



ppro



# Middle East and Africa

Payments and  
e-commerce report 2022



# E-commerce and payments in the Middle East and Africa

Online purchases are just 7% of total retail in the Middle East and Africa. Despite this the region's e-commerce is already worth US\$116 billion. And already by 2026, this figure will have increased to almost US\$206. That's more than a 77% increase in the space of just four years — quite some growth rate.

What consumers most like to buy online differs significantly from one country to the next. In Egypt, for example, the most popular category of e-commerce purchase is electronics (with a 26% market share) while in Turkey it's fashion (42%), in the UAE toys (29%) — and so on. This puts a premium on local market knowledge when building a strategy for any of the countries in this region.

In the Middle East, COVID — as with almost everywhere else — pushed lots of people online and prompted even experienced shoppers to buy more online than they had before. Prior to the pandemic, 70% of young Middle Eastern consumers shopped online, today it's 80%.

And 50% of the most active online demographic, adults aged 18–24, are shopping more online now than they did before 2020. And there is no sign of consumers returning to their old habits. In Saudi Arabia, for instance, 80% of shoppers say that they will continue shopping online, even now that things have returned to normal.

In Sub-Saharan Africa, according to at least one recent study, the value of the e-commerce market is predicted to grow by an average of almost 25% a year between 2017 and 2025, following a peak growth rate of 31% during the disruption of 2020–21. During the same time, the number of online shoppers in the region will increase from 139 million to over 500 million.

Online shoppers complete 48% of their e-commerce purchases on a mobile device. But this headline figure hides significant differences between markets. In Israel, for instance, shoppers make just 39% of their online purchases using a mobile device. In Morocco, that figure is 59%.

According to a study by PayPal, over 80% of consumers in the Middle East buy things online from brands and retailers outside their home country. In Africa, cross-border e-commerce is projected to grow at a rate of 13% a year between 2021 and 2025.

## The e-commerce infrastructure in the Middle East and Africa

Internet penetration in the Middle East and Africa is 74%, below the global average of 84%. Most of these subscribers, however, use mobile not home broadband. Much of the region is determinedly “mobile first”, with the ITU giving the average fixed-line broadband penetration for the countries covered by this report as just 16%, compared to 104% for mobile-broadband subscriptions.

No strategy for any market in this report would be complete without a strong mobile element. But that doesn't mean that it's safe to neglect desktop users. In Saudi Arabia, for instance, 29% of households have fixed-line broadband. In the UAE it's even higher, at 38%.

Only 63% of adults in this region have a bank account and only 23% a credit card. Unsurprisingly, this is reflected in how the region's consumers choose to pay for their online shopping. Only in Israel and Turkey do shoppers pay for more than 60% of their online purchases using a credit or debit card.

In the rest of the region, shoppers use “alternative” payment methods to buy anything up to 78% of their online purchases. But which payment method shoppers prefer differs significantly from one country to the next.

In Egypt, for instance, online shoppers pay for 57% of their e-commerce purchases using cash. Usually this involves choosing a cash-payment method at the checkout, prompting the shopper to generate a unique code. The shopper takes the code to a participating convenience store, where they pay. The store transmits code and cash to the e-commerce site, which then ships the goods. Any merchant hoping to succeed in Egypt needs to integrate popular cash payment schemes.

In Saudi Arabia, on the other hand, online shoppers use cash in just 13% of transactions. And in Turkey, it's only 7%. In Saudi Arabia, the

most popular type of alternative payment method is the e-wallet. In Turkey, it's bank transfer apps. Again, this illustrates the importance of local-market knowledge. To win over consumers in this region requires not only a detailed understanding of their payment preferences but also the relationships and ability to integrate those payment methods at the checkout in a way that delivers the best possible experience.

## Global headwinds, local tailwinds

Much of this region is doing well, for precisely the reason that most of the rest of the world is undergoing a period of economic uncertainty: rising energy prices. According to the IMF, Saudi Arabia is growing at its fastest pace for a decade.

The economy of the UAE is growing at an annual rate of 4.2%. Nigeria's economy is expanding at rate of 3.4% a year and, by the start of 2022, was beating growth forecasts. The Kenyan economy is growing at a rate of 5.7% a year — and so on.

The countries in the report that aren't significant energy exporters are experiencing the same instability as much of the rest of the world. South Africa's growth rate dropped from 5% to 2% this year and the IMF expects it to fall to 1.4% next year. Morocco's economy, heavily dependent on manufactured and intermediate exports, is growing by just 1% a year.

The energy-rich countries in this report present an immediate and obvious opportunity for merchants looking for new high-demand e-commerce markets. But even the markets that aren't experiencing a petrol-boom are countries in which e-commerce is growing fast and will do for the foreseeable future. Enter those markets now, with the right promotions and the right localisation strategy, and merchants stand to capture market share and set themselves up for long-term growth.



# Middle East and Africa

## Payment type breakdown

Global	MEA	
11%	11%	Bank transfers
32%	50%	Card-based payment
4%	17%	Cash-based payment
45%	14%	Wallets
6%	8%	Other

## Card scheme breakdown

Global	MEA	
24%	41%	Visa
14%	35%	Mastercard
2%	1%	American Express
59%	21%	Local schemes
1%	1%	Other

# Egypt

	Egypt	MEA	World
Population	104.3 m	1,724.5 m	7,974.9 m
Population 15+	68.5 m	1,082.2 m	5,967.9 m
GDP (\$US bn)	396.3	6,976	94,045
GDP per capita (\$US)	3,801	4,167	12,804
Banked population (%)	35	46	71
Credit card penetration (%)	4	8	27
Internet penetration (%)	61	47	84
Smartphone penetration (%)	42	43	80
Online population	63.3 m	793.6 m	6,551.1 m

B2C e-commerce market size (\$US bn)	7.4	93.5	5,508.7
E-commerce spending per capita (\$US)	72	155	803
E-commerce as % of total retail	3	9	24
E-commerce spending as % of GDP	1.9	2.7	4.0
E-commerce completed on a mobile device (%)	42	47	57

