

Digital sales will drive growth for Mercado Libre

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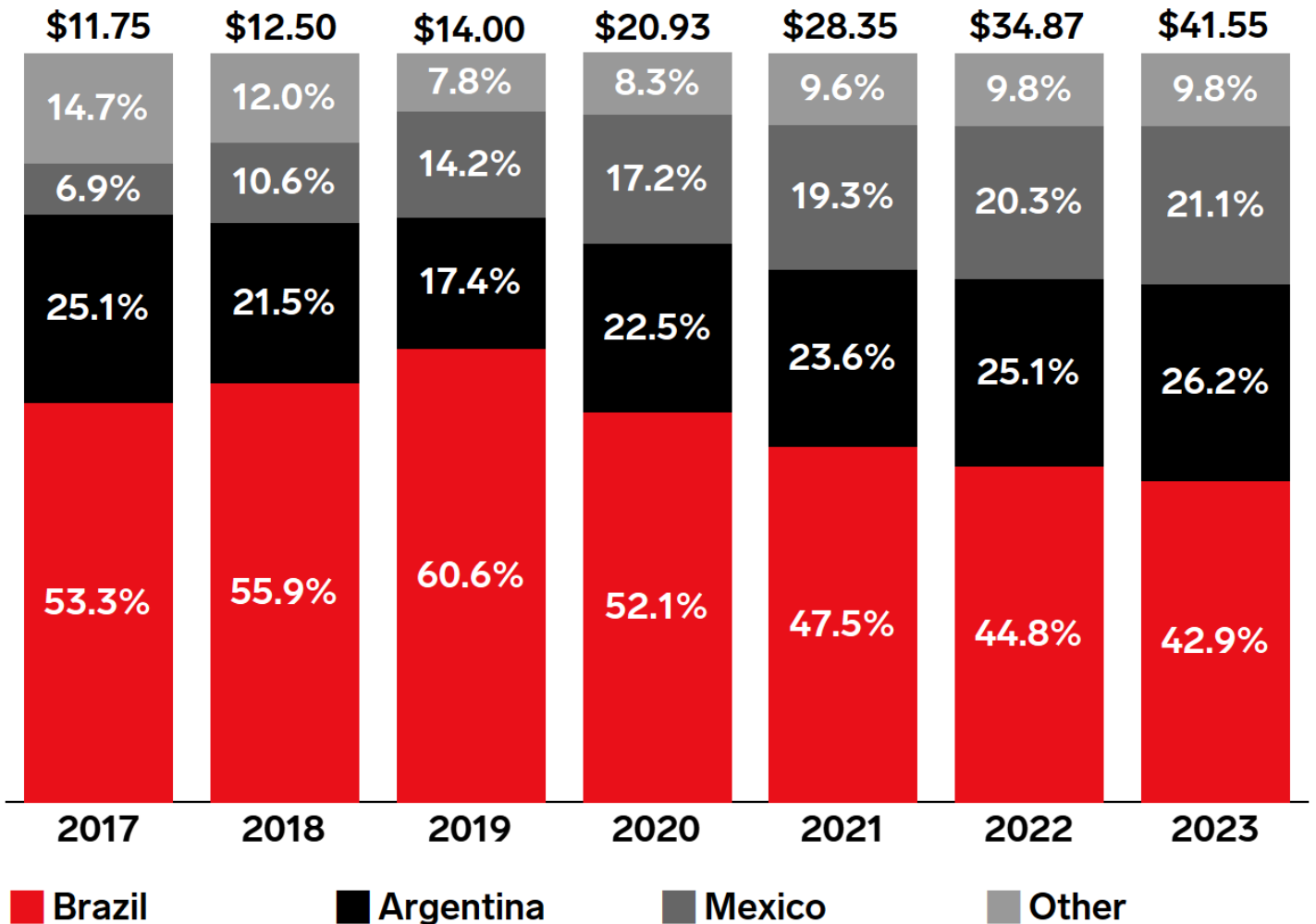
Mercado Libre is Latin America's biggest ecommerce player by far, but competition from local players is heating up. This will force the regional giant to ramp up investments to maintain—and grow—market share.

Mercado Libre continues to benefit from consumers' embrace of ecommerce in Latin America. Digital buyers are diversifying their purchases across a wider range of product categories on the platform—chiefly consumer packaged goods (CPG) and groceries, per Mercado Libre's Q1 2022 earnings call.

- **We forecast its regional ecommerce business to grow by 23.0% to just under \$35 billion in 2022.** While still healthy by all accounts—outpacing the regional average by more than 4 percentage points—it is less than half of the company’s 2020 pandemic-induced boom of 49.5%.
- **Despite a deceleration in growth, Mercado Libre is on track to surpass more than \$40 billion in 2023.** That’s nearly double the amount consumers spent with the retailer in 2020.
- **Brazil is Mercado Libre’s largest regional market, accounting for nearly half of its online business.** The country will post the slowest growth, at 16.0%, but contribute one-third of new sales. At \$15.62 billion, sales from Brazil will be nearly the same size as Argentina’s and Mexico’s combined.
- **Argentina will see the fastest growth in the company’s ecommerce sales, at 31.0% to \$8.76 billion.** While impressive, this is less than one-third of 2020's 93.6% growth and about 21 percentage points lower than the rate of inflation slated for Argentina this year, per the International Monetary Fund (IMF). This means that any meaningful gains in sales growth will be offset by fast-rising consumer prices.

Mercado Libre Retail Ecommerce Sales Share in Latin America, by Country, 2017-2023

% of total and billions



Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets; numbers may not add up to 100% due to rounding

Source: eMarketer, June 2022

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Mobile will propel future growth. Mcommerce sales will continue to eat up a larger share of Mercado Libre's total digital revenues, representing more than three-quarters (76.1%) of its

regional business for the first time this year. That's 15.2 percentage points higher than mcommerce's total share of retail ecommerce sales in Latin America.

- To put these figures into context, Mercado Libre's \$26.54 billion in mcommerce sales will represent more than a quarter of the region's total retail mcommerce market.
- This milestone is a testament to the impact of Mercado Libre's mobile-first strategy on Latin America's retail ecommerce market.

[Read the full report.](#)

Report by Matteo Ceurvels Aug 16, 2022

Spotlight: Mercado Libre Forecast 2022

