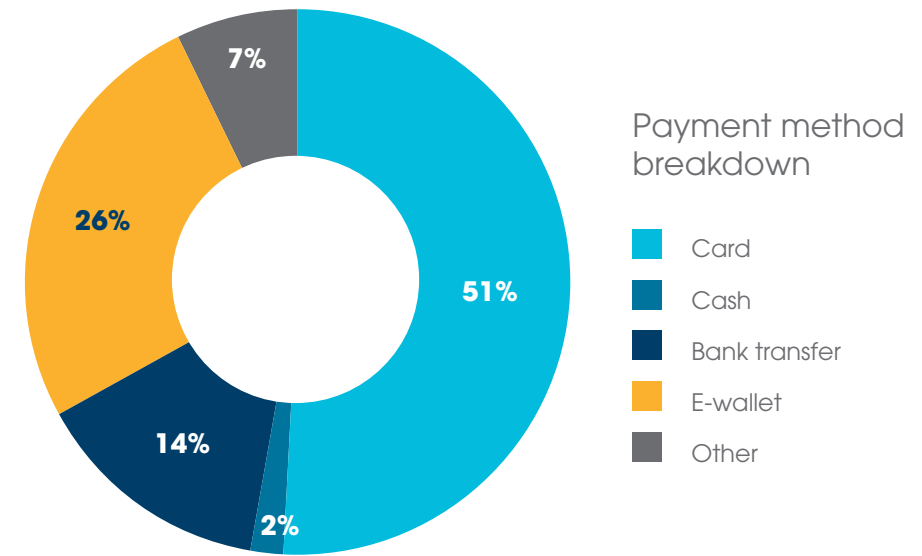


18%

Top e-commerce segments

Airlines & Hotels (22%)
Electrical Goods (11%)
Clothing & Footwear (10%)

 Dankort  Klarna Pay later  Klarna Slice it  Trustly Trustly





9%
e-commerce growth

Finland

Finland seems determined to stand out in all things. It's one of only three countries in Europe to speak a Finno-Ugric language, as opposed to Indo-European. For the last forty years, Finland's economy has been a Western European success story, with growth rates of 5% or higher. The economy took a hit with the financial crash of 2009, causing GDP to fall by 8.3%. During the Eurozone crisis, growth stalled at under 1%, finally rising to 1.4% in 2016, as the ECB's inflationary policies finally bore fruit. In 2017, this continued to expand, with the growth rate up to 2.6% and an expected 2.8% in 2018. According to the Bank of Finland, the return to growth is driven mostly by domestic rather than export demand. Household consumption, it says, has risen faster than incomes, leading savings rates to fall but also stimulating the economy. The bank forecasts growth of 2.2% for 2019.

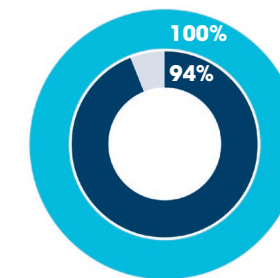

B2C e-commerce
11.1 billion USD


Mobile e-commerce
25% of total

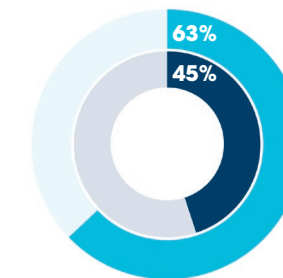

Average online spend
2,829 USD

	Finland	Region	World
Population	5.5 million	480 million	7.4 billion
Population (15+)	4.6 million	406 million	5.5 billion
GDP (millions)	251,885	17,449,485	79,211,592
GDP per capita (\$)	45,703.00	40,886.00	10,741.00
Online population	4.8 million	396 million	3.6 billion
Smartphone penetration	75%	72%	53%
E-commerce % of total retail	11%	13%	16%

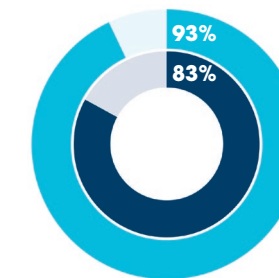
Banked population



Credit card penetration

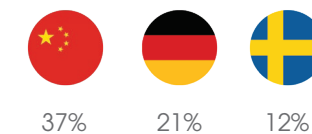


Internet penetration



■ Finland ■ Region

62% shop cross-border



Top e-commerce segments

Airlines & Hotels
Clothing & Footwear
Media & Entertainment

 Pay later

 Pay now

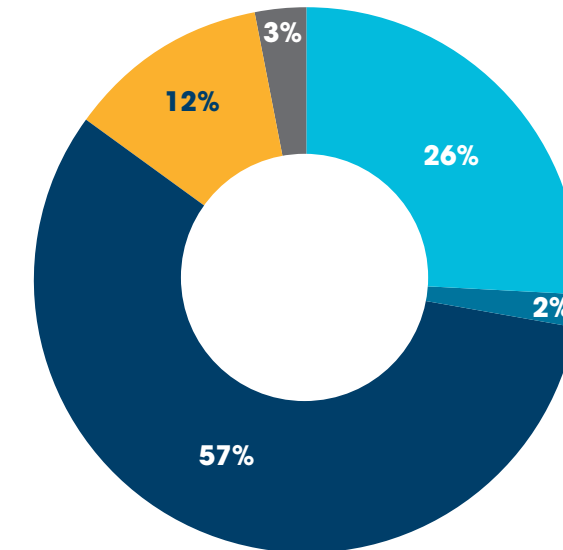
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 Siru Mobile

 Slice it

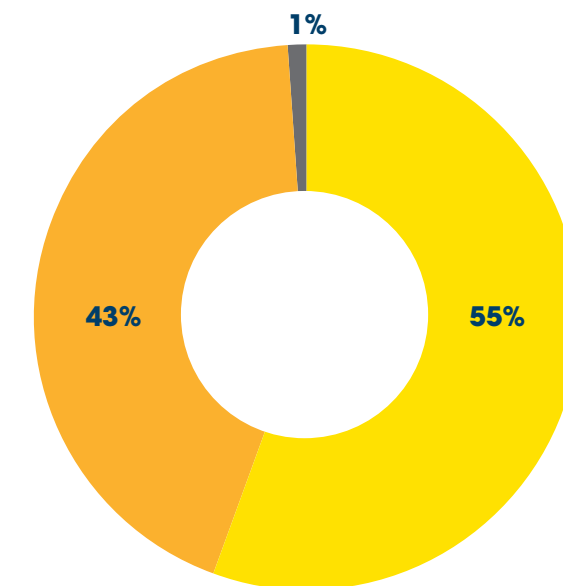
 Verkkopankki

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Payment method breakdown

■ Card
■ Cash
■ Bank transfer
■ E-wallet
■ Other



Card scheme breakdown

■ Visa
■ Mastercard
■ Other



14%
e-commerce growth

France

Over the last decade, France has fared both better and worse than its European partners. In 2009 – the year of Europe’s big crunch – the French economy fell by just 2.9%, compared to 4% in the UK, 5% in Italy, and almost 6% in Germany. Since then, France’s recovery has been, in the words of the IMF, ‘tepid’. French unemployment remains high, over 9%. In 2017, France elected reformist candidate Emmanuel Macron to the presidency. Macron has promised to reform the French economy and labour market to make it more competitive and dynamic. As well as reinvigorating the French economy, he has also set his sights on reforming the EU and re-energising its Franco-German axis. His plans include a European finance minister, greater powers for the ECB, and common EU bonds.



B2C e-commerce
85 billion USD

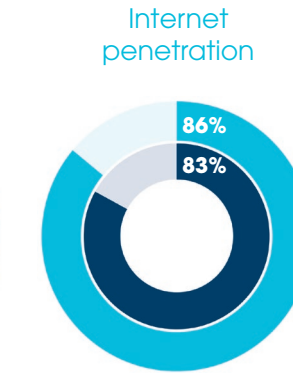
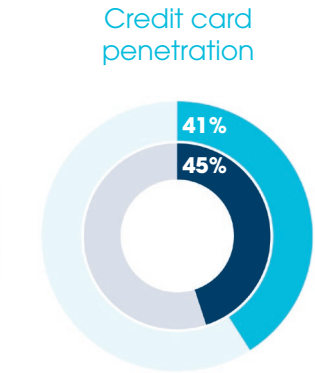
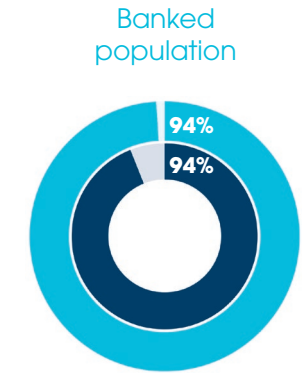


Mobile e-commerce
36% of total



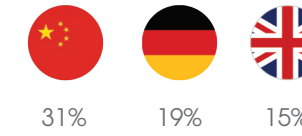
Average online spend
1,890 USD

	France	Region	World
Population	67.1 million	480 million	7.4 billion
Population (15+)	55 million	406 million	5.5 billion
GDP (millions)	2,582,501	17,449,485	79,211,592
GDP per capita (\$)	38,477.00	40,886.00	10,741.00
Online population	57.5 million	396 million	3.6 billion
Smartphone penetration	68%	72%	53%
E-commerce % of total retail	10%	13%	16%



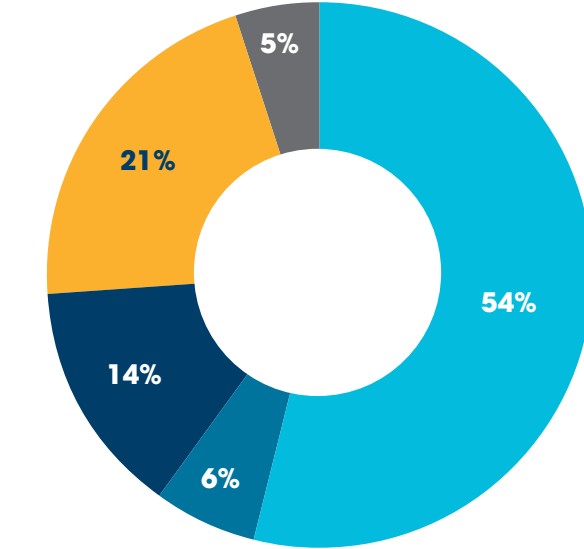
■ France ■ Region

42% shop cross-border



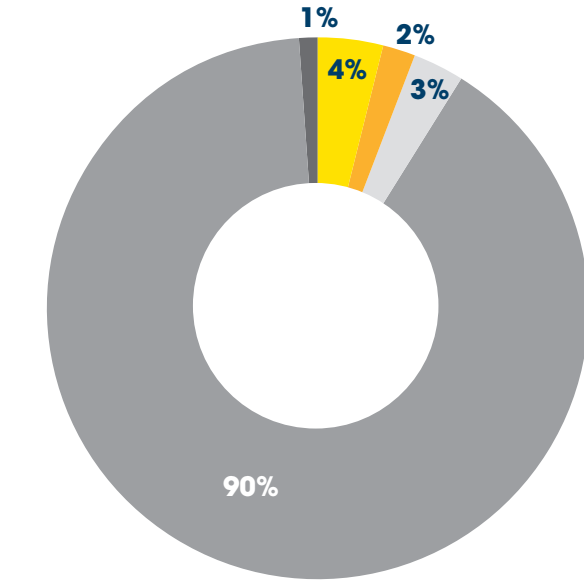
Top e-commerce segments

Airlines & Hotels (18%)
Clothing & Footwear (12%)
Food & Drink (11%)



Payment method breakdown

- Card
- Cash
- Bank transfer
- E-wallet
- Other



Card scheme breakdown

- Visa
- Mastercard
- American Express
- Local schemes
- Other





Germany

Since the 1970s, Germany has been Europe’s undisputed economic powerhouse. Almost a quarter of its GDP is generated by its manufacturing industry, something uncontested among other major European partners. The unemployment rate is 5.1%, coming close to the accepted definition of full employment (something Merkel’s coalition has promised by 2025). Of course, not everything has been as positive for Germany in recent years. The migration crisis has involved the country in disputes with its Eastern European neighbours. Germany’s search for energy security — in the shape of the Nord Stream 2 pipeline to Russia — has been a cause of tension with some of its NATO and EU partners, particularly the US. But these are good times to be German and to do business in Germany.