## Future trends (2022 – 2026)

### E-commerce market size forecast (\$US bn)

9.0	2022
10.8	
12.8	
15.0	
17.4	



### E-commerce spending per capita (\$US)

87	2022
102	
119	
137	
156	

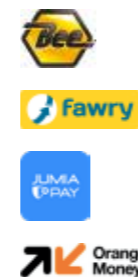


### E-commerce spending as % of GDP

2.1	2022
2.2	
2.4	
2.6	
2.7	



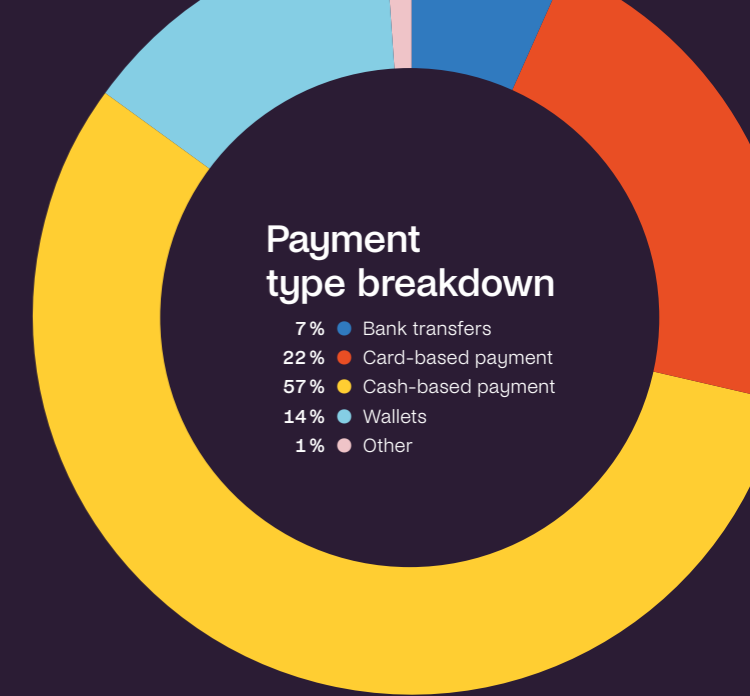
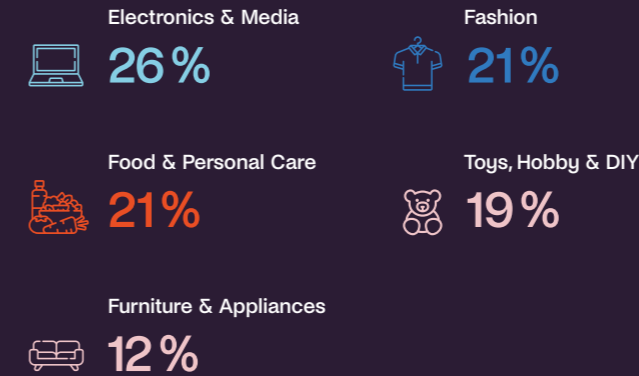
## Popular LPMs



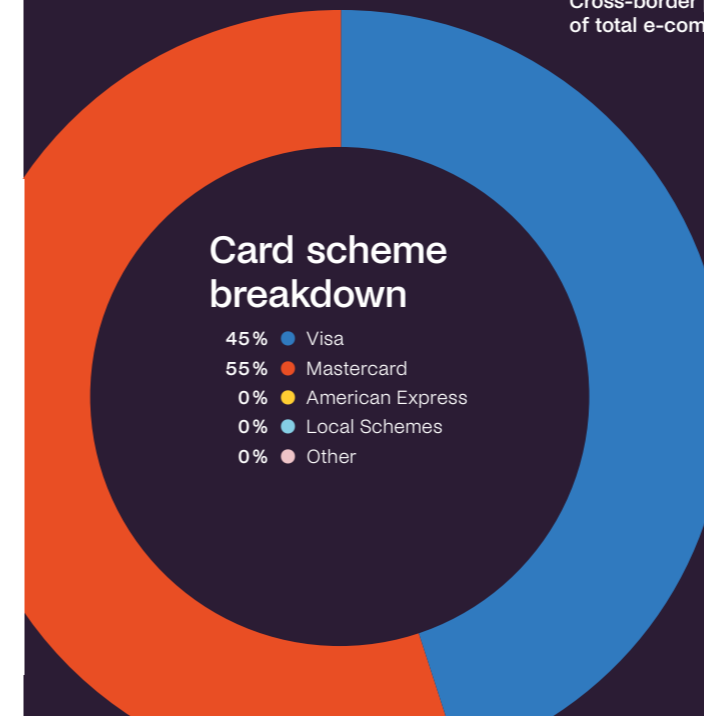
**17.8%** e-commerce growth (YOY)

- FedEx has begun providing direct services in Egypt as the demand for international air freight grows. In addition, its local subsidiary Egypt Express will continue to provide logistics for local delivery services.
- The Egyptian e-commerce site Souq.com that was bought by Amazon in 2017 finally closed its doors in September 2021 and relaunched itself as Amazon.eg.
- A survey carried out by Mastercard found that 88% of Egyptians had used a contactless form of payment over the past year. 35% had used an e-wallet, 27% a digital money app, and 24% used a QR code.
- The most popular Egyptian e-commerce site in July 2022 was playdrift.com with 9.52 m views.

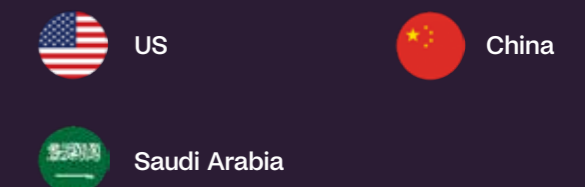
## Top e-commerce segments



## Cross-border e-commerce



## Top cross-border shopping origin markets



# Israel

	Israel	MEA	World
Population	8.8 m	1,724.5 m	7,974.9 m
Population 15+	6.3 m	1,082.2 m	5,967.9 m
GDP (\$US bn)	467.5	6,976	94,045
GDP per capita (\$US)	53,190	4,167	12,804
Banked population (%)	93	46	71
Credit card penetration (%)	76	8	27
Internet penetration (%)	95	47	84
Smartphone penetration (%)	82	43	80
Online population	8.4 m	793.6 m	6,551.1 m

B2C e-commerce market size (\$US bn)	10.9	93.5	5,508.7
E-commerce spending per capita (\$US)	1,160	155	803
E-commerce as % of total retail	8	9	24
E-commerce spending as % of GDP	2.2	2.7	4.0
E-commerce completed on a mobile device (%)	39	47	57

