

Mercado Libre will surpass \$20 billion in ecommerce sales in 2020

Brazil is Mercado Libre's largest ecommerce market

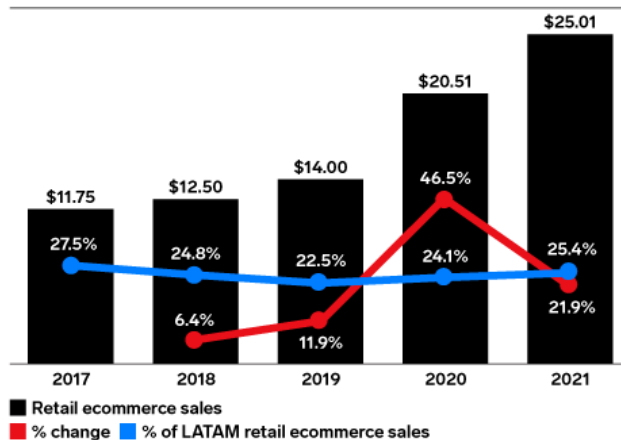
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eMarketer Editors

Latin American ecommerce giant Mercado Libre has benefitted immensely from the pandemic, as stay-at-home orders forced consumers to buy online. According to our inaugural forecast on Mercado Libre, the online marketplace's sales will surge 46.5% in Latin America by the end of 2020, to \$20.51 billion. And it still has room to grow in several key markets—even where it already dominates.

Mercado Libre Retail Ecommerce Sales in Latin America, 2017-2021

billions, % change, and % of total retail ecommerce sales



Note: includes all transactions completed through the Mercado Libre marketplace (browser or app); excludes classified items such as aircraft, motor vehicles, real estate sales, and vessels

Source: eMarketer, Dec 2, 2020

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BRAZIL

The majority of Mercado Libre's sales come from Brazil. In 2020, its ecommerce business there will grow 39.0% to reach \$10.97 billion. This is the first time the platform's sales will exceed \$10 billion in the country. As a result, Brazil will represent 53.5% of Mercado Libre's regional ecommerce business.

Mercado Libre's mcommerce sales in Brazil are expected to grow by 45.0% in 2020 and will also represent more than half (51.1%) of the company's regional mcommerce business.

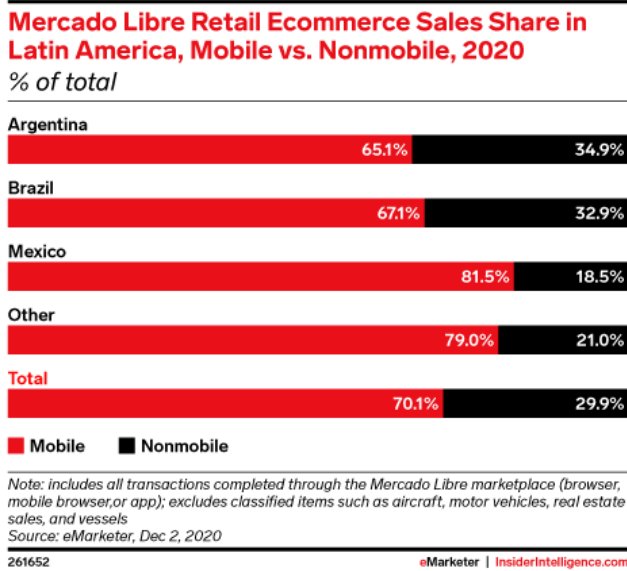
"With impressive growth ahead, Mercado Libre has fully embraced the prominent role that mobile devices play in the consumer journey," said **Matteo Ceurvels**, eMarketer research analyst at Insider Intelligence. "The company has designed and perfected an ecosystem of solutions that has allowed it to circumvent common barriers to ecommerce, making it by far the top retail ecommerce destination in Latin America."

ARGENTINA

Mercado Libre's second-largest market will be its home country of Argentina, with \$4.41 billion in online sales in 2020. That figure is

expected to climb another 20.0% in 2021 to reach \$5.29 billion.

Nearly two-thirds (65.1%) of Mercado Libre’s Argentina business will come from mobile devices. In 2020, the company’s total mcommerce sales in Argentina will grow 80.0%, to \$2.87 billion.



“Smartphones are one of the key internet access points for consumers throughout Latin America,” Ceurvets said. “This increased accessibility has also become a determining factor for mcommerce to take off within the region, making it one of the main drivers of further retail ecommerce growth in the years to come.”

MEXICO

Representing 19.8% of Mercado Libre’s regional ecommerce revenues, Mexico is the smallest market of those we break out, but it will be the fastest-growing market for the company in 2021. Ecommerce sales in the country will total \$4.06 billion in 2020, jumping 24.0% in 2021 to \$5.04 billion.

“In a country where making quick and on-time deliveries was quite complex, Amazon’s ability to improve its logistics in Mexico initially captivated consumers,” Ceurvets said. “However, Mercado Libre’s recent investment of MXN1 billion [\$51.9 million] to create its own logistics network will now allow products to reach their final

destination within 24 hours across the entire Mexican territory. By continuing to innovate and anticipate its customers' needs, Mercado Libre will undoubtedly be primed for future success.”

Again, Mexico is the smallest market for Mercado Libre in terms of total retail ecommerce sales, but it actually beats Argentina when it comes to mcommerce. In 2020, Mercado Libre’s retail mcommerce sales in Mexico will total \$3.31 billion, up 81.0% over 2019. In 2021, Mexico will once again be the fastest-growing country for Mercado Libre’s mcommerce business, increasing by 42.0%.