

Payments and e-commerce report

Asia Pacific



ppro

Dear reader,

Welcome to the PPRO regional payments and e-commerce report for Asia Pacific. This year, we have made a few changes. We've broadened the scope to include more useful information. We've also grouped the countries of Oceania in with those of Asia, allowing us to cover Australia and New Zealand in the same report as their major trading partners.

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

Asia: a continent holds its breath

On September 17 2018, the United States announced tariffs of 10% on Chinese imports worth \$200 billion a year. Unless China and the US reach some kind of agreement, these tariffs were set to rise to 25% by the end of 2018.¹ Perhaps not surprisingly, China’s first instinct in the face of the new trade barriers was not to be agreeable. It announced \$60 billion worth of its own tariffs on US goods.

There is not a country in this report that has not been impacted by these decisions. The results of such trade disputes are not always predictable and can be perverse. Perhaps the most striking example of this is that the American bi-lateral trade deficit with China has continued to widen even after the new tariffs were announced, growing by \$3.2 billion in August 2018 alone, in large part because exports of soya beans, for which China is a key market, fell by \$1 billion.²

There are also signs of what the US economist Steve Hanke calls the “Afghan Effect” at work. In 1980, the Carter administration placed sanctions on the Soviet Union over its invasion of Afghanistan, preventing the Russians from buying American grain. The Soviets simply routed their trade around America and made Argentinian grain farmers very rich. In the same way, China is now looking to exporters such as Australia to replace imports from the US.³

But there are few winners in this trade war, at least so far. In general, the region’s economies have continued to grow, albeit often at a slower pace than in 2017.

But almost every country in this report is under a growth warning of some kind for next year; often a caveated warning — “if the US and China don’t patch up their trade dispute, then...” — but a warning nonetheless. Those countries which are highly exposed to international trade are the most at risk.

Where the opportunities are

Despite this politically-inspired uncertainty, the Asia-Pacific region remains a land of opportunity for e-commerce merchants and online payment providers. Every month, millions of Asians climb out of poverty into the middle class. Over the next five years, 88% of the growth in the middle class globally will come from Asia.⁴

In China, wages are now higher than in some parts of the European Union.⁵ For Western consumer-goods manufacturers looking for low-cost country outsourcing opportunities, this is a headache. For merchants looking for prosperous new markets to expand in to, it is an unalloyed opportunity. And better still, it brings a secondary opportunity with it.

As China has become more prosperous, manufacturers have begun to look for new destinations for investment and factories. This has benefited countries such as Vietnam and Indonesia, which have both risen from being poor (in

the case of Vietnam, one of the world’s poorest nations) to middle-income countries. As they become more prosperous, these countries are transformed into lucrative e-commerce markets in their turn, often with a mix of payment types and consumer demand familiar to anyone working in China or India five or even ten years ago.

At the same time, the developed markets of Japan, Taiwan, Singapore, Australia and New Zealand continue to offer a rich seam of opportunities, with stable and predictable legal environments and consistently high rates of economic growth.

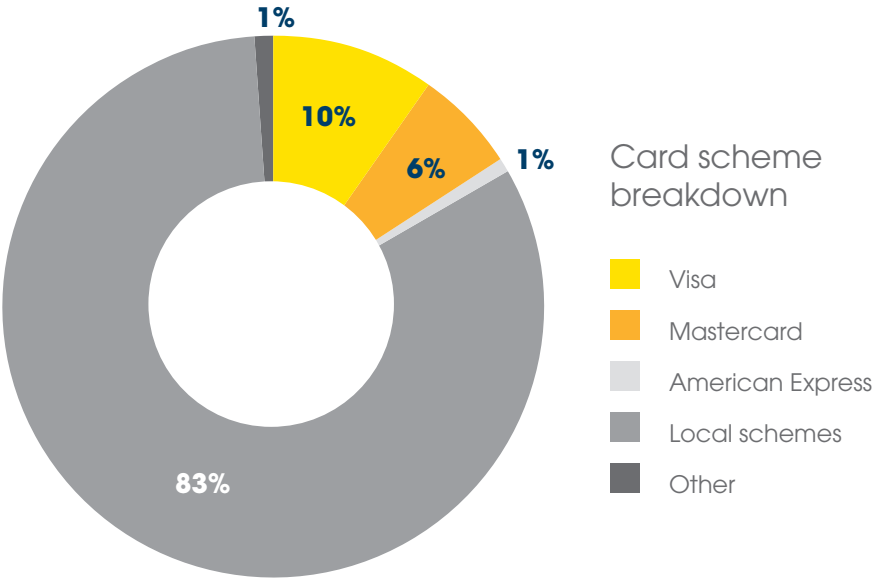
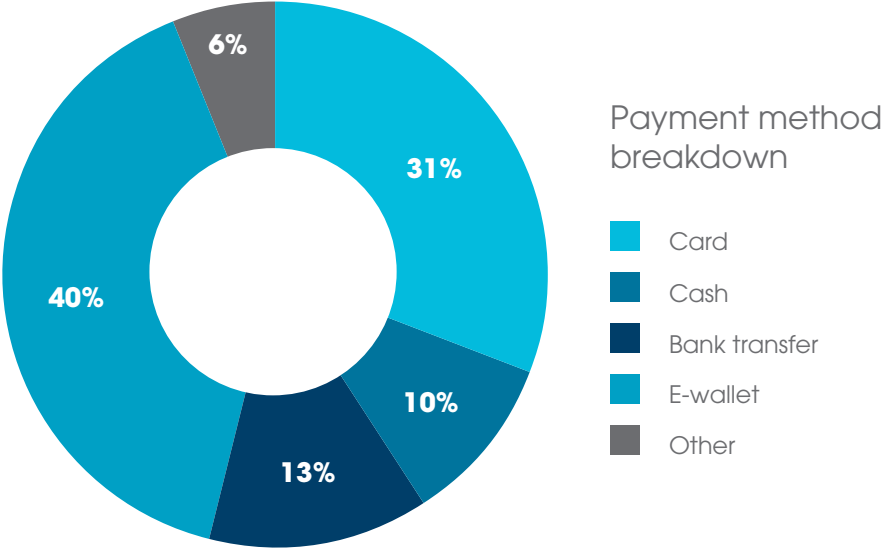
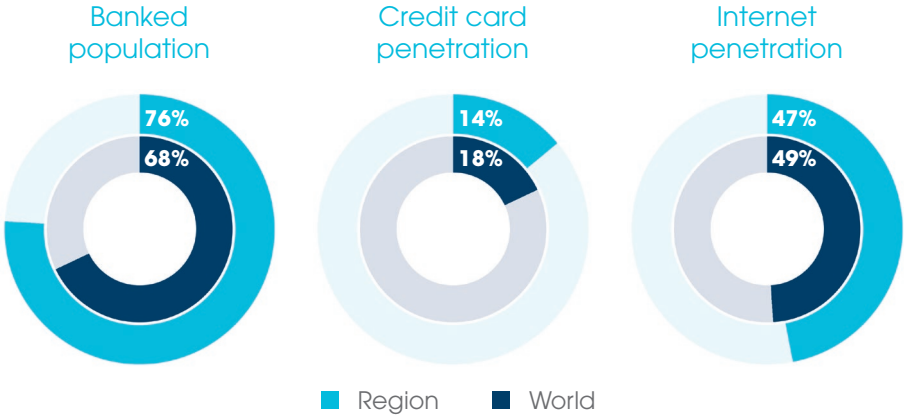
This is an odd time in Asia. The entire region is worried it might catch the cold that America and China seem determined to give to each other. It’s difficult to predict what next year will look like when so much pivots on a single factor: US-China relations. But even with these reservations, the Asia-Pacific region is the hottest e-commerce ticket on the planet. Every year, millions more consumers come online and start buying. And they’re getting more prosperous and hungrier for branded goods all the time.

1. China says Trump forces its hand, will retaliate against new U.S. tariffs, 17 September 2018, Yawen Chen and David Lawder, Reuters.
2. US trade deficit widens to \$53 billion as soybean exports plummet amid China trade battle, 5 October 2018, Jeff Cox, CNBC.
3. As U.S.-China Trade War Rages, Some Australian Farmers See an Opportunity, 29 November 2018, Jamie Tarabay, The New York Times.
4. Global middle class growth will be 88% in Asia for next five years, 28 August 2017, Brian Wang, Next Big Future.
5. Wages in Croatia Lower Than in China, 12 October 2018, Vedran Pavlic, Total Croatia News.

Regional payment trends

	Region	World
Population	3.5 billion	7,4 billion
Population (15+)	2.7 billion	5,5 billion
GDP (millions)	25,760,728	79,211,592
GDP per capita (\$)	18,320.00	10,741.00
B2C e-commerce	1,363.7 billion	2,932.9 billion
B2C e-commerce growth	18%	15%
Online population	1.6 billion	3,6 billion
Smartphone penetration	47%	53%
Average online spend (\$)	1,794.00	2,335.00
Mobile e-commerce	55%	45%
E-commerce % of total retail	20%	16%

Currencies in this report are always depicted in \$USD



Australia	8
China	10
Hong Kong	12
India	14
Indonesia	16
Japan	18
Malaysia	20
New Zealand	22
Philippines	24
Singapore	26
South Korea	28
Taiwan	30
Thailand	32
Vietnam	34



12%
e-commerce growth

Australia

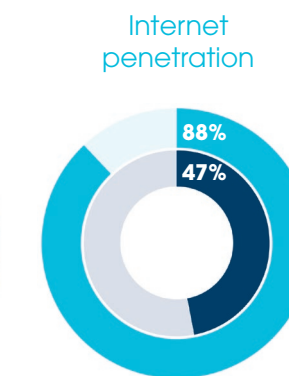
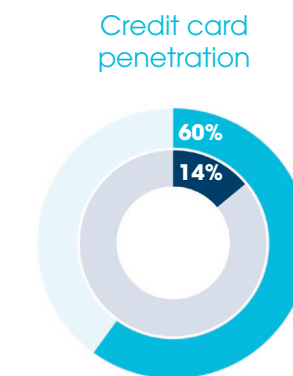
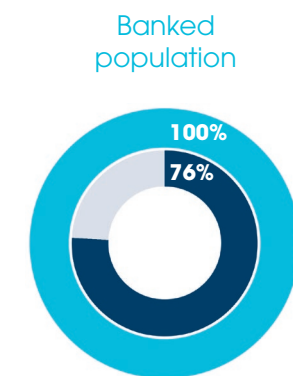
With a population of just 24.6 million in a country almost the size of Brazil, Australia has one of the world's lowest population densities. Large areas of the interior are effectively uninhabited. Raw materials make up over 56% of Australia's exports, an unusually high proportion for a developed economy. This means the economy as a whole is highly exposed to fluctuations in the commodity market. After a sharp dip in economic expansion in 2013, following a slowdown in China which caused commodity prices to drop, the Australian economy grew at a relatively modest rate of around 2.6% for the next three years. In 2017, the economy grew by 2.4%, below initial forecasts that put growth at 3.1% again. By the middle of 2018, consumer confidence hit its highest level in four years and unemployment had fallen to 5.3%, a six-year low.