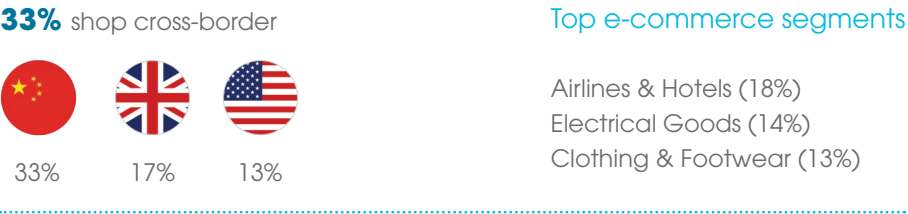
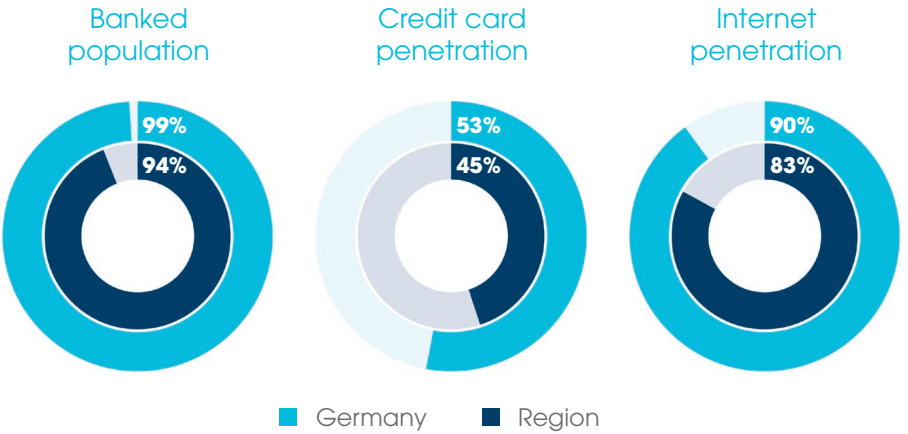
9%
e-commerce growth

B2C e-commerce
105.1 billion USD

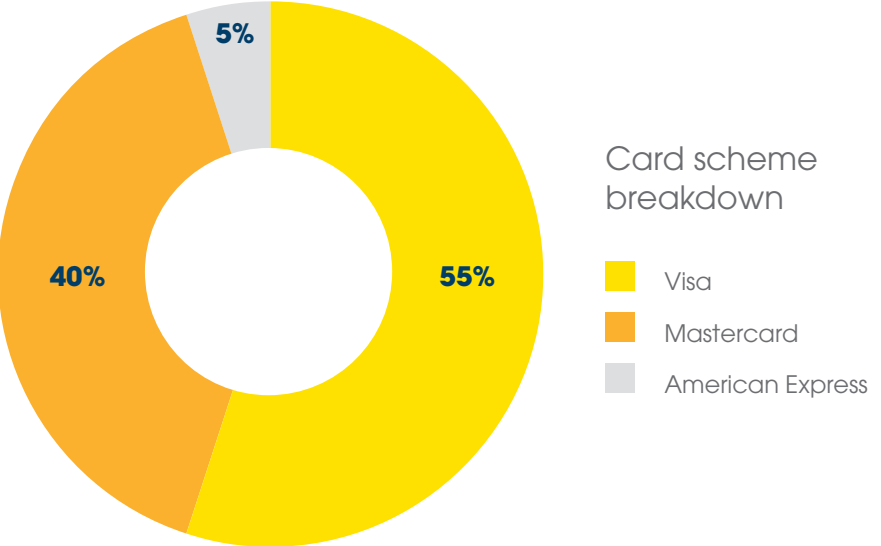
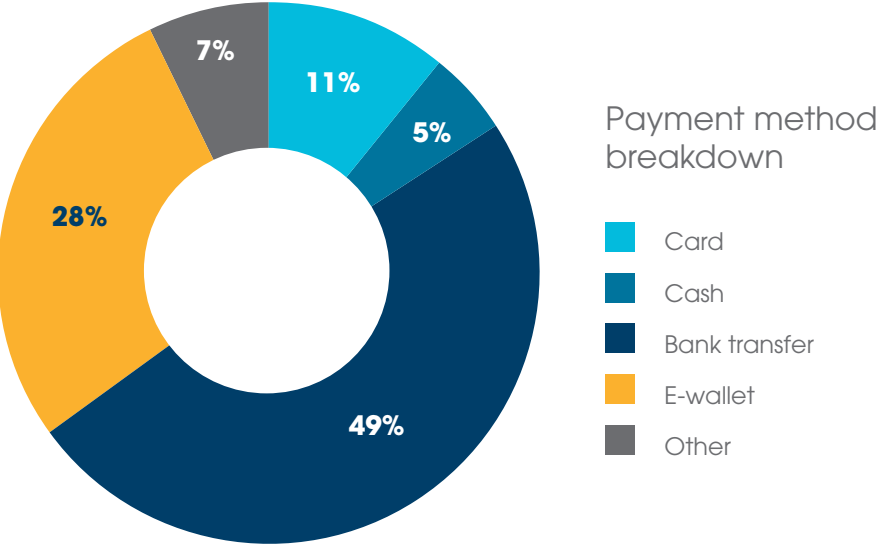
Mobile e-commerce
40% of total

Average online spend
1,650 USD

	Germany	Region	World
Population	82.7 million	480 million	7.4 billion
Population (15+)	71.9 million	406 million	5.5 billion
GDP (millions)	3,677,439	17,449,485	79,211,592
GDP per capita (\$)	44,470.00	40,886.00	10,741.00
Online population	74.1 million	396 million	3.6 billion
Smartphone penetration	69%	72%	53%
E-commerce % of total retail	15%	13%	16%



giropay giro pay paydirekt Klarna. Pay later SEPA Direct Debit Klarna. Slice it Klarna. Sofort





22%
e-commerce growth

Greece

In August 2018, Greece received the last tranche of its EU and IMF bailout: a €15 billion payment from the European Stability Mechanism (ESM). This means that, for the first time in eight years, the country can again borrow at market rates. Manufacturing output expanded for the 14th consecutive month in July 2018. And as if to cap the run of good news, on June 26th S&P Global Ratings raised the rating of Greek long-term bonds from B to B+. For the longest time, it seemed that Greece was trapped in low growth, unable to use devaluation as way to quickly boost its competitiveness and increase aggregate demand. Now, it has to be hoped, the combination of the ECB's inflationary policies and the renewed confidence of the markets can help prosperity return to the home of Western civilization.



B2C e-commerce
5 billion USD



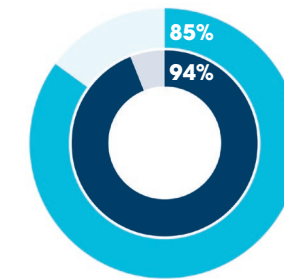
Mobile e-commerce
25% of total



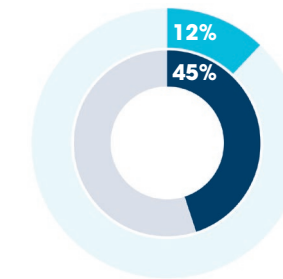
Average online spend
1,443 USD

	Greece	Region	World
Population	10.8 million	480 million	7.4 billion
Population (15+)	9.2 million	406 million	5.5 billion
GDP (millions)	200,288	17,449,485	79,211,592
GDP per capita (\$)	18,613.00	40,886.00	10,741.00
Online population	7.4 million	396 million	3.6 billion
Smartphone penetration	63%	72%	53%
E-commerce % of total retail	N/A	13%	16%