## Future trends (2022 – 2026)

### E-commerce market size forecast (\$US bn)

12.6	2022
14.5	
16.3	
18.1	
19.9	



### E-commerce spending per capita (\$US)

1,321	2022
1,495	
1,657	
1,820	
1,971	



### E-commerce spending as % of GDP

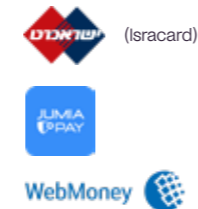
2.4	2022
2.6	
2.8	
3.0	
3.1	



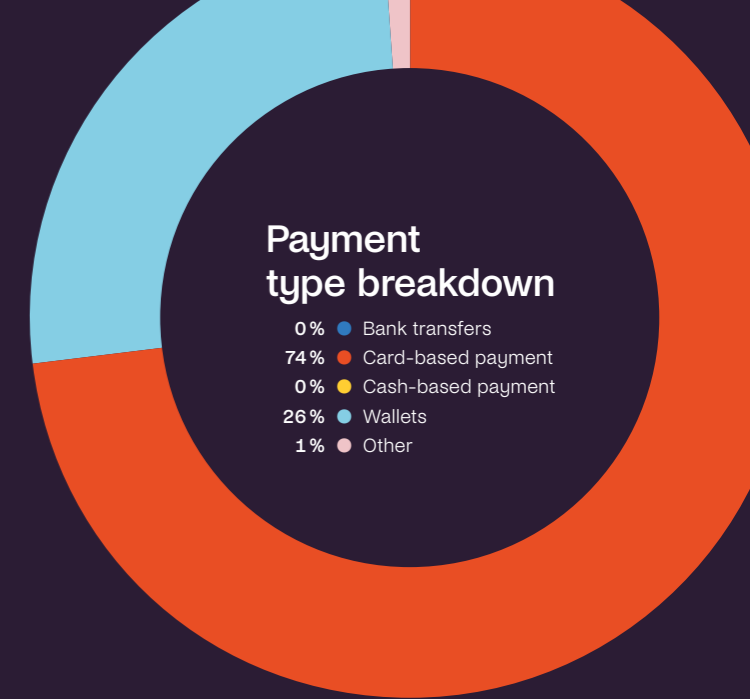
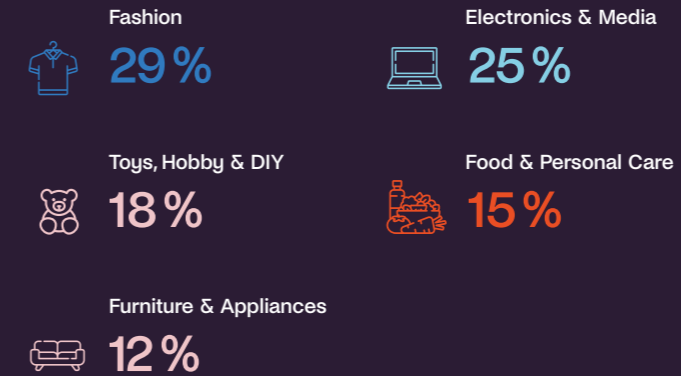
**9.4%** e-commerce growth (YOY)

- The Israeli social commerce sector is expected to grow by 53.5% to reach 830.1 m \$US in 2022, and to grow by CAGR 46% from 2022 to 2028 to be worth 7,632.1 m \$US.
- Cainiao Network, the logistics section of Alibaba Group Holding, has opened its first automatic distribution centre and warehouse in Israel. Estimations from Cainiao are that it can improve the last mile delivery time by 25%, lowering the average delivery time from 12 days.
- From the beginning of August 2022, if Israelis want to pay in cash there is a maximum amount they can transact in place. If it is with another person, they can spend up to 1,760 \$US with a business and 4,400 \$US with another individual.
- The most popular Israeli e-commerce website in July 2022 was duellinksmeta.com with 9.78 m.

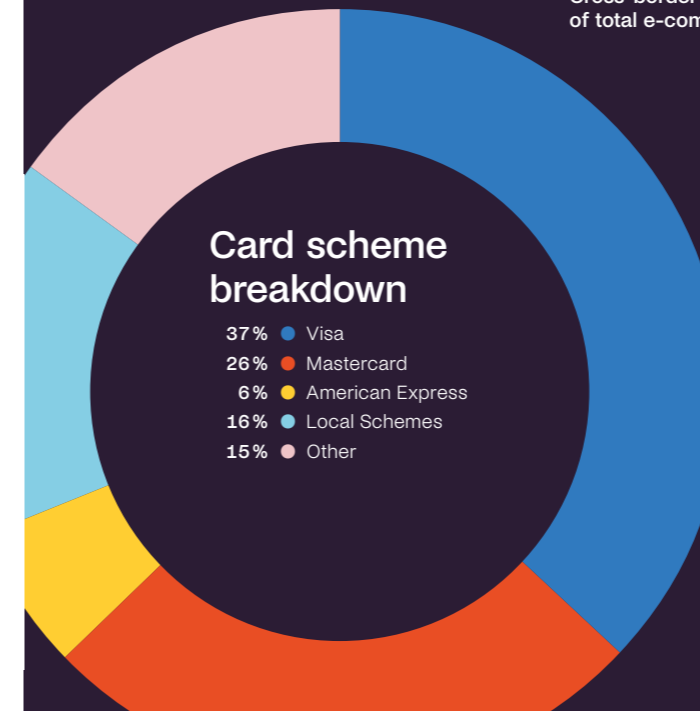
## Popular LPMs



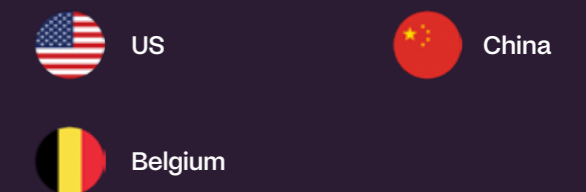
## Top e-commerce segments



## Cross-border e-commerce



## Top cross-border shopping origin markets



# Kenya

	Kenya	MEA	World
Population	55.0 m	1,724.5 m	7,974.9 m
Population 15+	34.5 m	1,082.2 m	5,967.9 m
GDP (\$US bn)	109.5	6,976	94,045
GDP per capita (\$US)	1,991	4,167	12,804
Banked population (%)	58	46	71
Credit card penetration (%)	7	8	27
Internet penetration (%)	42	47	84
Smartphone penetration (%)	47	43	80
Online population	23.3 m	793.6 m	6,551.1 m

B2C e-commerce market size (\$US bn)	1.9	93.5	5,508.7
E-commerce spending per capita (\$US)	35	155	803
E-commerce as % of total retail	4	9	24
E-commerce spending as % of GDP	1.8	2.7	4.0
E-commerce completed on a mobile device (%)	55	47	57

## Future trends (2022 – 2026)

### E-commerce market size forecast (\$US bn)

2.4	2022
3.0	
3.5	
4.2	
4.6	



### E-commerce spending per capita (\$US)

43	2022
51	
60	
69	
75	



### E-commerce spending as % of GDP

2.1	2022
2.3	
2.5	
2.7	
2.7	



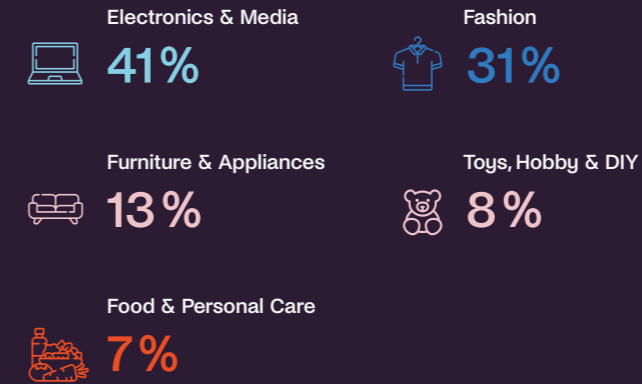
**31.9%** e-commerce growth (YOY)

- There are a number of factors at play in explaining why Kenyan e-commerce has taken off. The growth of internet penetration in the country, the uptake in mobile money, and of course the pandemic which pushed consumers online.
- During the pandemic new markets were brought together who would normally be excluded. For example Twiga Food, an agricultural supply chain for small farmers, worked with Jumai Kenya to sell their goods directly to consumers.
- Kenyans spend on average 53.7% of consumer spending per private household on food and beverages.
- The most popular Kenyan e-commerce site in July 2022 was jumia.co.ke with 4.49 m visits.

