




ppro



Asia Pacific

Payments and
e-commerce report 2022



E-commerce and payments in the Asia Pacific

Consumers in the Asia Pacific region buy almost a third of all their retail purchases online. That's a higher proportion than any other part of the world. China alone accounts for almost 40% of all the world's e-commerce. Taken together, the fourteen most prosperous and active e-commerce markets in Asia Pacific account for around half of all world e-commerce.

In 2022, Southeast Asia saw the fastest growth in digital sales of any region in the world, expanding at a rate of 21%. Even this is almost certainly merely setting the stage for what's to come. Recently, analysts from a Singaporean Venture Capital firm said that e-commerce growth in the region was “still in the opening act”.

The e-commerce markets of the Southeast Asian countries covered in this report (Indonesia, Malaysia, Singapore, Thailand and Vietnam) will grow by 14% a year between 2022 and 2026. Since the pandemic, Southeast Asia's online sales of fashion items have grown by 19%.

Between 2022 and 2026, Southeast Asia's online food delivery market is forecast to grow from US\$9 billion to US\$28 billion. During the same period, the region's online grocery sector will grow from an aggregate value of US\$11.3 billion to US\$22.5 billion.

Indian e-commerce will grow at an annual rate of 16% between 2022 and 2026. By 2026, sales of goods and services online in India will be

worth more than US\$150 billion. Unsurprisingly for a country in which 61% of the population has a smartphone but just 1.9% has a fixed-line broadband connection, Indian consumers complete 58% of e-commerce transactions on mobile devices.

The Indian online grocery segment will grow from a value of US\$4 billion in 2021 to US\$39 billion in 2028. The online fashion market is growing at a rate of 51% a year. The most popular sectors in Indian e-commerce are electronics (34% of all online sales) fashion (27%), food and personal items (24%). Forty-nine percent of Indians shop cross-border, with the US, Australia and China the most popular online shopping destinations.

The Chinese e-commerce market is growing at a rate of 10% a year. The most popular segments with Chinese online shoppers are toys (26%), fashion (25%) and personal care (21%). Thirty-nine percent of Chinese shop with merchants based outside of China. Their favourite online shopping destinations are Japan (21%), South Korea (14%) and the US (13%).

The e-commerce infrastructure in the Asia Pacific

The adult population of the Asia-Pacific countries covered by this report is almost three billion. Three billion, spread across fourteen countries, speaking hundreds of languages and working in very different national economies. There is no single “APAC” way to pay.

In China, consumers pay for 65% of online purchases using e-wallets. In Indonesia it's just 39%, in South Korea 22% and in Japan only 12%. This pattern is repeated for all the other major payment types. Something that's huge in one market is only marginally popular in another. Any e-commerce strategy for the Asia Pacific region must have a localised payments strategy for each market. And that strategy must rely on detailed local knowledge and expertise.

Even when dealing with cards, you can take nothing for granted. In China, for instance, consumers pay for almost a fifth of online purchases with credit cards. But none of those cards are issued by international big-brand names. They're all issued by local schemes. Go into China with a card strategy you've copied and pasted from another market, and you will come to grief.

Financial inclusion rates in the region vary widely. On average, 76% of the region's inhabitants have a bank account. But national rates range from 33% in Vietnam to 95% in Hong Kong and 100% in Australia. The same picture emerges for credit cards. The regional average for card ownership is 29%, but national rates of card penetration range from 2% in Indonesia and the Philippines to 70% in Japan.

As before, this underlines the need for detailed local market knowledge of payments and general financial habits. In some markets where many people are unbanked, there is

still a relatively widespread reliance on cash. Filipinos, for instance, still pay for over a fifth of online purchases using cash.

Typically, this works by the shopper choosing the cash payment method at the checkout. The checkout generates a unique code, which the shopper takes to participating convenience store or post office, where they hand over their cash. The retailer then transmits the cash to the online merchant, who then releases the goods for shipment.

Where such payment methods are popular, it's vital that new merchants have a connection to the cash payment schemes and the participating stores. But it's also important not to assume that cash will be the default option for the unbanked. Many unbanked users store their money on and spend it with e-wallets, bypassing banks altogether. Asia has an estimated 2.6 billion e-wallet users who make over US\$7 trillion worth of transactions every year.

The average rate of Internet penetration in Asia Pacific is 61%. But as with rates of financial inclusion, this headline figure masks wide disparities. In South Korea, 96% of people have Internet access. In India, it's just 54%. A similar pattern holds for smartphone ownership. The regional average rate of ownership is 62%, but national rates vary from 59% in Thailand to 96% in South Korea.

Headwinds global and local

Inflation, which is such a problem in many Western markets, has passed a lot of Asian economies by, at least so far. In China, inflation is just 2.5%. In Japan it's 2.4%. In Hong Kong it's 2.1%, in Taiwan 2.7%.

China's inflation is lower in part because the government didn't give consumers a direct pandemic stimulus, in part because of how inflation is measured and in part because repeated COVID lockdowns have dampened demand. Japan seems to still be suffering from low growth in consumer wages, which has prevented demand from rebounding, helping to keep inflation low. Taiwan has been seriously concerned about its inflation rate, despite this being enviably low by Western standards. By mid-2022, however, there were signs that inflation on the island was slowing.

In other APAC economies, however, inflation is at or near Western levels. In India, for instance, inflation at the time of going to press was 7%. The main drivers of prising prices were the increased costs for fuel and foodstuffs. In the Philippines it was just over 6%. In Indonesia it was around 5%. As with elsewhere in the world, consumer sentiment in APAC countries is highly dependent on general indicators of economic health.

Merchants entering or expanding in markets in the region will need to craft a strategy appropriate to the specific economic conditions in each market. That includes factoring local exposure to the conditions

which are driving inflation and to the uncertainty arising from the international situation.

Despite these cautionary notes, the Asia Pacific region is one of the world's fastest growing and most exciting e-commerce markets. With the right strategy and the right approach to localisation, e-commerce merchants are still able to grow and prosper here, in the highly connected, innovative and open Asian economies.



Asia Pacific

Payment type breakdown

Global	Asia Pacific
11 %	10 %
32 %	23 %
4 %	5 %
45 %	58 %
6 %	4 %

- Bank transfers
- Card-based payment
- Cash-based payment
- Wallets
- Other

Card scheme breakdown

Global	Asia Pacific
24 %	7 %
14 %	4 %
2 %	0 %
59 %	87 %
1 %	1 %

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

Australia

	Australia	Asia Pacific	World
Population	25.8 m	4,385.7 m	7,974.9 m
Population 15+	20.8 m	3,383.5 m	5,967.9 m
GDP (\$US bn)	1,610.6	33,909	94,045
GDP per capita (\$US)	62,449	7,960	12,804
Banked population (%)	100	76	71
Credit card penetration (%)	59	29	27
Internet penetration (%)	89	61	84
Smartphone penetration (%)	80	62	80
Online population	23.0 m	2,601.9 m	6,551.1 m

B2C e-commerce market size (\$US bn)	44.4	2,664.0	5,508.7
E-commerce spending per capita (\$US)	1,724	739	803
E-commerce as % of total retail	15	29	24
E-commerce spending as % of GDP	3.0	5.0	4.0
E-commerce completed on a mobile device (%)	43	65	57

Future trends (2022 – 2026)

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

50.1	2022
56.4	
62.6	
68.7	
74.8	



E-commerce spending per capita (\$US)

1,923	2022
2,138	
2,348	
2,548	
2,744	



E-commerce spending as % of GDP

3.2	2022
3.4	
3.6	
3.8	
3.9	



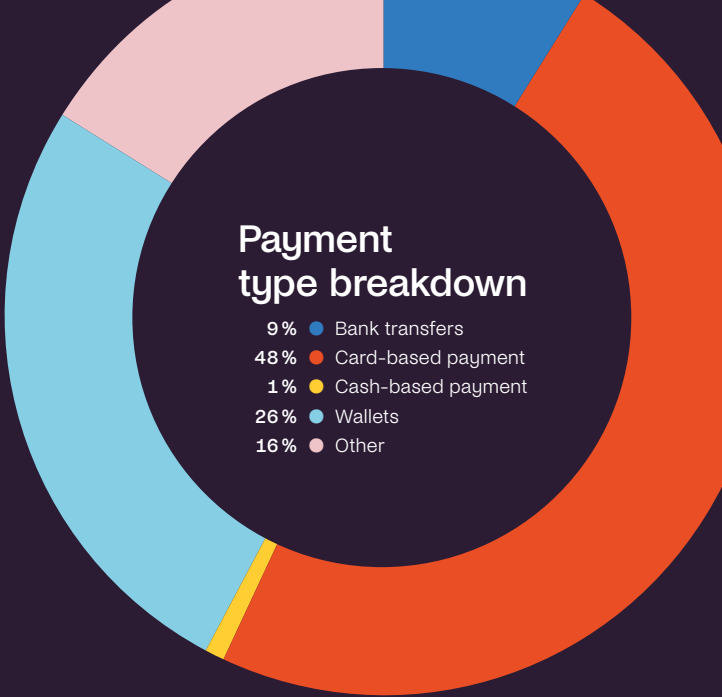
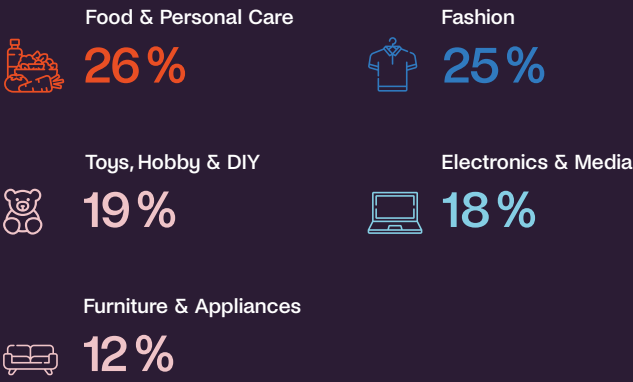
14.2% e-commerce growth (YOY)

- Australia Post reports that 9.3 million households are now shopping online, an increase of 200,000 on 2021, showing that the trend towards online shopping in the pandemic is not slowing.
- As the popularity of cash falls in Australia – down from two thirds of purchases in 2012 to less than a third in 2022 – the market is wide open for a variety of new payment methods like NPP's new payment method PayTo.
- The Reserve Bank of Australia recently cut its forecasted figures for domestic consumption in 2022 from 4.4 to 2.8%. Domestic consumption makes up 60% of the Australian economy.
- Ebay.co.au was the most popular e-commerce website in Australia in July 2022 with 60.1 m visits in July alone.