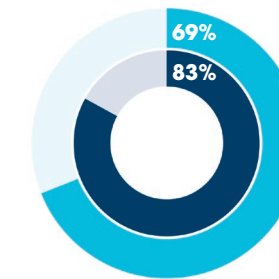
Banked population



Credit card penetration



Internet penetration



■ Greece ■ Region

36% shop cross-border



45%



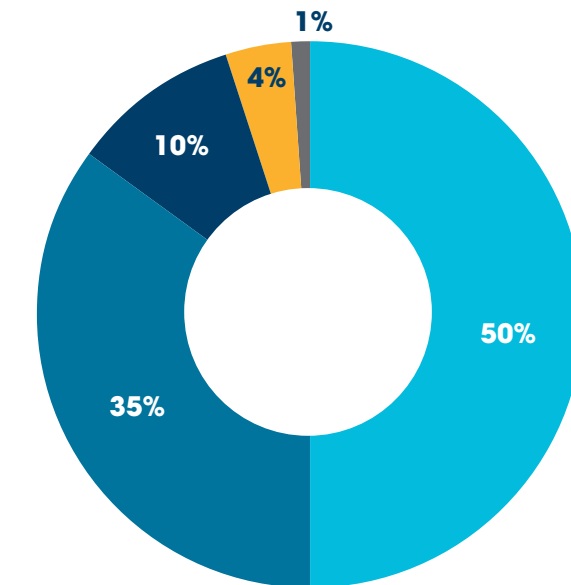
22%



9%

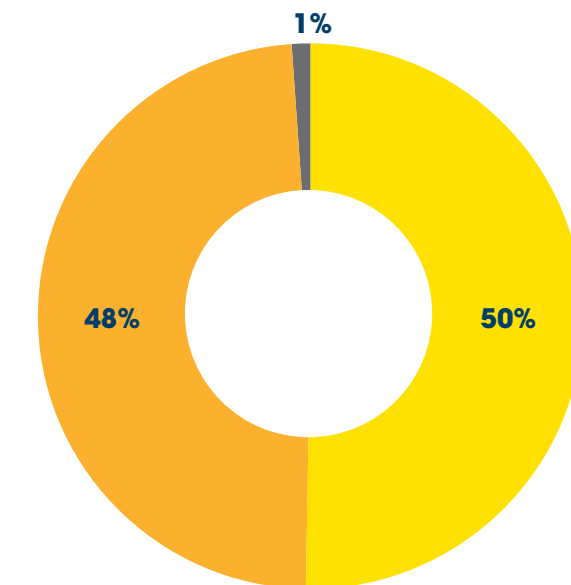
Top e-commerce segments

Airlines & Hotels
Electrical Goods
Media & Entertainment



Payment method breakdown

■ Card
■ Cash
■ Bank transfer
■ E-wallet
■ Other



Card scheme breakdown

■ Visa
■ Mastercard
■ Other

Entercash

Cashcloud

SEPA Credit Transfer

SEPA Direct Debit

Trustly

WebMoney



13%
e-commerce growth

Hungary

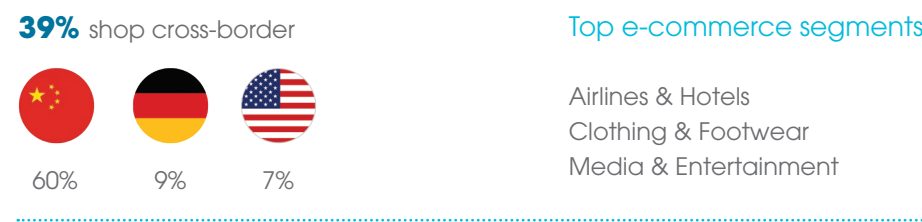
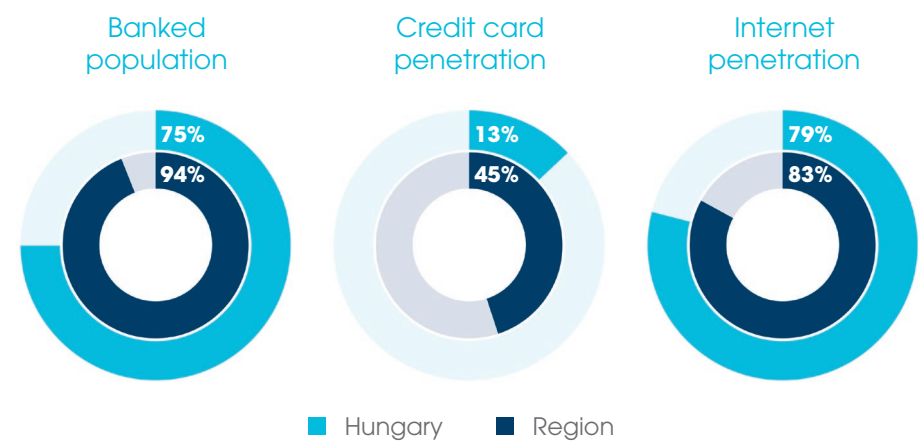
Hungary's economy is one of Central and Eastern Europe's star performers. In 2017, the economy grew by 4%. For 2018, Eurostat forecast growth of 4%, falling to 3.2% in 2019. In part, this performance can be attributed to Hungary's unorthodox economic policies – a combination of windfall taxes on banks and utilities, the nationalisation of pension funds, labour law reforms, and the promotion of domestic investment. To a large extent however, the growth has been powered by EU structural funds. A recent study by KPMG found that, without EU funds, Hungary's economy would only have grown by 1.8% in the years between 2006 and 2015, when it actually grew by 4.6%. In September 2018, business confidence fell by 2.9 points but consumer confidence rose by 3.9 points. Like most of Central Europe, Hungary is experiencing a labour shortage, which has driven wage growth into double figures.


B2C e-commerce
1.8 billion USD

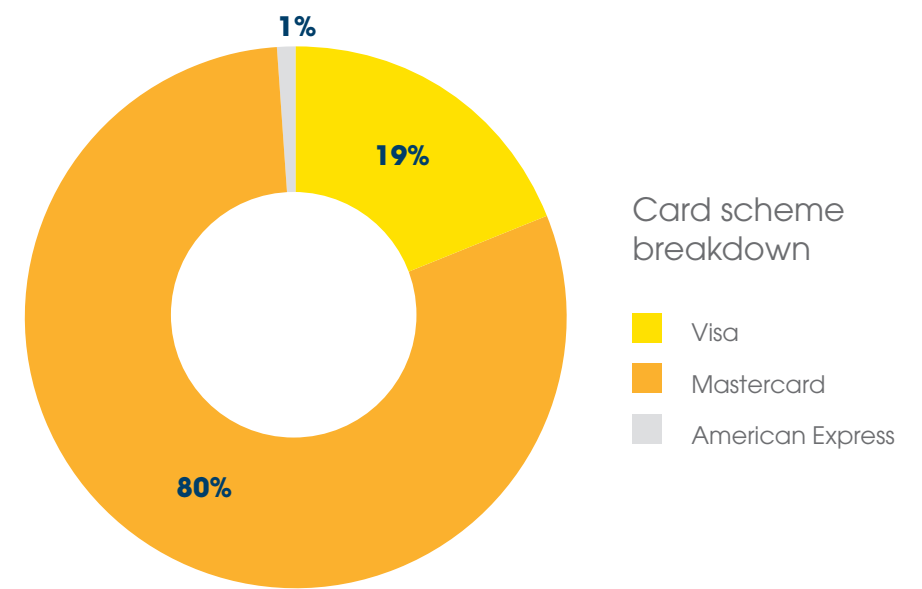
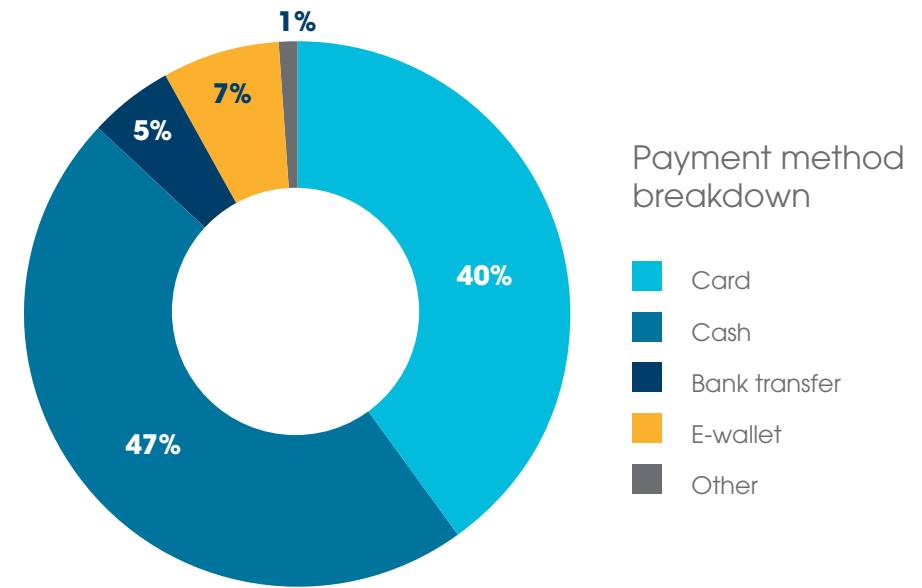

Mobile e-commerce
13% of total


Average online spend
451 USD

	Hungary	Region	World
Population	9.8 million	480 million	7.4 billion
Population (15+)	8.3 million	406 million	5.5 billion
GDP (millions)	139,135	17,449,485	79,211,592
GDP per capita (\$)	14,255.00	40,886.00	10,741.00
Online population	7.7 million	396 million	3.6 billion
Smartphone penetration	55%	72%	53%
E-commerce % of total retail	6%	13%	16%



 Abaqos  OTPay  Paysafe:cash  SEPA Credit Transfer  SEPA Direct Debit  Trustly





17%
e-commerce growth

Italy

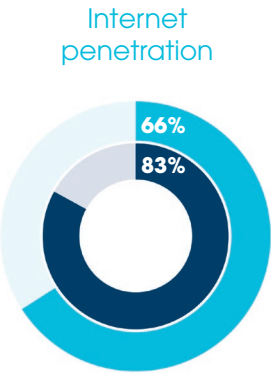
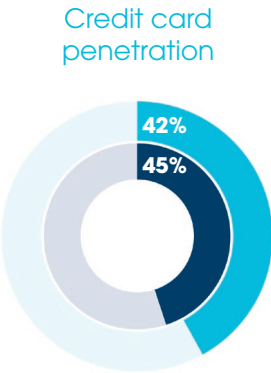
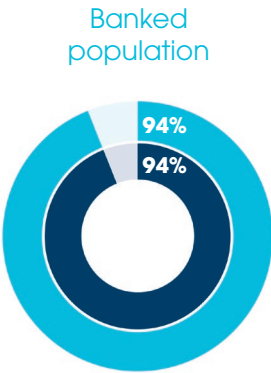
In March 2018 the Italian general election produced a hung parliament. The right-wing Lega Nord and the populist Five-Star Movement eventually formed a coalition. The two young parties are avowedly Euroscept and initial fears of a referendum on euro membership, which would undoubtedly have prompted another euro-crisis, came to nothing. Since then, however, Italian borrowing costs have been rising in response to market nerves over the new government's uneasy relationship with Brussels and its ambitious borrowing plans, with the deficit expected to hit 2.4% of GDP for the next three years. In October 2018, borrowing costs hit their highest level since 2014. Nervous relationship with the EU aside, other economic indicators are positive. By the summer of 2018, unemployment was down to 10.7%.