B2C e-commerce
26.5 billion USD


Mobile e-commerce
35% of total

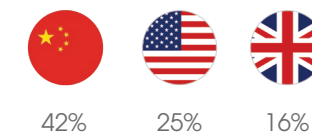

Average online spend
1,738 USD

	Australia	Region	World
Population	24.6 million	3.5 billion	7.4 billion
Population (15+)	19.9 million	2.7 billion	5.5 billion
GDP (millions)	1,323,421	25,760,728	79,211,592
GDP per capita (\$)	53,800.00	18,320.00	10,741.00
Online population	21.7 million	1.6 billion	3.6 billion
Smartphone penetration	84%	47%	53%
E-commerce % of total retail	7%	20%	16%



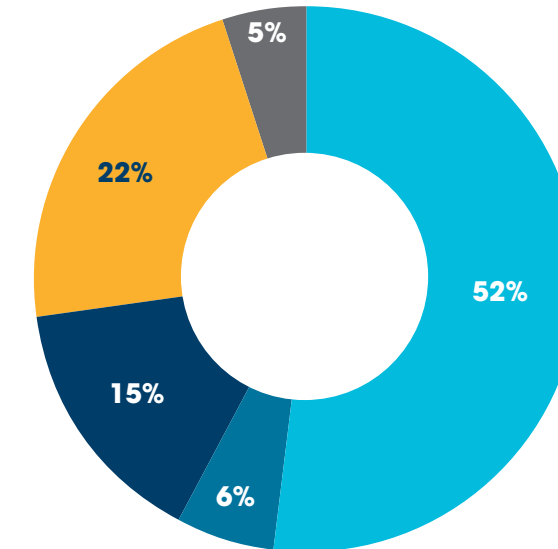
■ Australia ■ Region

61% shop cross-border



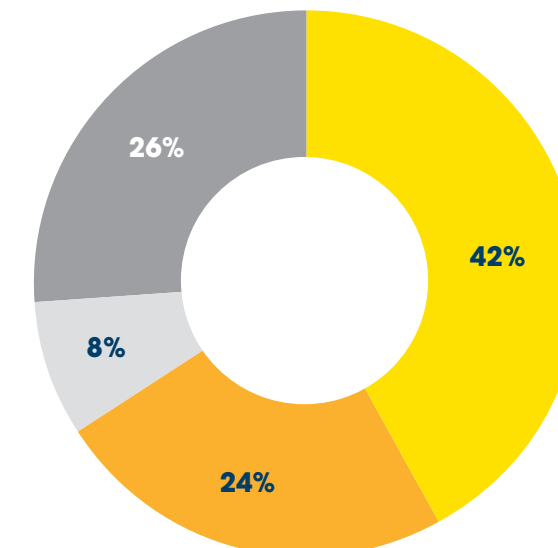
Top e-commerce segments

Airlines & Hotels (21%)
Clothing & Footwear (10%)
Electrical Goods (8%)



Payment method breakdown

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



Card scheme breakdown

■ Visa
■ Mastercard
■ American Express
■ Local schemes

afterpay Afterpay  Australia Post Billpay  BPAY  POLi Payments



19%
e-commerce growth

China

Over the last year, trade disputes with the US – new tariffs cover about 60% of the two countries’ trade in goods – have had a dampening effect on growth in China, with manufacturing and export indexes sliding toward the end of 2018. In 2017, the economy grew by 6.9%, up 0.2% on the previous year. However, the latest OECD forecast predicts contraction for the next three years, with the growth rate falling to 6% by 2020; still enviable by Western economies but not by Chinese. In August 2018, China’s trade surplus with the US reached a record \$31 billion. The top export destination for Chinese goods is the US, which takes 18% of the country’s exports. Just over 16% of China’s exports go to the EU. By September 2018, the value of Chinese retail sales had grown by 9.2% year-on-year. This is almost as fast as the growth rate for 2016, which was 9.6%.



B2C e-commerce
1 trillion USD

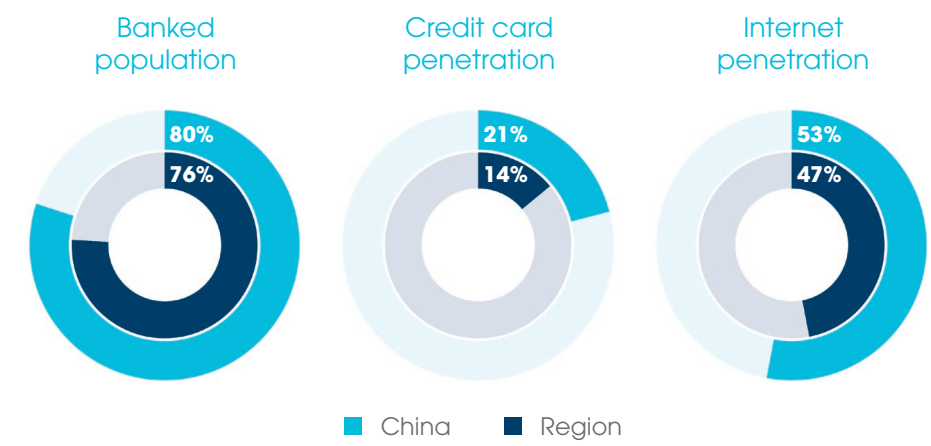


Mobile e-commerce
56% of total




Average online spend
1,935 USD


	China	Region	World
Population	1.3 billion	3.5 billion	7.4 billion
Population (15+)	1.1 billion	2.7 billion	5.5 billion
GDP (millions)	12,237,700	25,760,728	79,211,592
GDP per capita (\$)	8,827.00	18,320.00	10,741.00
Online population	737.6 million	1.6 billion	3.6 billion
Smartphone penetration	56%	47%	53%
E-commerce % of total retail	23%	20%	16%




42% shop cross-border



26%



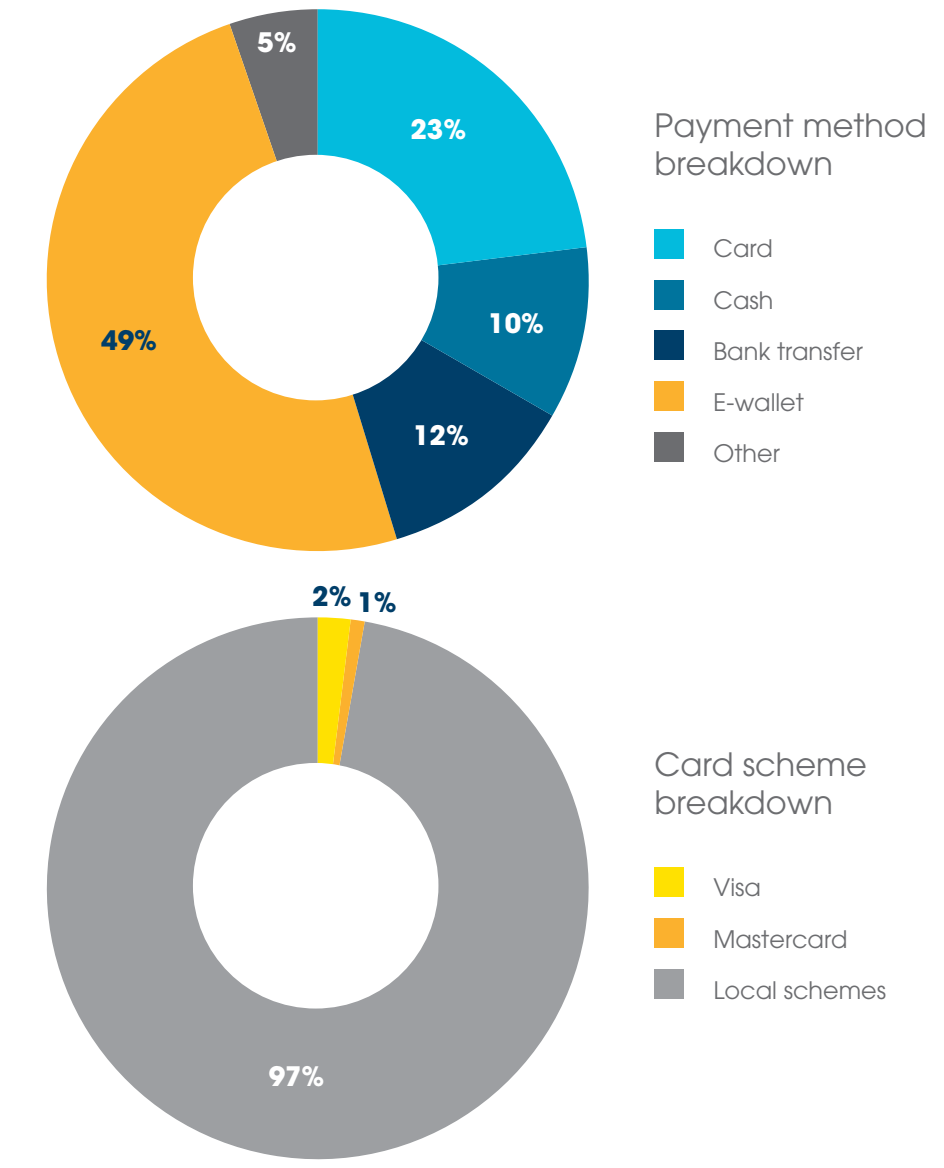
20%



16%

Top e-commerce segments

Airlines & Hotels (15%)
Clothing & Footwear (13%)
Electrical Goods (13%)





Hong Kong

According to the Global Financial Services Index, Hong Kong has overtaken Singapore to become the world's third most important financial sector (after New York and London). Financial services account for 17.7% of the city's GDP. Taken together, the four largest economic sectors – financial services, tourism, trade and logistics (Hong Kong is the world's fifth busiest container port) – contribute 56.6% of GDP. Traditionally, Hong Kong has served as a bridge between China's relatively closed economy and the rest of the world, facilitating the passage of goods and investment. As China increasingly opens its economy to the rest of the world, the importance of this function has diminished. This is reflected in the fact that Shanghai has replaced Hong Kong as the world's busiest cargo port and Hong Kong's share of China's GDP has fallen from 27% in 1993 to under 3% in 2017.

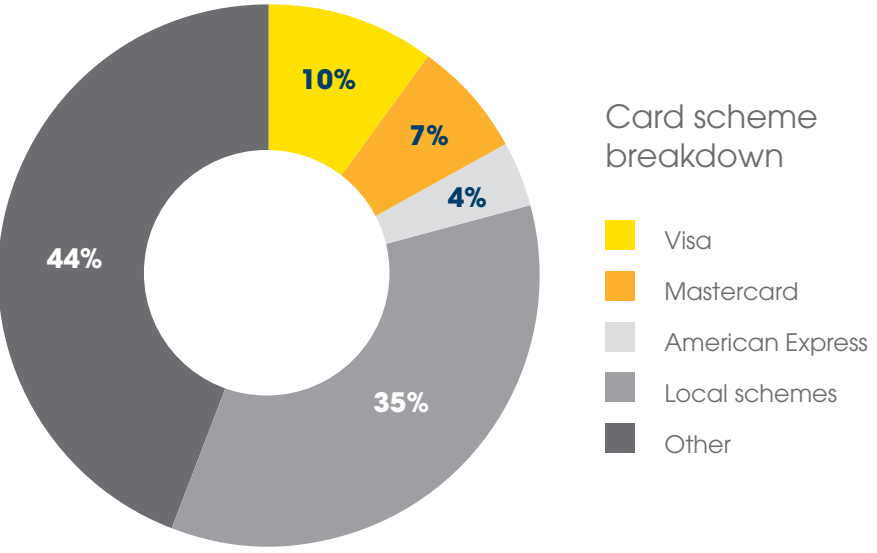
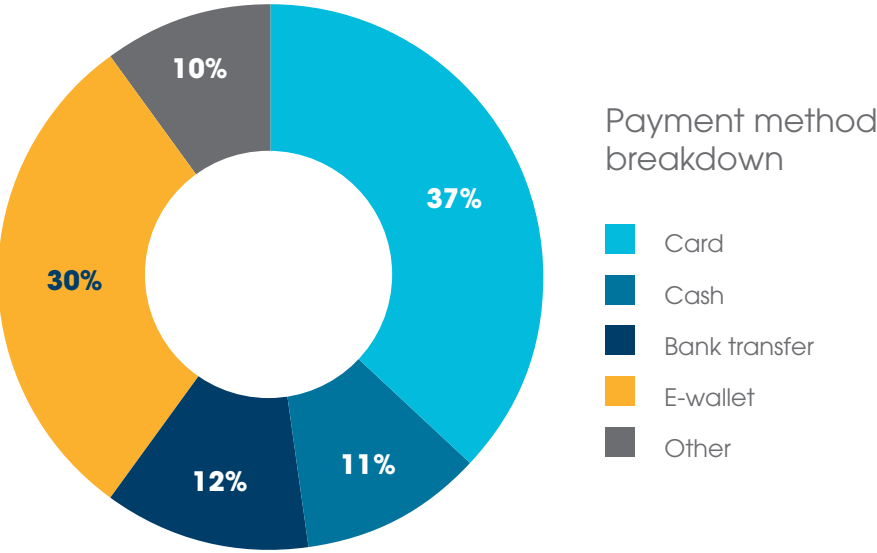
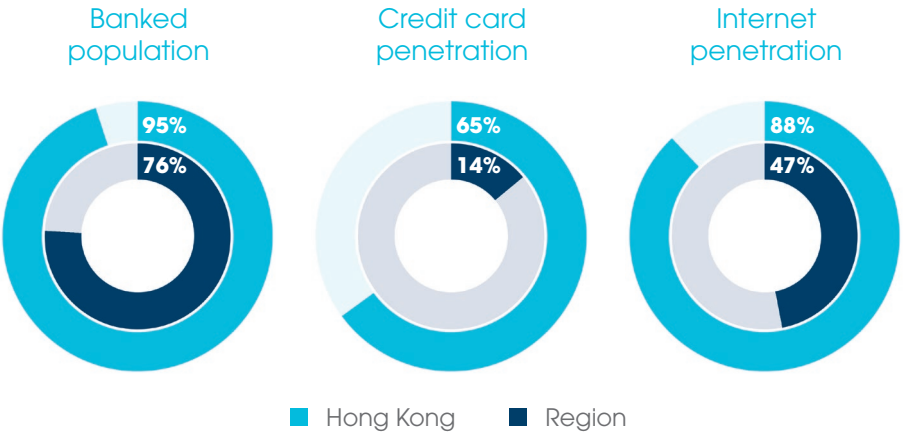
8%
e-commerce growth