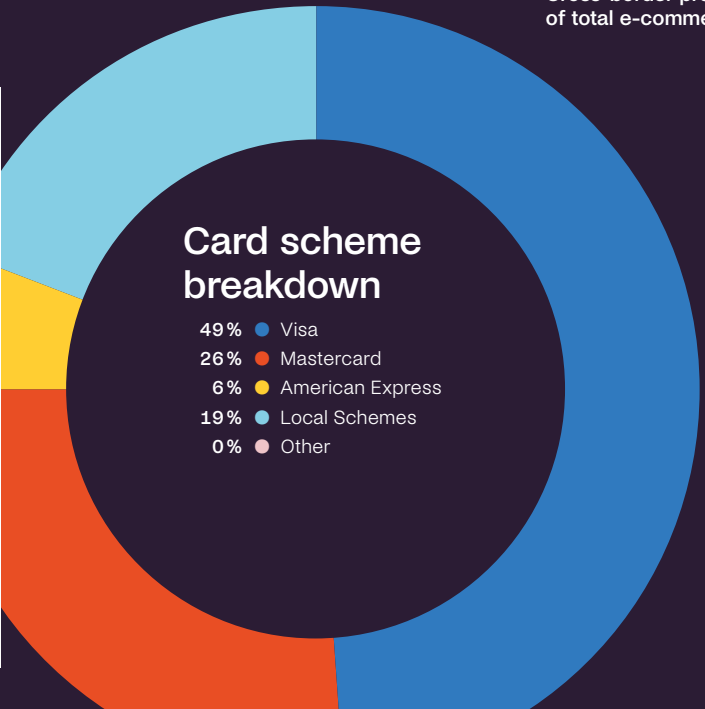
Popular LPMs



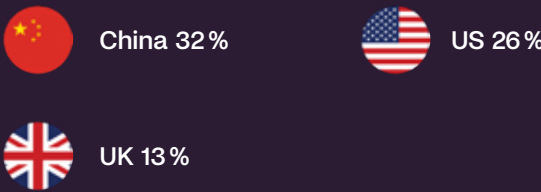
Top e-commerce segments



Cross-border e-commerce



Top cross-border shopping origin markets



China

	China	Asia Pacific	World
Population	1,447.8 m	4,385.7 m	7,974.9 m
Population 15+	1,192.3 m	3,383.5 m	5,967.9 m
GDP (\$US bn)	16,863.0	33,909	94,045
GDP per capita (\$US)	11,647	7,960	12,804
Banked population (%)	82	76	71
Credit card penetration (%)	22	29	27
Internet penetration (%)	69	61	84
Smartphone penetration (%)	72	62	80
Online population	991.7 m	2,601.9 m	6,551.1 m

B2C e-commerce market size (\$US bn)	2,059.5	2,664.0	5,508.7
E-commerce spending per capita (\$US)	1,455	739	803
E-commerce as % of total retail	33	29	24
E-commerce spending as % of GDP	11.8	5.0	4.0
E-commerce completed on a mobile device (%)	69	65	57

Future trends (2022 – 2026)

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

2,274.7	2022
2,493.6	
2,718.5	
2,949.0	
3,175.9	



E-commerce spending per capita (\$US)

1,603	2022
1,754	
1,909	
2,068	
2,225	



E-commerce spending as % of GDP

12.2	2022
12.4	
12.7	
12.8	
12.9	



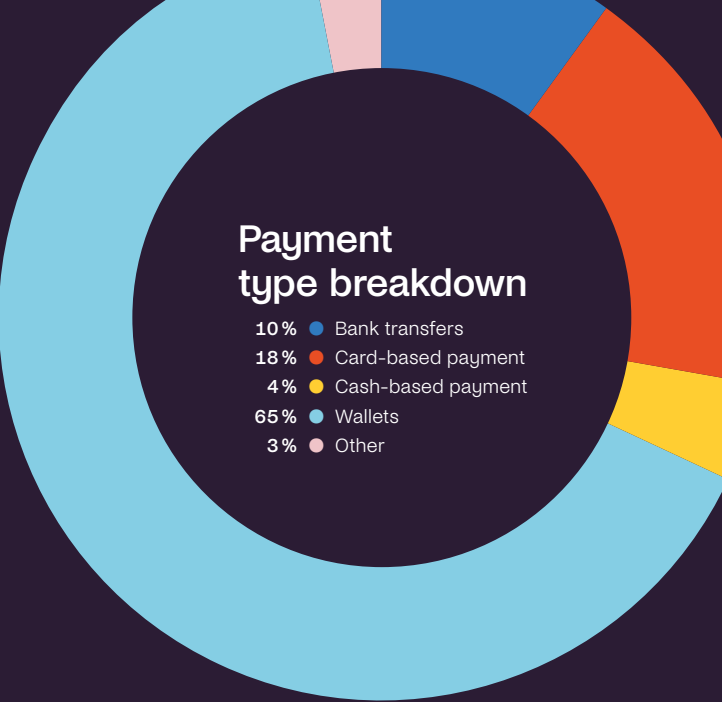
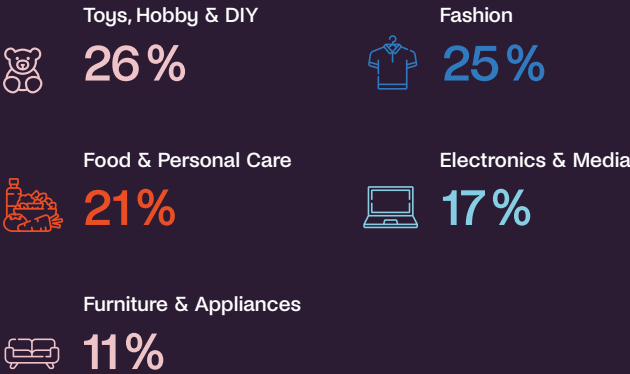
11.3 % e-commerce growth (YOY)

- The Chinese economy is staggering under the real estate crisis and the continuing Covid lockdowns. The IMF has revised Chinese growth downwards to their lowest point in 40 years of 3.3% with concerns that the Chinese slowdown will have potentially major global effects.
- The most popular e-commerce website in China is Taobao with an estimated monthly visit number of 300 m.
- Despite economic jitters, the Chinese e-commerce sector is expected to grow in 2022 by 10.4% as consumers increasingly prefer to shop online rather than offline.
- With a travel ban in place, Chinese consumers who have been unable to buy Western goods in person have taken to cross border shopping instead. Tmall Global, one of the biggest and most popular cross border marketplace, saw an increase in YOY growth of nearly 70% amongst consumers aged 21 and under.

Popular LPMs



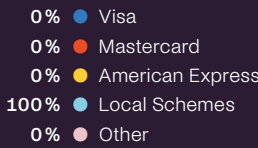
Top e-commerce segments



Cross-border e-commerce



Card scheme breakdown



Top cross-border shopping origin markets



Hong Kong

	Hong Kong	Asia Pacific	World
Population	7.7 m	4,385.7 m	7,974.9 m
Population 15+	6.7 m	3,383.5 m	5,967.9 m
GDP (\$US bn)	369.8	33,909	94,045
GDP per capita (\$US)	48,078	7,960	12,804
Banked population (%)	95	76	71
Credit card penetration (%)	67	29	27
Internet penetration (%)	89	61	84
Smartphone penetration (%)	88	62	80
Online population	6.8 m	2,601.9 m	6,551.1 m

B2C e-commerce market size (\$US bn)	23.0	2,664.0	5,508.7
E-commerce spending per capita (\$US)	3,107	739	803
E-commerce as % of total retail	11	29	24
E-commerce spending as % of GDP	6.2	5.0	4.0
E-commerce completed on a mobile device (%)	59	65	57

Future trends (2022 – 2026)

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

26.0	2022
29.2	
32.5	
35.9	
39.1	



E-commerce spending per capita (\$US)

3,498	2022
3,894	
4,315	
4,734	
5,121	



E-commerce spending as % of GDP

6.7	2022
7.2	
7.6	
8.0	
8.3	



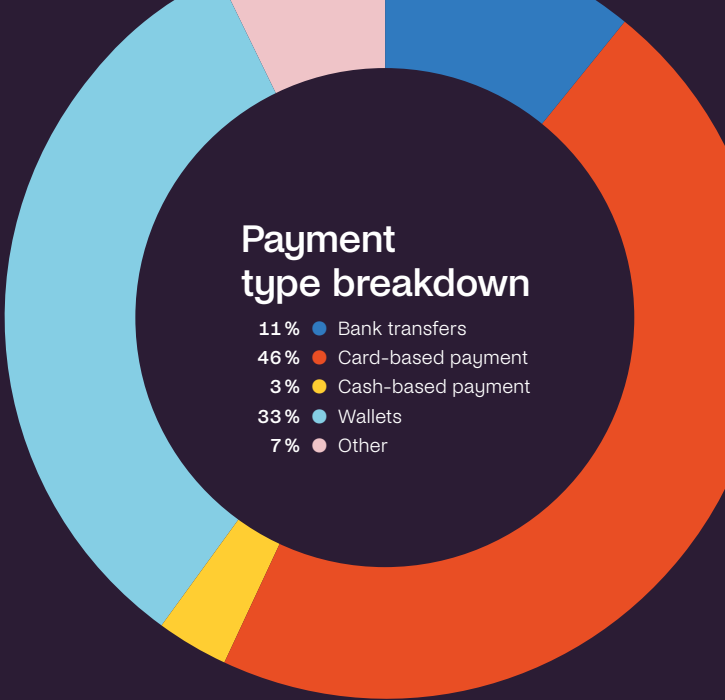
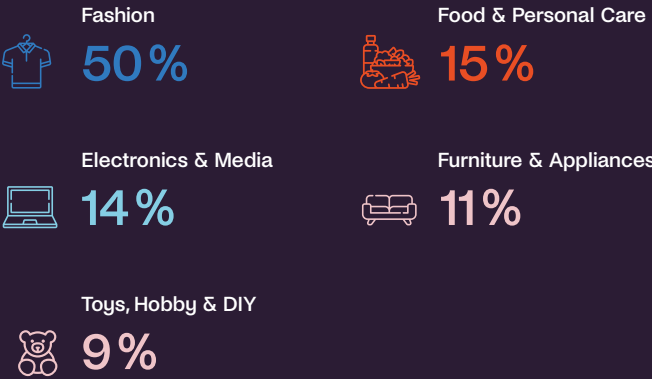
20.2% e-commerce growth (YOY)

- Economists have downgraded their forecasts for Hong Kong's economy after a disappointing quarterly returns showed GDP had slowed against last year's figures. The ongoing disruption to trade between Hong Kong and China from Covid, as well as a rise in interest rates have been cited as possible causes.
- The number of credit cards in Hong Kong decreased by 0.8% in 2022, whilst the number of payments made by credit card dropped by 220.15 million, or 0.04% down on the same period in 2021.
- Like China, the top e-commerce store in Hong Kong in July 2022 was Taobao.com.
- Alibaba is closing its Tmall platform in Hong Kong in October 22, citing an overcrowded market as the reason.

