



R Pay
Retailers

Mexico

LATAM's Largest
Online Payments
Marketplace

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The Mexican market

Mexico, with a vibrant history, ethnic diversity, and rich natural resources, is the world's 15th largest economy. It is also among the world's most open economies. Through its Free Trade Agreements (FTA), it has access to over 50 countries. Mexican FTAs with the EU comprise 22.9% of global GDP.¹ The Pacific Alliance, of which Mexico is a key member, represents over 40% of LATAM (Latin American) and Caribbean GDP.²

The Mexican economy is expected to grow by:

3.4% in 2022

3.5% in 2023

The Mexican economy has grown 2.1% over the past decade, driven by responsible fiscal, financial, and commercial policymaking. After an economic contraction in 2020, Mexico bounced back with 4.8% growth 2021.³ The country's development strategy is based on promoting private investment in important sectors, increasing the number of trade agreements with other countries, and encouraging consumption through financial inclusion and social programs.



131 million

population⁴



29.2 Years

median age of Mexican population



Mexican peso

(MXN) – currency



72%

of population with Internet connectivity in 2020⁵



71.26%

forecasted mobile Internet penetration in Mexican population by 2026⁶



\$92.1 billion

expected total transaction volume in digital payments by 2025⁷

Mexico's gross domestic product expanded 1.6% year-on-year in Q1 of 2022.⁸ The country's retail sales grew 6.3% in February 2022, and consumer spending is expected to grow 1.9% over the year. Ecommerce is projected to account for 15% of total retail sales in Mexico by 2023.⁹

A thriving digital economy in Mexico

Mexico's information and communications technology (ICT) sector regulations are the most advanced in LATAM.¹⁰ The 2013 landmark regulatory reform created the Federal Institute of Telecommunications (IFT) and brought increased investments into the sector. The country continues to outperform Latin America and the Caribbean (LAC) in creating a digital economy and society. Mexico's increasingly online population is eager to reap the benefits of such digital transformations. Over 81% of companies in the country were investing in some form of digital transformation in 2020.¹¹

Supportive policies that help companies leverage digital technologies could drive the Mexican economy to expand to ~ \$316 billion by 2030



Mexico's growing digital economy

34%

Mexican population came online between 2010 and 2018¹²

Top 10

Mexico ranks among the top 10 countries with the fastest growth in the use of fibre optics¹³

92 million

Smartphone connections are forecasted by 2025, the 2nd highest in LATAM¹⁴

93%

Mexican SMEs know that technology can grow their business¹⁵

48%

Shoppers used an offline method to pay for purchases

Why do business in Mexico

Strong and large domestic market

The country's population of over 130 million provides a strong user base. Ecommerce has become a part of everyday life.¹⁶

86%

Mexicans increased online payments and purchases in 2021¹⁷

70%

Online shoppers in Mexico consider themselves experts in digital transactions¹⁸

80%

Mexican buyers plan to continue making online payments for various services post-pandemic¹⁹

Mexico was the highest ranked country in LATAM in the ease of doing business index in 2020

High internet connectivity

Mexico's high internet connectivity growth provides an ideal ecosystem for the growth of the ecommerce sector.



96.8 billion

Forecasted ecommerce market size by 2024²⁰



75%

Mexican households are expected to have fixed internet services by the end of 2022²¹

A manufacturing powerhouse

Over 27% of exports in Mexico comprise medium to high-technology products and components.²² This is higher than in countries like Germany and South Korea.

Access to major markets

A network of free-trade agreements guarantees accesses to major markets. This includes 61% of global GDP and 50% of global trade.²³ The country has a strategic geographical location, with competitive costs to provide services to other countries.