B2C e-commerce
14 billion USD

Mobile e-commerce
48% of total

Average online spend
2.959 USD

	Hong Kong	Region	World
Population	7.3 million	3.5 billion	7.4 billion
Population (15+)	6.5 million	2.7 billion	5.5 billion
GDP (millions)	341,449	25,760,728	79,211,592
GDP per capita (\$)	46,194.00	18,320.00	10,741.00
Online population	6.4 million	1.6 billion	3.6 billion
Smartphone penetration	75%	47%	53%
E-commerce % of total retail	22%	20%	16%



26%
e-commerce growth

India

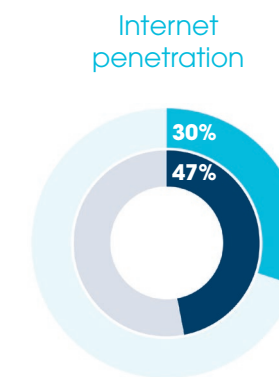
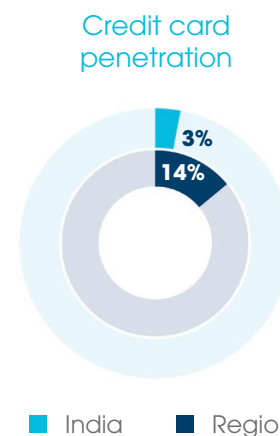
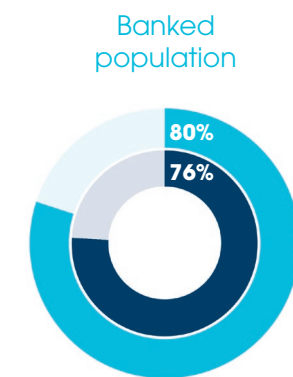
In 1991, the Indian government started to liberalise the economy, cutting import tariffs and reducing taxes, among other things. Within five years, economic growth rose from just over 1% to 7.5%. In the intervening two decades, growth has consistently been over 5%, peaking at 10.3% in 2010. In 2017, the Indian economy grew by 6.6%. In 2018, the Indian Ministry of Finance forecasts growth of 7.5%, which would make India the world's fastest-growing economy. Industry, including both manufacturing and primary industries, accounts for 25% of GDP compared to over 55% for the service sector. According to the Indian Ministry of Commerce, the service sector is the main driver of economic growth, with service exports worth \$18.7 billion in 2018-19. The total value of Indian exports in 2017-18 grew by 9.8% to \$276 billion.


B2C e-commerce
34 billion USD

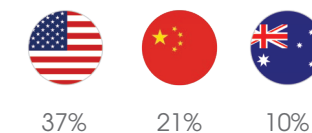

Mobile e-commerce
41% of total


Average online spend
339 USD

	India	Region	World
Population	1.3 billion	3.5 billion	7.4 billion
Population (15+)	967.1 million	2.7 billion	5.5 billion
GDP (millions)	2,597,491	25,760,728	79,211,592
GDP per capita (\$)	1,940.00	18,320.00	10,741.00
Online population	396.7 million	1.6 billion	3.6 billion
Smartphone penetration	30%	47%	53%
E-commerce % of total retail	4%	20%	16%

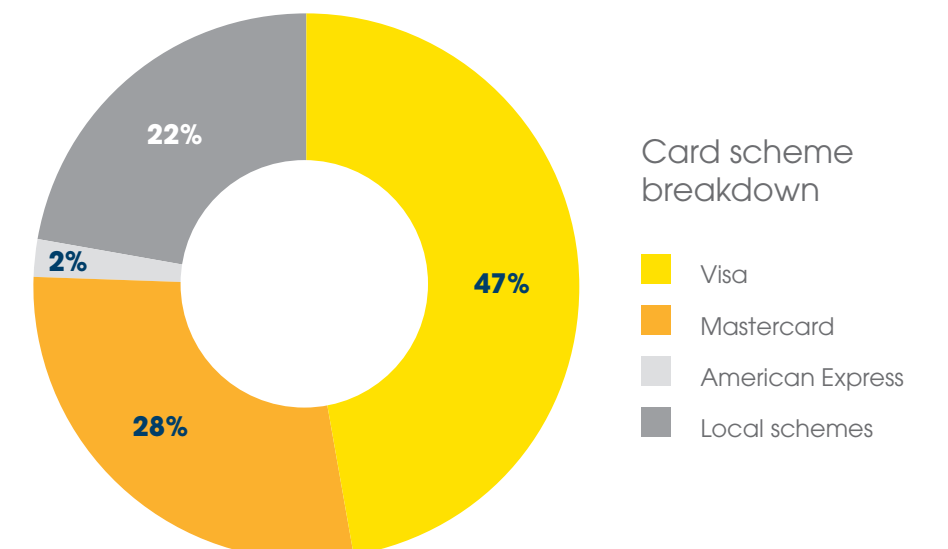
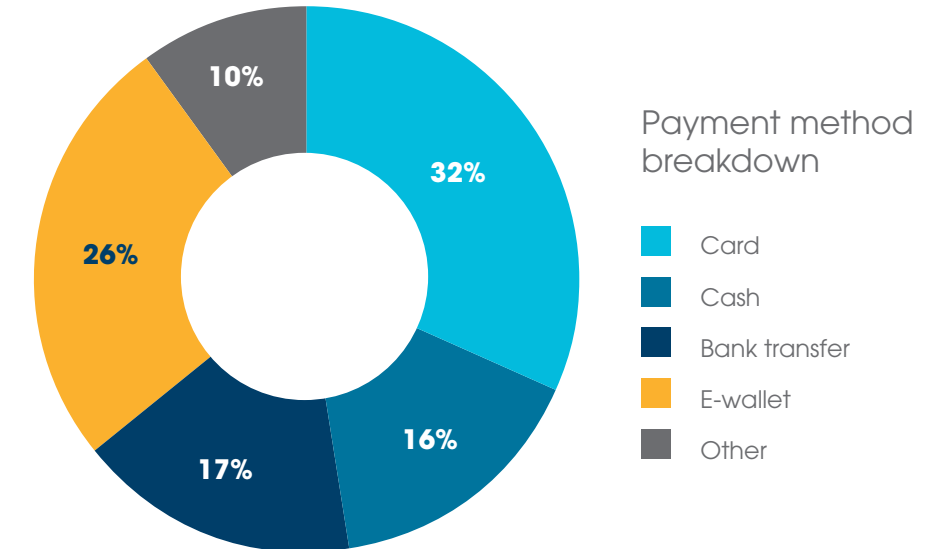




34% shop cross-border



Top e-commerce segments

Airlines & Hotels (16%)
Clothing & Footwear (10%)
Electrical Goods (10%)



 BHIM  Citrus Wallet  ItzCash  MobiCash  MobiQwik  OlaMoney  Paytm  RuPay



38%
e-commerce growth

Indonesia

By the middle of 2018, Indonesia’s economy was growing at a rate of 5.3% year-on-year. The Financial Times quotes Capital Economics as warning against expectations of a sustained recovery (after the global recession, Indonesia’s growth rates peaked at over 6%), quoting the continued low prices of key commodities, including palm oil. There were signs at the start of 2018 that increased demand for palm oil might boost exports, helping to drive growth. Alas, it was not to be. Tariffs imposed by India, a major market, saw exports fall by 2% in the first half of the year. Indonesia is the world’s largest exporter of palm oil, with the industry accounting for around 2% of GDP, so whether a rise in exports is enough to offset low prices will play a big part in determining how much the economy grows over the next year.



B2C e-commerce
11 billion USD

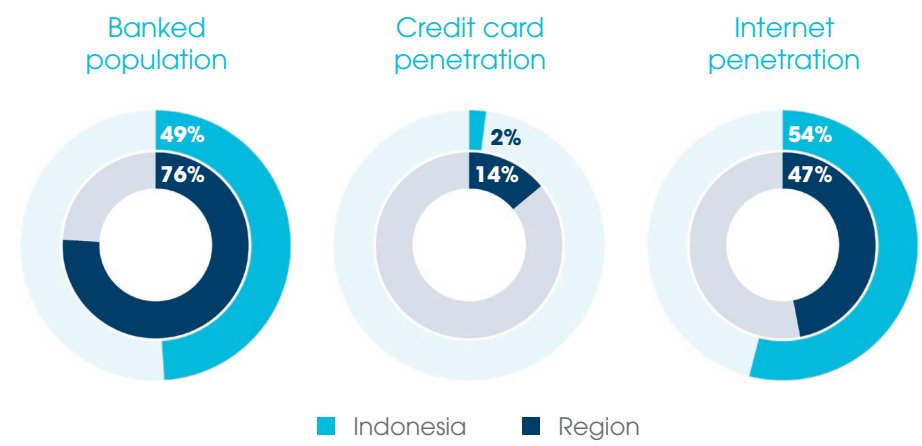


Mobile e-commerce
46% of total



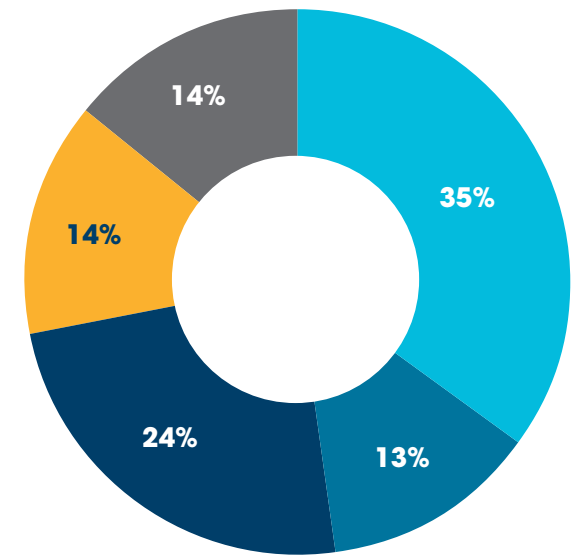
Average online spend
278 USD

	Indonesia	Region	World
Population	264 million	3.5 billion	7.4 billion
Population (15+)	191.8 million	2.7 billion	5.5 billion
GDP (millions)	1,015,539	25,760,728	79,211,592
GDP per capita (\$)	3,847.00	18,320.00	10,741.00
Online population	141.8 million	1.6 billion	3.6 billion
Smartphone penetration	43%	47%	53%
E-commerce % of total retail	3%	20%	16%