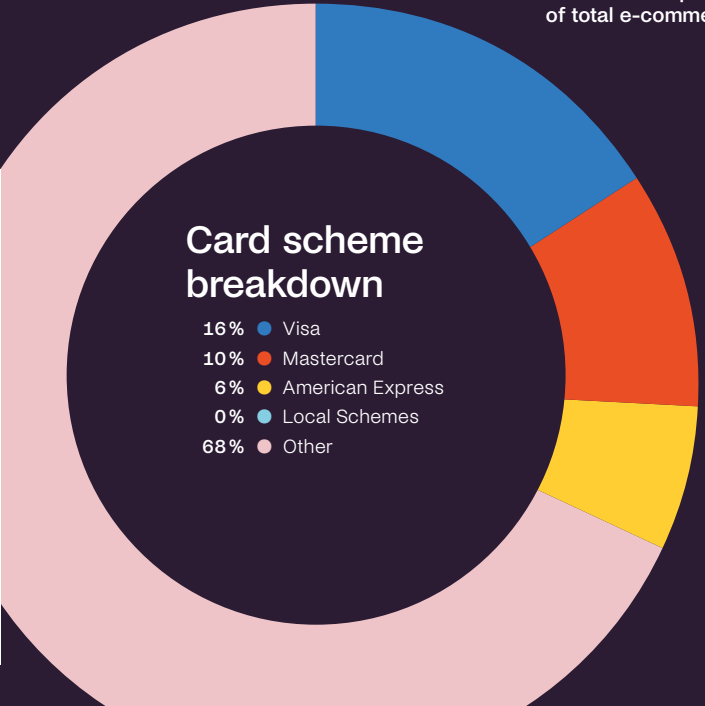
Popular LPMs



Top e-commerce segments



Cross-border e-commerce



Top cross-border shopping origin markets



India

	India	Asia Pacific	World
Population	1,393.4 m	4,385.7 m	7,974.9 m
Population 15+	1,036.1 m	3,383.5 m	5,967.9 m
GDP (\$US bn)	2,946.1	33,909	94,045
GDP per capita (\$US)	2,114	7,960	12,804
Banked population (%)	83	76	71
Credit card penetration (%)	3	29	27
Internet penetration (%)	54	61	84
Smartphone penetration (%)	61	62	80
Online population	755.2 m	2,601.9 m	6,551.1 m

B2C e-commerce market size (\$US bn)	68.3	2,664.0	5,508.7
E-commerce spending per capita (\$US)	51	739	803
E-commerce as % of total retail	6	29	24
E-commerce spending as % of GDP	2.3	5.0	4.0
E-commerce completed on a mobile device (%)	58	65	57

Future trends (2022 – 2026)

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

82.7	2022
97.9	
113.8	
131.4	
150.3	



E-commerce spending per capita (\$US)

61	2022
72	
83	
95	
108	



E-commerce spending as % of GDP

2.5	2022
2.6	
2.8	
2.9	
3.0	



32.4 % e-commerce growth (YOY)

- The Indian e-commerce sector is forecast to grow rapidly. This is in part driven by the increase in internet connections from 622 m in 2020 to 830 m in 2021.
- After a year the Reserve Bank of India has lifted the ban on Mastercard onboarding new customers, after Mastercard showed compliance in following the Indian payment rules on storing payment systems data.
- The popular payment method UPI is going international with agreements being signed with France, Singapore and the UAE. However, payments processing will remain in India.
- The Indian social commerce market is expected to grow by CAGR 62.4% between 2022 and 2028 to reach 143,583.3 m \$US in 2028.
- The most popular Indian e-commerce site in July 2022 was amazon.in with almost 303 m visits.

Popular LPMs

paytm



RuPay



Top e-commerce segments

Electronics & Media

34 %

Fashion

27 %



Food & Personal Care

24 %



Toys, Hobby & DIY

11 %



Furniture & Appliances

5 %



Payment type breakdown

- 12 % Bank transfers
- 28 % Card-based payment
- 9 % Cash-based payment
- 45 % Wallets
- 6 % Other

Cross-border e-commerce



26 %

Cross-border proportion of total e-commerce



17.7

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



49 %

Online shoppers who have shopped cross-border

Card scheme breakdown

- 48 % Visa
- 28 % Mastercard
- 1 % American Express
- 23 % Local Schemes
- 0 % Other

Top cross-border shopping origin markets



US 21%



Australia 14 %



China 11%

Indonesia

	Indonesia	Asia Pacific	World
Population	276.4 m	4,385.7 m	7,974.9 m
Population 15+	205.3 m	3,383.5 m	5,967.9 m
GDP (\$US bn)	1,150.2	33,909	94,045
GDP per capita (\$US)	4,162	7,960	12,804
Banked population (%)	52	76	71
Credit card penetration (%)	2	29	27
Internet penetration (%)	77	61	84
Smartphone penetration (%)	72	62	80
Online population	212.3 m	2,601.9 m	6,551.1 m

B2C e-commerce market size (\$US bn)	28.2	2,664.0	5,508.7
E-commerce spending per capita (\$US)	103	739	803
E-commerce as % of total retail	10	29	24
E-commerce spending as % of GDP	2.4	5.0	4.0
E-commerce completed on a mobile device (%)	63	65	57

Future trends (2022 – 2026)

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

35.2	2022
43.0	
50.5	
58.3	
66.4	



E-commerce spending per capita (\$US)

128	2022
155	
180	
206	
233	



E-commerce spending as % of GDP

2.7	2022
3.0	
3.3	
3.5	
3.7	



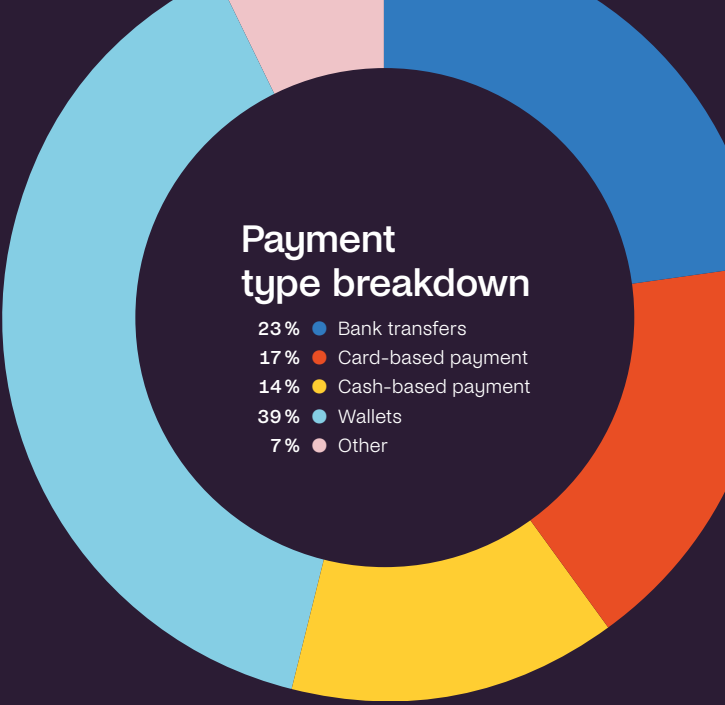
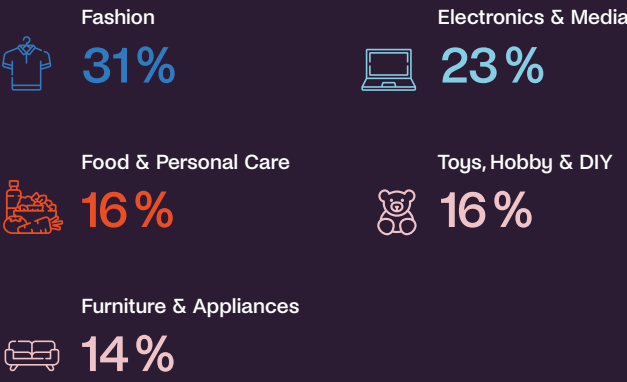
39.0 % e-commerce growth (YOY)

- Consumers in smaller cities in Indonesia are often penalised because of complicated supply chain issues, and end up paying more for their purchases. A start up called KitaBeli plans to change this with its own distribution network, a social commerce network and warehouses in every city it covers.
- On the 1st April 2022 the VAT rate increased to 11% and will increase to 12% on 1st January 2025 on all goods and services purchased through an e-commerce platform by Indonesian customers from external agents.
- The most popular e-commerce store in Indonesia in July 2022 was shopee.co.id which had 171.2 m visits.

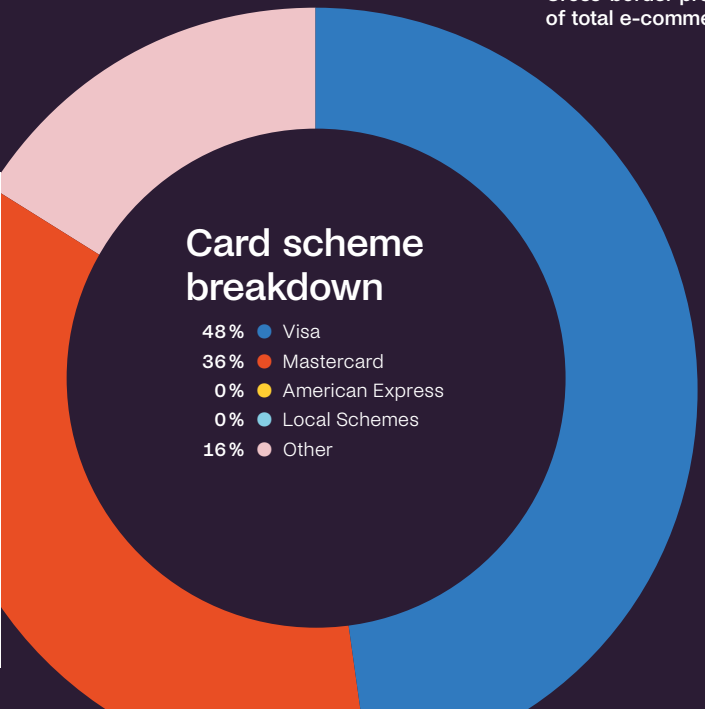
Popular LPMs



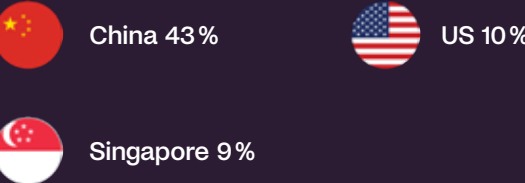
Top e-commerce segments



Cross-border e-commerce



Top cross-border shopping origin markets



Japan

	Japan	Asia Pacific	World
Population	126.1 m	4,385.7 m	7,974.9 m
Population 15+	110.5 m	3,383.5 m	5,967.9 m
GDP (\$US bn)	5,103.1	33,909	94,045
GDP per capita (\$US)	40,469	7,960	12,804
Banked population (%)	98	76	71
Credit card penetration (%)	70	29	27
Internet penetration (%)	95	61	84
Smartphone penetration (%)	72	62	80
Online population	119.2 m	2,601.9 m	6,551.1 m