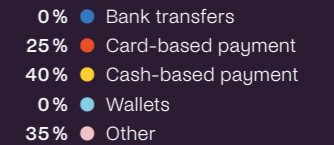
## Popular LPMs



## Top e-commerce segments



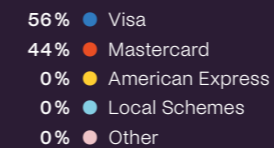
## Payment type breakdown



## Cross-border e-commerce



## Card scheme breakdown



## Top cross-border shopping origin markets



# Morocco

	Morocco	MEA	World
Population	37.3 m	1,724.5 m	7,974.9 m
Population 15+	27.7 m	1,082.2 m	5,967.9 m
GDP (\$US bn)	126.0	6,976	94,045
GDP per capita (\$US)	3,375	4,167	12,804
Banked population (%)	32	46	71
Credit card penetration (%)	0	8	27
Internet penetration (%)	74	47	84
Smartphone penetration (%)	86	43	80
Online population	27.7 m	793.6 m	6,551.1 m

B2C e-commerce market size (\$US bn)	4.0	93.5	5,508.7
E-commerce spending per capita (\$US)	110	155	803
E-commerce as % of total retail	2	9	24
E-commerce spending as % of GDP	3.2	2.7	4.0
E-commerce completed on a mobile device (%)	59	47	57

## Future trends (2022 – 2026)

### E-commerce market size forecast (\$US bn)

4.7	2022
5.3	
5.9	
6.5	
6.7	



### E-commerce spending per capita (\$US)

127	2022
144	
159	
174	
176	



### E-commerce spending as % of GDP

3.6	2022
3.9	
4.1	
4.3	
4.2	



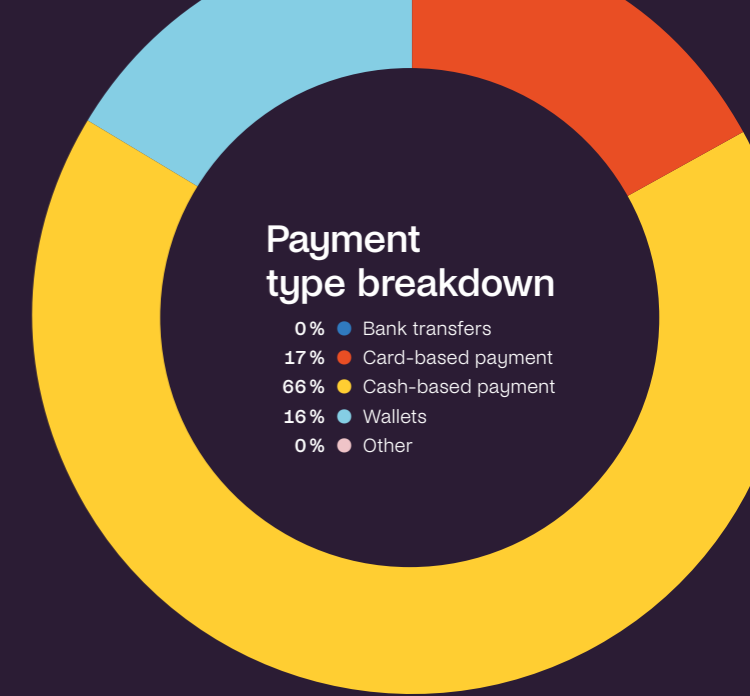
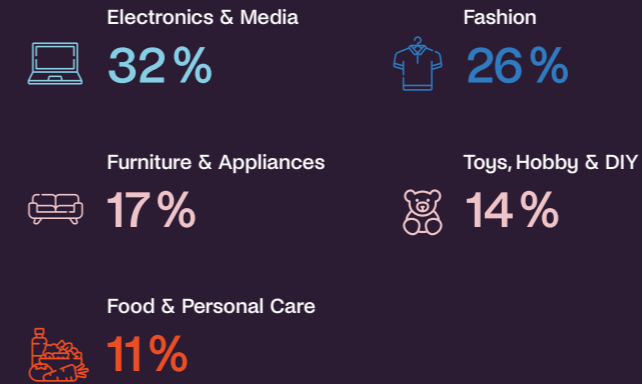
## 17.4% e-commerce growth (YOY)

- E-commerce in Morocco took off during the Pandemic and has continued to grow in 2021 with a 48% climb in the number of transactions and a 38% increase in their value.
- Cards, both foreign and Moroccan, were used over 66 million times, both on and off-line, during the first half of 2022, with a total value of 2.63 bn \$US. Of those used online 96% are locally issued cards.
- Morocco's economy is forecast to slow rapidly in 2022 to 1.9% from 7.9% in 2021 according to the World Bank because of severe droughts and the situation in Ukraine.
- The most popular e-commerce store in Morocco is jumia.ma with 6.96 m visits in July 2022.

## Popular LPMs



## Top e-commerce segments



## Cross-border e-commerce



NA

Cross-border proportion of total e-commerce



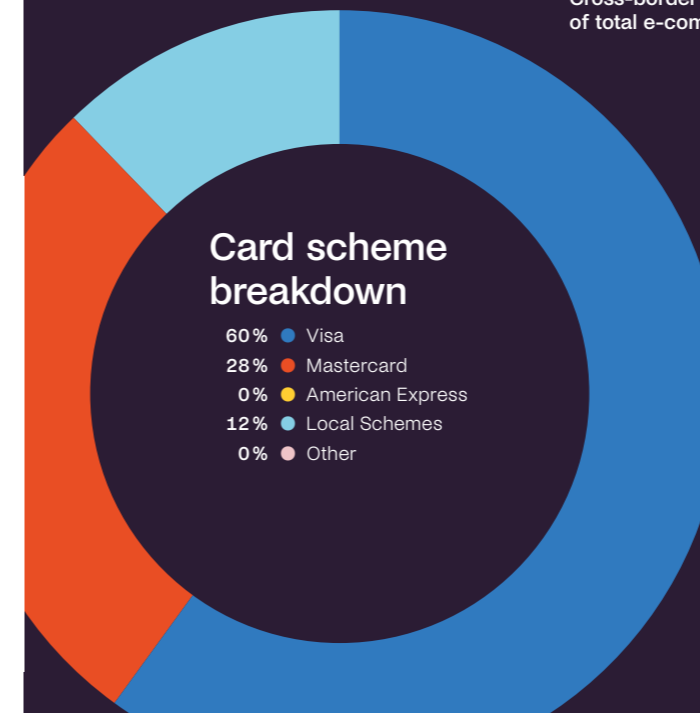
NA

Value of cross-border e-commerce (\$US bn)