B2C e-commerce
28.4 billion USD

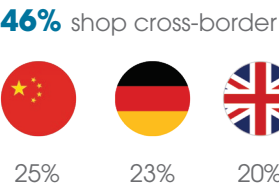

Mobile e-commerce
34% of total


Average online spend
1,378 USD

	Italy	Region	World
Population	60.6 million	480 million	7.4 billion
Population (15+)	52.3 million	406 million	5.5 billion
GDP (millions)	1,934,798	17,449,485	79,211,592
GDP per capita (\$)	31,953.00	40,886.00	10,741.00
Online population	37.1 million	396 million	3.6 billion
Smartphone penetration	66%	72%	53%
E-commerce % of total retail	3%	13%	16%

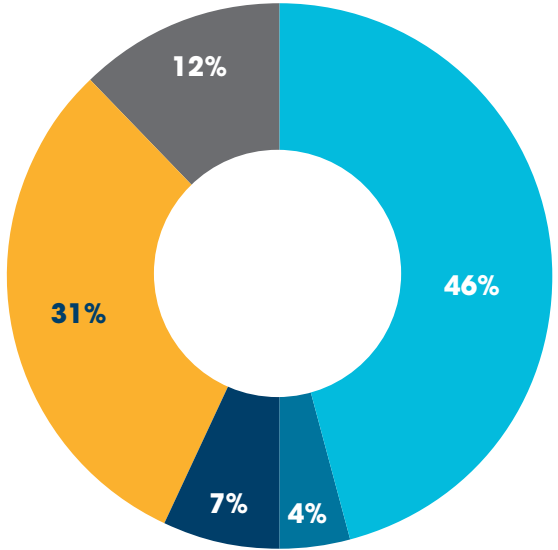


■ Italy ■ Region



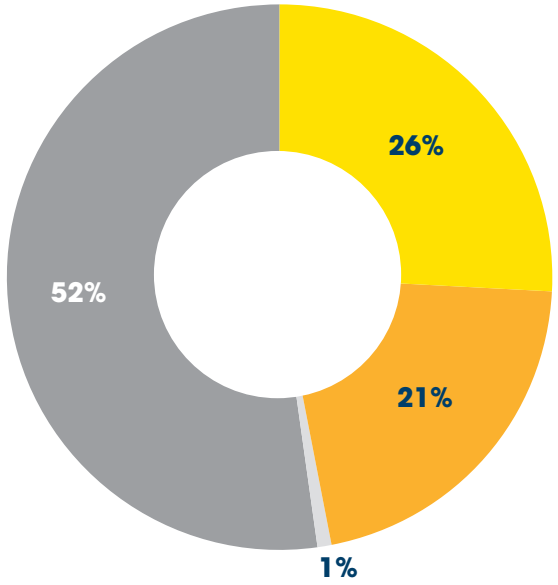
Top e-commerce segments

Airlines & Hotels (19%)
Clothing & Footwear (13%)
Electrical Goods (12%)



Payment method breakdown

- Card
- Cash
- Bank transfer
- E-wallet
- Other



Card scheme breakdown

- Visa
- Mastercard
- American Express
- Local schemes

 MyBank  Pay now  SEPA Credit Transfer  SEPA Direct Debit  SEQR  Trustly



Netherlands

Last year, Statistics Netherlands released figures showing that tourism is becoming increasingly important to the Dutch economy. Since 2010, the sector’s contribution to the country’s economy has grown by 43% to almost €25 billion. Last year, the number of visitors rose again to 42 million, up 9% on the previous year. The Dutch economy is the sixth largest in the EU, with industry accounting for around 17% of its GDP. Services make up the bulk of economic activity, at 82% of GDP. Since 2014, the Netherlands has enjoyed three years of solid economic expansion. In 2017, the economy grew by 3.1%, its strongest showing since the financial crash. The markets were unsettled in 2017 by the prospect of the Netherlands electing a Eurosceptic government. Dutch voters backed the sitting prime minister Mark Rutte of the centre-right, and pro-EU, VVD party.

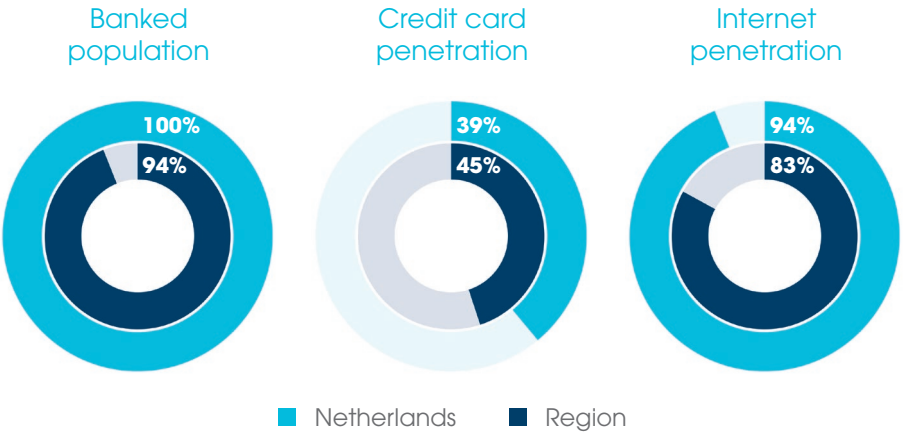
13%
e-commerce growth


B2C e-commerce
27.1 billion USD

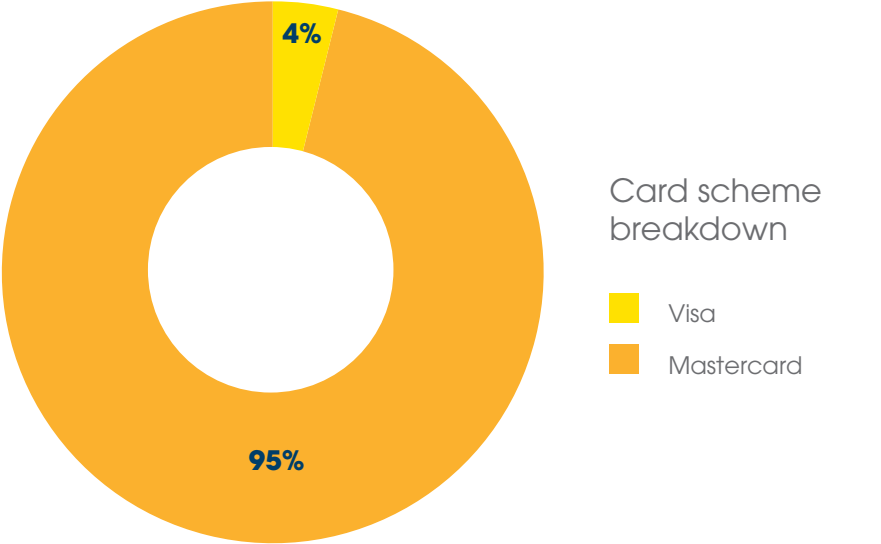
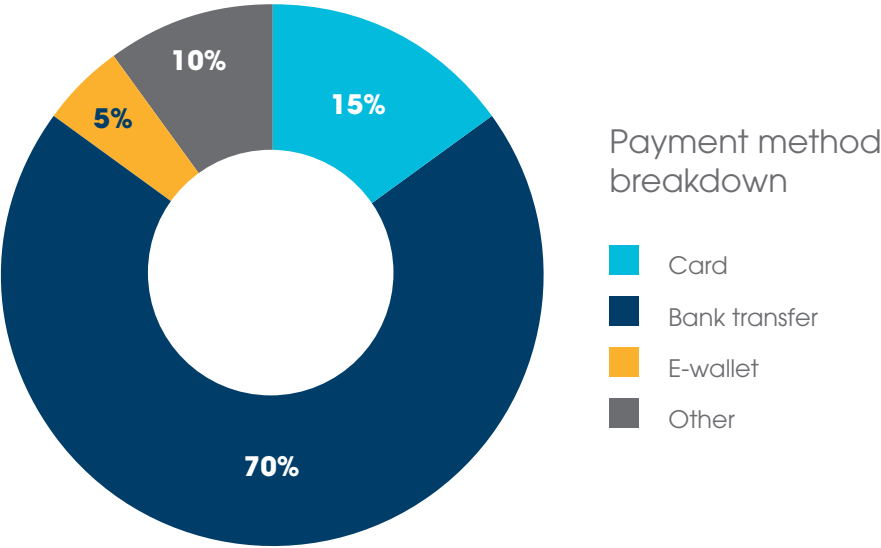

Mobile e-commerce
39% of total


Average online spend
1,881 USD

	Netherlands	Region	World
Population	17.1 million	480 million	7.4 billion
Population (15+)	14.3 million	406 million	5.5 billion
GDP (millions)	826,200	17,449,485	79,211,592
GDP per capita (\$)	48,223.00	40,886.00	10,741.00
Online population	15.5 million	396 million	3.6 billion
Smartphone penetration	88%	72%	53%
E-commerce % of total retail	10%	13%	16%



 Billink  iDEAL  Payconiq  Pay later  Pay now  SEPA Credit Transfer  SEPA Direct Debit





12%
e-commerce growth

Norway

Norway is not a member of the EU. It is part of the European Free Trade Association (EFTA), meaning the country is outside the customs union and can negotiate its own trade deals. However, it is inside the Single Market which means it must implement most EU laws and standards. Norway has the second highest GDP per capita of all the countries in this report. A large part of the reason for its high productivity is that this small country sits on top of reserves of 1.3 billion barrels of oil. The oil and petroleum industry contributes 22% of the country's GDP and 67% of Norway's exports. In recent years, Norway has increased efforts to diversify its economy, showing some success. The country's 'mainland GDP' grew at 2% while its offshore GDP grew at 1.7%. Economic uncertainty does not seem to concern the Norwegians.



B2C e-commerce
12.4 billion USD



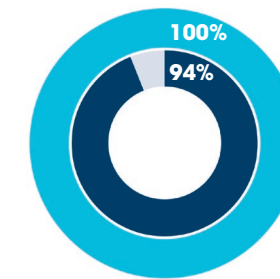
Mobile e-commerce
36% of total



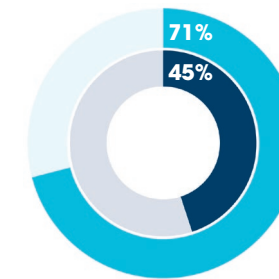
Average online spend
3,140 USD

	Norway	Region	World
Population	5.3 million	480 million	7.4 billion
Population (15+)	4.3 million	406 million	5.5 billion
GDP (millions)	398,832	17,449,485	79,211,592
GDP per capita (\$)	75,505.00	40,886.00	10,741.00
Online population	5.1 million	396 million	3.6 billion
Smartphone penetration	83%	72%	53%
E-commerce % of total retail	12%	13%	16%

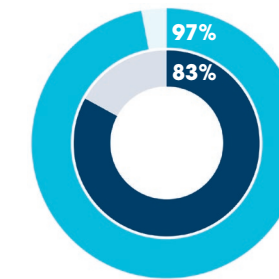
Banked population



Credit card penetration



Internet penetration



■ Norway ■ Region

56% shop cross-border



34%



20%

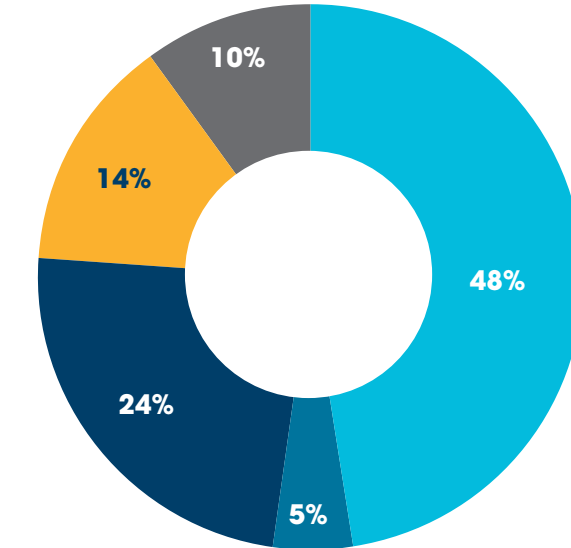


14%

Top e-commerce segments

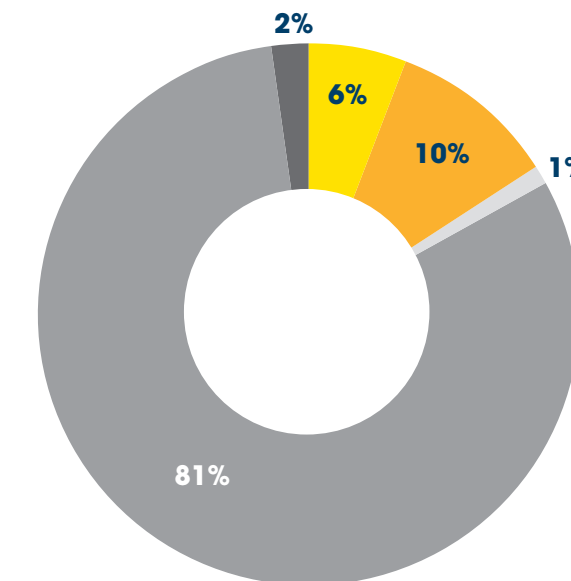
Airlines & Hotels (25%)
Clothing & Footwear (13%)
Electrical Goods (9%)