B2C e-commerce market size (\$US bn)	181.7	2,664.0	5,508.7
E-commerce spending per capita (\$US)	1,452	739	803
E-commerce as % of total retail	16	29	24
E-commerce spending as % of GDP	3.9	5.0	4.0
E-commerce completed on a mobile device (%)	32	65	57

Future trends (2022 – 2026)

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

194.3	2022
206.4	
217.8	
228.4	
237.8	



E-commerce spending per capita (\$US)

1,559	2022
1,663	
1,762	
1,856	
1,941	



E-commerce spending as % of GDP



4.0	2022
4.1	
4.3	
4.5	
4.6	







8.5% e-commerce growth (YOY)

- The BNPL payment type is expected to grow by CAGR 28.2% between 2022 and 2028 resulting in it being worth 55,702.3 m \$US by 2028. Growth of the payment method in the travel market has been substantial and new products are entering the Japanese market including some from outside the country.
- Card payments are expected to rebound in 2022 after they lost market share due to the Pandemic. It is forecast that they will grow by 8.5% and continue to grow to reach a value of 953.6 bn \$US in 2025.
- Rakuten was the most popular e-commerce website in Japan, with 49% of users preferring to buy their daily necessities. Amazon came second with 45.9% of the market share.
- Despite the slightly lower than expected rise in GDP for the second quarter (2.2%), the Japanese economy has returned to its pre-Pandemic size.

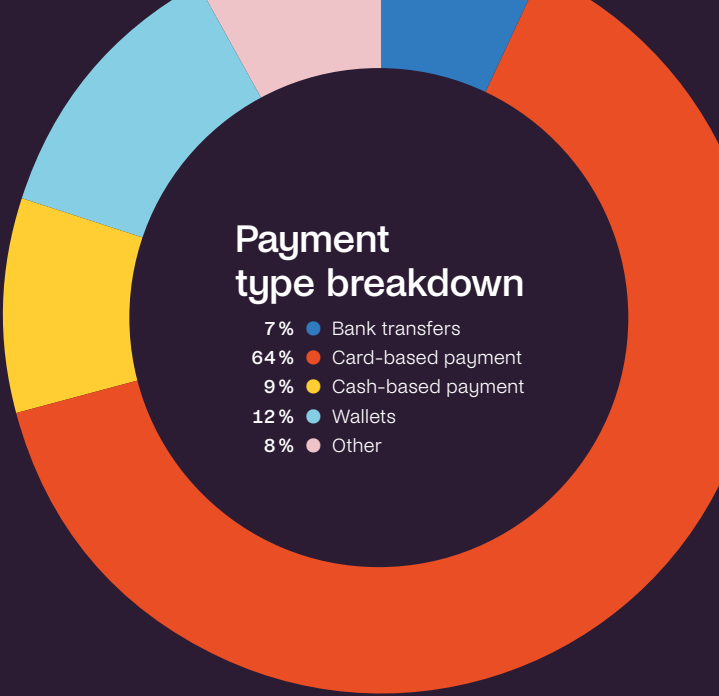
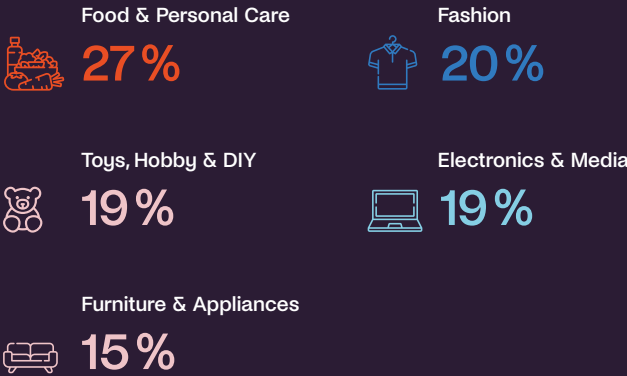
Popular LPMs



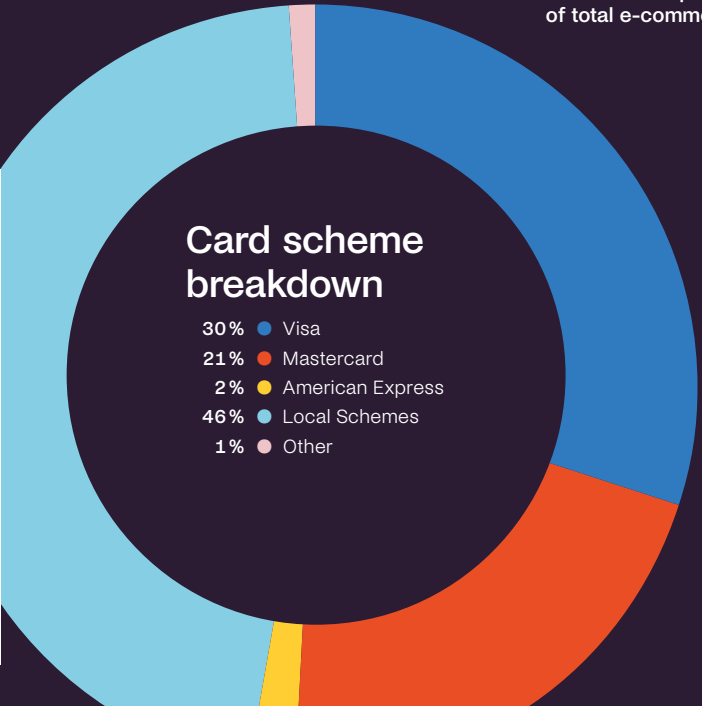




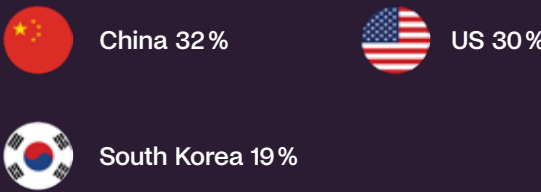
Top e-commerce segments



Cross-border e-commerce



Top cross-border shopping origin markets



Malaysia

	Malaysia	Asia Pacific	World
Population	32.8 m	4,385.7 m	7,974.9 m
Population 15+	25.2 m	3,383.5 m	5,967.9 m
GDP (\$US bn)	1,823.9	33,909	94,045
GDP per capita (\$US)	55,639	7,960	12,804
Banked population (%)	87	76	71
Credit card penetration (%)	23	29	27
Internet penetration (%)	89	61	84
Smartphone penetration (%)	88	62	80
Online population	29.2 m	2,601.9 m	6,551.1 m

B2C e-commerce market size (\$US bn)	7.6	2,664.0	5,508.7
E-commerce spending per capita (\$US)	234	739	803
E-commerce as % of total retail	1	29	24
E-commerce spending as % of GDP	2.1	5.0	4.0
E-commerce completed on a mobile device (%)	56	65	57

Future trends (2022 – 2026)

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

9.2	2022
10.8	
12.6	
14.5	
16.6	



E-commerce spending per capita (\$US)

277	2022
323	
372	
424	
480	



E-commerce spending as % of GDP

2.4	2022
2.6	
2.8	
3.0	
3.2	



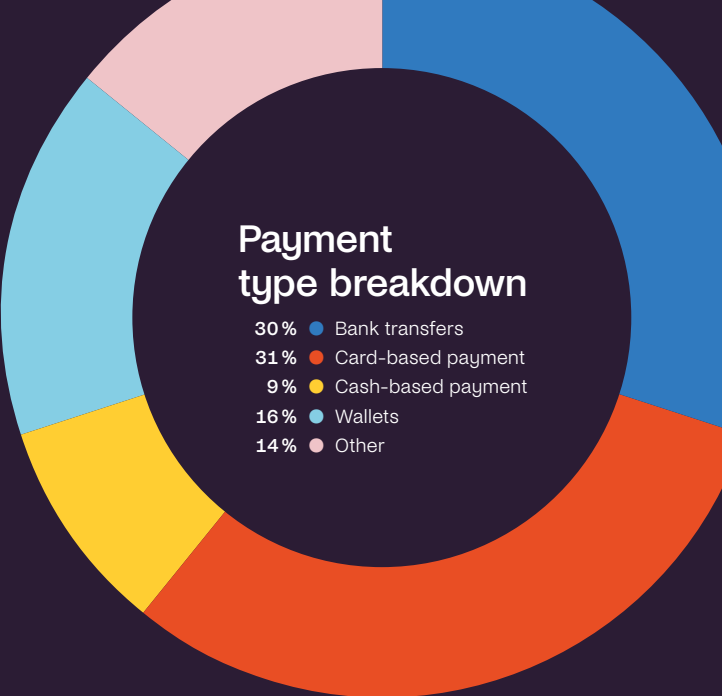
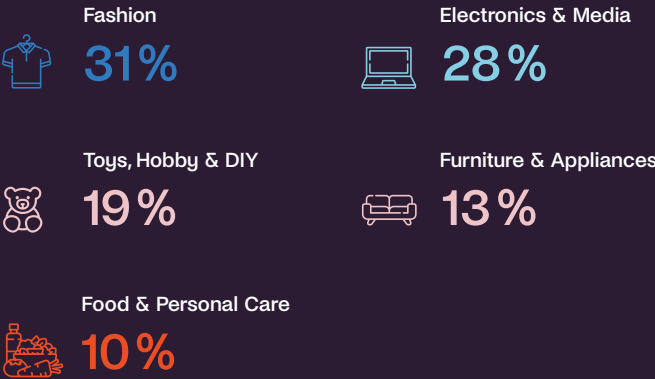
23.8 % e-commerce growth (YOY)

- Not only are more Malaysians online now – 29.55 m at the beginning of 2022 – but the percentage shopping online has gone up to 81% - the third highest in Southeast Asia - and the connection speed has also increased by 44%.
- The Malaysian m-commerce sector is similarly taking off, rising from 4.5 bn \$US in 2019 to a projected 8.9 bn \$US in 2023. Unsurprising, as smartphones are used by 89% of the population.
- 96% of Malaysians have adopted digital payments according to the Visa 2022 Consumer Payment Attitudes report.