Mexico has 13 FTAs with 50 countries, including the strategic NAFTA (now USMCA) with the US and Canada

More benefits of doing business in Mexico

Ease of operations

Low inflation

Operational costs

Legal certainty for investors

Competitive labour costs



Mexico's economic expansion

Sectors that traditionally led the growth of the Mexican economy were:



Retail Sector



5.48%

growth forecasted between 2021 and 2026, to reach \$97.29 billion²⁴



7%

growth in online grocery shopping in 2021, with weekly visits to grocery stores declining 6%²⁵



5th

highest retail ecommerce sales growth in the world in 2021²⁶

Travel and Tourism



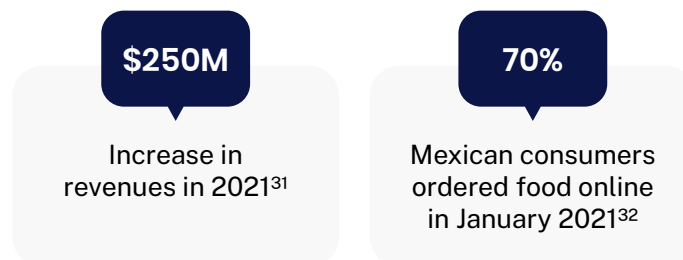
Ecommerce



largest ecommerce market in the world, with revenues of \$42billion in 2023 to approximately \$70 billion by 2027

The user penetration will have increased for the fourth consecutive year by 2027

Online Food Delivery



Sectors with the most exciting growth potential

Fintech

Online gambling

Ecommerce

Fintech

Mexico has one of the largest fintech ecosystems in LATAM. Despite economic uncertainties during the pandemic, Mexican fintech companies managed to raise \$567 million in funding in 2020, representing 20% of the entire LATAM region.³³

The fintech industry in Mexico remains ripe for disruption.

- Oligopolistic banking structure
- Skilled and young entrepreneurial community
- Low financial inclusion
- Huge VC funding from Silicon Valley

Players in the Mexican fintech sector:

- Challenger banks
- Digital payments
- Digital lending
- InvestTech
- InsureTech
- Open Banking
- Super apps



The growth in the fintech ecosystem



500+
fintech firms in Mexico³⁴



30%
increase in new account openings for digital wallets and neobanks in 2020³⁵



500+
increase in bill payments and money transfers online in 2020³⁶



4.5%
fintech mortality rate in 2020, reflecting a mature ecosystem³⁷



16%
growth in fintech companies in 2021³⁸

Reforms in the 2018 FinTech Law in May 2021 is expected to create additional frameworks for third-party providers and use of biometrics.

Fintech

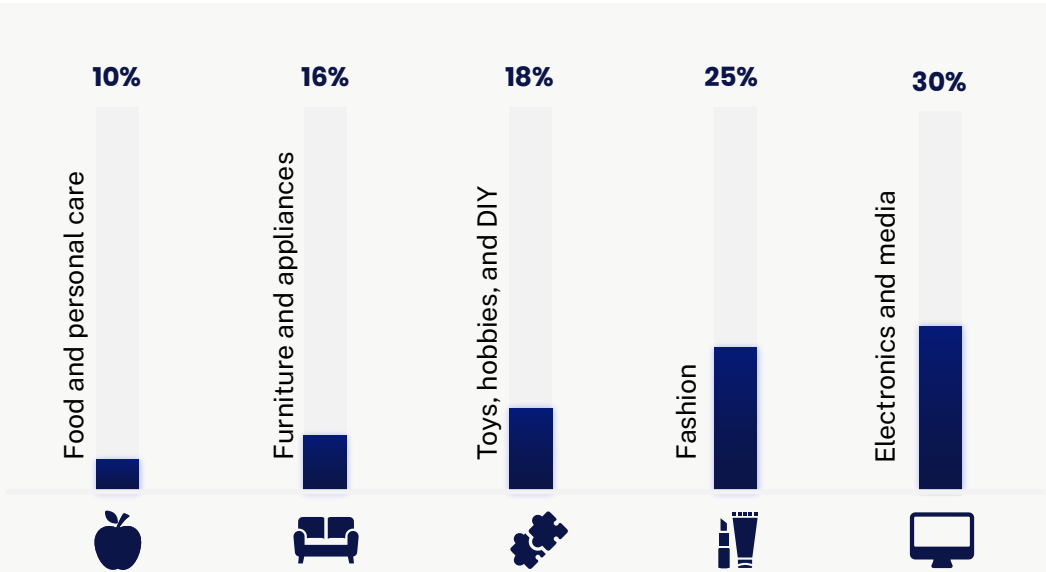
Increased smartphone penetration, changing consumer lifestyles, and developments in gambling laws are spurring the industry.