Paylexo Paylevo Klarna Pay later Klarna Slice it Trustly Trustly Vipps Vipps



Payment method breakdown

■ Card
■ Cash
■ Bank transfer
■ E-wallet
■ Other



Card scheme breakdown

■ Visa
■ Mastercard
■ American Express
■ Local schemes
■ Other



10%
e-commerce growth

Poland

In September 2018, analysts at FTSE Russell upgraded Poland’s status from an emerging to a developed market. It referenced the size of Poland’s economy, the quality of its market and corporate government, and the range of investment opportunities available as contributing factors. Poland was the only EU country to avoid recession after the financial crisis. Since 2009, its growth rates have trended between 1.3% and 5%. During the recession, Poland was able to increase spending on public infrastructure by using EU development funds, keeping growth rates high. According to the OECD, the main driver of growth is domestic demand, with record low unemployment and a recent increase in child benefit helping to boost consumption. The European Commission analysis states that rising wages and high consumer confidence will power growth for the rest of the year.



B2C e-commerce
10.6 billion USD

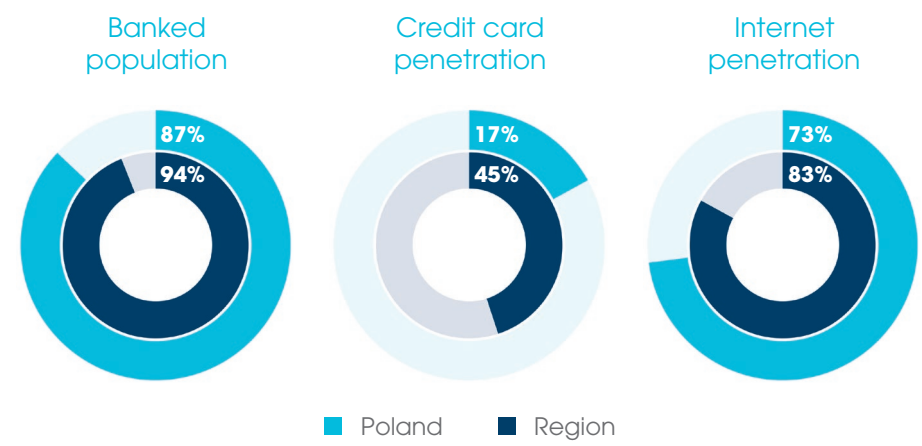


Mobile e-commerce
15% of total



Average online spend
621 USD

	Poland	Region	World
Population	38 million	480 million	7.4 billion
Population (15+)	32.3 million	406 million	5.5 billion
GDP (millions)	524,510	17,449,485	79,211,592
GDP per capita (\$)	13,812.00	40,886.00	10,741.00
Online population	27.8 million	396 million	3.6 billion
Smartphone penetration	63%	72%	53%
E-commerce % of total retail	4%	13%	16%



12% shop cross-border



1st



2nd

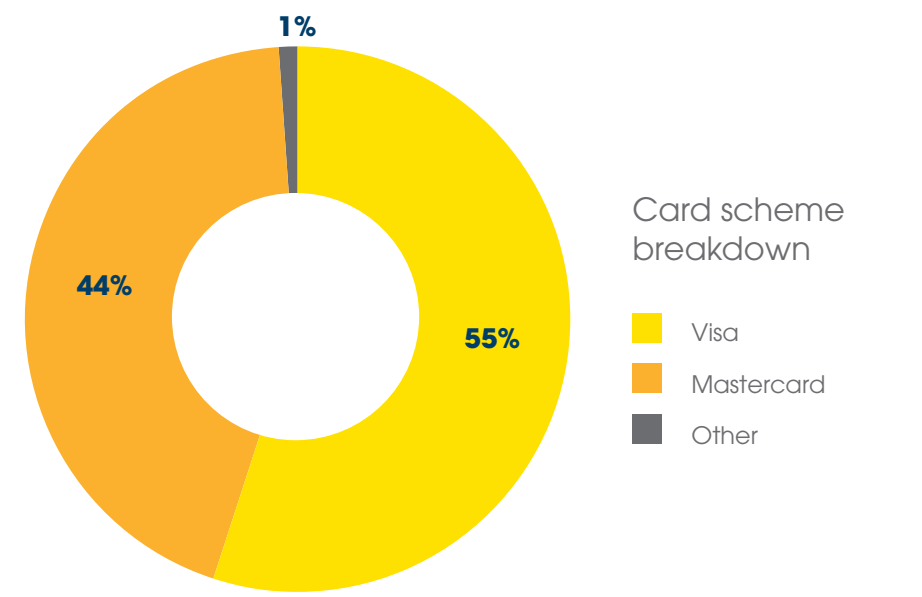
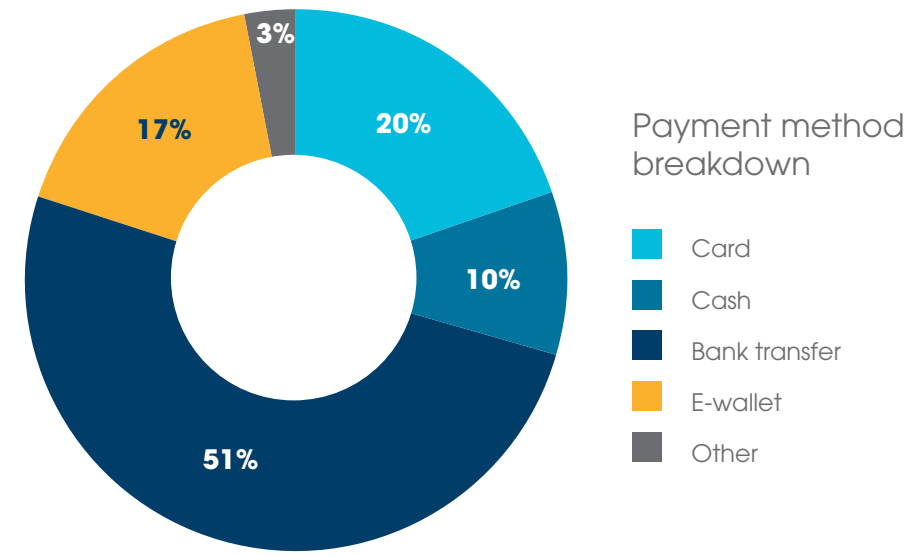


3rd

Top e-commerce segments

Airlines & Hotels (14%)
Clothing & Footwear (13%)
Electrical Goods (12%)

-  blik
-  KIR Paybynet
-  PayU
-  Pay now
-  Przelewy24
-  YetiPay





23%
e-commerce growth

Portugal

Portuguese navigators such as Vasco da Gama pioneered the trade routes that now bind the world together and carry its trade. For centuries, the country was the centre of a world-spanning empire, before falling behind economically in the nineteenth and twentieth centuries. In 1932, Portugal fell under the rule of fascist dictator António de Oliveira Salazar. The country was finally freed by the heroic and largely bloodless 'Carnation Revolution', staged by young army officers in 1974. In 1986, it joined the then European Community. Today, Portugal is a member of the EU and the Eurozone. On May 22 2017, Portugal announced that it was no longer in breach of EU budgetary rules, that required it to have a deficit of less than 3% GDP. In summer 2018, unemployment fell to 6.8%, below the Eurozone average of 8.2%.



B2C e-commerce
5.3 billion USD

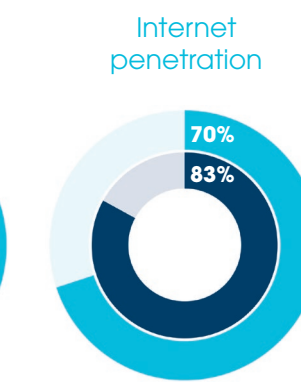
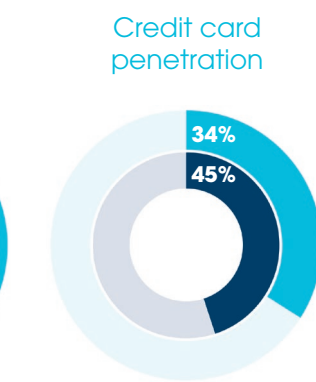
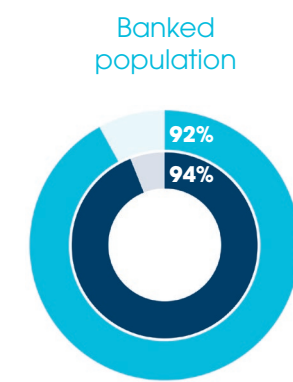


Mobile e-commerce
10% of total



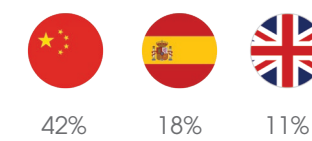
Average online spend
1,433 USD

	Portugal	Region	World
Population	10.3 million	480 million	7.4 billion
Population (15+)	8.8 million	406 million	5.5 billion
GDP (millions)	217,571	17,449,485	79,211,592
GDP per capita (\$)	21,136.00	40,886.00	10,741.00
Online population	7.2 million	396 million	3.6 billion
Smartphone penetration	68%	72%	53%
E-commerce % of total retail	4%	13%	16%