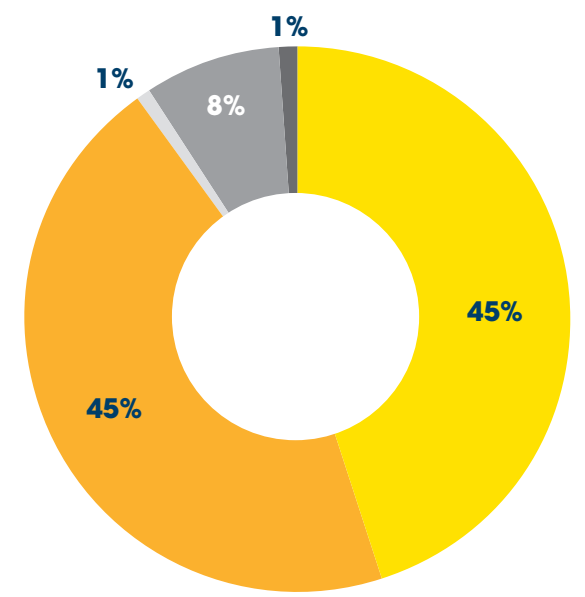
Top e-commerce segments

- Electrical Goods (16%)
- Airlines & Hotels (16%)
- Homeware & Furniture (9%)



Payment method breakdown

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



Card scheme breakdown

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



10%
e-commerce growth

Japan

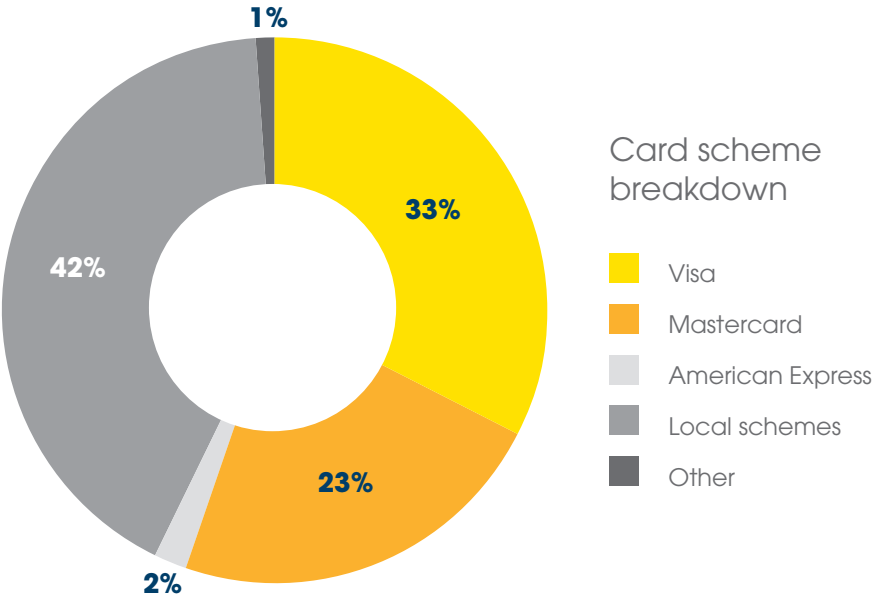
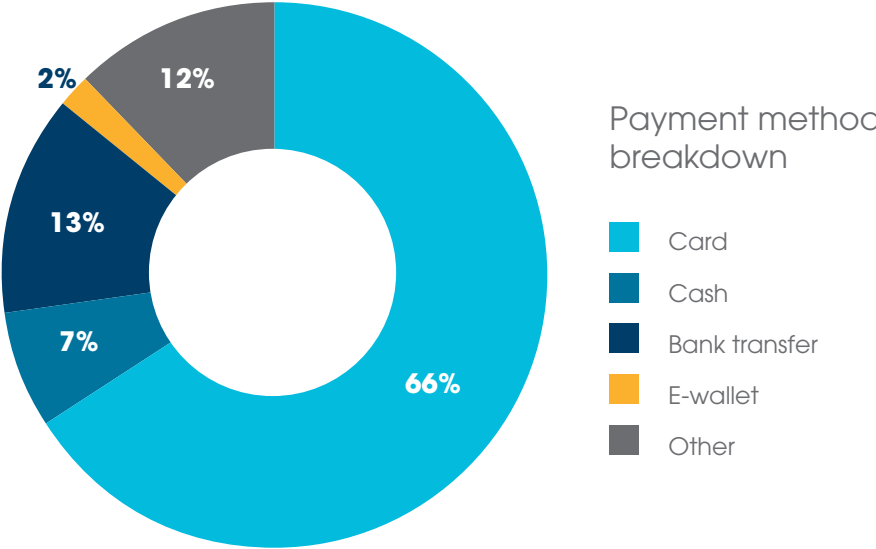
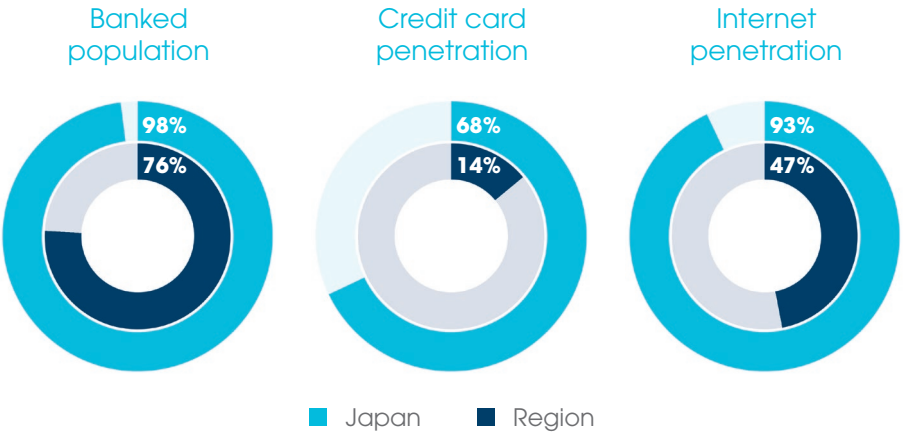
The Japanese economy is the world's third largest, having been overtaken by China in 2011. The country's economy has been growing apace since 2017, and in the second quarter of 2018, expanded by 3% year-on-year, its fastest growth-rate since 2016. From 2012, prime minister Shinzō Abe's government has pursued policies of monetary and fiscal stimulus as well as structural reforms in key economic sectors. The OECD estimates that growth for the whole of 2017 was 1.7%. Whether this growth – which is driven substantially by exports to a buoyant international market – is sustainable in the current climate remains to be seen. The Japanese government predicts growth of 1.8% in 2018. According to the latest figures for 2018, retail sales were growing by 1.7% year-on-year.

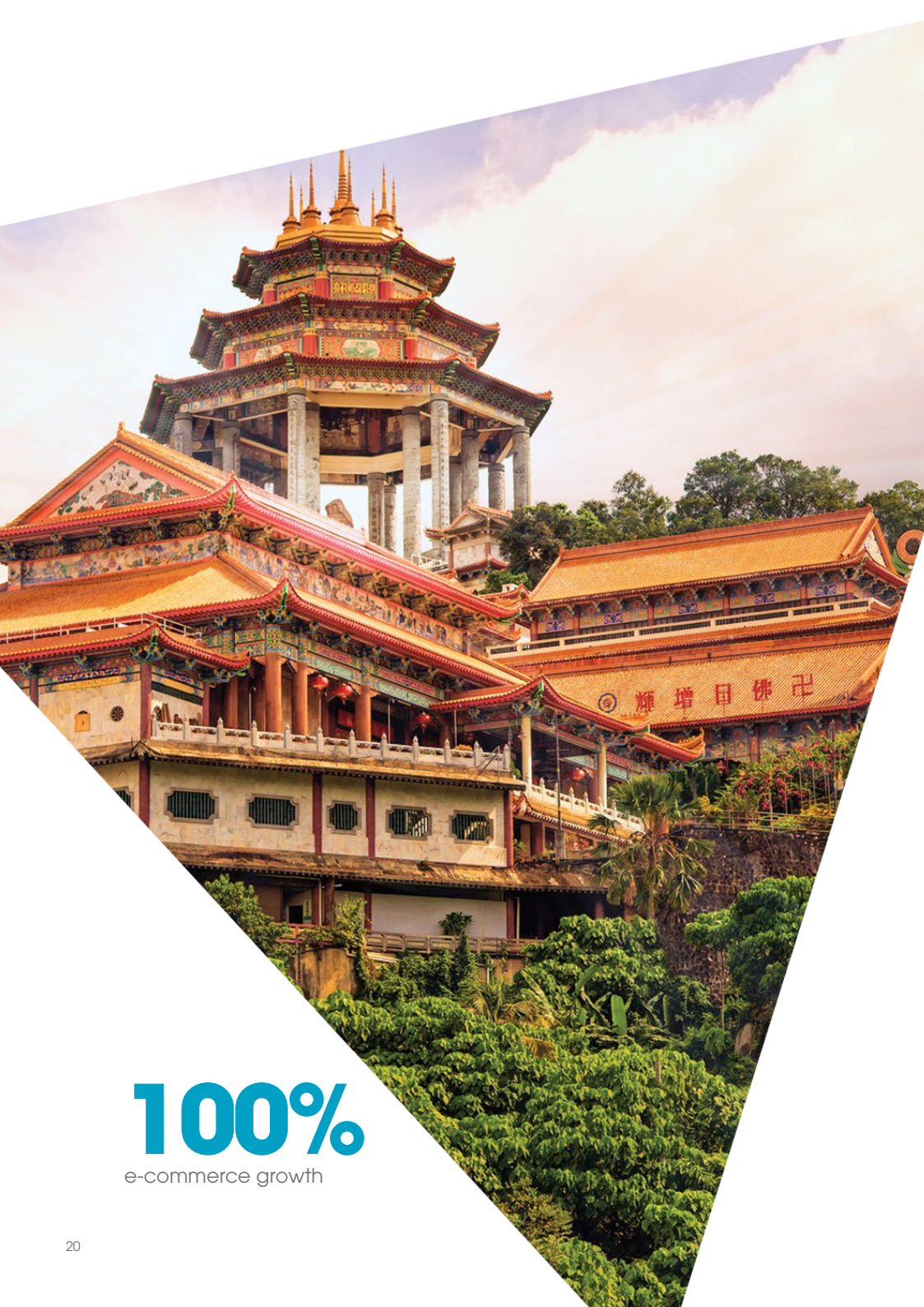

B2C e-commerce
147 billion USD


Mobile e-commerce
58% of total


Average online spend
1,526 USD

	Japan	Region	World
Population	126.8 million	3.5 billion	7.4 billion
Population (15+)	110.4 million	2.7 billion	5.5 billion
GDP (millions)	4,872,137	25,760,728	79,211,592
GDP per capita (\$)	38,428.00	18,320.00	10,741.00
Online population	118.1 million	1.6 billion	3.6 billion
Smartphone penetration	52%	47%	53%
E-commerce % of total retail	8%	20%	16%





Malaysia

After two years of declining growth rates, the Malay economy expanded by 5.8% in 2017, up from 4.2% the year before. This recovery was driven not only by an increase in exports but also by a rise in domestic demand. But as with other Asian economies, Malaysia is now suffering as a result of rising international trade tensions, which have caused export volumes to fall and second-quarter growth to come in at 4.5%, short of expectations by 0.7%. The average gross national income per capita is \$28,650. The economy is dominated by the service sector, which in the second quarter of 2018 accounted for 55% of GDP and was growing by 6.5% year-on-year. Industry contributed 36% and grew by 2.5% (manufacturing and construction both grew by over 4% but mining and quarrying contracted by around 2%). Most of its exports (74%) are of finished consumer and capital goods.