NA

Online shoppers who have shopped cross-border



## Top cross-border shopping origin markets



France



Spain



Saudi Arabia

# Nigeria

	Nigeria	MEA	World
Population	211.4 m	1,724.5 m	7,974.9 m
Population 15+	120.3 m	1,082.2 m	5,967.9 m
GDP (\$US bn)	480.5	6,976	94,045
GDP per capita (\$US)	2,273	4,167	12,804
Banked population (%)	42	46	71
Credit card penetration (%)	4	8	27
Internet penetration (%)	52	47	84
Smartphone penetration (%)	53	43	80
Online population	110.2 m	793.6 m	6,551.1 m

B2C e-commerce market size (\$US bn)	12.6	93.5	5,508.7
E-commerce spending per capita (\$US)	60	155	803
E-commerce as % of total retail	7	9	24
E-commerce spending as % of GDP	2.9	2.7	4.0
E-commerce completed on a mobile device (%)	49	47	57

## Future trends (2022 – 2026)

### E-commerce market size forecast (\$US bn)

16.0	2022
19.6	
23.4	
27.4	
31.5	



### E-commerce spending per capita (\$US)

74	2022
88	
103	
117	
132	



### E-commerce spending as % of GDP

3.2	2022
3.4	
3.6	
3.7	
3.8	



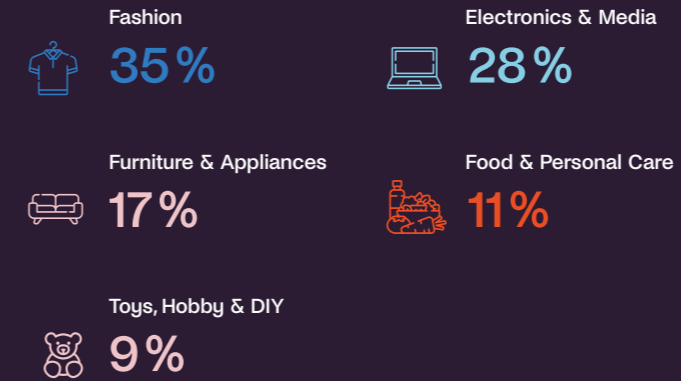
## Popular LPMs



## 37.2% e-commerce growth (YOY)

- Nigerian social commerce is set to grow by 82.4% in 2022 to reach 1,003.8 m \$US, and then is forecast to keep growing by CAGR 71.3% to a worth of 23,817.4 m \$US in 2028.
- Nigerian merchants have recorded a 40% increase in e-payments during the first half of 2022 compared to the same period in 2021. That amounts to 484.3 bn \$US compared to 345.3 bn \$US.
- jumia.com.ng, Nigeria's most popular e-commerce site, celebrated its 10th birthday in 2022. It had 4.26 m visits in July 2022.

## Top e-commerce segments



## Cross-border e-commerce



NA

Cross-border proportion of total e-commerce



NA

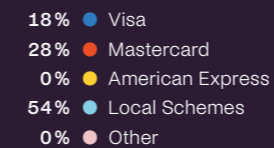
Value of cross-border e-commerce (\$US bn)



65%

Online shoppers who have shopped cross-border

## Card scheme breakdown



## Top cross-border shopping origin markets



China



US



Germany



# Saudi Arabia

	Saudi Arabia	MEA	World
Population	35.3 m	1,724.5 m	7,974.9 m
Population 15+	26.7 m	1,082.2 m	5,967.9 m
GDP (\$US bn)	842.6	6,976	94,045
GDP per capita (\$US)	23,842	4,167	12,804
Banked population (%)	74	46	71
Credit card penetration (%)	17	8	27
Internet penetration (%)	98	47	84
Smartphone penetration (%)	82	43	80
Online population	34.6 m	793.6 m	6,551.1 m

B2C e-commerce market size (\$US bn)	13.2	93.5	5,508.7
E-commerce spending per capita (\$US)	375	155	803
E-commerce as % of total retail	7	9	24
E-commerce spending as % of GDP	1.6	2.7	4.0
E-commerce completed on a mobile device (%)	42	47	57

## Future trends (2022 – 2026)

### E-commerce market size forecast (\$US bn)

15.6	2022
17.9	
20.2	
22.5	
24.7	

### E-commerce spending per capita (\$US)

435	2022
493	
550	
604	
654	

### E-commerce spending as % of GDP

1.8	2022
2.0	
2.2	
2.4	
2.5	

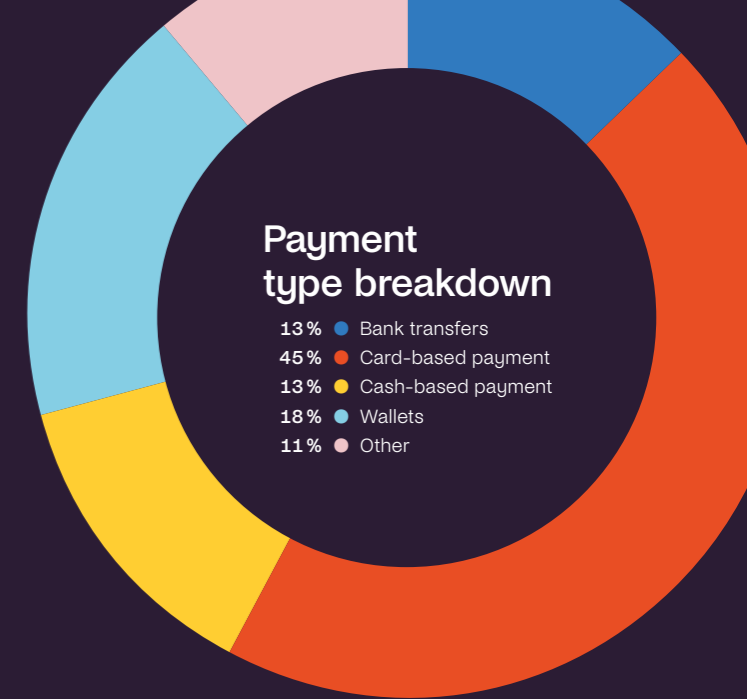
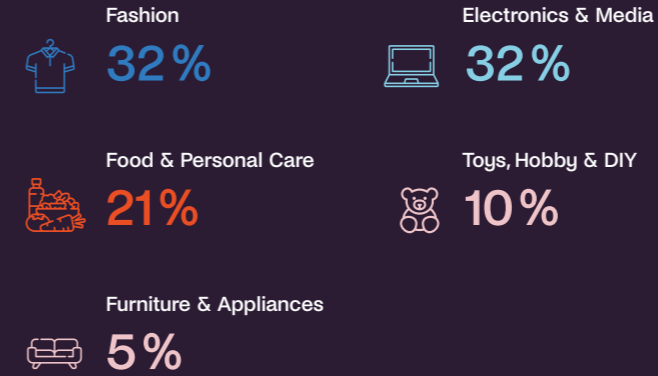
**15.1%** e-commerce growth (YOY)