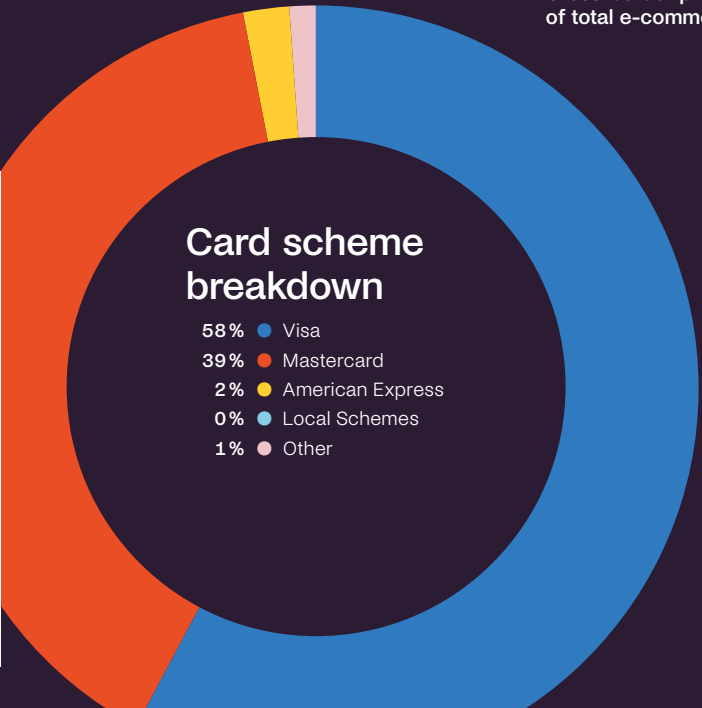
Popular LPMs



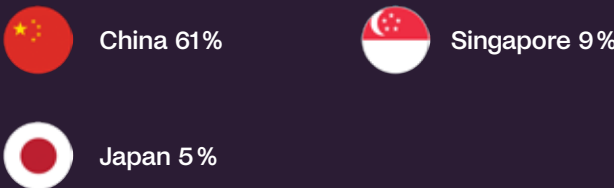
Top e-commerce segments



Cross-border e-commerce



Top cross-border shopping origin markets



New Zealand

	New Zealand	Asia Pacific	World
Population	4.9 m	4,385.7 m	7,974.9 m
Population 15+	4.0 m	3,383.5 m	5,967.9 m
GDP (\$US bn)	371.1	33,909	94,045
GDP per capita (\$US)	75,738	7,960	12,804
Banked population (%)	99	76	71
Credit card penetration (%)	62	29	27
Internet penetration (%)	91	61	84
Smartphone penetration (%)	90	62	80
Online population	4.5 m	2,601.9 m	6,551.1 m

B2C e-commerce market size (\$US bn)	6.5	2,664.0	5,508.7
E-commerce spending per capita (\$US)	1,268	739	803
E-commerce as % of total retail	12	29	24
E-commerce spending as % of GDP	2.7	5.0	4.0
E-commerce completed on a mobile device (%)	51	65	57

Future trends (2022 – 2026)

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

7.3	2022
8.2	
9.0	
9.8	
10.6	



E-commerce spending per capita (\$US)

1,420	2022
1,564	
1,701	
1,833	
1,956	



E-commerce spending as % of GDP

2.8	2022
3.0	
3.1	
3.3	
3.4	



22.8 % e-commerce growth (YOY)

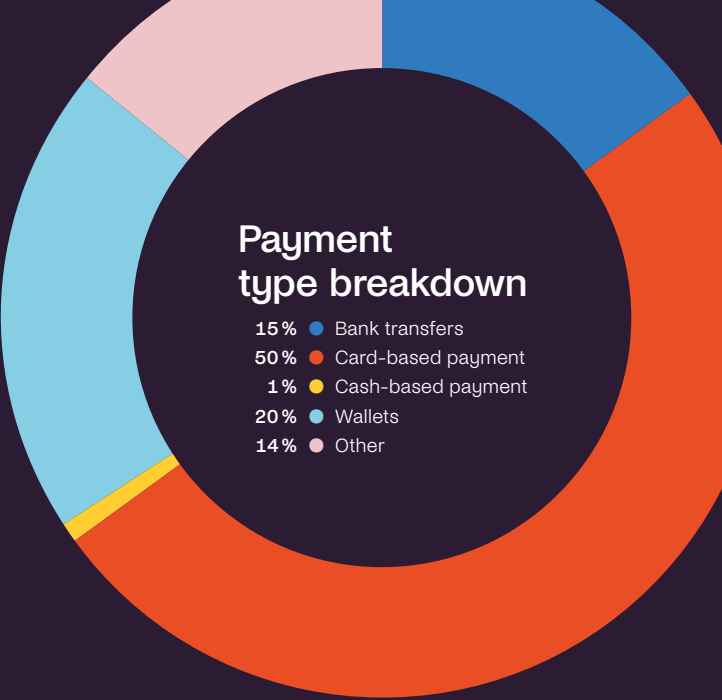
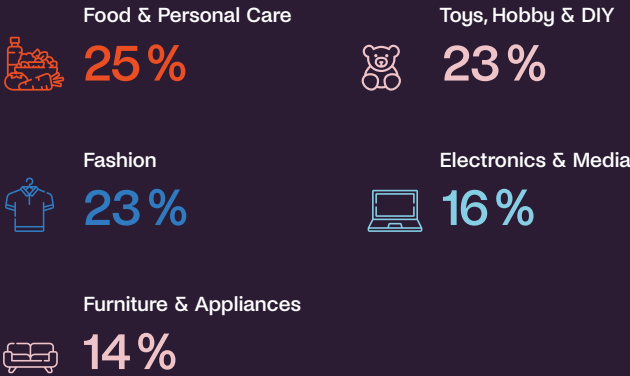
- E-commerce continues to grow in New Zealand in 2022. The first quarter results of the year show a 31% increase on 2021 with 1.4 bn \$US being spent in nearly 17 million transactions. However, although the second quarter saw a fall of 4%, they are still up on pre Pandemic figures by 52%.
- New Zealanders, at present, prefer to shop local, with 75% of shopping purchased from New Zealand e-commerce stores, up from 71% in 2022. Earlier in the year New Zealanders were doing some of their online food shopping in Australia, as even with shipping, it worked out cheaper than purchasing from a New Zealand supermarket.
- Card payments, which fell during the Pandemic, are forecast to grow by CAGR 5% between 2022 and 2026 with a worth of USD67.1bn.
- Bank of Zealand has launched its new payment service for SME with a Bank of New Zealand bank account – BNZ Pay, free until January 2024. Since 2019 the use of cash has dropped by 26% the Reserve Bank of New Zealand reports.

Popular LPMs

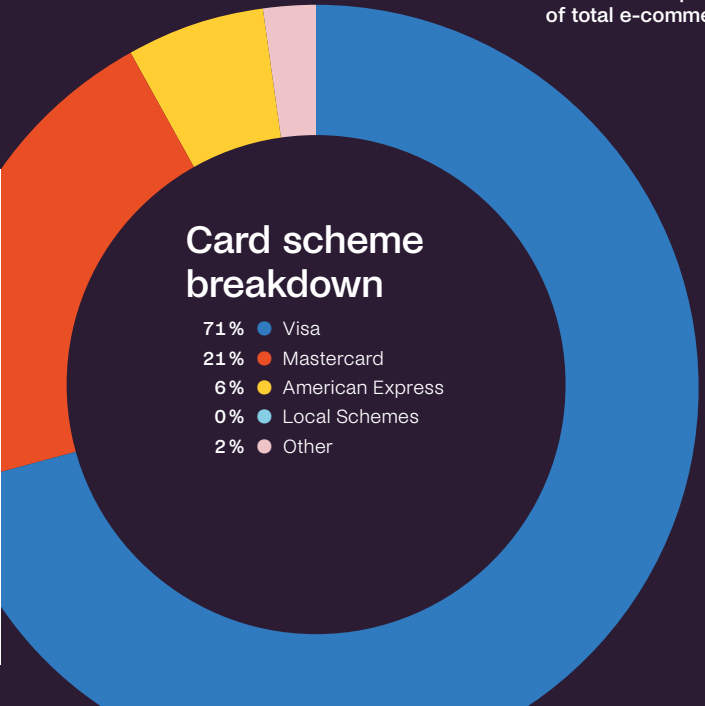
afterpay

zip

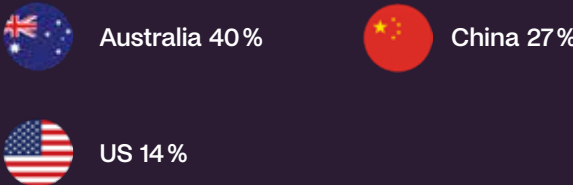
Top e-commerce segments



Cross-border e-commerce



Top cross-border shopping origin markets



Philippines

	Philippines	Asia Pacific	World
Population	111.0 m	4,385.7 m	7,974.9 m
Population 15+	78.1 m	3,383.5 m	5,967.9 m
GDP (\$US bn)	247.6	33,909	94,045
GDP per capita (\$US)	2,231	7,960	12,804
Banked population (%)	37	76	71
Credit card penetration (%)	2	29	27
Internet penetration (%)	69	61	84
Smartphone penetration (%)	71	62	80
Online population	76.0 m	2,601.9 m	6,551.1 m

B2C e-commerce market size (\$US bn)	7.5	2,664.0	5,508.7
E-commerce spending per capita (\$US)	67	739	803
E-commerce as % of total retail	5	29	24
E-commerce spending as % of GDP	2.0	5.0	4.0
E-commerce completed on a mobile device (%)	63	65	57

Future trends (2022 – 2026)

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

9.8	2022
12.0	
14.3	
16.7	
19.0	



E-commerce spending per capita (\$US)

87	2022
105	
122	
140	
157	



E-commerce spending as % of GDP

2.4	2022
2.7	
2.9	
3.1	
3.2	



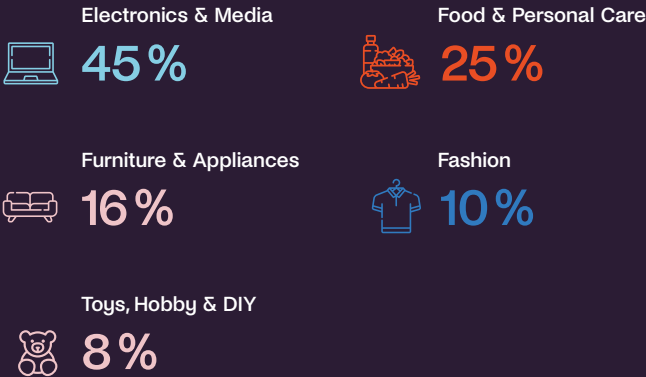
66.1% e-commerce growth (YOY)

- Internet speed has continued to improve, with the country moving up the Ookla Speedtest ranking. The Philippines ranks 46th for fixed bandwidth (up 7) and 84th for mobile (up 4).
- Social commerce in the Philippines is set to grow by 30% in 2022 to reach 682 m \$US then to increase by CAGR 27% until 2028 to reach \$US 2.7 tr.
- BNPL in the Philippines is set to grow by 109.7% in 2022 to reach 803.5 m \$US, then continue to grow by 50.9% between 2022 and 2028 to be worth 9.5 bn \$US. A number of Filipino BNPL firms have received extra funding and are expanding their area of operations.
- The top Filipino e-commerce site for July 2022 was Shopee.ph with 71.9 m visits.