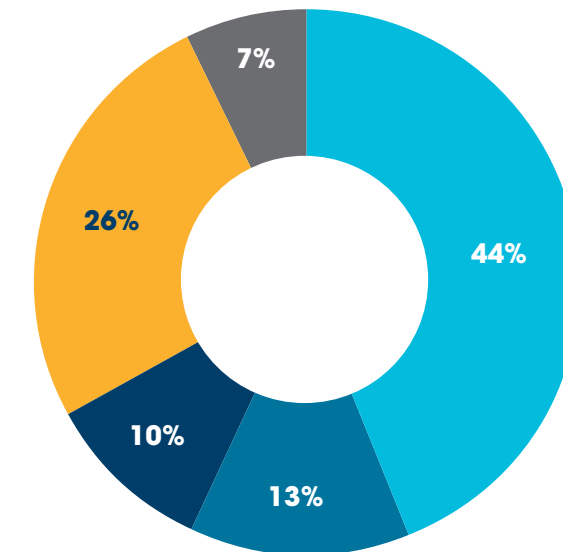
■ Portugal ■ Region

60% shop cross-border



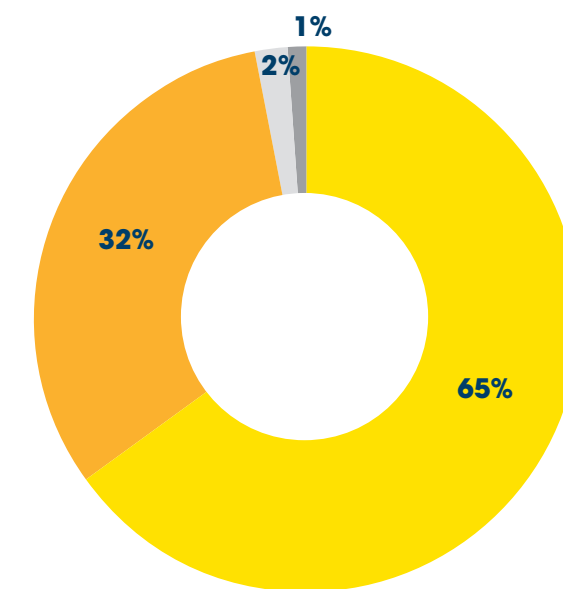
Top e-commerce segments

Electrical Goods (26%)
Airlines & Hotels (25%)
Clothing & Footwear



Payment method breakdown

- Card
- Cash
- Bank transfer
- E-wallet
- Other



Card scheme breakdown

- Visa
- Mastercard
- American Express
- Local schemes

MB Way MEO MEO Wallet Multibanco Paysafe:cash Paysafe:cash SEPA SEPA Credit Transfer SEPA SEPA Direct Debit



10%
e-commerce growth

Slovakia

Slovakia is a Central European republic of just over five million people. With an annual growth rate of 3.4%, Slovakia is growing at roughly the same rate as last year and has been overtaken by the other members of the Visegrád Group of Central European nations. According to European Commission forecasts, the country's economy is expected to grow by 3.9% in 2018, driven mainly by domestic consumer demand. Slovakia has a thriving industrial sector, with finished consumer and capital goods accounting for over 80% of its physical exports. The country has significant aerospace, light engineering, wood processing, electrical engineering, and chemical engineering sectors. It produces the most cars per capita of any nation in the world.



B2C e-commerce
1.2 billion USD

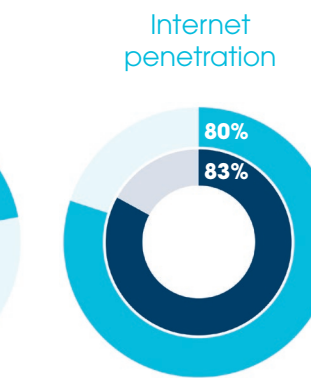
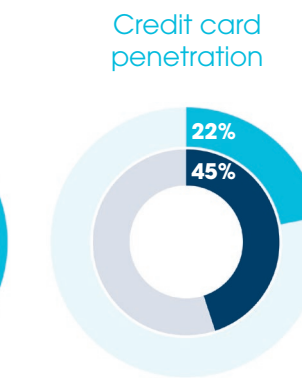
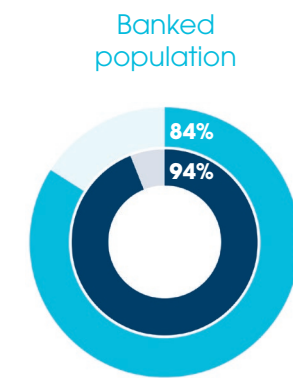


Mobile e-commerce
10% of total



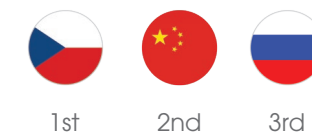
Average online spend
377 USD

	Slovakia	Region	World
Population	5.4 million	480 million	7.4 billion
Population (15+)	4.6 million	406 million	5.5 billion
GDP (millions)	95,769	17,449,485	79,211,592
GDP per capita (\$)	17,605.00	40,886.00	10,741.00
Online population	4.3 million	396 million	3.6 billion
Smartphone penetration	65%	72%	53%
E-commerce % of total retail	8%	13%	16%



■ Slovakia ■ Region

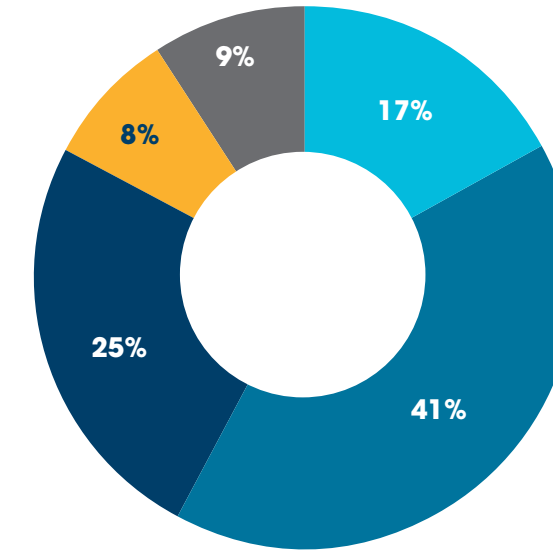
44% shop cross-border



Top e-commerce segments

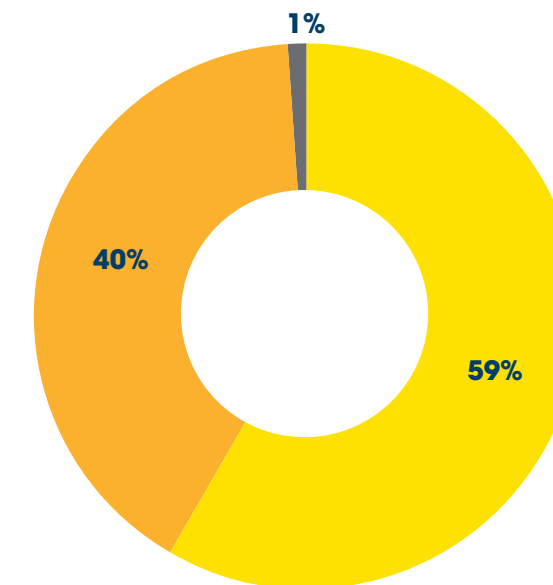
Airlines & Hotels
Clothing & Footwear
Electrical Goods

entercash Entercash GoPay GoPay Trustly Trustly TrustPay TrustPay



Payment method breakdown

■ Card
■ Cash
■ Bank transfer
■ E-wallet
■ Other



Card scheme breakdown

■ Visa
■ Mastercard
■ Other



15%
e-commerce growth

Spain

At 200m high, Intempo in Benidorm was to have been Europe's tallest residential building. But no residents ever moved in. It was financed in 2005 by a €93 million loan, given on the strength of just €3,100 collateral. In the end, the tower almost bankrupted the lending bank and was never finished. Intempo has become a symbol for Spain's building boom of the mid-2000s and the subsequent financial crash. For a time, the country had the highest unemployment rate in Europe. By mid-2017, Spain had experienced three consecutive years of economic growth at 3% or higher. This time growth is underpinned by exports, which have now reached 33% of GDP. By July 2017, Spain's GDP finally returned to nearly pre-crisis levels. Also by 2017, the Spanish economy was growing at a rate of 3.1% a year forecasted by the European Commission, it's expected to grow by 2.8% in 2018.



B2C e-commerce
30 billion USD

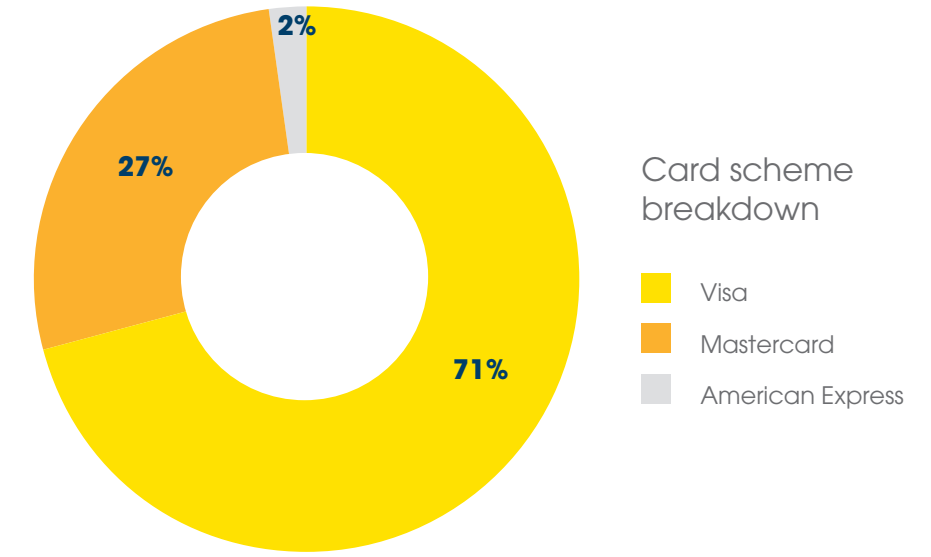
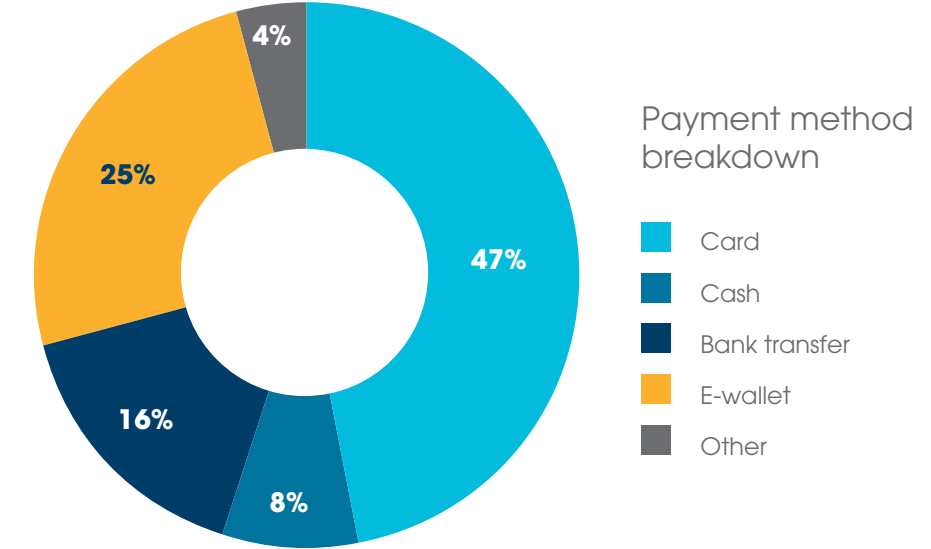
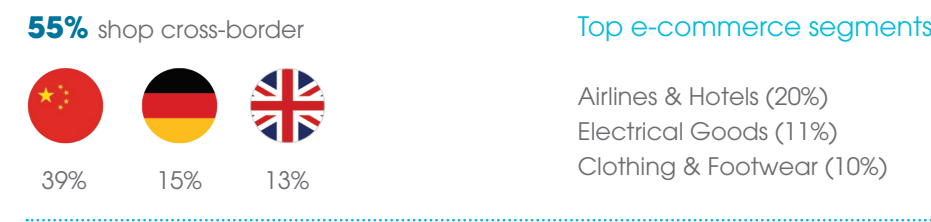
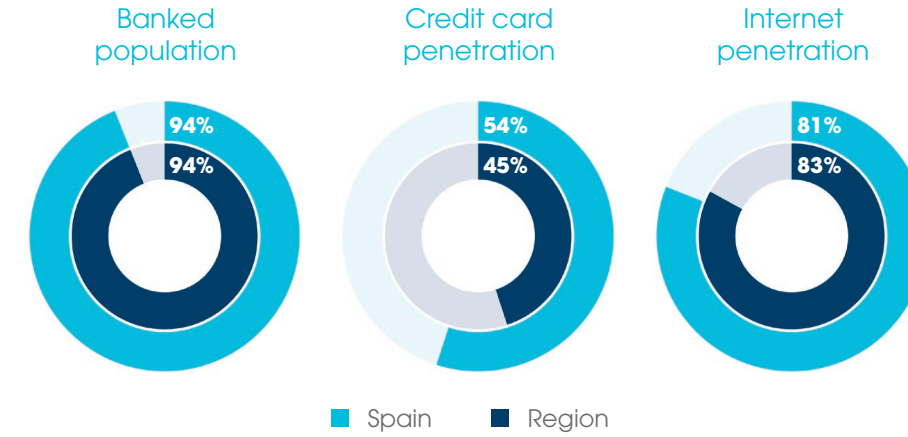