- 40% of respondents to a survey by Checkout.com cited the opportunity to shop cross border as the reason why they shop online.
- The Minister of Commerce announced in May that the Saudi e-commerce market had grown by 32%, making it one of the top ten countries in the sector.
- Cash is no longer the payment method of choice in the kingdom. E-payments have increased from 44% in 2019 to 62% in 2021 and are make up 94% of the value of all the payments.
- The most popular e-commerce site in Saudi Arabia in July 2022 was amazon.sa with 14.26 m visits.

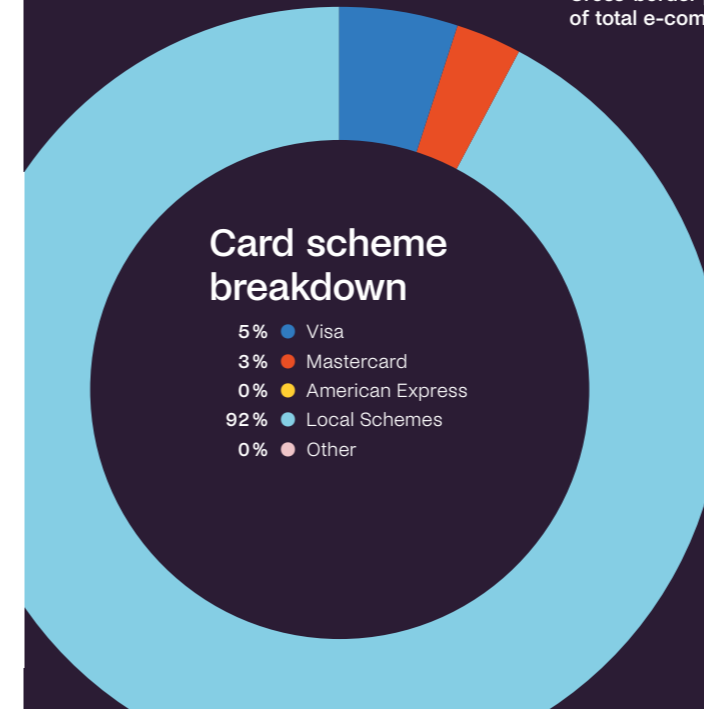
## Popular LPMs



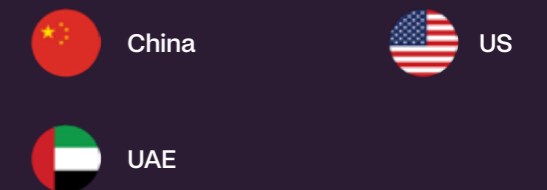
## Top e-commerce segments



## Cross-border e-commerce



## Top cross-border shopping origin markets



# South Africa

	South Africa	MEA	World
Population	60.0 m	1,724.5 m	7,974.9 m
Population 15+	42.7 m	1,082.2 m	5,967.9 m
GDP (\$US bn)	415.3	6,976	94,045
GDP per capita (\$US)	6,917	4,167	12,804
Banked population (%)	72	46	71
Credit card penetration (%)	10	8	27
Internet penetration (%)	64	47	84
Smartphone penetration (%)	78	43	80
Online population	38.5 m	793.6 m	6,551.1 m

B2C e-commerce market size (\$US bn)	4.0	93.5	5,508.7
E-commerce spending per capita (\$US)	66	155	803
E-commerce as % of total retail	4	9	24
E-commerce spending as % of GDP	1.1	2.7	4.0
E-commerce completed on a mobile device (%)	46	47	57

## Future trends (2022 – 2026)

### E-commerce market size forecast (\$US bn)

4.9	2022
5.9	
7.0	
8.2	
9.4	



### E-commerce spending per capita (\$US)

81	2022
96	
113	
130	
148	



### E-commerce spending as % of GDP

1.2	2022
1.4	
1.6	
1.7	
1.9	



## 18.9% e-commerce growth (YOY)

- From 2022 to 2028, South Africa's social-commerce market is forecast to grow by 108%, to reach a value of over 1 billion \$US.
- There are already 109 million mobile connections in South Africa and the number of individuals with a mobile phone grew by 5% between 2021 and 2022.
- Mobile's average share of South African e-commerce is 46%, but in February 2022 m-commerce peaked at 63% — suggesting mobile shopping continues to grow in popularity.
- Between 2022 and 2027, the value of digital payments in South Africa is expected to grow from 14 bn \$US to 25 bn \$US.
- Asked what they most like about online shopping, 49% of South Africans said convenience and a massive 77% said they use e-commerce to avoid crowds.

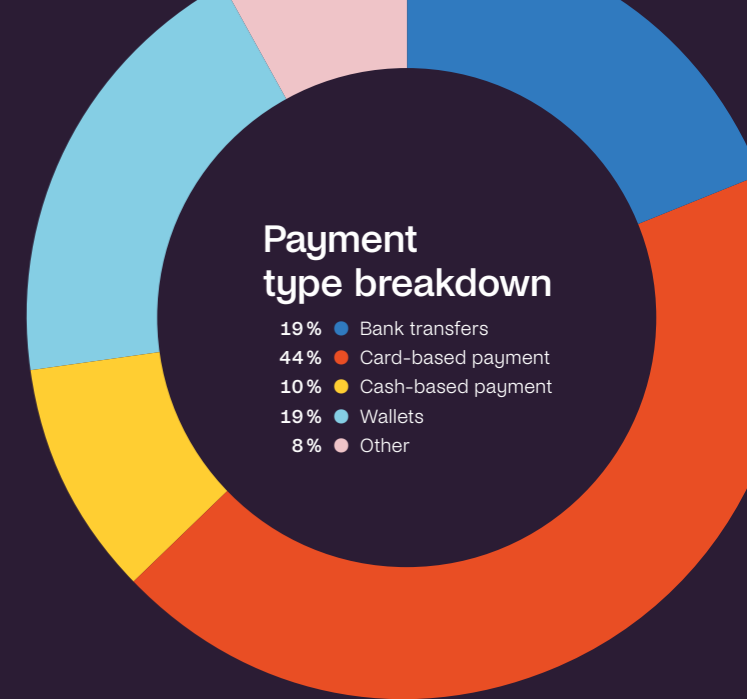
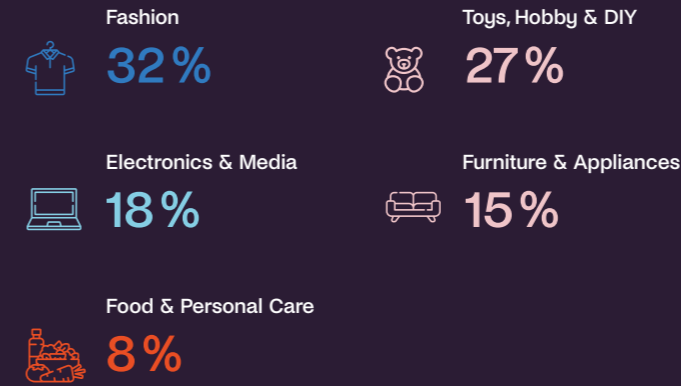
## Popular LPMs