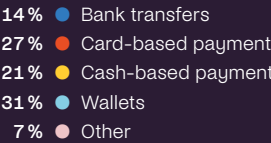
Popular LPMs



Top e-commerce segments



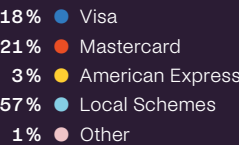
Payment type breakdown



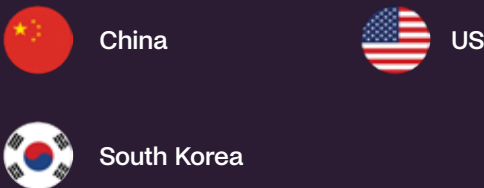
Cross-border e-commerce



Card scheme breakdown



Top cross-border shopping origin markets



Singapore

	Singapore	Asia Pacific	World
Population	5.9 m	4,385.7 m	7,974.9 m
Population 15+	5.2 m	3,383.5 m	5,967.9 m
GDP (\$US bn)	385.7	33,909	94,045
GDP per capita (\$US)	65,379	7,960	12,804
Banked population (%)	98	76	71
Credit card penetration (%)	51	29	27
Internet penetration (%)	88	61	84
Smartphone penetration (%)	90	62	80
Online population	5.2 m	2,601.9 m	6,551.1 m

B2C e-commerce market size (\$US bn)	9.4	2,664.0	5,508.7
E-commerce spending per capita (\$US)	1,725	739	803
E-commerce as % of total retail	14	29	24
E-commerce spending as % of GDP	2.5	5.0	4.0
E-commerce completed on a mobile device (%)	60	65	57

Future trends (2022 – 2026)

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

11.2	2022
13.0	
14.7	
16.4	
17.9	



E-commerce spending per capita (\$US)

2,036	2022
2,330	
2,626	
2,905	
3,152	



E-commerce spending as % of GDP

2.9	2022
3.2	
3.5	
3.8	
4.0	



23.9 % e-commerce growth (YOY)

- PayNow from Singapore and DuitNow from Malaysia have announced plans to link together which will allow customers to make fund transfers between the two countries using just a mobile number. The first stage of the link is due to begin during the fourth quarter of 2022.
- The value of payments made by card in 2022 is set to grow by 8% and should continue to grow until 2025 which it reaches a value of 96.6 bn \$US.
- Singaporean social commerce is set to grow by 77.5% in 2022 to reach a growth of 940.9 m \$US, with orders increasing by 30% and gross merchandise value by almost 25%.
- Shopee.sg was the most popular Singaporean e-commerce store in July 2022 with 12.2 m visits.

Popular LPMs

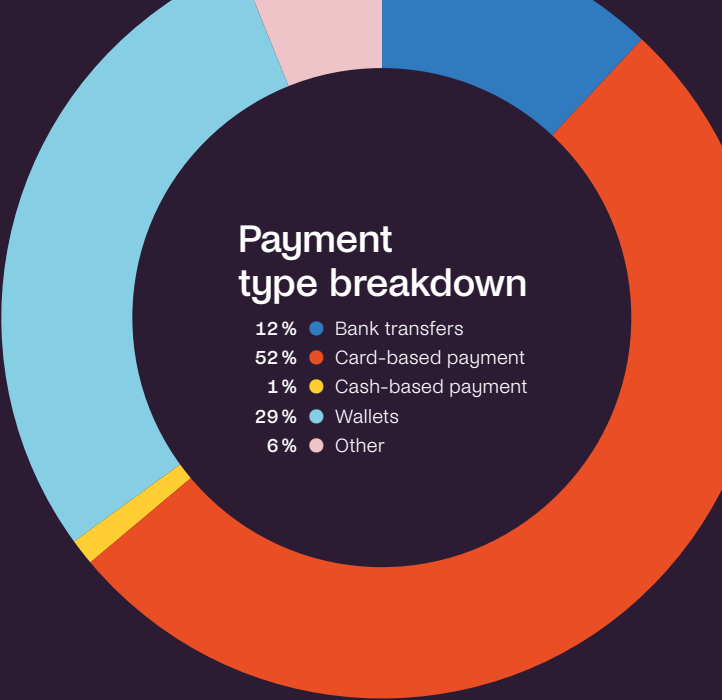
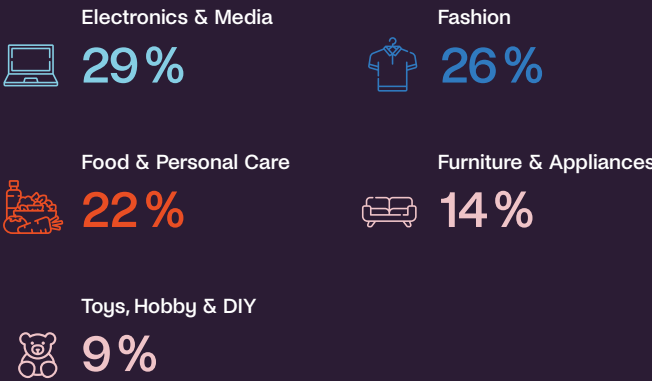


eNETS

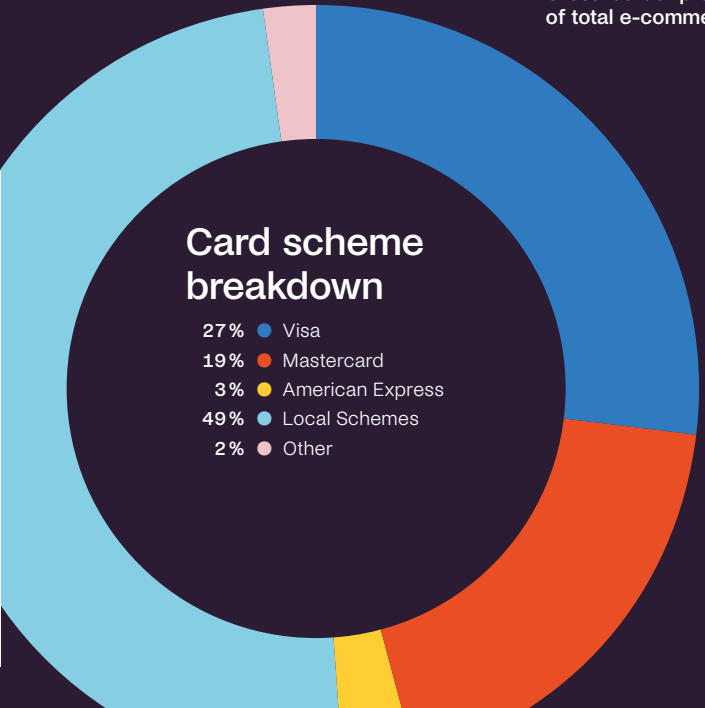
GrabPay

PAYNOW

Top e-commerce segments



Cross-border e-commerce



Top cross-border shopping origin markets



South Korea

	South Korea	Asia Pacific	World
Population	51.8 m	4,385.7 m	7,974.9 m
Population 15+	41.6 m	3,383.5 m	5,967.9 m
GDP (\$US bn)	1,631.0	33,909	94,045
GDP per capita (\$US)	34,721	7,960	12,804
Banked population (%)	95	76	71
Credit card penetration (%)	66	29	27
Internet penetration (%)	96	61	84
Smartphone penetration (%)	96	62	80
Online population	49.9 m	2,601.9 m	6,551.1 m

B2C e-commerce market size (\$US bn)	102.2	2,664.0	5,508.7
E-commerce spending per capita (\$US)	1,972	739	803
E-commerce as % of total retail	25	29	24
E-commerce spending as % of GDP	5.9	5.0	4.0
E-commerce completed on a mobile device (%)	66	65	57

Future trends (2022 – 2026)

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

115.8	2022
128.9	
141.9	
154.9	
167.6	



E-commerce spending per capita (\$US)

2,231	2022
2,481	
2,730	
2,978	
3,221	



E-commerce spending as % of GDP

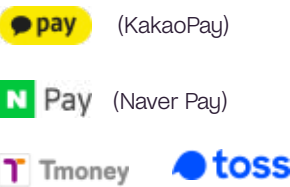
6.4	2022
6.8	
7.2	
7.5	
7.8	



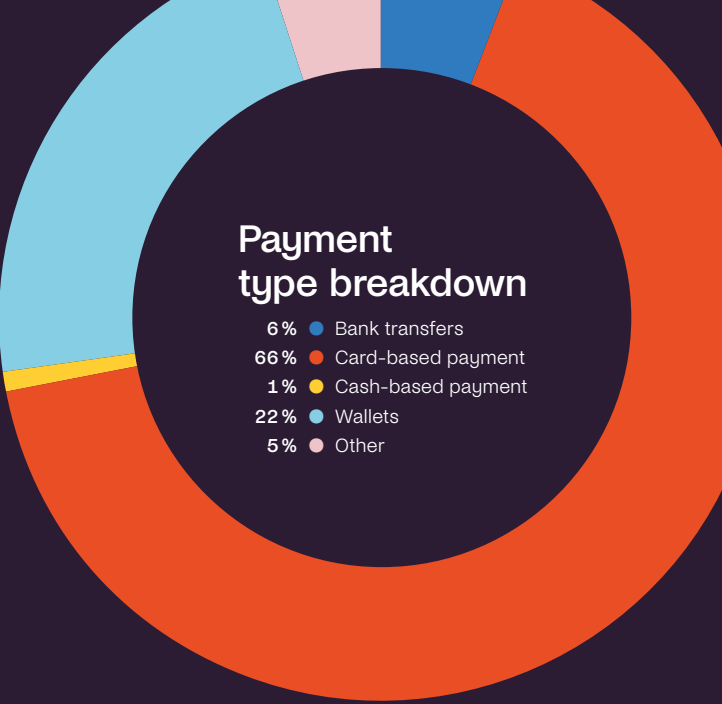
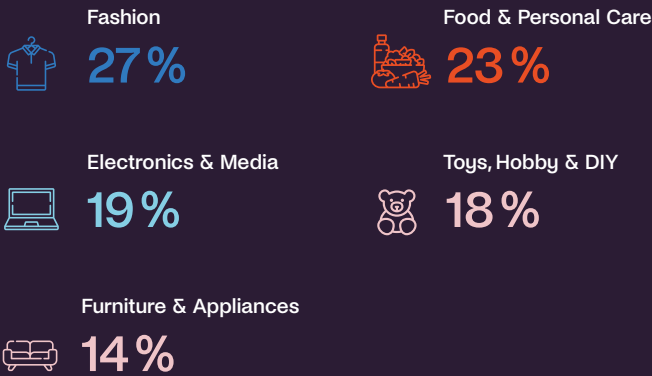
16.5 % e-commerce growth (YOY)

