

Western Union and ecommerce giant MercadoLibre team up on multibillion-dollar US- Mexico remittance corridor

Article

The news: Western Union partnered with Argentina-based online marketplace MercadoLibre to enable digital remittances in Mexico, according to Reuters.

Recipients in Mexico can collect Western Union remittances from the US via Mercado Pago, MercadoLibre's Latin American digital payment platform.

Why it could work: Remittance inflows in Mexico grew 22.9% last year to hit \$51.42 billion, according to our forecast. This makes Mexico one of the top five recipient countries, per World Bank, and more than 95% of those remittances came from the United States.

The sizable Mexican immigrant population in the US can take advantage of Western Union's **61,000 agent locations** and a strong digital presence that comprises millions of digital wallets to send money back home. This isn't Western Union's first Mexico-based partnership, either: It teamed up with PagaPhone in May so US customers can send money to Mexico using Pagaphone's SmartPay mobile wallet.

Other US remittance providers have also dug into the region:

- **Walmart** offers money transfers to Mexico via Walmart2Walmart, which relaunched in March.
- Cryptocurrency exchange **Coinbase** has explored letting users send crypto remittances to Mexico.
- And Brazilian neobank **Nubank's** remittance feature works in more than 100 countries, including Mexico.

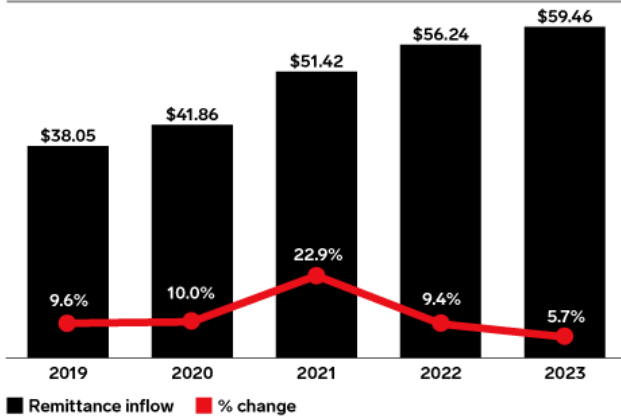
The big takeaway: Mexico's remittance inflow is **expected to grow to \$56.24 billion this year**, making up 7.3% of worldwide inflow, per Insider Intelligence forecasts. Western Union can capitalize on this growth through local partnerships with companies like MercadoLibre.

The company's tie-in with MercadoLibre is astute; it can take advantage of the ecommerce firm's vast user base of over **80 million** as it looks to expand services to other Latin American markets. This can help Western Union maintain its dominance in an increasingly competitive space that has been flooded with money transfer fintechs eager to muscle in on the market.

Keep reading: Check out what we expect for the cross-border payments market in our [Global Remittances Forecast 2022 report](#).

Remittance Inflow to Mexico, 2019-2023

billions and % change



Note: remittances are defined as the value of money sent home by citizens working abroad to their country of origin; inflow is when a citizen of Mexico is working in another country and sends money back home through a financial institution or money transfer service, such as Western Union

Source: Insider Intelligence, Dec. 2021

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