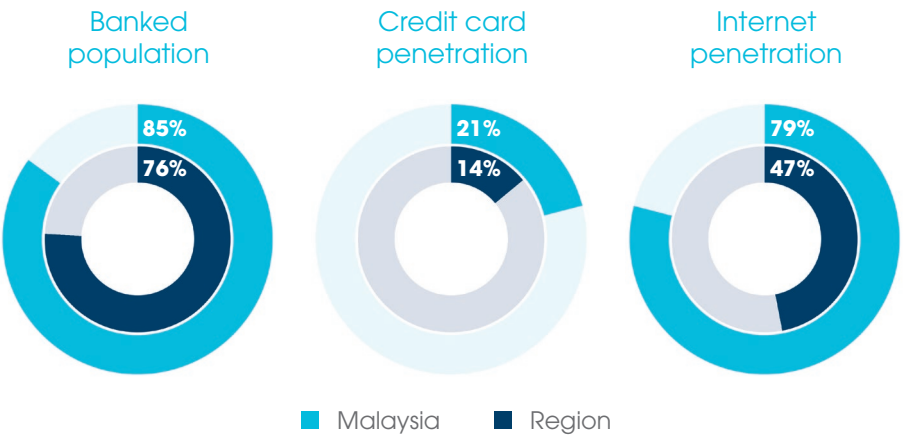
100%
e-commerce growth

B2C e-commerce
4 billion USD

Mobile e-commerce
46% of total

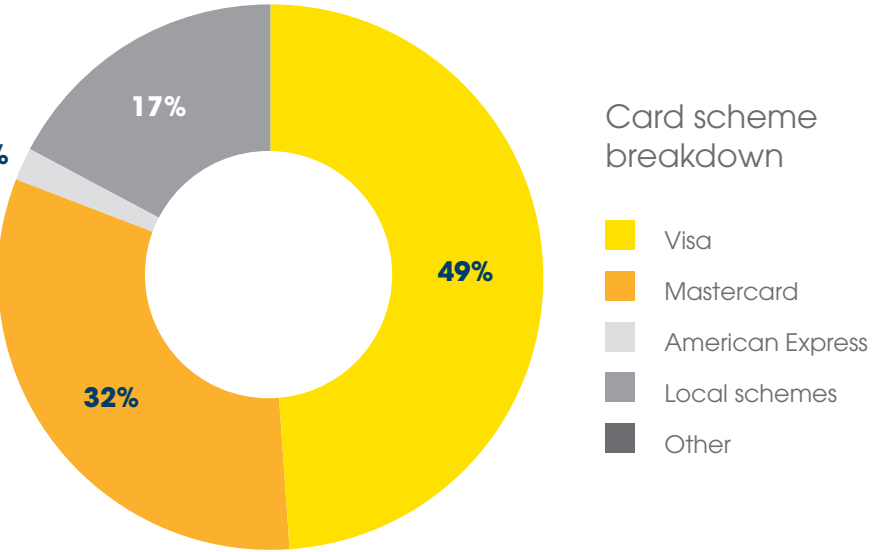
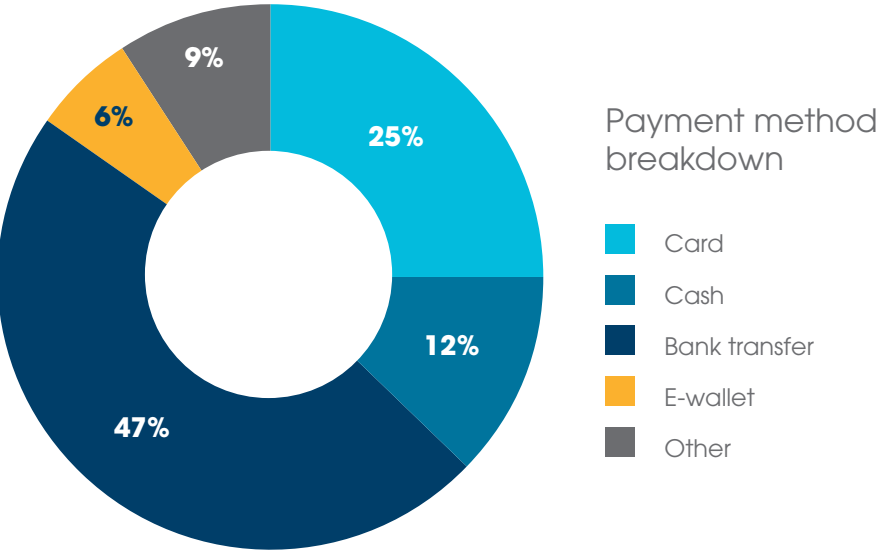
Average online spend
253 USD

	Malaysia	Region	World
Population	31.6 million	3.5 billion	7.4 billion
Population (15+)	23.9 million	2.7 billion	5.5 billion
GDP (millions)	314,500	25,760,728	79,211,592
GDP per capita (\$)	9,945.00	18,320.00	10,741.00
Online population	24.9 million	1.6 billion	3.6 billion
Smartphone penetration	65%	47%	53%
E-commerce % of total retail	1%	20%	16%



Top e-commerce segments

Airlines & Hotels (24%)
Food & Drink (14%)
Clothing & Footwear (13%)





New Zealand

Primary industries – agricultural, horticultural, forestry, mining and fishing – account for 6% of the country’s GDP but 33% of its exports in goods. Manufacturing is responsible for 10% of the country’s GDP (but 34% of its exports) and services over 60%. In 2017, the economy grew by 3%, down from 3.5% in 2016. Economists polled by Reuters in summer 2018 attributed the slow down to slowing immigration, a cooling housing market and slackening domestic consumption. In the second quarter of 2018, the economy grew by 2.7%. According to government figures, goods exports are a primary driver of economic growth, up 14% on the previous year (with fruit up 18%, wood up 19% and meat up 20%). New Zealand’s tech sector, at least, is enjoying Chinese growth rates — expanding at a rate of 7.9% a year. The videogaming industry is a particular star of the digital economy, its revenues growing by 43% in 2017.

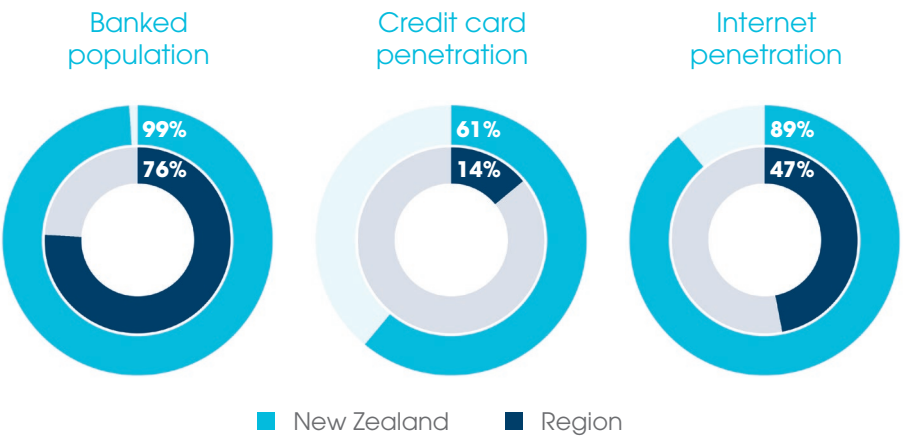
11%
e-commerce growth


B2C e-commerce
4 billion USD


Mobile e-commerce
33% of total


Average online spend
1,854 USD

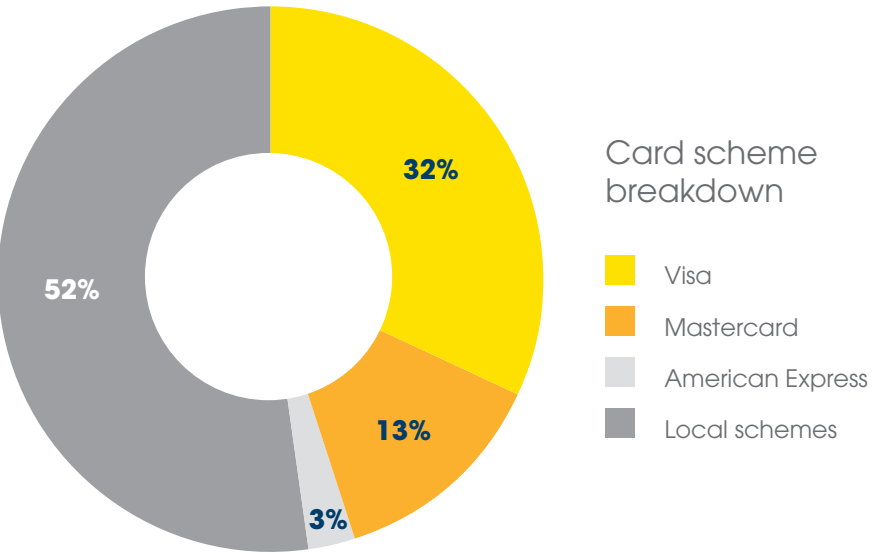
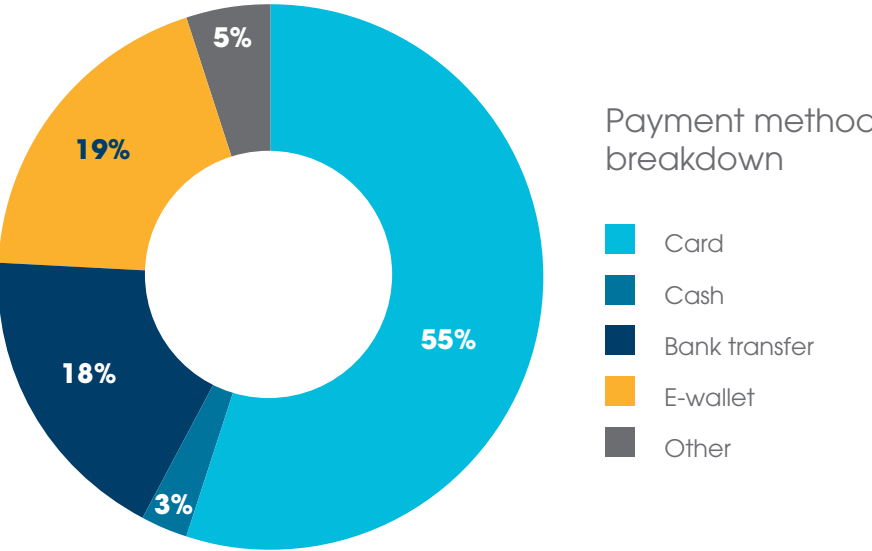
	New Zealand	Region	World
Population	4.7 million	3.5 billion	7.4 billion
Population (15+)	3.8 million	2.7 billion	5.5 billion
GDP (millions)	205,853	25,760,728	79,211,592
GDP per capita (\$)	42,941.00	18,320.00	10,741.00
Online population	4.2 million	1.6 billion	3.6 billion
Smartphone penetration	76%	47%	53%
E-commerce % of total retail	8%	20%	16%



Top e-commerce segments

- Airlines & Hotels (29%)
- Clothing & Footwear (13%)
- Food & Drink (10%)

 Online EFTPOS  POLi Payments







50%
e-commerce growth

The Philippines


The Philippines is now the 10th fastest-growing economy in the world, with a growth rate in 2017 of around 7%. Already by the third quarter of 2017, the Philippine economy was growing by 6.7% year-on-year, just 0.2% slower than China. Underlying the impressive growth rate is a \$180 billion infrastructure programme known as “Build Build Build”. As well as stimulating domestic demand, this huge spending spree – much of which was from capital from China – caused the value of the Philippines peso to fall to an eleven-year low by the middle of 2017. Counter-intuitively perhaps, this did not cause an export boom. In fact, the country is running a record trade deficit. By July 2018, the country was importing \$3.546 billion more than it was exporting, up \$3.2 billion the previous month. By the third quarter of 2018, household expenditure was growing at a rate of 5.2%, down from 5.4% in the same period in 2017.