- South Korea has the sixth largest e-commerce market in the world, worth 102.2 bn \$US. It also has the 10th largest luxury e-commerce sector which grew to be worth 5.8 bn \$US in 2022 and is forecast to reach 7 bn \$US by 2024.
- Despite consumer fears that a recession is imminent, experts believe household spending will continue to grow by 2.8% in 2022 and 2.6% in 2023 as South Korea recovers from the Pandemic.
- Coupang, South Korea's answer to Amazon, is ten times bigger than its nearest competitor, and yet only has a 15.7% market share.
- The South Korean parliament recently passed a law to force Apple and Google to open up their app stores to payment methods other than Google Pay and Apple Pay. Apple has since done so but expects a 26% cut in return.

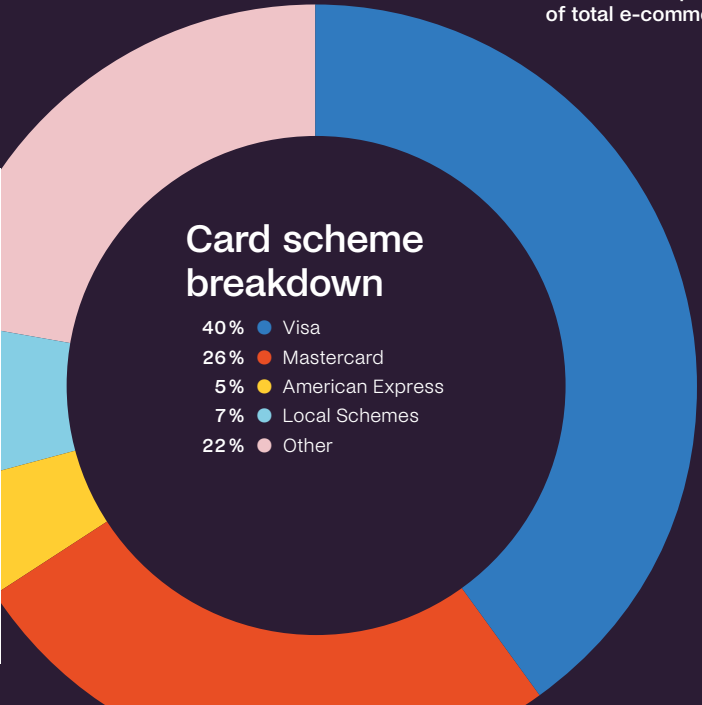
Popular LPMs



Top e-commerce segments



Cross-border e-commerce



Top cross-border shopping origin markets



Taiwan

	Taiwan	Asia Pacific	World
Population	23.9 m	4,385.7 m	7,974.9 m
Population 15+	22.0 m	3,383.5 m	5,967.9 m
GDP (\$US bn)	785.6	33,909	94,045
GDP per capita (\$US)	32,925	7,960	12,804
Banked population (%)	95	76	71
Credit card penetration (%)	56	29	27
Internet penetration (%)	92	61	84
Smartphone penetration (%)	88	62	80
Online population	22.0 m	2,601.9 m	6,551.1 m

B2C e-commerce market size (\$US bn)	41.4	2,664.0	5,508.7
E-commerce spending per capita (\$US)	1,757	739	803
E-commerce as % of total retail	9	29	24
E-commerce spending as % of GDP	5.3	5.0	4.0
E-commerce completed on a mobile device (%)	56	65	57

Future trends (2022 – 2026)

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

47.3	2022
53.0	
58.4	
63.9	
69.0	



E-commerce spending per capita (\$US)

2,010	2022
2,255	
2,490	
2,725	
2,950	



E-commerce spending as % of GDP

5.8	2022
6.3	
6.8	
7.2	
7.6	



15.4 % e-commerce growth (YOY)

- As e-commerce sales are expected to grow rapidly, the Taiwanese government have made as part of their strategy to develop their e-commerce and digital trade, to develop e-commerce shipping warehouses in partner countries. To that end, Ally Logistics Provider have invested in smart warehousing facilities in Malaysia, and is planning to invest in Thailand, Vietnam and the Philippines in the coming years.
- Social commerce in Taiwan is expected to grow by 48.1% in 2022 to reach 1.66 bn \$US, and is forecast to continue to grow until 2028 by CAGR 41.2% to be worth 12,530.4 m \$US.
- The most popular contactless payment method in Taiwan, LINE Pay was used by 9.8 million users during the first three quarters of 2021, with over 146 million transactions, in total worth 2.45 bn \$US.
- And 20% of all credit card payments were made using a mobile phone – an increase of 4.5% on the previous year.

Popular LPMs

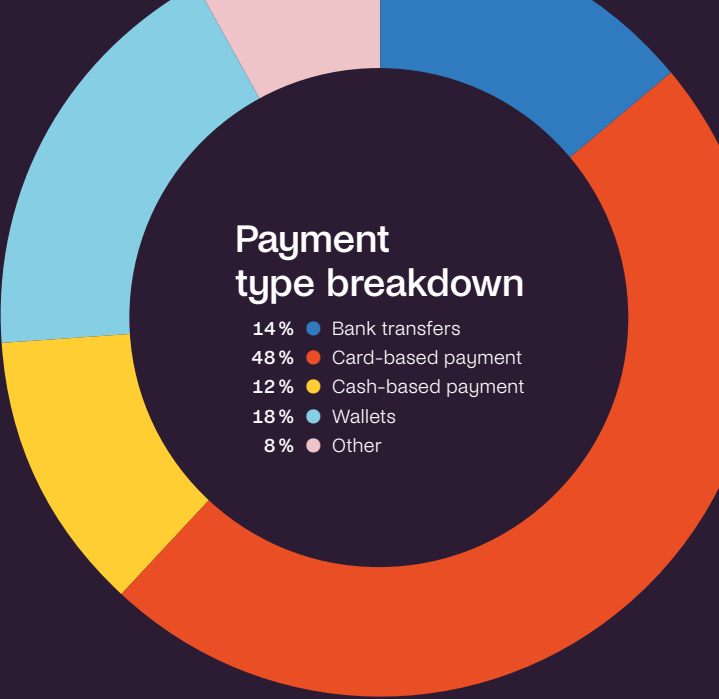
Carrier billing



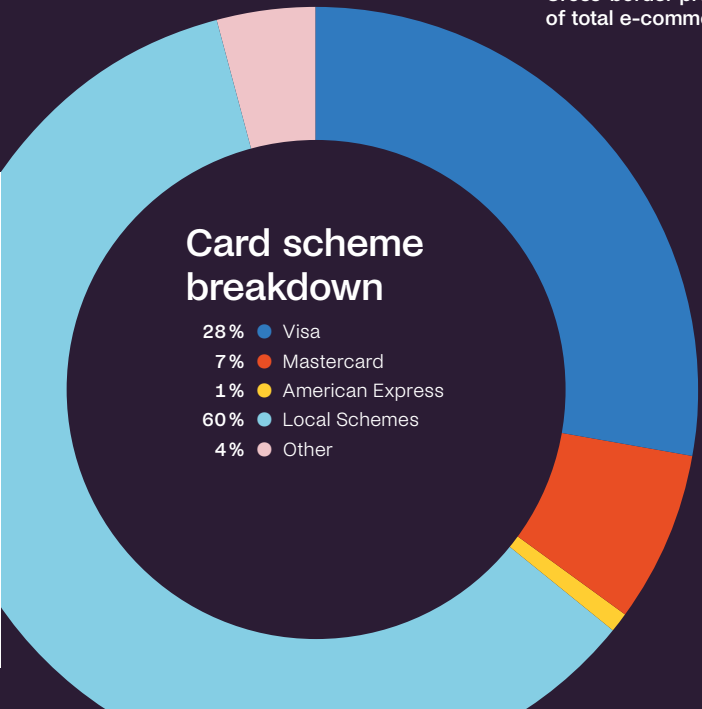
Konbini Payments



Top e-commerce segments



Cross-border e-commerce



Top cross-border shopping origin markets



Thailand

	Thailand	Asia Pacific	World
Population	70.0 m	4,385.7 m	7,974.9 m
Population 15+	58.6 m	3,383.5 m	5,967.9 m
GDP (\$US bn)	546.2	33,909	94,045
GDP per capita (\$US)	7,809	7,960	12,804
Banked population (%)	84	76	71
Credit card penetration (%)	11	29	27
Internet penetration (%)	73	61	84
Smartphone penetration (%)	59	62	80
Online population	50.7 m	2,601.9 m	6,551.1 m

B2C e-commerce market size (\$US bn)	69.5	2,664.0	5,508.7
E-commerce spending per capita (\$US)	982	739	803
E-commerce as % of total retail	11	29	24
E-commerce spending as % of GDP	14.4	5.0	4.0
E-commerce completed on a mobile device (%)	62	65	57

Future trends (2022 – 2026)

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

75.5	2022
83.3	
91.2	
99.1	
106.6	



E-commerce spending per capita (\$US)

1,064	2022
1,170	
1,278	
1,385	
1,488	



E-commerce spending as % of GDP

14.9	2022
15.9	
16.8	
17.7	
18.3	



6.3 % e-commerce growth (YOY)

- The logistics market in Thailand is looking towards expansion, with experts forecasting a rise of 18.89 bn \$US between 2022 and 2026 driven by an increase in e-commerce and cross border trade.
- Thailand's e-commerce is forecast to rise by 18% in 2022, thanks to the improvement in logistics and payment systems and an uptick in internet users. Thailand has increased its internet penetration to 73%, and the number of users is expect to carry on increasing to reach 60 m by 2026.
- By November 2022 five countries in Southeast Asia will have signed a deal to integrate their payment methods. This means that people in Thailand, Singapore, Malaysia, Indonesia and the Philippines will be able, through scanning a QR code, pay for products and services in one of the other four countries.