Mobile e-commerce
30% of total



Average online spend
1,288 USD

	Spain	Region	World
Population	46.6 million	480 million	7.4 billion
Population (15+)	39.7 million	406 million	5.5 billion
GDP (millions)	1,311,320	17,449,485	79,211,592
GDP per capita (\$)	28,157.00	40,886.00	10,741.00
Online population	37.5 million	396 million	3.6 billion
Smartphone penetration	70%	72%	53%
E-commerce % of total retail	5%	13%	16%





4%
e-commerce growth

Sweden

Sweden is part of the EU but not part of the Eurozone. It retains its own currency, the krona, enjoys unparalleled prosperity, and ranks number four on Forbes' list of best countries to do business in. In 2017, the economy grew overall by around 2.3%. Unemployment was down to around 6.7% by the end of 2017 and 6.6% by Autumn 2018. The European Commission was predicting economic growth of 2.4% in 2018. At the height of the migrant crisis in 2015, Sweden accepted 160,000 newcomers. That it could take so many destitute people and continue to grow, is a credit both to Sweden's prosperity and the strength of its civic society.



B2C e-commerce
13.6 billion USD

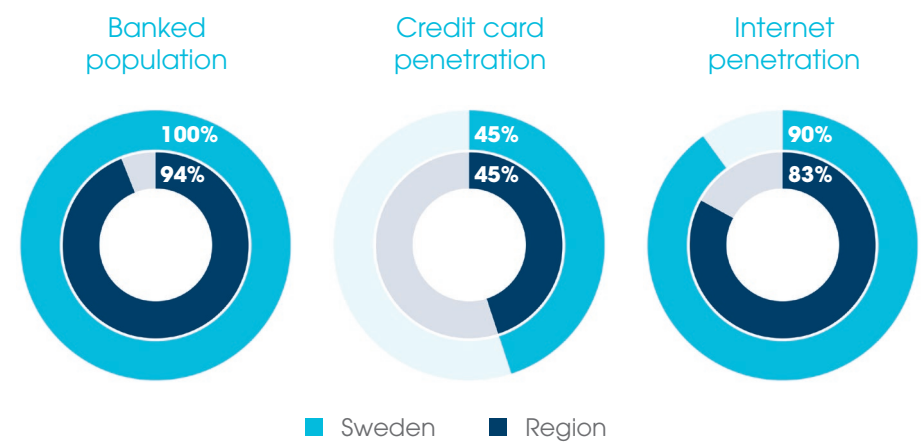


Mobile e-commerce
29% of total




Average online spend
1,663 USD


	Sweden	Region	World
Population	10 million	480 million	7.4 billion
Population (15+)	8.3 million	406 million	5.5 billion
GDP (millions)	538,040	17,449,485	79,211,592
GDP per capita (\$)	53,442.00	40,886.00	10,741.00
Online population	9 million	396 million	3.6 billion
Smartphone penetration	85%	72%	53%
E-commerce % of total retail	10%	13%	16%




40% shop cross-border



42%



16%

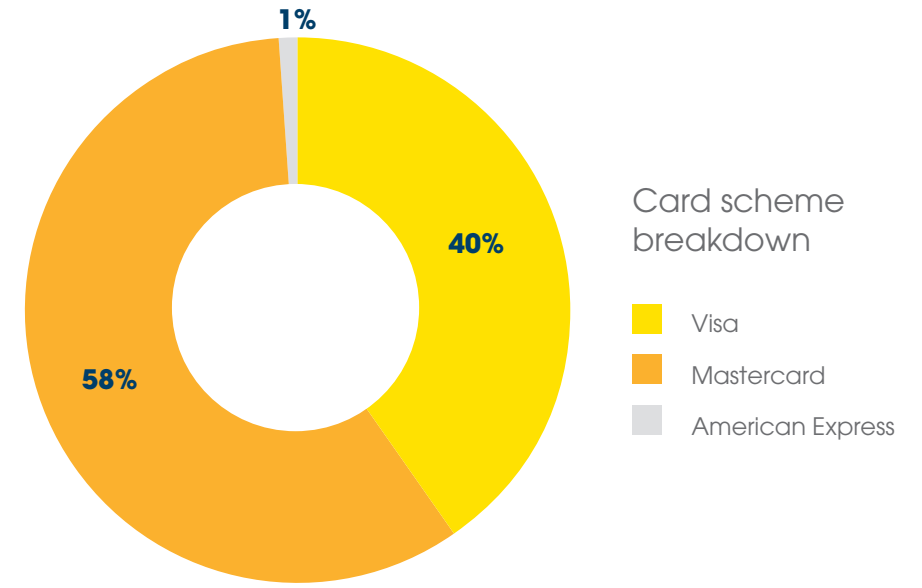
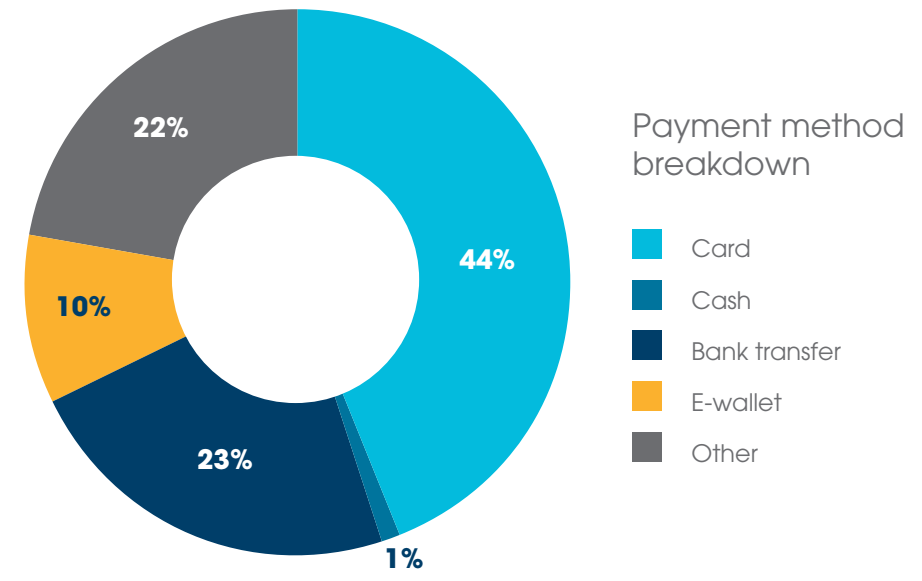


13%

Top e-commerce segments

Airlines & Hotels (22%)
Electrical Goods (13%)
Clothing & Footwear (11%)

 Entercash  Pay later  Pay now  Slice it  Swish  Zimpler





9%
e-commerce growth

Switzerland

Switzerland's economy has managed to ride out the rising turbulence in global trade. The economy grew by just 1% last year but registered an annualised growth rate of 3.4% in the second quarter of 2018. Switzerland's financial sector contributes around 9.6% of the country's GDP. Overall, Switzerland has the second-highest per capita GDP in the world. The EU is the country's main trading partner: taking 43% of the country's exports and providing 78% of its imports. In 2018, the Swiss franc fell to historic lows against the euro. This reflects growing confidence in the Euro, which makes the Swiss franc less attractive as a perceived safe currency. This is good news for Switzerland, making its exports more competitive.