B2C e-commerce
3 billion USD

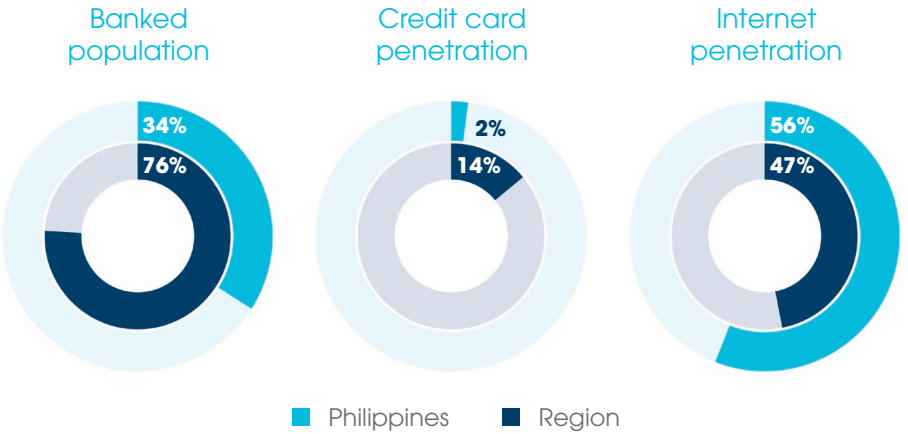


Mobile e-commerce
37% of total



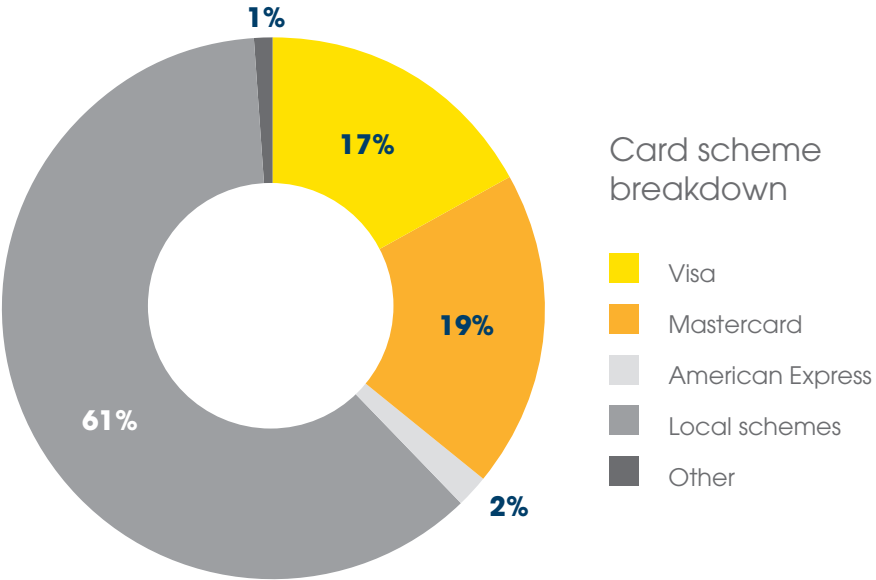
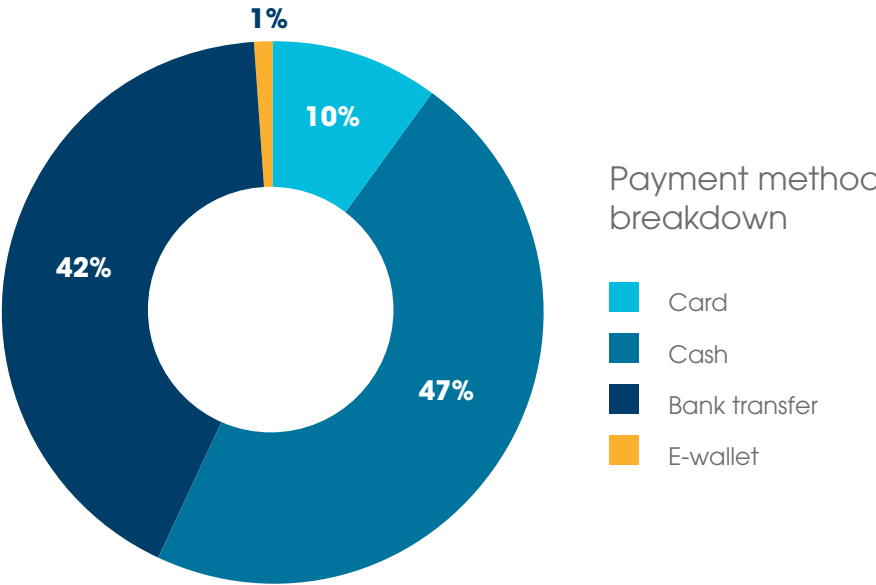
Average online spend
89 USD

	Philippines	Region	World
Population	104.9 million	3.5 billion	7.4 billion
Population (15+)	71.6 million	2.7 billion	5.5 billion
GDP (millions)	313,595	25,760,728	79,211,592
GDP per capita (\$)	2,989.00	18,320.00	10,741.00
Online population	58.2 million	1.6 billion	3.6 billion
Smartphone penetration	41%	47%	53%
E-commerce % of total retail	1%	20%	16%



Top e-commerce segments

Airlines & Hotels (21%)
Clothing & Footwear (11%)
Electrical Goods (11%)





Singapore

In 2017, Singapore’s economy grew at a rate of 3.6% a year up from 2.4% in the previous year. 2018 second-quarter growth hit 3.9%, down from the start of the year. According to the Straits Times, economists still predict a full-year growth rate of 3.3% in 2018. An increase in global trade in 2017 helped boost manufacturing output and make Singapore wealthier, but if a global trade war materialises, the city stands to lose as much as \$22 billion in 2019. Unemployment in Singapore started the year at 2.1%, dipped briefly in spring, and then returned to 2.1% by the summer. In October 2018, Singapore’s Land Transport Authority (LTA) announced that it was cutting its acceptable vehicle growth rate to 0% — a new car can only go on the road when an old one is scrapped. For merchants in selling automotive accessories, this policy is one to watch.

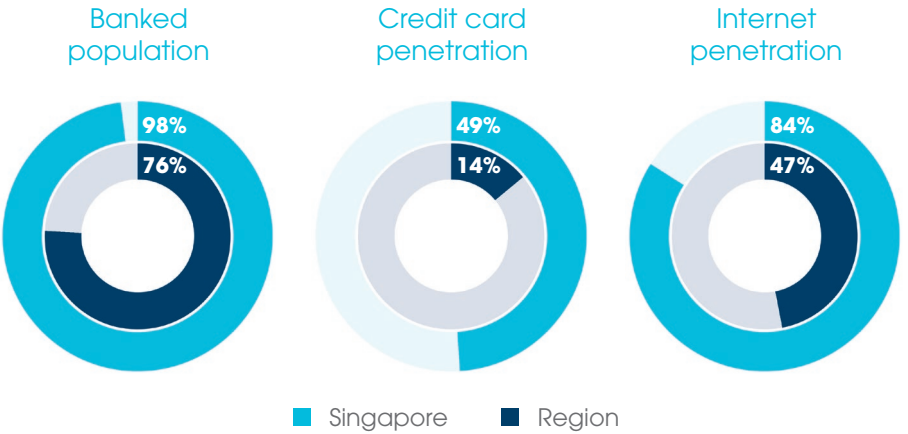
25%
e-commerce growth


B2C e-commerce
5 billion USD

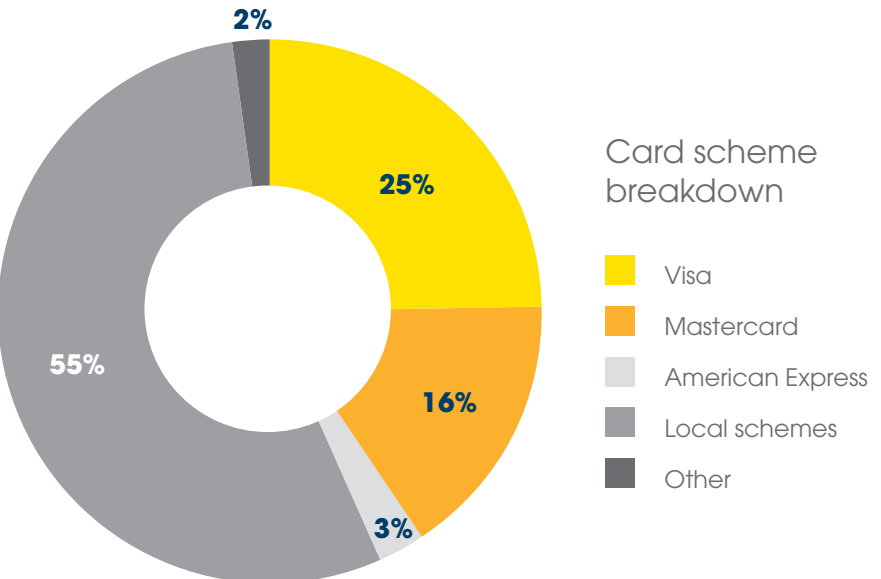
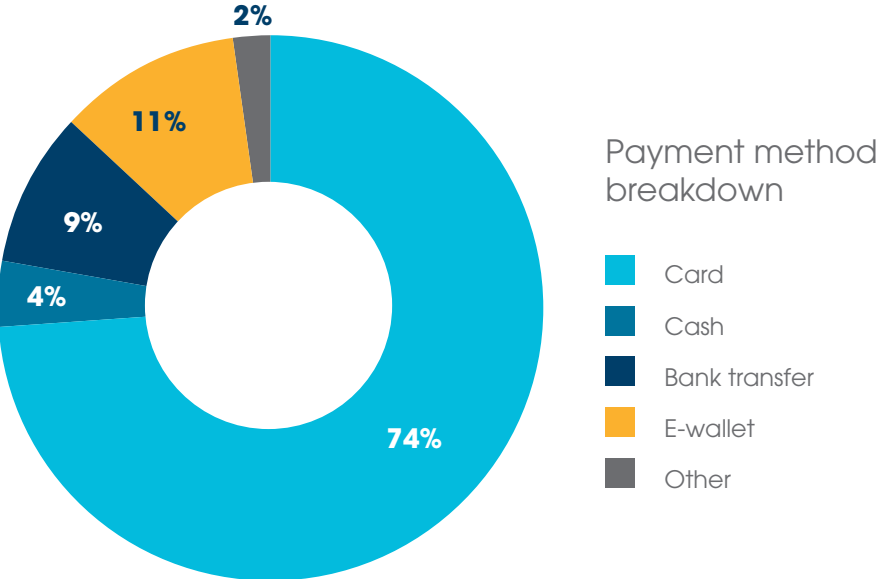

Mobile e-commerce
42% of total


Average online spend
1,470 USD

	Singapore	Region	World
Population	5.6 million	3.5 billion	7.4 billion
Population (15+)	4.7 million	2.7 billion	5.5 billion
GDP (millions)	323,907	25,760,728	79,211,592
GDP per capita (\$)	57,714.00	18,320.00	10,741.00
Online population	4.6 million	1.6 billion	3.6 billion
Smartphone penetration	91%	47%	53%
E-commerce % of total retail	3%	20%	16%



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South Korea

In the third quarter of 2018, the South Korean economy expanded by 2% year-on-year, down from 3.6% in the same quarter in 2017. According to the OECD, the full-year growth rate for 2017 was 3.1%, the economy would grow by 2.7% 2018, rising again to 2.8% in 2019. As with Singapore, South Korea's miniboom is in part spurred by the return of global consumer demand. 2017 saw strong export growth, which continued into the first half of 2018. In August, the value of exports grew by 6.2% year-on-year to \$51.9 billion. At the end of 2018, retail sales were rising by over 0.5% year-on-year, and consumer confidence dropped to its lowest level in 17 months. Unemployment rose to 4% in September, the latest period for which we had figures at the time of going to press, still up from 3.8% in July.