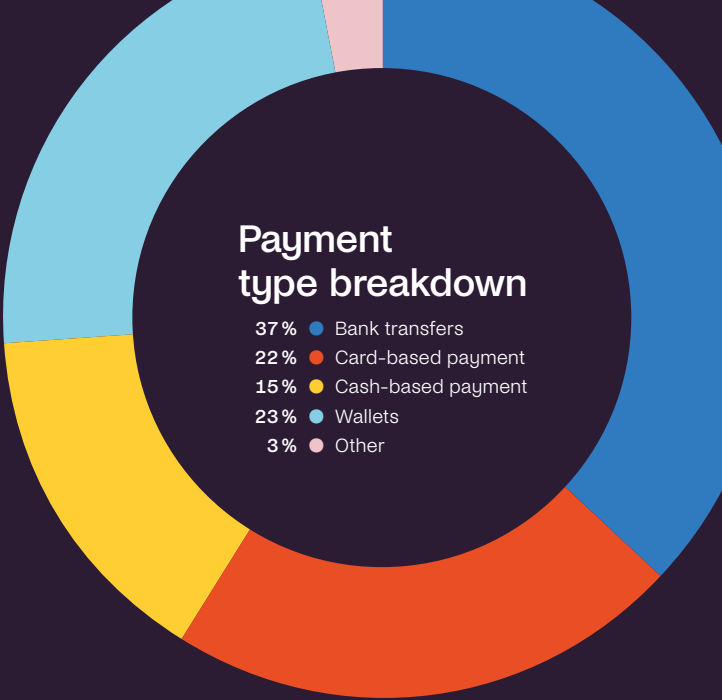
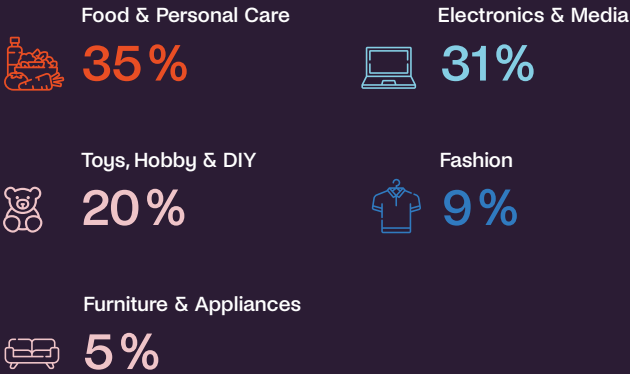
Popular LPMs

GrabPay

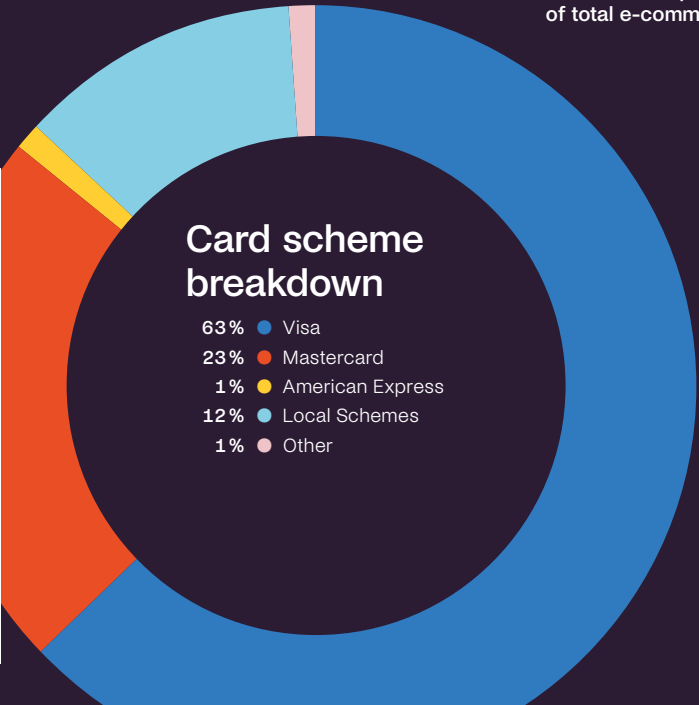
true money

rabbit LINE Pay

Top e-commerce segments



Cross-border e-commerce



Top cross-border shopping origin markets



Vietnam

	Vietnam	Asia Pacific	World
Population	98.3 m	4,385.7 m	7,974.9 m
Population 15+	75.5 m	3,383.5 m	5,967.9 m
GDP (\$US bn)	368.0	33,909	94,045
GDP per capita (\$US)	3,744	7,960	12,804
Banked population (%)	33	76	71
Credit card penetration (%)	4	29	27
Internet penetration (%)	72	61	84
Smartphone penetration (%)	74	62	80
Online population	70.9 m	2,601.9 m	6,551.1 m

B2C e-commerce market size (\$US bn)	14.8	2,664.0	5,508.7
E-commerce spending per capita (\$US)	151	739	803
E-commerce as % of total retail	8	29	24
E-commerce spending as % of GDP	5.1	5.0	4.0
E-commerce completed on a mobile device (%)	61	65	57

Future trends (2022 – 2026)

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

18.0	2022
21.5	
25.0	
28.2	
31.7	



E-commerce spending per capita (\$US)

182	2022
215	
248	
278	
310	



E-commerce spending as % of GDP

5.6	2022
6.0	
6.2	
6.2	
6.2	



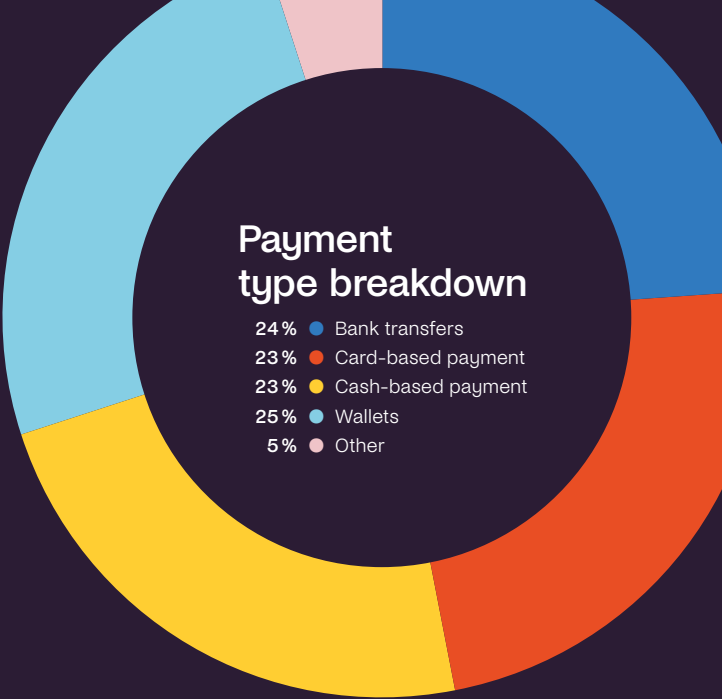
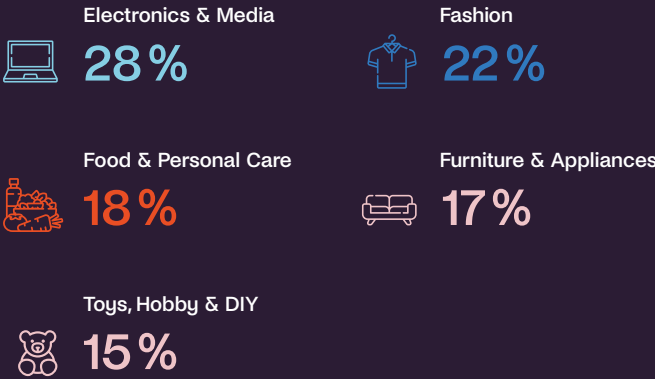
24.3 % e-commerce growth (YOY)

- The Viet Nam E-commerce and Digital Economy Agency has said that the country has the highest number of e-commerce consumers in Southeast Asia with 49.3 m people shopping online.
- 58% of Vietnamese consumers shop for their groceries online and cite convenience as their reason, and 53% state they now think of this as the normal way to do grocery shopping.
- According to AEONE supermarket in Vietnam, the number of customers using cashless payment methods has increased by 50% over the first half of the year.
- 76% of consumers currently use mobile wallets and 82% use cards as the number of people carrying less cash has increased to 65%.

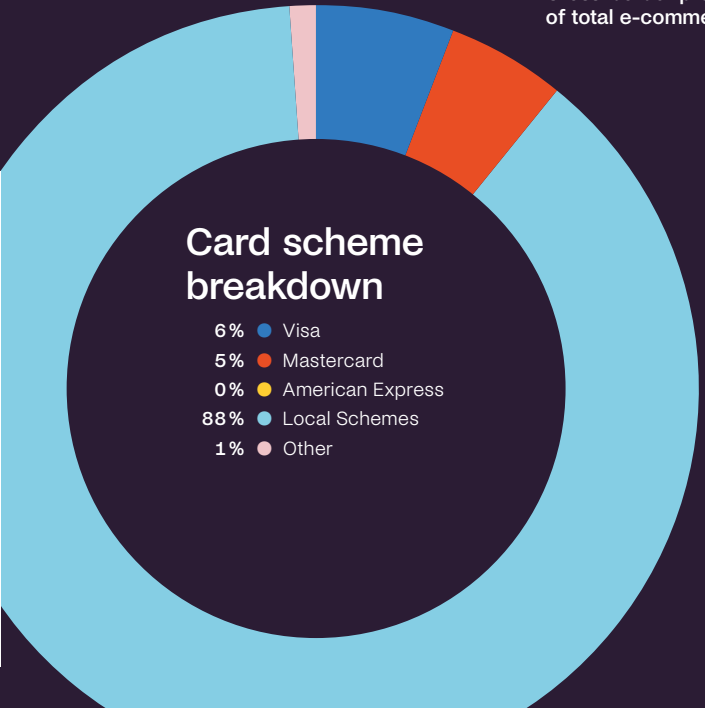
Popular LPMs



Top e-commerce segments



Cross-border e-commerce



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.

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