B2C e-commerce
12.9 billion USD

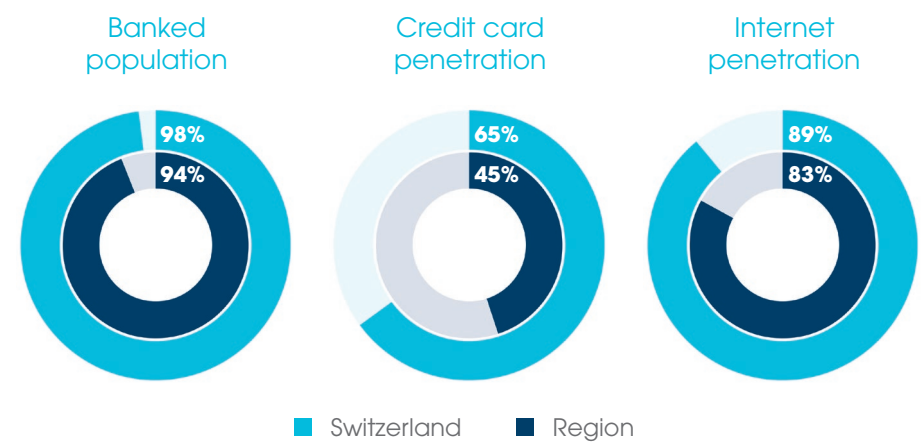


Mobile e-commerce
27% of total




Average online spend
1,974 USD


	Switzerland	Region	World
Population	8.5 million	480 million	7.4 billion
Population (15+)	7.2 million	406 million	5.5 billion
GDP (millions)	678,887	17,449,485	79,211,592
GDP per capita (\$)	80,190.00	40,886.00	10,741.00
Online population	7.5 million	396 million	3.6 billion
Smartphone penetration	80%	72%	53%
E-commerce % of total retail	8%	13%	16%




64% shop cross-border



46%



19%

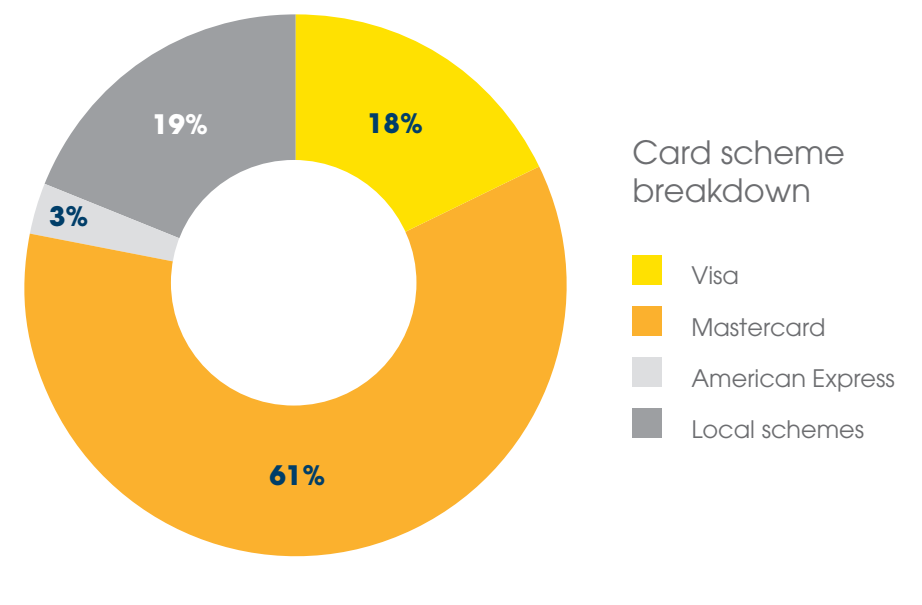
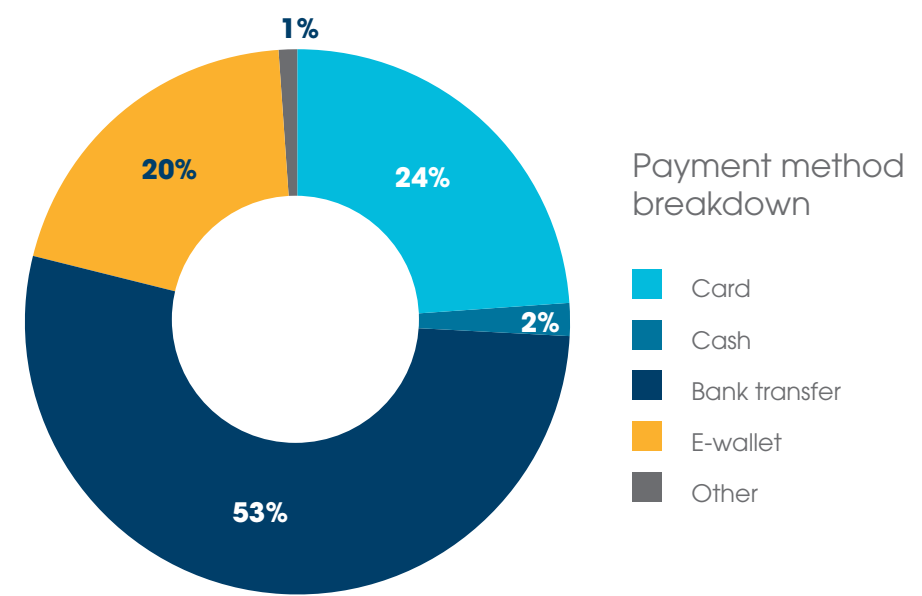


13%

Top e-commerce segments

Airlines & Hotels
Clothing & Footwear
Electrical Goods

-  Billpay
-  MyOne
-  Pay now
-  PowerPay
-  Twint
-  PostFinance






8%


e-commerce growth

United Kingdom


On the night of 22 June 2016, the Palace of Culture and Science in Warsaw was lit up in the colours of the Union Jack. Many other European cities followed suit, staging similar displays in a show of solidarity with British voters: stay with us, they were saying. With a turnout of 72%, 52% of voters opted to leave the EU. The economic impact of Brexit has been mixed. The Stay campaign's worst predictions of an instant loss of confidence and punishment by the markets have not come true. But the economy is showing signs of slowing down. In the second quarter of 2018, the UK economy grew by a healthier than expected 0.4%. But manufacturing output fell by 0.9% during the same period and the growth of domestic investment has fallen from 1.8% in 2017 to 1.4% in 2018. Despite this period of uncertainty, the UK remains the world's third-largest e-commerce market, with only the US and China being larger.



B2C e-commerce
223.7 billion USD

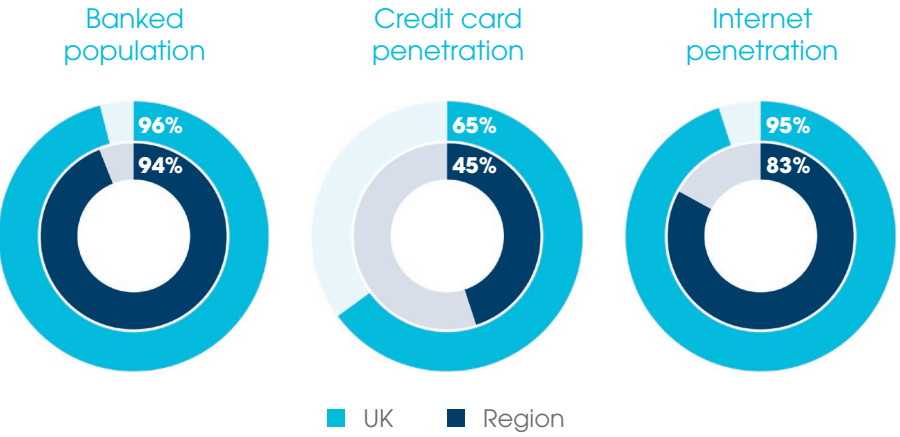


Mobile e-commerce
57% of total




Average online spend
4,183 USD


	UK	Region	World
Population	66 million	480 million	7.4 billion
Population (15+)	54.3 million	406 million	5.5 billion
GDP (millions)	2,622,434	17,449,485	79,211,592
GDP per capita (\$)	39,720.00	40,886.00	10,741.00
Online population	62.6 million	396 million	3.6 billion
Smartphone penetration	85%	72%	53%
E-commerce % of total retail	19%	13%	16%




43% shop cross-border



40%



24%



10%

Top e-commerce segments

Airlines & Hotels (19%)
Food & Drink (13%)
Clothing & Footwear (12%)

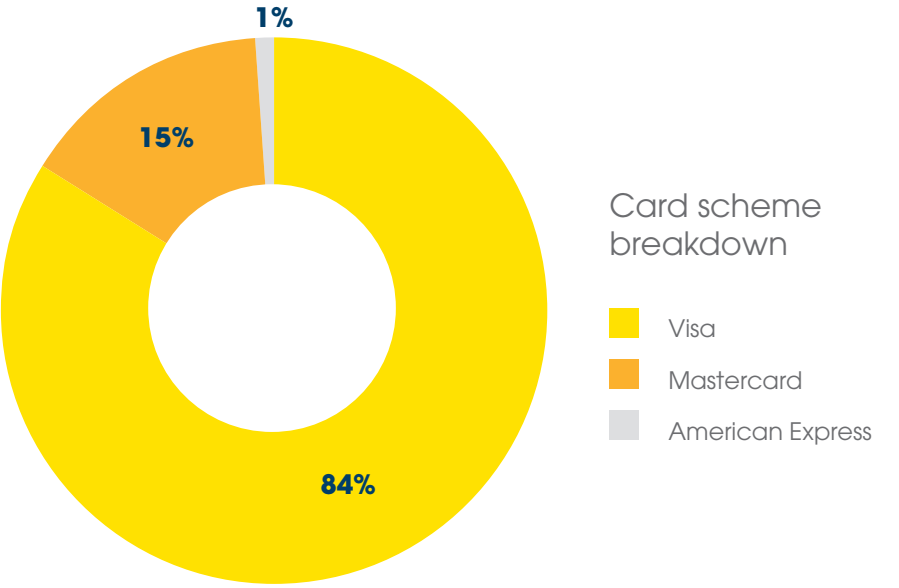
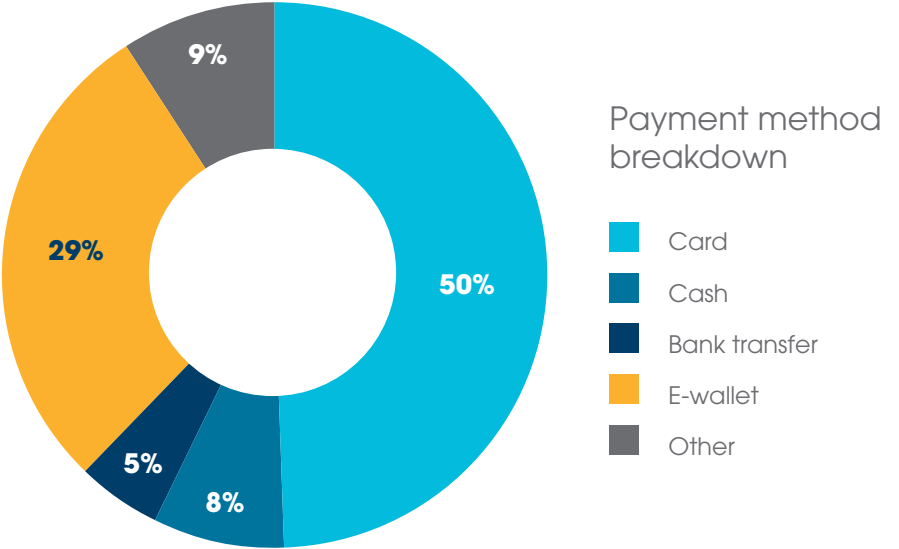
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Data Methodology

Edgar, Dunn & Company (EDC) uses a combination of sources and methods to support the PPRO Database. Where possible consistent sources are used for all markets to maintain the highest level of data integrity. EDC data sources can be split into three main areas:

1. Globally recognized, publicly available databases & resources
2. Central banks / national e-commerce associations / national internet associations
3. EDC proprietary data and models

Using a combination of these data sources allows EDC to best build a complete picture of the market.

The e-commerce market and payment methods develop at a fast pace. We therefore prepare and update our regional and country reports frequently. If you are interested in obtaining updated versions, please contact us. We also have comprehensive data on all payment methods worldwide. For global e-commerce and market information that meets your needs, just get in touch with us at PPRO.

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