20%
e-commerce growth



B2C e-commerce
46.7 billion USD

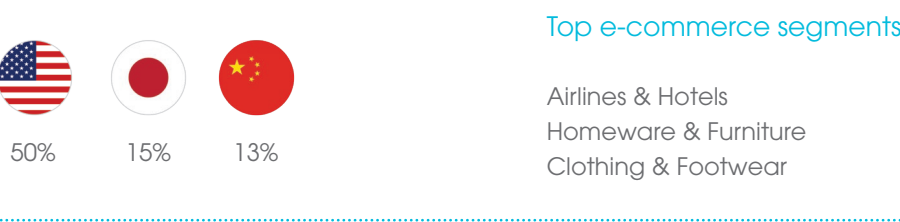
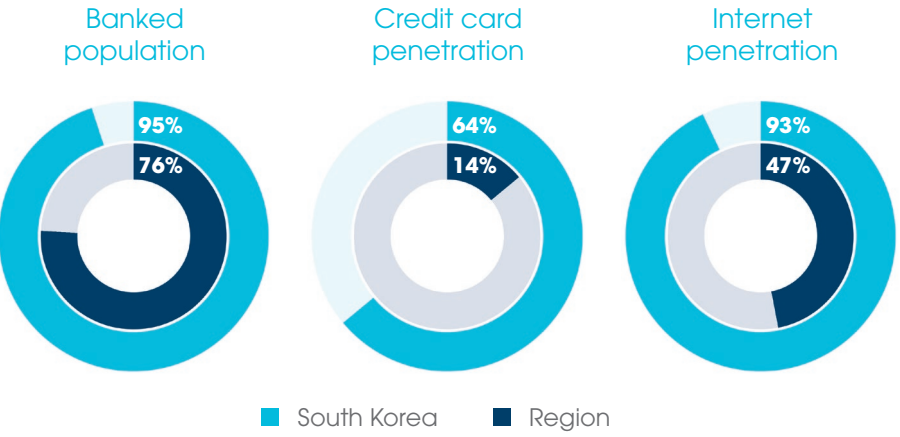


Mobile e-commerce
61% of total

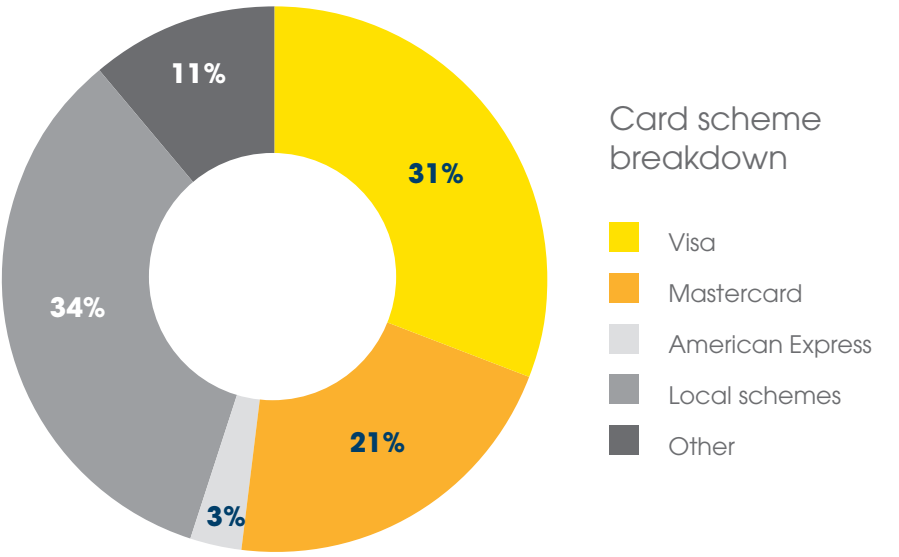
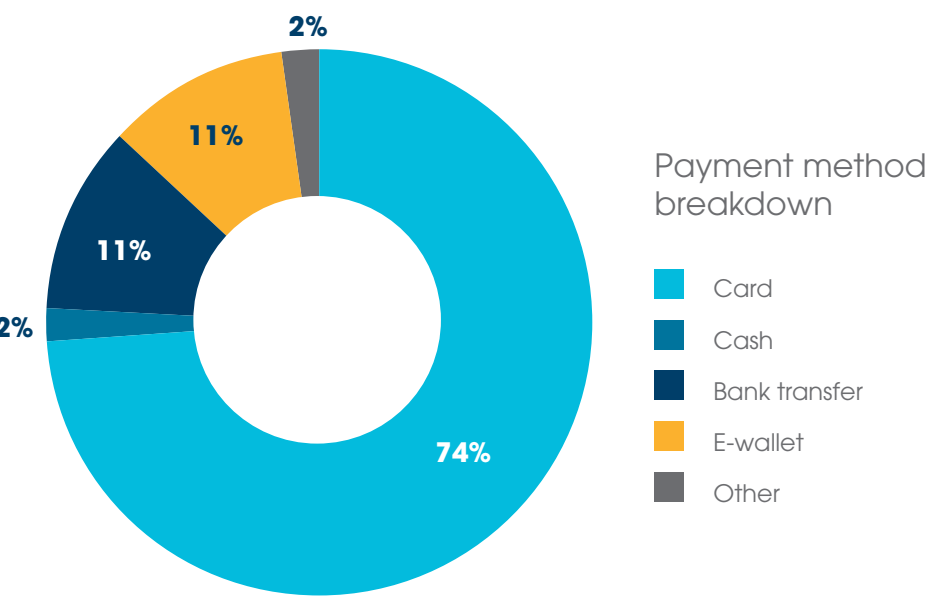


Average online spend
1,296 USD

	S. Korea	Region	World
Population	51.5 million	3.5 billion	7.4 billion
Population (15+)	44.5 million	2.7 billion	5.5 billion
GDP (millions)	1,530,751	25,760,728	79,211,592
GDP per capita (\$)	29,743.00	18,320.00	10,741.00
Online population	47.8 million	1.6 billion	3.6 billion
Smartphone penetration	89%	47%	53%
E-commerce % of total retail	16%	20%	16%



KakaoPay KakaoPay N Pay Naver Pay ShinhanCard ShihanCard Tmoney T-money





13%
e-commerce growth

Taiwan

Taiwan's economy is the seventh largest in Asia and by value it exports more than Brazil or India, no small feat for a country of just 23 million. Around 63% of Taiwan's GDP comes from the service sector, 35% from industry and the rest from agriculture. Modern Taiwan is one of the world's primary centres of high technology industry, with a tech sector now worth \$37 billion a year. As with South Korea, the recent rise in global demand has helped Taiwan increase its exports. By the second quarter of 2018, exports were growing by 11.2% a year, the fastest pace since 2015. Unemployment in summer 2018 was just 3.7%. In October 2018, retail sales for the year were up 0.9% year-on-year. Consumer confidence, on the other hand, has been dropping all year, falling 1.4% in October alone.



B2C e-commerce
27 billion USD

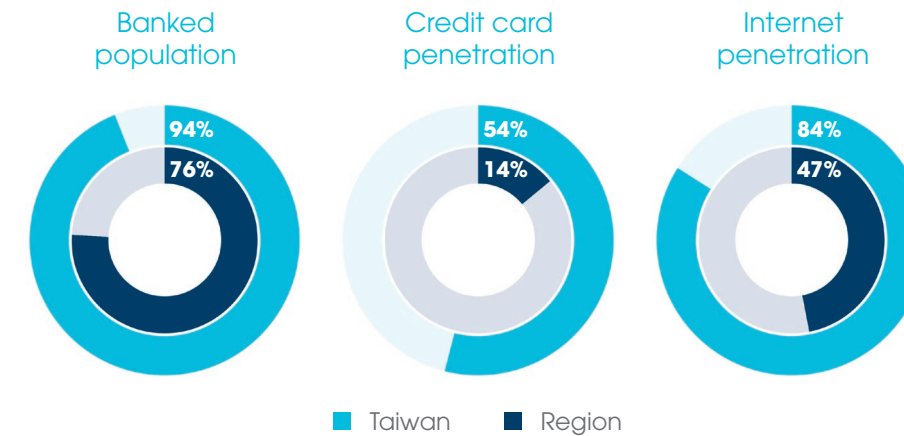


Mobile e-commerce
40% of total



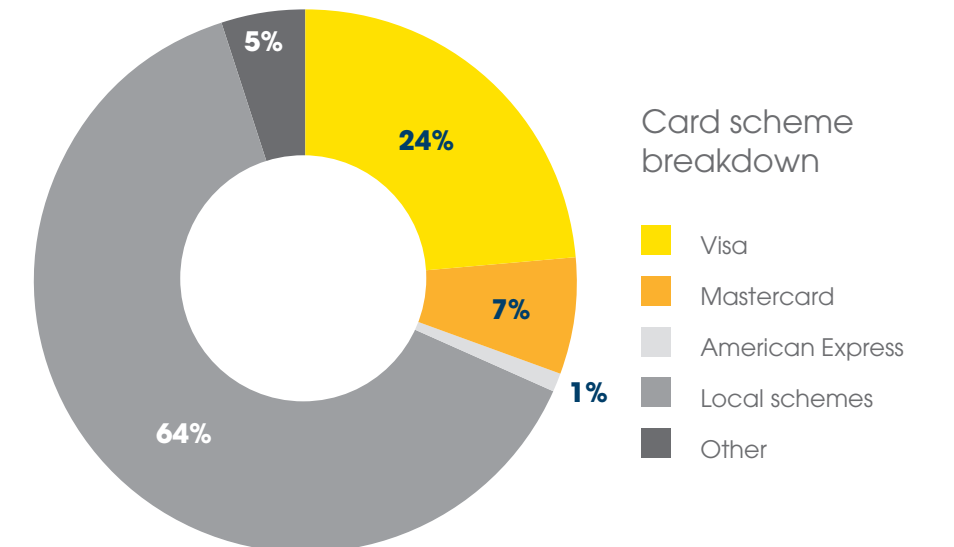
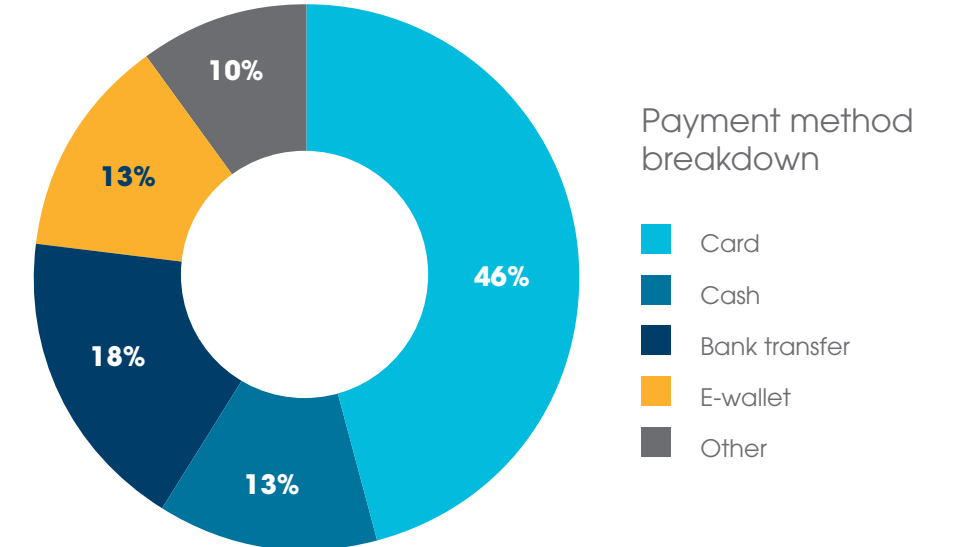
Average online spend
1,799 USD

	Taiwan	Region	World
Population	23.5 million	3.5 billion	7.4 billion
Population (15+)	20.3 million	2.7 billion	5.5 billion
GDP (millions)	5,387	25,760,728	79,211,592
GDP per capita (\$)	22,540.00	18,320.00	10,741.00
Online population	19.8 million	1.6 billion	3.6 billion
Smartphone penetration	72%	47%	53%
E-commerce % of total retail	17%	20%	16%



Top e-commerce segments

Airlines & Hotels (19%)
Food & Drink (12%)
Electrical Goods (11%)





14%
e-commerce growth

Thailand

In 2018, the World Bank predicted Thailand's economy would grow by 4.1%, the fastest pace since 2012. The main drivers of growth are a rise in exports (including tourism) and expanding private consumption. Fitch predicts a fall in growth to 3.5% in 2019, if the trade disputes between major economic powers are not resolved promptly. The Bangkok Post described Thailand's unemployment rate of just 1% as "ridiculously low". It remains ridiculous today, still only 1%. Reasons for this include the country's lack of meaningful unemployment insurance as well as hidden "under employment" in sectors such as agriculture. By the middle of 2018, retail sales were growing at 18%.