30%
Ecommerce sales through cross-border shopping



Ecommerce

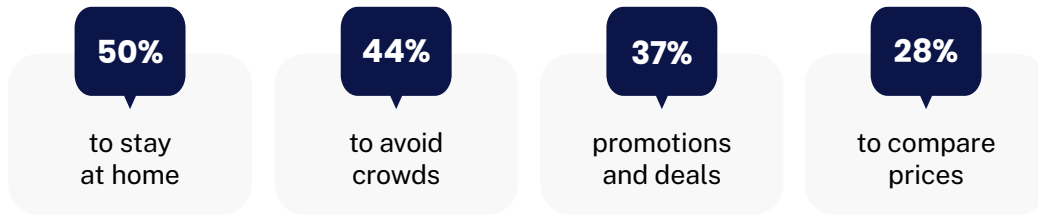
Segments that account for maximum ecommerce revenues⁴¹



Purchases in 2020 were made on: ⁴²



Why Mexicans shop online:⁴³

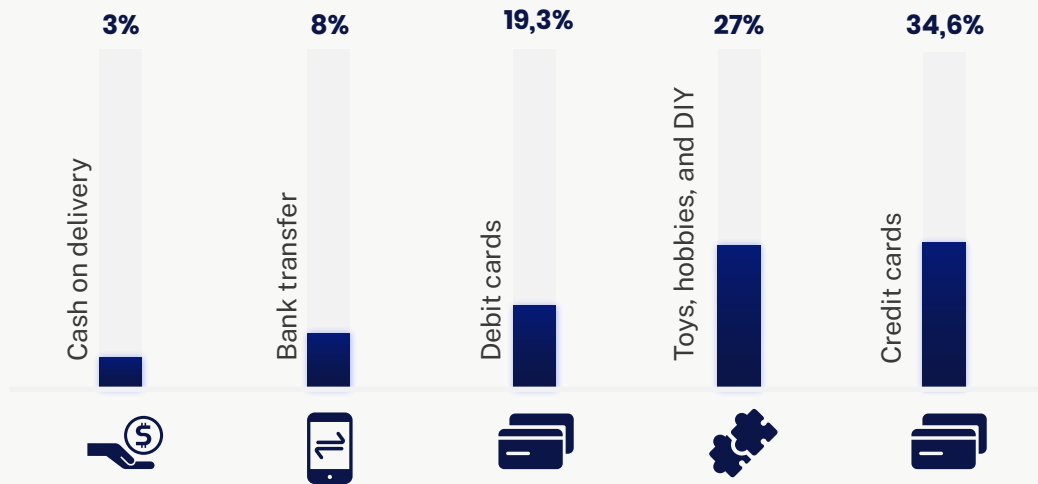


Facilitating payments in Mexico

Before March 2020, 93% of Mexicans used cash regularly. Around 86% went cashless after the covid-19 outbreak.⁴⁴

In 2022, about a third of online purchases made in Mexico were paid for with credit or charge cards

Segments that account for maximum ecommerce revenues⁴¹



Some other vital stats



4%
ecommerce transactions by 2025, projected through BNPL



41.3%
cash accounts for the largest portion of PoS payments

Local payment methods in Mexico

The digital divide is still an issue in Mexico, with 23% living in rural areas where internet speeds are low.⁴⁶ A large section of the country remains unbanked, using mostly cash.