(MTN Mobile Money)



## Top e-commerce segments



## Cross-border e-commerce



# NA

Cross-border proportion of total e-commerce



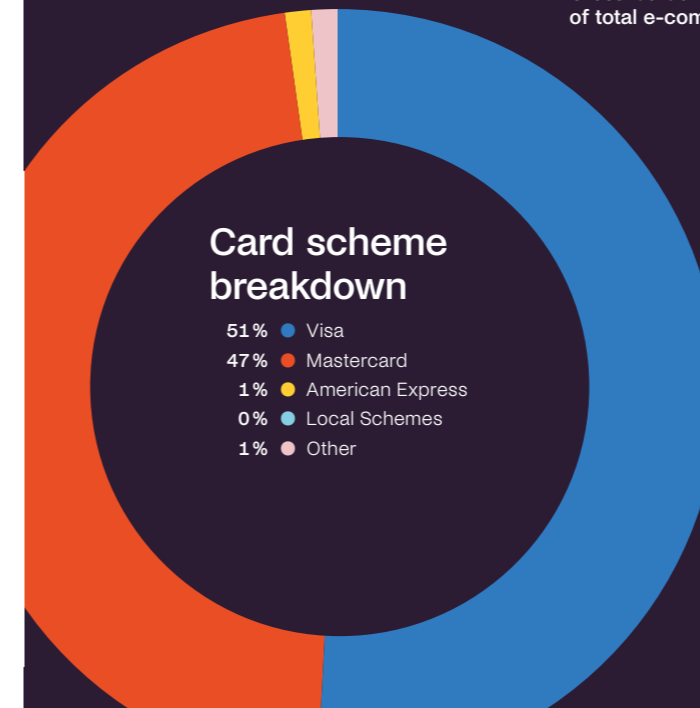
# NA

Value of cross-border e-commerce (\$US bn)



# 66%

Online shoppers who have shopped cross-border



## Top cross-border shopping origin markets



China



Germany



US

# Turkey

	Turkey	MEA	World
Population	85.0 m	1,724.5 m	7,974.9 m
Population 15+	65.6 m	1,082.2 m	5,967.9 m
GDP (\$US bn)	796.0	6,976	94,045
GDP per capita (\$US)	9,359	4,167	12,804
Banked population (%)	71	46	71
Credit card penetration (%)	43	8	27
Internet penetration (%)	80	47	84
Smartphone penetration (%)	79	43	80
Online population	68.4 m	793.6 m	6,551.1 m

B2C e-commerce market size (\$US bn)	18.3	93.5	5,508.7
E-commerce spending per capita (\$US)	216	155	803
E-commerce as % of total retail	12	9	24
E-commerce spending as % of GDP	3.6	2.7	4.0
E-commerce completed on a mobile device (%)	46	47	57

## Future trends (2022 – 2026)

### E-commerce market size forecast (\$US bn)

25.6	2022
31.1	
36.6	
42.2	
48.4	



### E-commerce spending per capita (\$US)

299	2022
359	
417	
477	
541	



### E-commerce spending as % of GDP

4.4	2022
4.6	
4.7	
4.7	
4.7	



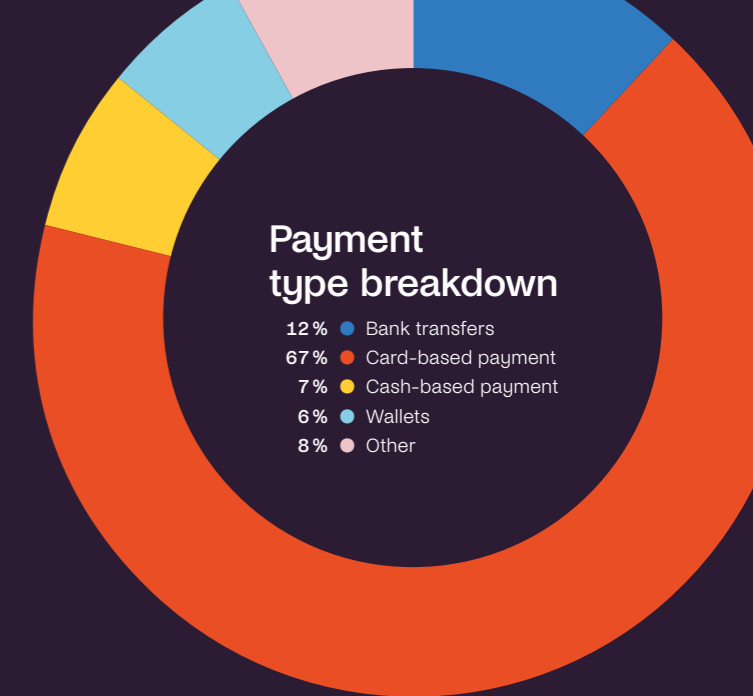
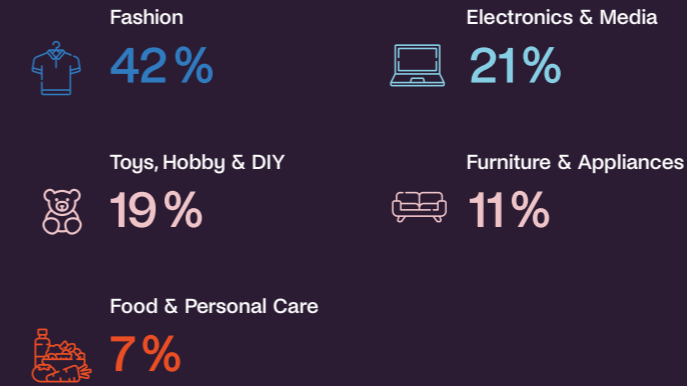
**67.0%** e-commerce growth (YOY)

- From 2022 to 2027, the value of transactions made in Turkey using digital payments is expected to increase from 63 bn \$US to 137 bn \$US.
- Six percent of all fast-moving consumer goods (FMCG) purchases in Turkey are now made online — and that's expected to continue growing for the foreseeable future.
- Between 2022 and 2028, the value of social commerce in Turkey will grow from 2.7 bn \$US to 27 bn \$US.
- Between 2021 and 2022, almost four million Turks connected to the Internet for the first time, bringing total Internet penetration to slightly over 80%.