B2C e-commerce
5.5 billion USD



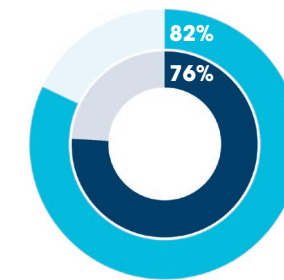
Mobile e-commerce
48% of total



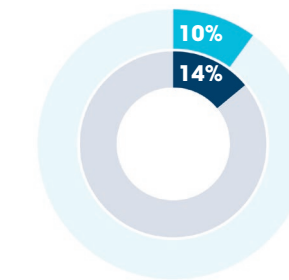
Average online spend
356 USD

	Thailand	Region	World
Population	69 million	3.5 billion	7.4 billion
Population (15+)	57.1 million	2.7 billion	5.5 billion
GDP (millions)	455,221	25,760,728	79,211,592
GDP per capita (\$)	6,594.00	18,320.00	10,741.00
Online population	32.8 million	1.6 billion	3.6 billion
Smartphone penetration	45%	47%	53%
E-commerce % of total retail	1%	20%	16%

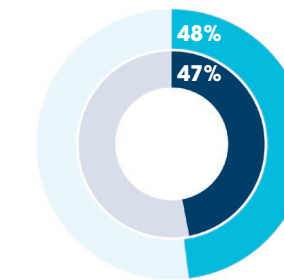
Banked population



Credit card penetration



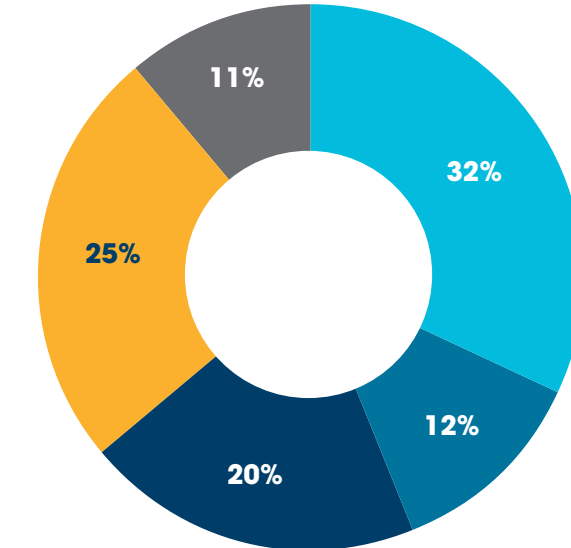
Internet penetration



■ Thailand ■ Region

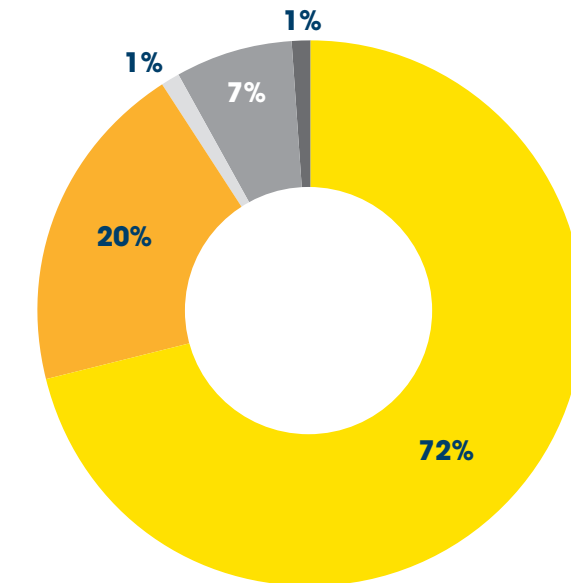
Top e-commerce segments

Airlines & Hotels (19%)
Electrical Goods (11%)
Health & Beauty (8%)



Payment method breakdown

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



Card scheme breakdown

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





20%
e-commerce growth

Vietnam

Once, Vietnam was one of the world's poorest countries. Now the World Bank officially classified it as "middle income, a transformation achieved in little over two decades. With cheap labour (wage costs in parts of China are now approaching European levels), an educated workforce, and a business-friendly environment, Vietnam has managed to attract some major corporate investors. Companies such as Intel, LG and Samsung have all opened factories in Vietnam. As a result, the country now has an export sector worth an estimated \$19 billion a year. In 2018 alone, exports were expected to hit \$236.6 billion, an increase of 10% on the previous year. The World Bank has praised Vietnam for achieving growth without contributing to rising inequality, with extreme poverty falling to just 10%. Between 2017 and 2030, the Asian Development Bank expects Vietnam's middle class to double in size to 33 million.



B2C e-commerce
6 billion USD

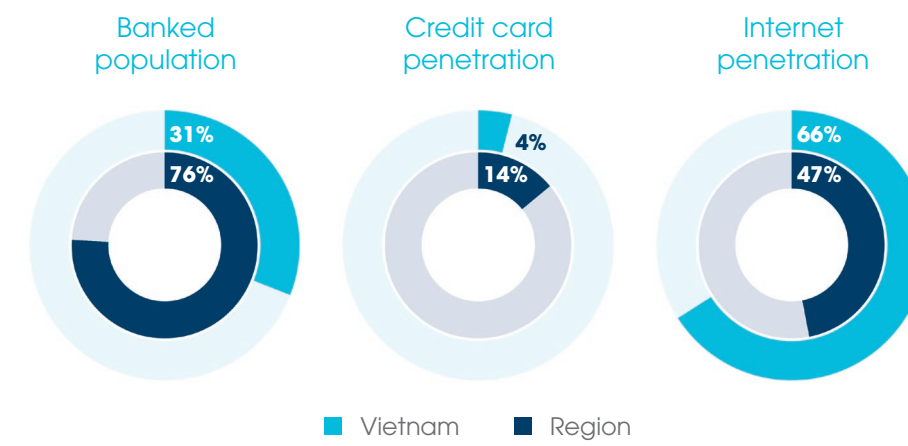


Mobile e-commerce
48% of total



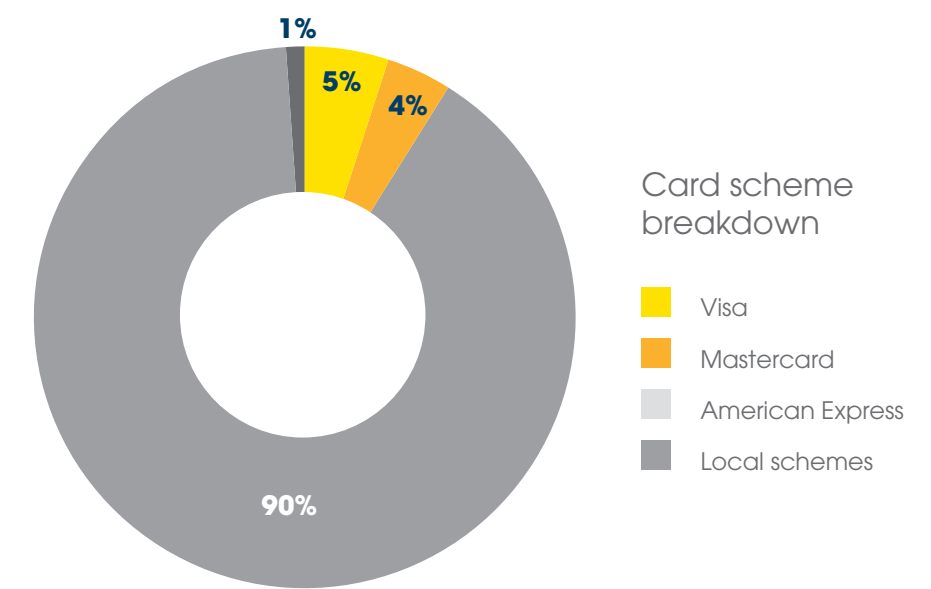
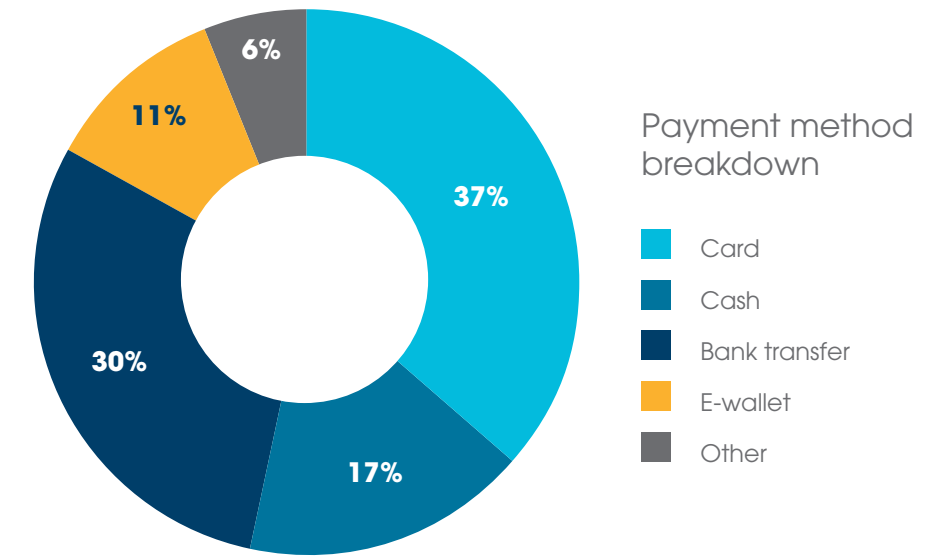
Average online spend
95 USD

	Vietnam	Region	World
Population	95.5 million	3.5 billion	7.4 billion
Population (15+)	73.5 million	2.7 billion	5.5 billion
GDP (millions)	223,864	25,760,728	79,211,592
GDP per capita (\$)	2,343.00	18,320.00	10,741.00
Online population	63.3 million	1.6 billion	3.6 billion
Smartphone penetration	72%	47%	53%
E-commerce % of total retail	1%	20%	16%



Top e-commerce segments

Airlines & Hotels (12%)
Homeware & Furniture (10%)
Clothing & Footwear (9%)



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The Online Almanac



PPRO's new and improved Online Almanac puts hundreds of hours of research at the tips of your fingers. Visit www.ppro.com/almanac to enjoy a 30-day trial of market insights and global trends.

Notes

Notes

The background of the page features a photograph of the Singapore skyline at sunset, with the Marina Bay Sands hotel and other skyscrapers visible. The image is partially covered by large, overlapping yellow and orange geometric shapes, primarily on the left side.

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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Sources:

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Publicly available online information

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