Voucher systems allow smartphone users with internet access to shop online, bypassing banks. For online retail giants like Amazon and MercadoLibre, voucher payments like Boleto in Brazil are popular. Consumers just shop online, choose the option, and download a barcode. They proceed to present this code and pay over-the-counter at a local retail store. Such cash-based payment systems include OXXO, 7-Eleven, Walmart and Circle K.

Local debit and credit cards are the next preferred mode of payment. Mexicans who have bank accounts use them regularly. The per capita debit cards in circulation were a 0.99, indicating that the average bank customer has multiple debit cards.⁴⁷ Digital wallets are also growing in popularity.

To boost the usage of digital payments and reduce reliance on cash and unsecured options, Banco de Mexico launched its national digital payments platform CoDi. The platform leverages QR codes and near-field communication to enable consumers to pay via their smartphones. CoDi enables B2B, P2P, P2B, and B2P payments online, including recurring payments like EMIs, rent, and mortgage.

Real-time payments in Mexico were predicted to grow by 2027





Top 5 payment methods in Mexico



1. OXXO

Oxxo is a voucher payment system used by Mexicans to pay for their online purchases. Due to cultural reasons, people still prefer cash. Even those who shop online prefer to pay at their nearest Oxxo convenience stores. Merchants using Oxxo can service this substantial population. Oxxo has more than 17,000 points of sale in the country.⁴⁸



2. 7-Eleven

This popular convenience store also provides a cash-based payment system. The store offers consumer staples, prepaid phone cards, pharmaceuticals, and much more across Mexico.



3. SPEI Mexico

Bank transfers in the country are enabled through the Interbank Electronic Payment System (Sistema de Pagos Electrónicos Interbancarios, SPEI). Merchants can use this solution to offer banked customers 24/7 real-time payment services, with immediate confirmation.



4. Scotiabank

The Canadian multinational financial services company helps Mexican customers make digital payments, make transfers, and withdraw cash at more than 7,000 ATMs.



5. BBVA

The largest Mexican financial institution, BBVA, allows consumers to make online payments through cards, digital wallets, and more.

Expand your business in Mexico with PayRetailers

PayRetailers takes your business to Mexico with more payment alternatives for your customers, all in a single platform.

Being able to offer flexibility in payments can empower your business to grow. With PayRetailers, you get to achieve just that from anywhere in the world to drive business growth in Latin America. We offer a fully localised solution for payment processing in the region. With a single API integration, you gain access to over 250 local payment methods.

Our payment gateway supports multi-channel and multi-currency payments, enabling you to provide unparalleled customer check-out experiences to maximise sales. With our always-available, robust and scalable payment infrastructure, you can start processing transactions within 48 hours.

Fraud prevention & risk management

PayRetailers ensures a completely compliant solution with a focus on the highest standards of security as part of our fraud prevention solutions.

Local collection, global settlements

Make sales in Mexican pesos and receive US dollars, anywhere in the world. We offer unified settlement across all currencies through a 24-hour fixed forex rate in USD and EUR.

Turnkey merchant services

With our highly scalable cloud-based solutions, you can access data quickly and easily, at any time and from anywhere.

Localised solutions

Maximise your market reach by offering the most popular local payments methods without needing to set up a local entity.

Online Payments





Cash Payments


















+ AND MORE



Fintech associations



Our commitment to financial inclusion & financial education

We foster business growth for your company to drive innovation in financial solutions with an aim to building financial inclusion. We believe that we can further ensure inclusion by providing knowledge and skills for people to better manage their personal finances and improve their well-being. We use our collective knowledge and industry best practices to improve financial services for everyone.

Are you interested in the Mexican market?

Our team of experts can help you:

- Understand your Mexican customer and their preferences.
- Get local expertise and assistance.
- Find the reliable payment methods trusted by Mexican consumers in your industry to form a local payment strategy.

50+ leading companies trust us.
Operate via a local partner, so that there is no need to set up a local entity.

PayRetailers bridges the access gap between Latin Americans and international companies. Contact our sales expert team and discover our solutions for yourself.



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