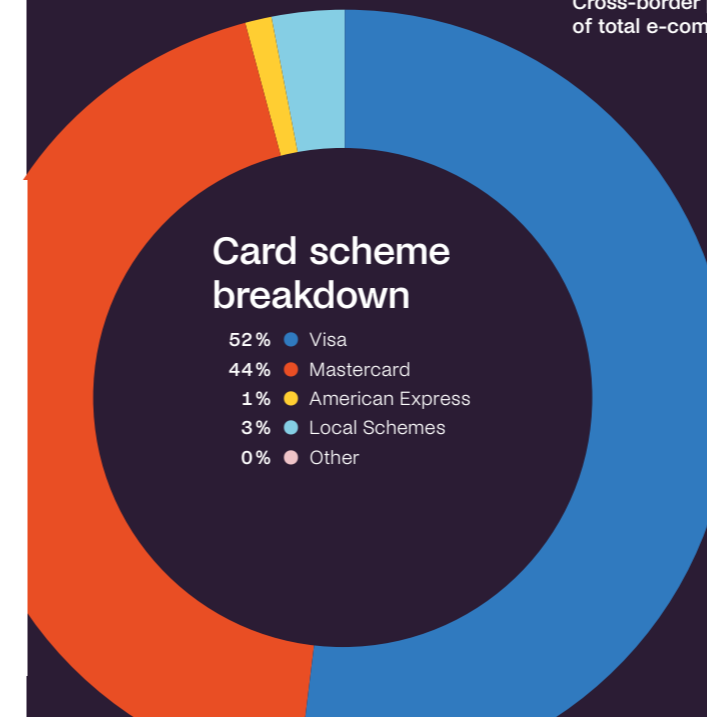
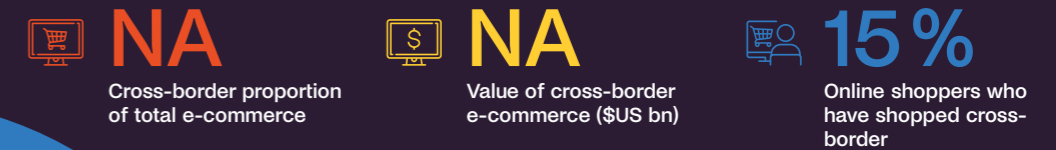
## Popular LPMs



## Top e-commerce segments



## Cross-border e-commerce



## Top cross-border shopping origin markets



# United Arab Emirates

**23.1%** e-commerce growth (YOY)

	UAE	MEA	World
Population	10.0 m	1,724.5 m	7,974.9 m
Population 15+	8.4 m	1,082.2 m	5,967.9 m
GDP (\$US bn)	410.2	6,976	94,045
GDP per capita (\$US)	41,052	4,167	12,804
Banked population (%)	90	46	71
Credit card penetration (%)	48	8	27
Internet penetration (%)	99	47	84
Smartphone penetration (%)	84	43	80
Online population	9.9 m	793.6 m	6,551.1 m

B2C e-commerce market size (\$US bn)	21.2	93.5	5,508.7
E-commerce spending per capita (\$US)	2,202	155	803
E-commerce as % of total retail	16	9	24
E-commerce spending as % of GDP	5.7	2.7	4.0
E-commerce completed on a mobile device (%)	55	47	57

- Between 2022 and 2027, the total value of digital payments in the UAE is expected to grow from 26 bn \$US to 39 bn \$US.
- Between 2022 and 2028, the value of social commerce in the UAE will grow from 905 m \$US to reach 5,350 m \$US.
- In response to the growing demand for parcel deliveries, the UAE logistics market is expected to grow by 7% a year, adding 12 billion \$US to its value, between 2022 and 2026.
- A recent report found that 74% of UAE online shoppers expect to spend more with e-commerce merchants in the future than they did in the past.

## Future trends (2022 – 2026)

E-commerce market size forecast (\$US bn)

25.2	2022
29.4	
33.8	
38.4	
43.3	



E-commerce spending per capita (\$US)

2,519	2022
2,998	
3,417	
3,858	
4,319	



E-commerce spending as % of GDP

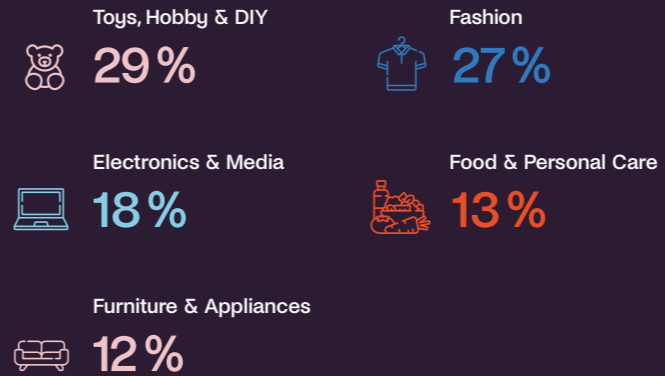
6.5	2022
7.3	
8.1	
8.9	
9.6	



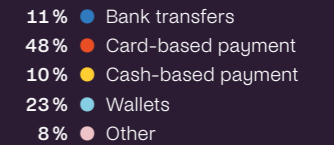
## Popular LPMs



## Top e-commerce segments



## Payment type breakdown



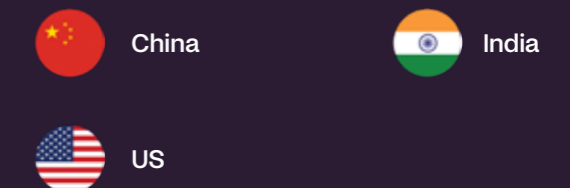
## Cross-border e-commerce



## Card scheme breakdown



## Top cross-border shopping origin markets





Launching payment methods can be costly and complex. Unless you partner with a pro.

We globalise payment platforms for businesses like yours so you can offer more choice at the checkout and boost cross-border sales.

This report has been compiled by PPRO in cooperation with Edgur Dunn, and Company (EDC), and Wright & Brown, and presents partially data owned by GlobalData.

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